TSI HOLDINGS

FY2025 Full-Year
Financial Results Briefing

TSI HOLDINGS CO., LTD.

Stock Code: 3608 (Tokyo Stock Exchange Prime Market)

April 14, 2025

AGENDA

Note: "FY" in this material refers to the fiscal year begins on the first day of March and ends on the last day of February of the respective year.

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FY2025 Full-Year Overview

FY2025 Full-Year: Executive Summary

The structural reforms set forth in the medium-term management plan are progressing steadily.
The disposal of non-core assets led to a substantial increase in net income, resulting in a final figure in line with the revised forecast.
Operating profit was effectively in line with the original plan on an underlying basis.

(in million yen)

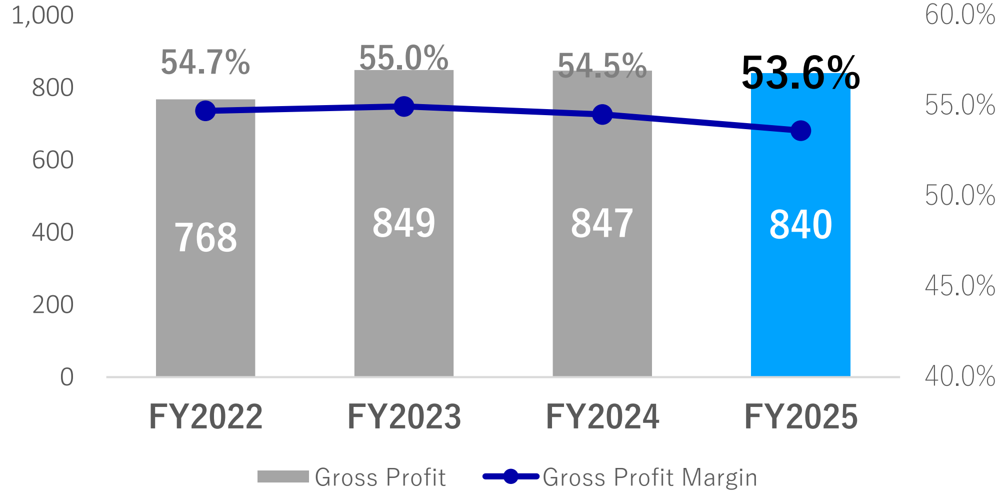
Full-Year Net Sales	Full-Year Operating Income	Full-Year Net Income
156,600	**1,630**	**15,230**
-390 / 99.7% vs Revised Plan	-360 / 81.8% vs Revised Plan	+230 / 101.5% vs Revised Plan

- Net sales were generally consistent with the revised plan, rising by 1,220 million yen year-on-year. While strategic exits from low-margin businesses in both domestic and international markets led to performance falling short of the original plan, robust results from street and casual brands made up for the underperformance of core brands.
- The gross profit margin aligned closely with the plan, considering markdowns for inventory optimization—an issue inherited from the previous year—and ongoing procurement cost increases. While the effects of structural reforms have begun to emerge in brands where initiatives were introduced early, more widespread improvements are anticipated to develop from this fiscal year.
- Although SG&A cost reductions were executed as planned, some expenses related to real estate sales were recorded under SG&A. Consequently, Operating Income fell short of the revised forecast by that amount.
- Net income aligned with the revised forecast, reflecting one-time gains from asset sales and expenses related to restructuring.

FY2025 Full-Year: Performance

(in million yen)

Gross Profit
83,990
99.1% YoY
-730 YoY



> Gross Profit

[Negative Factors]

- Increased markdowns and losses in inventory valuation resulted from inventory optimization in ongoing businesses and accelerated clearance in discontinued businesses.
- Rising procurement costs due to currency fluctuations and other factors.

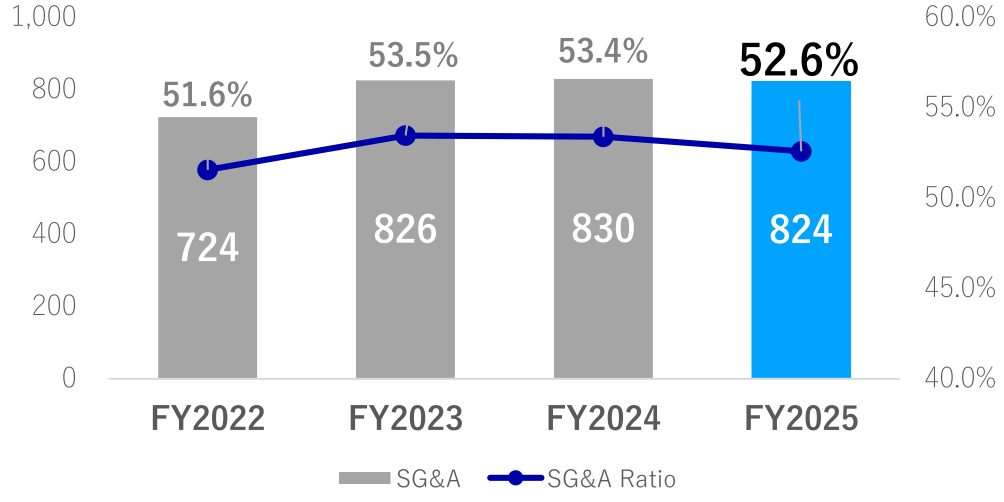
[Positive Factors]

- Supplier consolidation and local currency settlements as part of structural reforms.
- Pricing optimization initiatives related to structural reform efforts
- Net sales increased by 1,220 million yen YoY.

→ Although structural reforms have advanced in leading brands, the gross profit margin declined compared to the previous fiscal year due to increasing procurement costs and a more aggressive inventory clearance strategy in certain brands.

(in million yen)

SG&A Expenses
82,350
99.3% YoY
-600 YoY



> SG&A Expenses

[Negative Factors]

- One-time restructing costs.
- Reclassification of expenses related to restructuring from asset disposals.

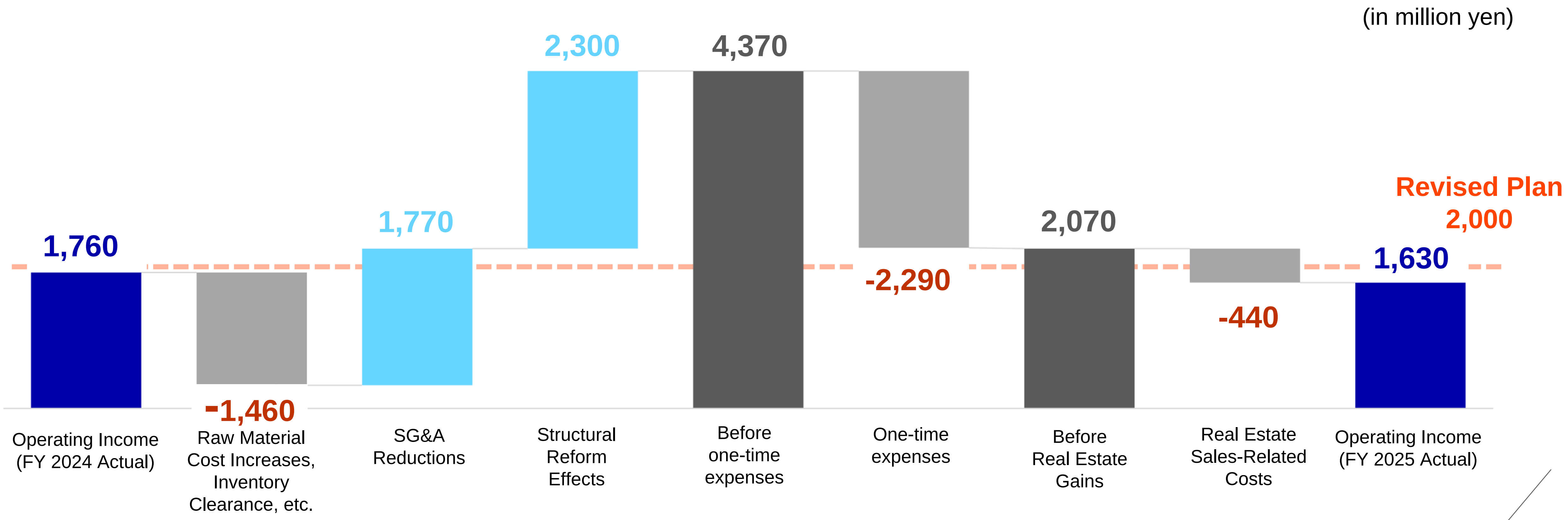
[Positive Factors]

- Enhanced efficiency in advertising, logistics, and outsourcing costs.
- Implementation of cost-saving initiatives, leading to overall expense reductions.
- Although one-time restructuring costs were recorded, the impact of cost-saving initiatives resulted in a 0.8 percentage point improvement in the SG&A ratio.

→ **However, some expenses originally intended as special losses were recorded under SG&A, partially offsetting these gains.**

FY2025 Full-Year: Operating Income

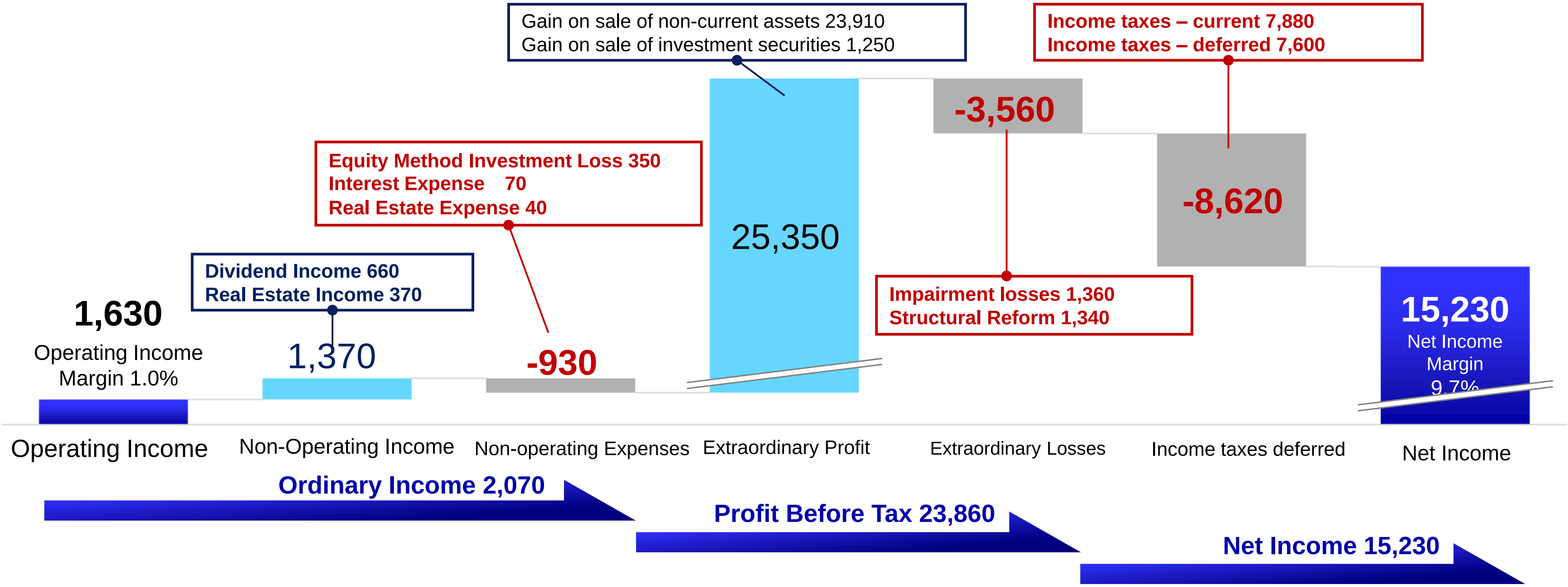
Operating income was initially projected to be 2,000 million yen but instead came in at 1,630 million yen, falling 370 million yen short of the revised plan.
The shortfall resulted from a partial reduction in the expected benefits from structural reforms and the impact of expenses related to real estate sales.



FY2025 Full-Year: Factors Affecting Net Income

Ordinary profit amounted to 2,070 million yen, including 440 million yen in non-operating items such as real estate income, dividends received, and equity-method investment losses.
Despite recording impairment losses related to the transfer of business operations and restructuring costs from headcount reductions at the head office, extraordinary income totaled ¥21,790 million, primarily due to 24,000 million yen gain on the sale of real estate.
After accounting for income taxes of 8,620 million yen, net income was 15,230 million yen, with a net profit margin of 9.7%.

(in million yen)



Balance Sheet

(in million yen)

	FY Ended Feb. 2024		Cumulative Q3RD 2025 Ended Feb.		FY Ended Feb. 2025					
	Results	Composition Rate (%)	Results	Composition Rate (%)	Results	Composition Rate (%)	Y/Y Change	Y/Y (%)	Q4/Q3 Change	Q4/Q3 (%)
Current Assets	70,877	53.1%	71,748	53.8%	86,273	61.1%	15,396	121.7%	14,525	120.2%
(of Cash and Deposits)	27,472	20.6%	22,014	16.5%	46,325	32.8%	18,853	168.6%	24,311	210.4%
(of which, Inventory)	28,052	21.0%	30,945	23.2%	25,909	18.4%	-2,143	92.4%	-5,036	83.7%
Non-current Assets	62,586	46.9%	61,624	46.2%	54,885	38.9%	-7,701	87.7%	-6,739	89.1%
(of Investment Securities)	25,137	18.8%	25,042	18.8%	23,490	16.6%	-1,647	93.4%	-1,552	93.8%
(of Investment Real estate)	4,683	3.5%	4,872	3.7%	2,248	1.6%	-2,435	48.0%	-2,624	46.1%
Total Assets	133,464	100.0%	133,373	100.0%	141,159	100.0%	7,695	105.8%	7,786	105.8%
Current Liabilities	28,388	21.3%	33,526	25.1%	26,864	19.0%	-1,524	94.6%	-6,662	80.1%
(of Short-term borrowings)	5,013	3.8%	9,583	7.2%	107	0.1%	-4,906	2.1%	-9,476	1.1%
(of Current portion of long-term borrow	3,309	2.5%	1,752	1.3%	1,140	0.8%	-2,169	34.5%	-612	65.1%
Non-current Liabilities	7,653	5.7%	6,471	4.9%	6,063	4.3%	-1,590	79.2%	-408	93.7%
(of Long-term borrowings)	1,630	1.2%	731	0.5%	407	0.3%	-1,223	25.0%	-324	55.7%
Total Liabilities	36,041	27.0%	39,998	30.0%	32,928	23.3%	-3,114	91.4%	-7,070	82.3%
Total Net Assets	97,422	73.0%	93,375	70.0%	108,230	76.7%	10,808	111.1%	14,855	115.9%
(of Treasury stock(-))	-7,605	-5.7%	-4,550	-3.4%	-6,160	-4.4%	1,445	81.0%	-1,610	135.4%
Total Liabilities and Net Assets	133,464	100.0%	133,373	100.0%	141,159	100.0%	7,695	105.8%	7,786	105.8%

> Cash and Deposits

Progress in non-core asset reduction under the medium-term plan—mainly through real estate sales—led to a significant cash increase.
Cash and deposits rose by 18,850 million yen, up 168.6% year-on-year.

> Inventories

Tight purchasing control aligned with sales progress and steady clearance of past-season items led to improvement.
Inventories decreased to 92.4% of the prior-year level, an improvement of 2,140 million yen year-on-year.

> Investment Securities

Non-core assets were reduced through the sale of investment securities, including cross-shareholdings.
Balance decreased by 1,640 million yen compared to the previous fiscal year.

> Treasury Shares

Approximately 6,000 million yen worth of treasury shares were repurchased over the past year.
Shares were acquired periodically from April 2024 and fully retired at the end of October.
A second round of repurchases, initiated in October 2024, was completed in March 2025 and is scheduled to be retired in April.
The balance decreased by 1,610 million yen compared to the previous period.

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Existing Channels Overview

FY2025 Full-Year: Existing Channels

Domestic physical store sales rose to 101.7% of the previous year, reflecting an increase of 1,520 million yen, driven by robust performance from brands that effectively capitalized on inbound tourist demand. Department store sales declined to 93.8%, indicating a net reduction of 35 stores as part of structural reforms, alongside proactive inventory clearance in golf brands, which carry a relatively high sales weight.

Other domestic businesses grew to 104.8%, increasing by 900 million yen, supported by the full-year contribution from READY TO FASHION Co., Ltd. and the ongoing expansion of S-Groove Co., Ltd.

Overseas sales finished at 98.8% of the prior year. While exchange rate fluctuations provided a boost, overall performance was affected by weak wholesale results at the U.S. subsidiary.

(in million yen)

		FY2023 Full-Year	FY2024※3 Full-Year	FY2025 Full-Year	YoY
Domestic Retail	Department Store (% of total sales)	19,550 (12.7%)	19,250 (12.4%)	18,050 (11.5%)	93.8%
Domestic Retail	Non-department Store ※1 (% of total domestic retail sales)	67,020 (43.4%)	70,390 (45.3%)	73,110 (46.7%)	103.9%
Domestic Retail	E-commerce (% of total domestic retail sales)	38,840 (31.0%)	34,710 (27.9%)	33,660 (27.0%)	97.0%
Domestic Misc. *2 (% of total sales)		16,110 (10.4%)	18,700 (12.0%)	19,600 (12.5%)	104.8%
International (% of total sales)		12,910 (8.4%)	12,310 (7.9%)	12,160 (7.8%)	98.8%

※1 Non-Department Store: Stores located in shopping centers, outlet malls, etc.
※2 Domestic Misc.: Wholesale sales, sales to the employees and other sales by TSI Group's apparel related business as well as non-apparel business
※3 Some misstatements under the new revenue standard have been corrected (Domestic EC, Domestic -Other, and International). These corrections do not affect consolidated revenue.

FY2025 Full-Year: Existing Channels (E-Commerce)

Sales on third-party e-commerce platforms, bolstered by stronger offerings of limited and collaborative items, remained strong at 101.0% of the previous year.

In contrast, sales on the Company's own e-commerce site declined to 92.2% due to reduced promotional spending after a review of cost-effectiveness and a temporary site closure during a renewal period, which also shifted inventory toward physical stores. Consequently, total domestic e-commerce sales fell to 97.0%, down 1,050 million yen year-on-year.

Overseas e-commerce sales benefitted from favorable exchange rates and showed signs of recovery, exceeding the previous year even on a local currency basis.

(in million yen)

	FY2023※2 Full-Year	FY2024※3 Full-Year	FY2025※3 Full-Year	vs FY2023	vs FY2024
Domestic In-House	**18,110**	**15,860**	**14,620**	**80.8%**	**92.2%**
(% of total EC sales)	(46.6%)	(45.7%)	(43.4%)	(-3.2pt)	(-2.3pt)
Total Domestic	**38,840**	**34,710**	**33,660**	**86.7%**	**97.0%**
(% of total domestic retail sales)※1	(31.0%)	(27.9%)	(27.0%)	(-4.0pt)	(-0.9pt)
International E-Comm	**3,970**	**3,940**	**4,100**	**103.4%**	**104.3%**
(% of total Int'l retail sales)	(30.8%)	(32.0%)	(33.8%)	(3.0pt)	(1.8pt)
Total EC Sales	**42,810**	**38,650**	**37,770**	**88.2%**	**97.7%**
(% of total retail sales)*1	(31.0%)	(28.3%)	(27.6%)	(-3.4pt)	(-0.7pt)

The integrated online store is now live.

The renewed site officially relaunched on Feb 20. Having completed its initial stabilization phase, the platform is now positioned for growth, with large-scale promotional campaigns planned to drive momentum.

※1 The e-comm sales ratio is calculated excluding other domestic sales (such as wholesale and employee sales).
※2 The exchange rate reference date has been partially adjusted. There is no impact on consolidated revenue.
※3 Some misstatements under the new revenue standard have been corrected (Domestic EC -Other, Domestic EC -Total, Domestic -Other, and Domestic & International EC -Total). These corrections do not affect consolidated revenue.

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Brands Overview

FY2025 Full-Year: Core Brands

While some brands experienced temporary revenue declines due to inventory optimization and a reevaluation of store strategies, others gained from enhanced content. These strategic initiatives have established a robust foundation for the brand’s long-term sustainability and growth.

PEARLY GATES

92.9% YoY

To optimize inventory, the brand actively held discount sales. Consequently, sales growth was somewhat limited due to the aftermath of these actions.

The Pokémon collaboration is currently well received, appealing to both existing and new customers, domestically and internationally.
New stores are scheduled to open in Shanghai and Taiwan in March, furthering the brand's global expansion. The brand will continue to enhance its international strategy, including efforts to attract inbound tourists.

NANO universe

102.2% YoY

Although traffic to the brand's e-commerce site temporarily decreased during the renewal process, overall sales remained robust. Profitability improved through adjustments in pricing strategy and enhanced procurement efficiency. Moving forward, the focus will be on expanding sales while sustaining a profit-driven structure.

MARGARET HOWELL

99.3% YoY

In pursuit of improved profitability, the brand has reduced and consolidated low-performing stores, resulting in a net decrease in the total number of stores. However, sales at existing locations have seen growth, and overall, physical stores have performed well.

On the other hand, e-commerce did not achieve the expected level of growth. Looking ahead, the brand will continue to enhance its store strategy, focusing on flagship locations and aiming to expand its fan base through lifestyle-oriented product offerings.

AVIREX®

108.8% YoY

The brand has achieved higher sales and gross profit compared to the previous year, maintaining strong performance and high profitability.

This year marks the brand's 50th anniversary, and it will continue to focus on creating additional value while building on its long history.

FY2025 Full-Year: Growing Brands

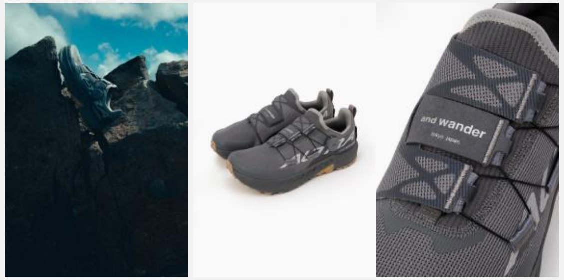
and wander

Sales have grown by 137.5% year-on-year, indicating robust growth.

Collaborations with *ALTRA* and *Gramicci* have been well received, while the first collaboration with a Spanish fashion brand has generated buzz.

The collection, infused with the brand's unique style, has captured significant attention.

Moreover, the brand's designers have been chosen for the *Hypebeast 100* for two consecutive years, and with new store openings anticipated during this time, the brand is set for continued growth.



▲ *Collaboration shoes with ALTRA*

Schott N.Y.C.

The brand has been expanding its social media presence, including launching its TikTok account in April 2024 and releasing behind-the-scenes videos on YouTube that showcase the making of collaborative products with high-profile influencers.

Additionally, the collaboration with YOUNGER SONG, which is popular among younger demographics, has garnered attention as a blend of the brand's tradition and fresh sensibilities. This has not only strengthened relationships with existing fans but has also helped build a new fanbase, contributing to a 127.6% YoY increase in sales.

▲ *Collaborative video with an influencer (Over 100K views).*

▲ *"YOUNGER SONG" collaboration, now available online after success at exclusive locations.*

wagona

A new lifestyle brand derived from "Human Woman" launched in the fall of 2024.

In October 2024 and March 2025, the brand hosted a pop-up store titled *Living as if Traveling.*

In March, the event featured not only the *wagona* collection but also showcased and sold crafted works by artists, along with an astrology-themed tea gathering to explore 2025, all in line with the brand's concept. The event was well-received. The brand's unique identity has resonated deeply, strengthening ties with core fans while steadily expanding its recognition.

▲ *Living as if Traveling #2* held at CASICA in March.

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Progress of the Medium-Term Management Plan

(Excerpt from Medium-term Management Plan dated April 12, 2024)

TIP 27: Transformation of TSI Group

Reform the Profit Structure and Invest in the Growth and Human Resources to Increase TSI's Corporate Value.

Fulfill TSI's Vision: "Creator of Fashion Entertainment"

Profit Structure Reform
Company-wide effort to improve profitability

- Purchase cost reductions
- Optimize supply & demand management
- Retail operation reforms
- EC integration & System renewal
- Improve efficiency of costs including SG&A.

Source of Investment

Growth Strategy
Accelerate growth by investing resources

- Invest in brands with potential for growth
- Improve customer touchpoints
- Venture into new market segments

Review/Reinforce Business Infrastructure

- Review and reinforce the supply chain
- Reinforce business infrastructure through the use of digital technology
- Reinforce sustainability management (Sustainability/Human Resources/Governance)

Profit Structure Reform

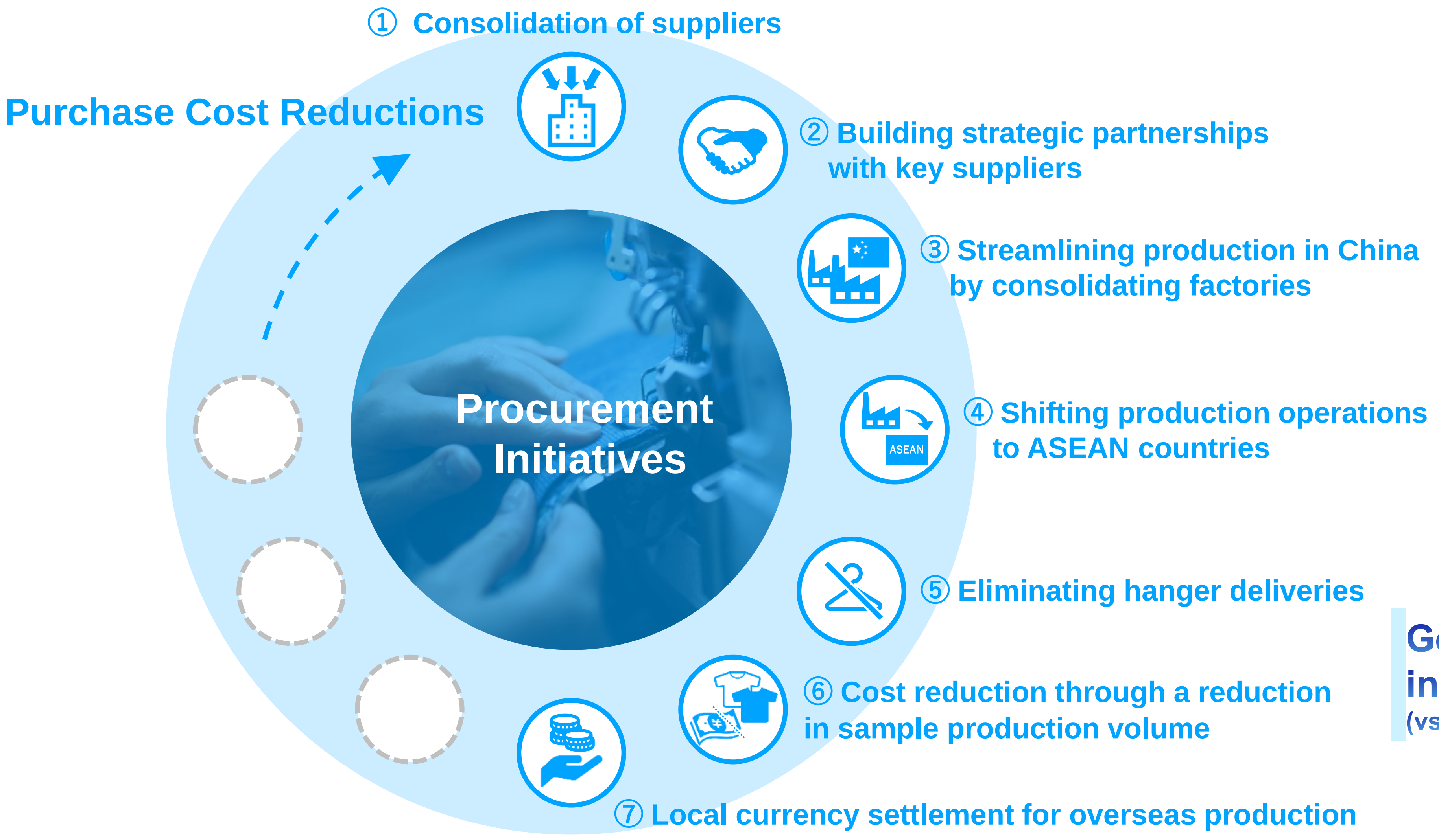
(Excerpt from *Medium-term Management Plan* dated April 12, 2024)

Purpose	Current Issues	Course of Action	Completion	Impact FYE Feb 2027 (1-year)
Purchase Cost Reductions	Decentralized procurement is causing high COGM.	**Consolidate orders/improve purchasing leverage** Cost reduction through revision of business schemes/contracts with suppliers/manufacturers	FYE Feb 2026	**Approx. 3 billion yen**
Optimized Supply & Demand Management	Stick to the traditional way of setting retail prices. Increasing loss of opportunity and volume of dead stock.	**Strategic pricing/sales promotions** Optimization of retail pricing and cost ratio. Reassess promotional/discount sale programs	FYE Feb 2027	**Approx. 2.5 billion yen**
Retail Operation Reform	Inefficiencies in assigning staff specifically for each brand/store.	**Increase efficiency/productivity of staffing** Optimal allocation of store staff across brands and by area. Consolidate underperforming stores and development of large stores.	FYE Feb 2026	**Approx. 1.5 billion yen**
EC Integration & System Renewal	Inefficiencies in system-related/operational costs due to an overabundance of independent EC sites within TSI.	**EC site integration** Improve operational efficiency by integrating EC functions/websites that exist under each brand. Streamline the backend operations	FYE Feb 2025	**Approx. 0.5 billion yen**
Improve efficiency of costs including SG&A	Insufficient cost budgeting Brands working in silos.	**Ensure ROI-driven expenditures** Review of brand positioning and cost/staffing structure based on ROI of measures	FYE Feb 2026	**Approx. 2.5 billion yen**

TOTAL: 10 billion yen

Structural Reform: Purchase Cost Reductions

The company is establishing a strategy for production and manufacturing and taking actions tailored to the business model to reduce costs.



Generate over 500 million yen in savings this fiscal year
(vs FY2024)

Structural Reform: Optimized Supply & Demand Management (Strategic Pricing)

Create a pricing approach framework and establish a process/system that allows the brand to drive analysis and pricing.

Develop a pricing framework

Conducted research and analysis from the perspectives of competitors, the company, and customers to identify pricing flexibility.

Implement pricing using the framework

Reflect the pricing flexibility identified through the framework in the prices of individual products

Results Assessment and Pricing Strategy Revaluation

Examine and confirm if the desired retail price increase and gross profit effect have been realized, and use the results to enhance the pricing strategy
for the upcoming fiscal year

Strategic pricing was implemented across a dozen brands, covering 24FW and 25SS products.

FY2025

This fiscal year, the scope will be expanded to include additional brands.

FY2026

Begin working on the optimization of prices, involving product planning.

FY2027

Generate over 500 million yen in savings this fiscal year (vs FY2024)

Structural Reform: Retail Operation Reform

Focusing on optimizing the placement of sales staff and reforming systems, with an emphasis on regional areas.

Generate over 500 million yen
in savings this fiscal year
(vs FY2024)

- **Define the ideal staffing levels**
- **Optimize staffing at individual stores**

Define the optimal staffing levels based on individual store performance, taking into account weekday/weekend fluctuations, the ratio of full-time employees, and other factors.

Introduction of
a shared sales associate system

Individual Store

Control staffing levels through recruitment to ensure each store has the right number of sales associates.

Group of stores

Introducing a shared sales associate system enables handling temporary surges in demand.

Development of new career pathways

Refine skills
as a shared sales associate
and excel across
multiple brands

Backstage expert

Customer service expert

Staff training expert

Social media expert

Structural Reform:
E-commerce Platform Integration & System Renewal

mix .tokyo

Consolidate the 11 in-house e-commerce sites and membership services into a single multi-brand online store.

- ✓ Cost reduction through site integration
- ✓ Optimize business operations and establish an efficient operational framework in conjunction with system integration to maximize operational efficiency
- ✓ Consider further IT cost reductions for additional brand integrations

Generate over 500 million yen in savings this fiscal year (vs FY2024)

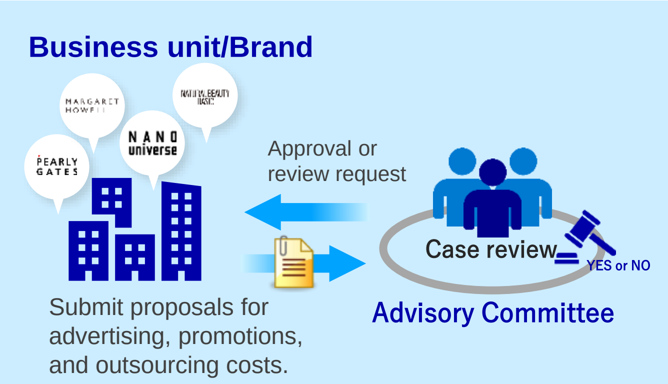
Structural Reform: SG&A Cost Efficiency

Implement cross-brand cost control to enhance cost-effectiveness./Review the entire supply chain to reduce logistics costs.

Company-wide cost control

Implement a cost control system through company-wide reviews, optimizing advertising promotions and outsourcing operations.

- ✓ Establish appropriate cost levels
- ✓ Evaluate cost-effectiveness
- ✓ Measure impact and collect data



Results

- Reduction of inefficient spending
- Establishment of an efficient cost structure
- Standardization of criteria that were inconsistent across departments
- Company-wide expansion of meaningful initiatives that were previously carried out independently by each brand

Reinvest the funds generated into key areas for further growth

Driving logistics optimization

Building on traditional logistics initiatives, further advance cross-supply chain logistics optimization in collaboration with production and sales.

Optimization of returns and inter-store transfers

- ✓ Define the minimum number of items for transfers
- ✓ Set guidelines for transfer frequency
- ✓ Limit transfer areas

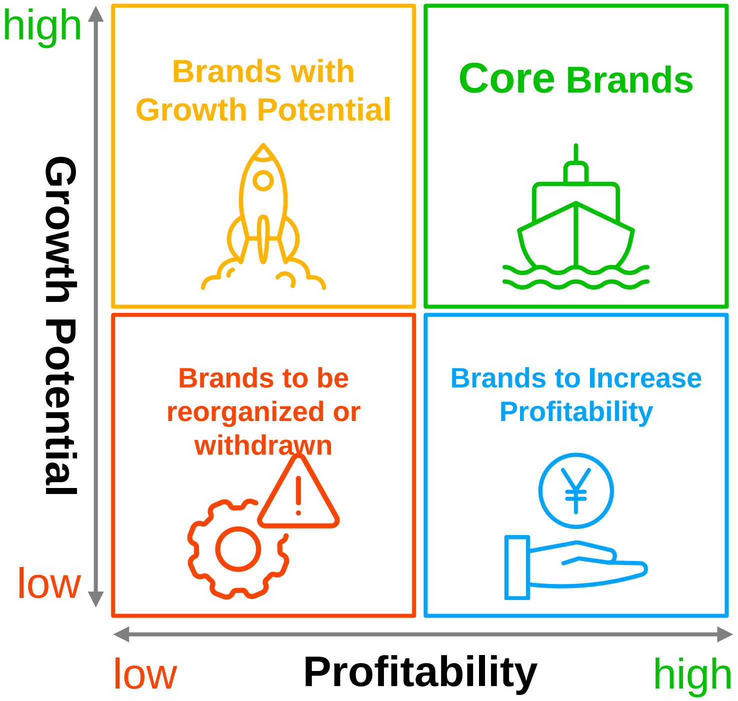
Optimizing warehouse staffing and storage costs

- ✓ Organize storage volume
- ✓ Warehouse relocation/integration, returns

Generate over 1,000 million yen in savings this fiscal year (vs FY2024)

Growth Strategy: Refining the Brand Portfolio

Reviewed the policies of each brand and decided to withdraw (discontinue/transfer) some brands.
For the brands that continue, the formulation of a mid-term business plan for all brands has clarified revenue targets and strategic direction.
Aiming for overall growth and maximization of profits, capital investment in strengthened brands will be fully accelerated starting from the fiscal year ending in February 2026.



Current Status

MARGARET HOWELL

This spring, large-scale stores covering apparel, cafes, and furniture & products, which were previously only available in Tokyo, will also open in Fukuoka and Osaka, expanding opportunities for customers to experience the brand’s world.

At the same time, we will consolidate smaller stores to enhance productivity.

NATURAL BEAUTY BASIC

Stores have been redesigned by combining standalone and multi-brand formats. The first nationwide "NATURAL BEAUTY BASIC +" store will open in April 2025.

This fall, a new line leveraging digital technology will debut, expanding our reach to a broader customer base moving forward.

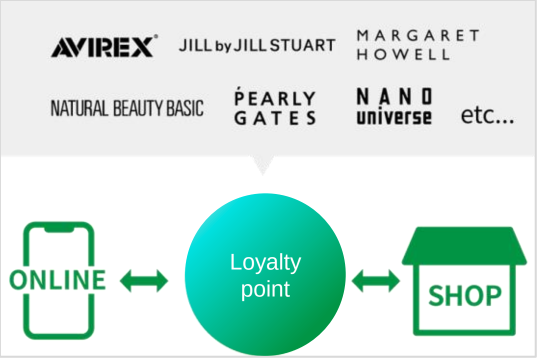
Reallocation of business resources

Of the brands earmarked for revitalization, several domestic and international brands/businesses were withdrawn and/or sold. As a result, an estimated profit contribution of approximately 500 million yen is expected for the FY2026.

Growth Strategy | Enhancing Customer Engagement (Implementing OMO Initiatives)

Building on the official multi-brand online store *mix.tokyo*, we will offer new value across brands, tailored to meet customer needs.

Unification of membership services

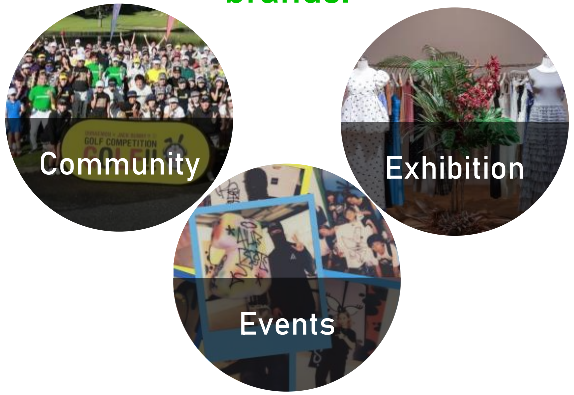


By consolidating membership services under *mix.tokyo*, convenience has been enhanced. Moving forward, the service program will be expanded to **attract new customers and engage existing members.**

Expand customer touchpoints from individual brands to the full TSI brand portfolio.

Leveraging our diverse and unique brand portfolio, we've launched a service using AI to provide outfit coordination recommendations for different occasions. The goal is to **foster multifaceted connections with customers.**

Introduce new entertainment experiences that span across brands.



Customer touchpoints will be broadened, providing experiences like **community events that strengthen brand loyalty and present new discoveries.**

Striving to enhance service levels and build a strong base of loyal members.

Reinforcing the Business Foundation: Commitment to Sustainable Management

- In climate change, the company earned a "B" score for two consecutive years.
- In water security, the company received its first-ever "B" score.

Note: The B score is the third-highest among eight levels,
indicating that the company is recognized for understanding and addressing its environmental risks and impacts.

Earth Environment
Advancing Sustainable Fashion・Plastic-free Initiatives and Reduction of Paper Consumption

Promoting the use of low-environmental-impact materials to achieve greenhouse gas reduction targets.

◀Launch of Brewed Protein™ fiber Collection from 'MARGARET HOWELL.

Introducing a charge for shopping bags to reduce plastic use and consumption.

Human Resources
Setting numerical targets and initiating concrete actions

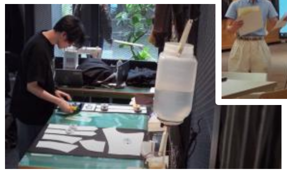
Key recent activities:

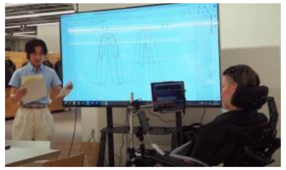
- Established KGI and KPI for human capital items identified as material issues.
- Launched mandatory company-wide training and workshops to drive sustainability.

As we continue to address deeper challenges and refine initiatives, we will maintain ongoing training and education to achieve our KPIs.

Social
Social Contribution through the MOVE WEAR Project

A team selected through an internal competition created universal design wear.





Moving forward, we will continue our support activities to bring smiles to those who are socially or physically disadvantaged, with a focus on diversity and inclusion.

Governance
Supply Chain Due Diligence

Processes and methods

Conduct documented audits using the Self-Assessment Questionnaire (SAQ) and plan to introduce on-site audits moving forward.

Visit the sustainability website for regular updates.
https://sustainability.tsi-holdings.com/

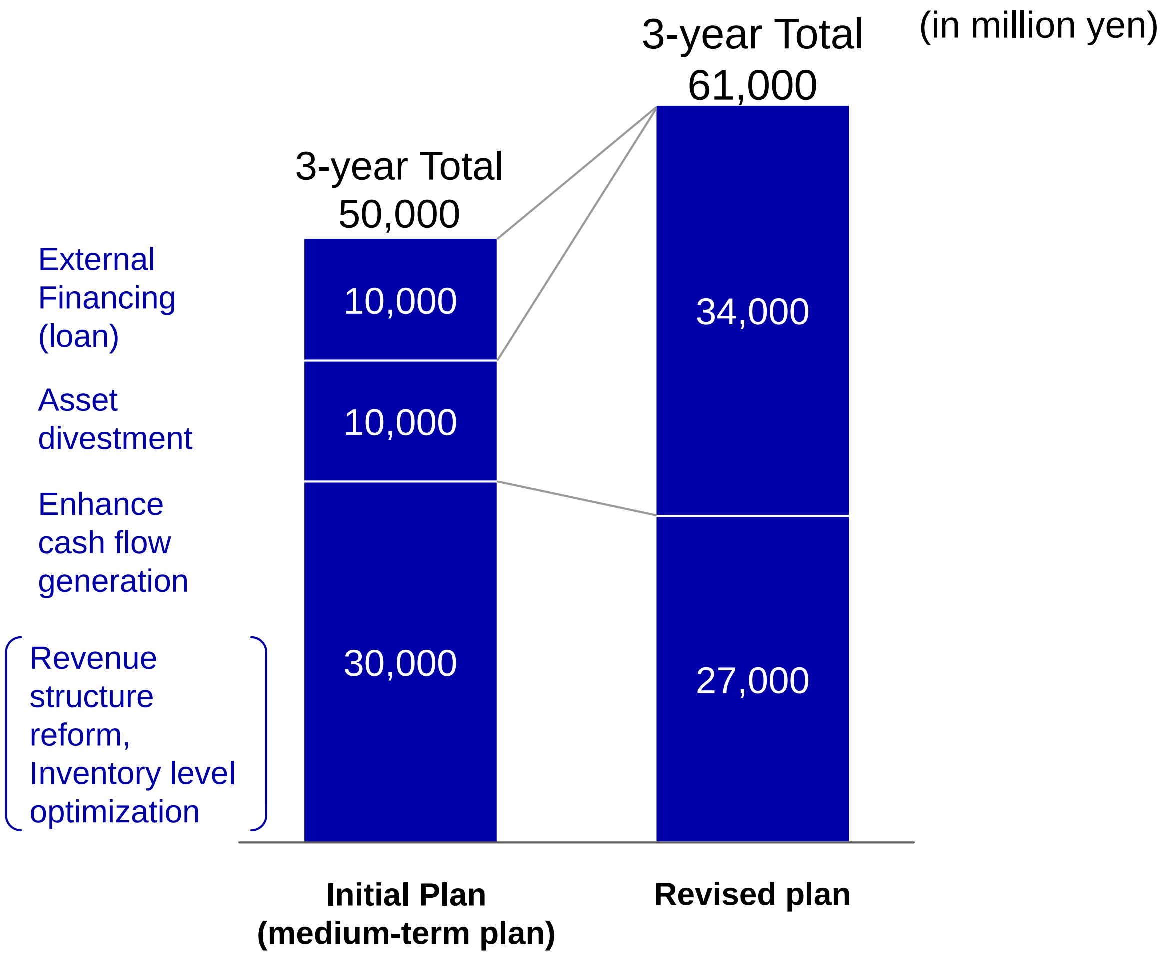
(Excerpt from *Q3 Result Briefing Material* dated January 15, 2025)

Revision of Cash Generation and Resource Allocation in the Medium-Term Plan

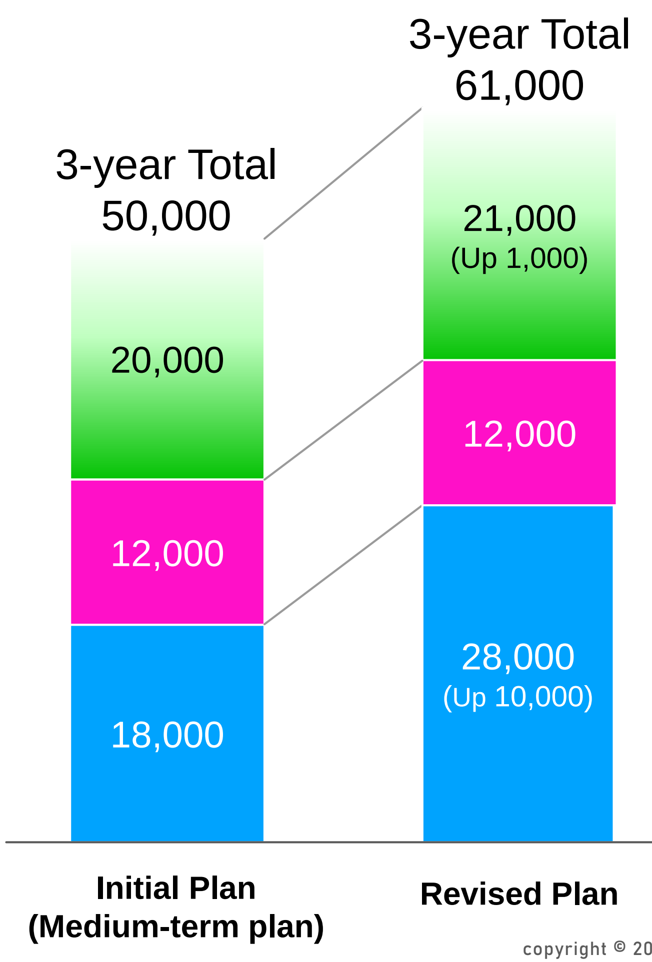
The cash generation for the three-year medium-term plan increased by 11,000 million yen from the real estate sale.

This additional cash will be allocated to growth investments and shareholder returns to further enhance our business.

Cash Generation



Cash Allocation



Growth Investments
- Investment in new business models
- Large integrated stores, Consolidation of e-commerce platforms and customer data
- Creation of new businesses and M&A

Investment in Operational Efficiency and Digital Systems
- Existing store maintenance
- Next-generation core system and software updates
- DX investment in logistics and supply chain

Shareholder Return Policy
- Dividend payout ratio: 30% or more
- Repurchase of treasury stock during the current medium-term plan
Expanding the total amount **from 10,000 million to 15,000 million yen**
- Target DOE of 4.0% in FY2027

Next Agenda

Full-Year Consolidated Financial Outlook for FY2026

Full-Year Profit Forecast for FY2026

Net sales are expected to be **153,000** million yen, reflecting a **97.7**% year-on-year change, impacted by business withdrawals. Operating income is projected at **5,700** million yen, an increase of **348.4**% year-on-year, driven by the effects of profitability restructuring.
Ordinary income is estimated at **6,000** million yen, a **288.9**% year-on-year increase, with net income expected to be 4,200 million yen.

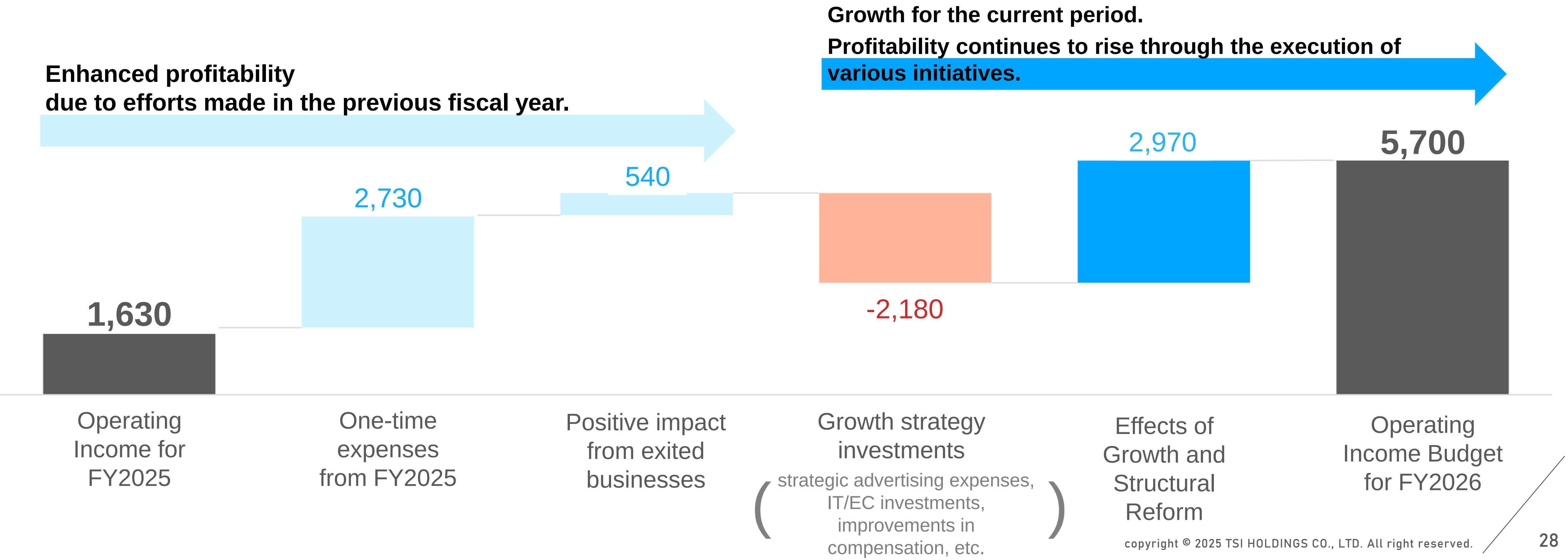
(in million yen)

	FY2024 Results	FY2025 Results	FY2026 (Plan)	Difference	Difference (%)
Net Sales	155,380 (YoY：100.6%)	156,600 (YoY ：100.8%)	**153,000** (YoY：97.7%)	**-3,600**	**-2.3%**
Operating Income	1,760 (Profit margin：1.1%)	1,630 (Profit margin：1.0%)	**5,700** (Profit margin：3.7%)	**+4,060**	**+248.4%** (Composition Rate：**+2.7pt**)
Ordinary Income	3,750 (Profit margin：2.4%)	2,070 (Profit margin：1.3%)	**6,000** (Profit margin：3.9%)	**+3,920**	**+188.9%**
Net Income	4,840 (Profit margin：3.1%)	15,230 (Profit margin：9.7%)	**4,200** (Profit margin：2.7%)	**-11,030**	**-72.4%**

FY2026 Full-Year Earnings Plan: Operating Income Variance

For the fiscal year ending in February 2025, operating income is projected to increase from 1,630 million yen in the previous year, driven by a reduction in one-time expenses, the positive impact of exited businesses, sales growth from business expansion, and additional influences from the profitability restructuring.

The target for the fiscal year ending in February 2026 is **an operating income of 5,700 million yen**.

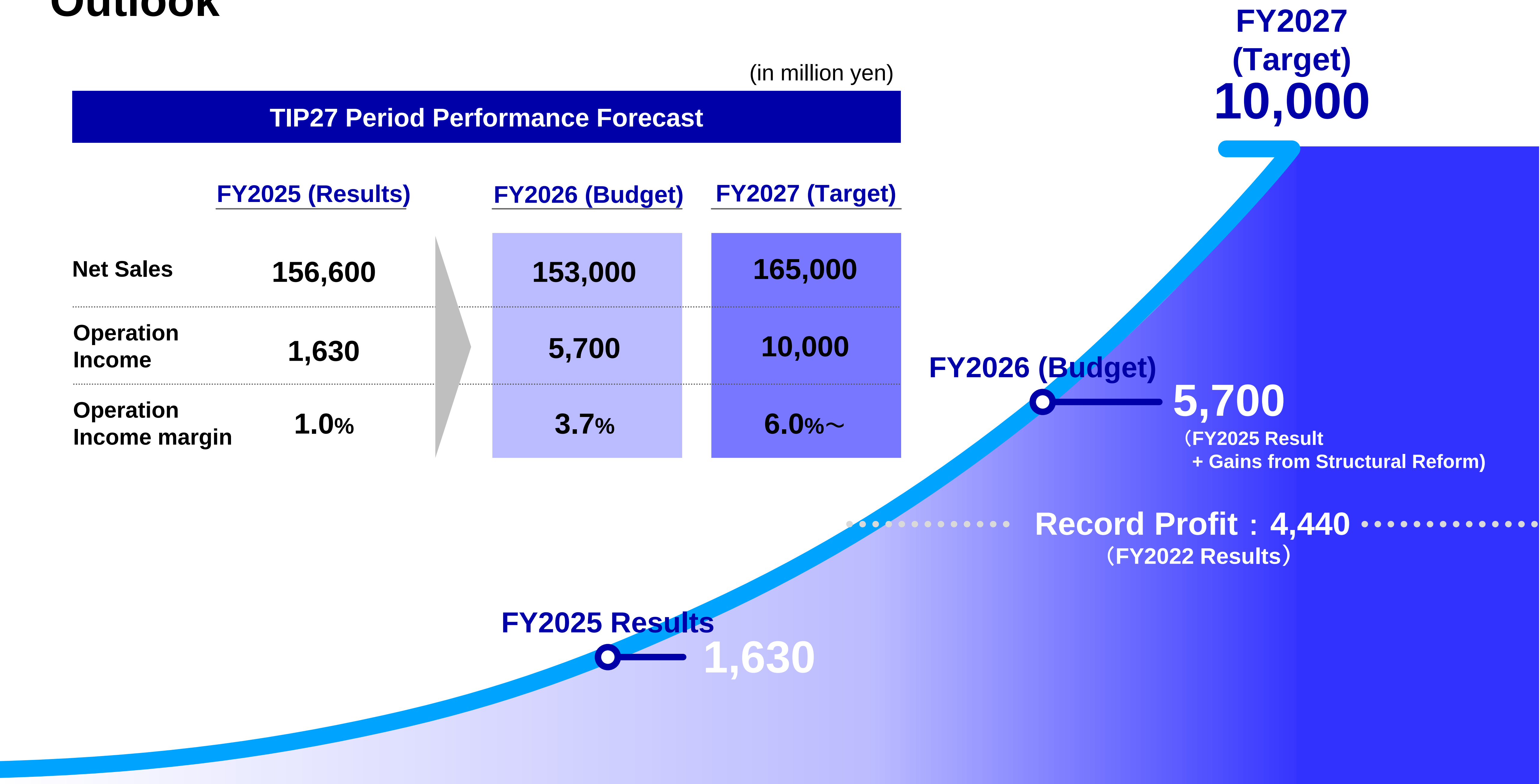


Outlook

(in million yen)

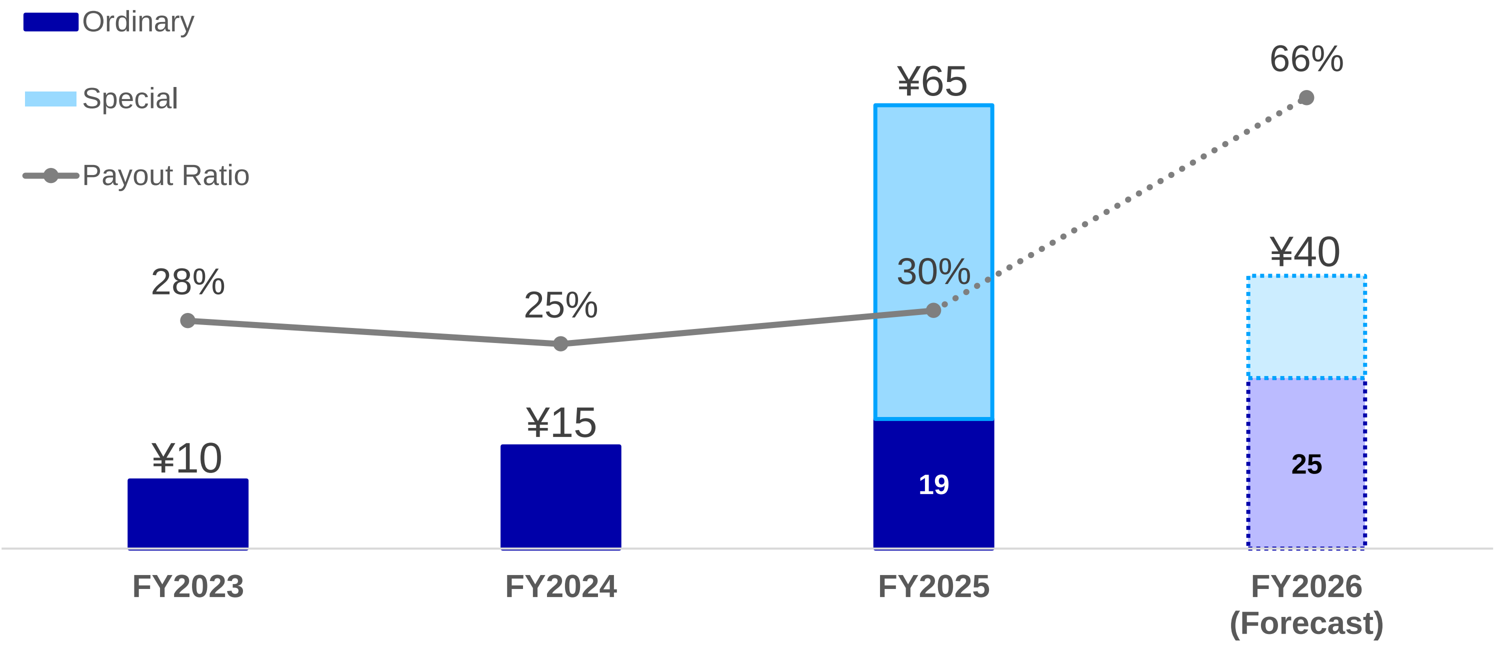
TIP27 Period Performance Forecast

	FY2025 (Results)	FY2026 (Budget)	FY2027 (Target)
Net Sales	156,600	153,000	165,000
Operation Income	1,630	5,700	10,000
Operation Income margin	1.0%	3.7%	6.0%～



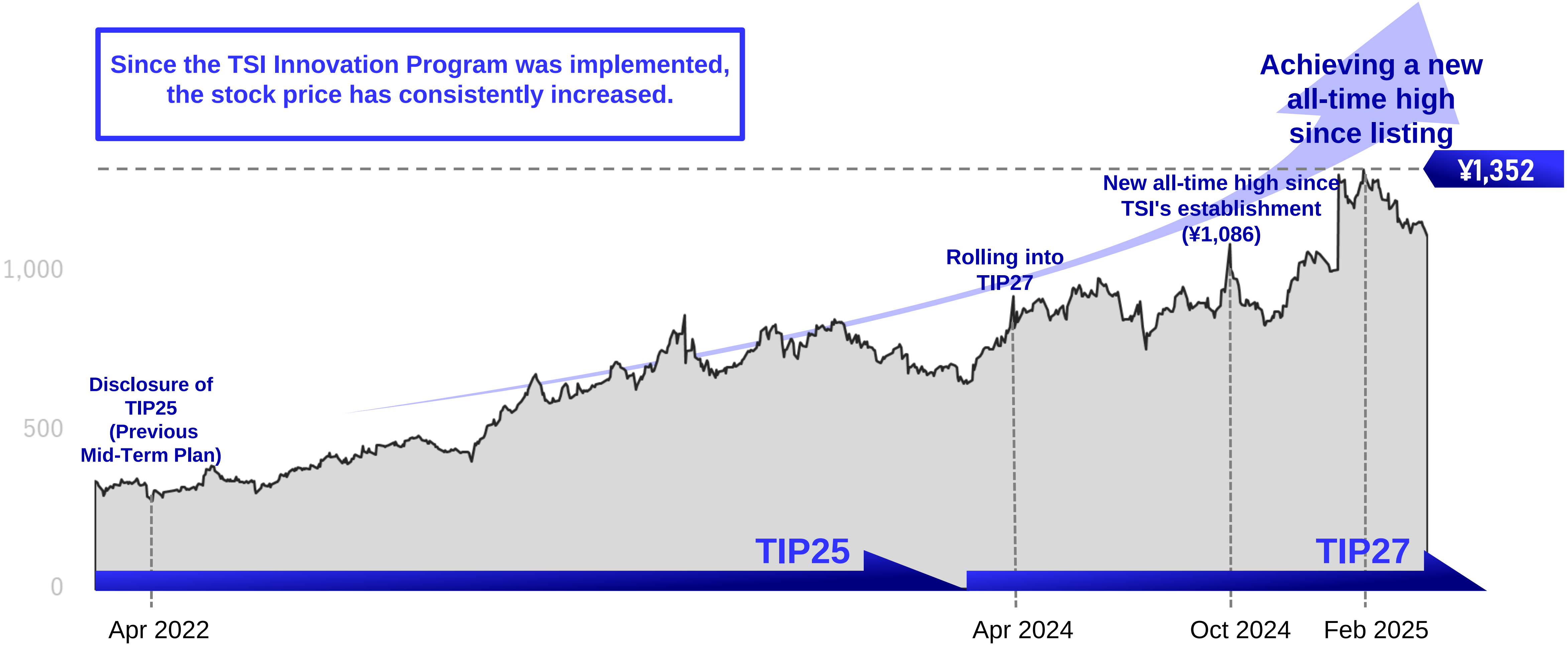
Dividend Forecast

In line with its dividend policy, the Company targets a payout ratio of 30% or higher and plans to include a special dividend until the fiscal year ending in February 2027.
For the current fiscal year, consistent with the previously disclosed policy, the basic dividend will be 25 yen (representing a payout ratio of 41.3%), with an additional special dividend of 15 yen, bringing the total to 40 yen (representing a payout ratio of 66.1%).
Additionally, the Company aims to achieve a DOE of 4% or more by FY2027.



Dividend (incl. Special Dividend)	¥10	¥15	¥65 (¥46)	¥40 (¥15)
Payout Ratio	28%	25%	30%	66%

Recent stock price trends



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Creator of Fashion Entertainment

TSI HOLDINGS GROUP

Next Agenda

Appendix

Financial Highlights for FY2025

(in million yen)

Q4 Overview

	Q4 2024 Ended Feb.		Q4 2025 Ended Feb.			
	Results	Composition Rate (%)	Results	Composition Rate (%)	Y/Y Change	Y/Y (%)
Net Sales	40,526	100.0	40,555	100.0	28	100.1
Gross Profit	20,527	50.7	20,529	50.6	2	100.0
SG&A Expenses	20,990	51.8	21,071	52.0	81	100.4
SG&A Expenses (excl. Goodwill Amortization, Depreciation and	20,135	49.7	20,035	49.4	-100	99.5
Goodwill Amortization	94	0.2	149	0.4	54	157.0
Depreciation and Amortization	759	1.9	887	2.2	127	116.8
Operating Income	-462	-1.1	-541	-1.3	-79	117.1
Ordinary Income	113	0.3	-398	-1.0	-512	-351.1
Extraordinary Income	821	2.0	24,366	60.1	23,544	2964.7
Extraordinary Loss	1,457	3.6	1,567	3.9	109	107.5
Profit Before Taxes	-522	-1.3	22,400	55.2	22,923	-4289.7
Profit Attributable to Owners of Parent	1,559	3.8	15,070	37.2	13,511	966.6
EBITDA ※	391	1.0	494	1.2	102	126.2

*EBITDA＝Operating Income ＋ Goodwill Amortization ＋ Depreciation and Amortization

Financial Highlights for FY2025

(in million yen)

Full Year Results Overview (Cumulative)

	FY Ended Feb. 2024		FY Ended Feb. 2025			
	Results	Composition Rate (%)	Results	Composition Rate (%)	Y/Y Change	Y/Y (%)
Net Sales	155,383	100.0	156,606	100.0	1,222	100.8
Gross Profit	84,729	54.5	83,995	53.6	-733	99.1
SG&A Expenses	82,968	53.4	82,359	52.6	-609	99.3
SG&A Expenses (excl. Goodwill Amortization, Depreciation and	79,371	51.1	78,726	50.3	-645	99.2
Goodwill Amortization	451	0.3	479	0.3	27	106.1
Depreciation and Amortization	3,145	2.0	3,154	2.0	8	100.3
Operating Income	1,760	1.1	1,636	1.0	-124	92.9
Ordinary Income	3,758	2.4	2,076	1.3	-1,681	55.3
Extraordinary Income	2,243	1.4	25,350	16.2	23,107	1130.0
Extraordinary Loss	1,944	1.3	3,567	2.3	1,622	183.5
Profit Before Taxes	4,057	2.6	23,860	15.2	19,802	588.0
Profit Attributable to Owners of Parent	4,849	3.1	15,230	9.7	10,380	314.0
EBITDA ※	5,357	3.4	5,269	3.4	-88	98.4

*EBITDA＝Operating Income + Goodwill Amortization + Depreciation and Amortization

Financial Highlights for FY2025

(in million yen)

Net Sales Per Channel

	FY Ended Feb. 2024		FY Ended Feb. 2025			
	Results (Million yen)	Composition Rate (%)	Results (Million yen)	Composition Rate (%)	Y/Y (%)	Composition Rate Y/Y Change(pt)
Department Stores	19,258	12.4	18,059	11.5	93.8	-0.9pt
Commercial Facilities(*1)	70,390	45.3	73,113	46.7	103.9	+1.4pt
In-house EC	15,864	10.2	14,624	9.3	92.2	-0.9pt
3rd Party	18,851	12.1	19,045	12.2	101.0	+0.0pt
EC(E-Commerce)	34,716	22.3	33,669	21.5	97.0	-0.8pt
Others(*2)	18,706	12.0	19,602	12.5	104.8	+0.5pt
Domestic	143,071	92.1	144,445	92.2	101.0	+0.2pt
EC(E-Commerce)	3,942	2.5	4,109	2.6	104.3	+0.1pt
Overseas(*3)	12,312	7.9	12,160	7.8	98.8	-0.2pt
EC(E-Commerce)	38,658	24.9	37,779	24.1	97.7	-0.8pt
TOTAL	155,383	100.0	156,606	100.0	100.8	-

*1 Fashion buildings, shopping centers, railroad station buildings, individual stores, outlet shops etc. except for department stores.

*2 Apparel businesses such as wholesale, intercompany sales and non-apparel businesses of the group companies.

*3: Corrections have been made to the misstatement of the new revenue standards (domestic e-commerce, total domestic e-commerce, domestic others, and total domestic and international ecommerce). There is no impact on consolidated sales.

Financial Highlights for FY2025

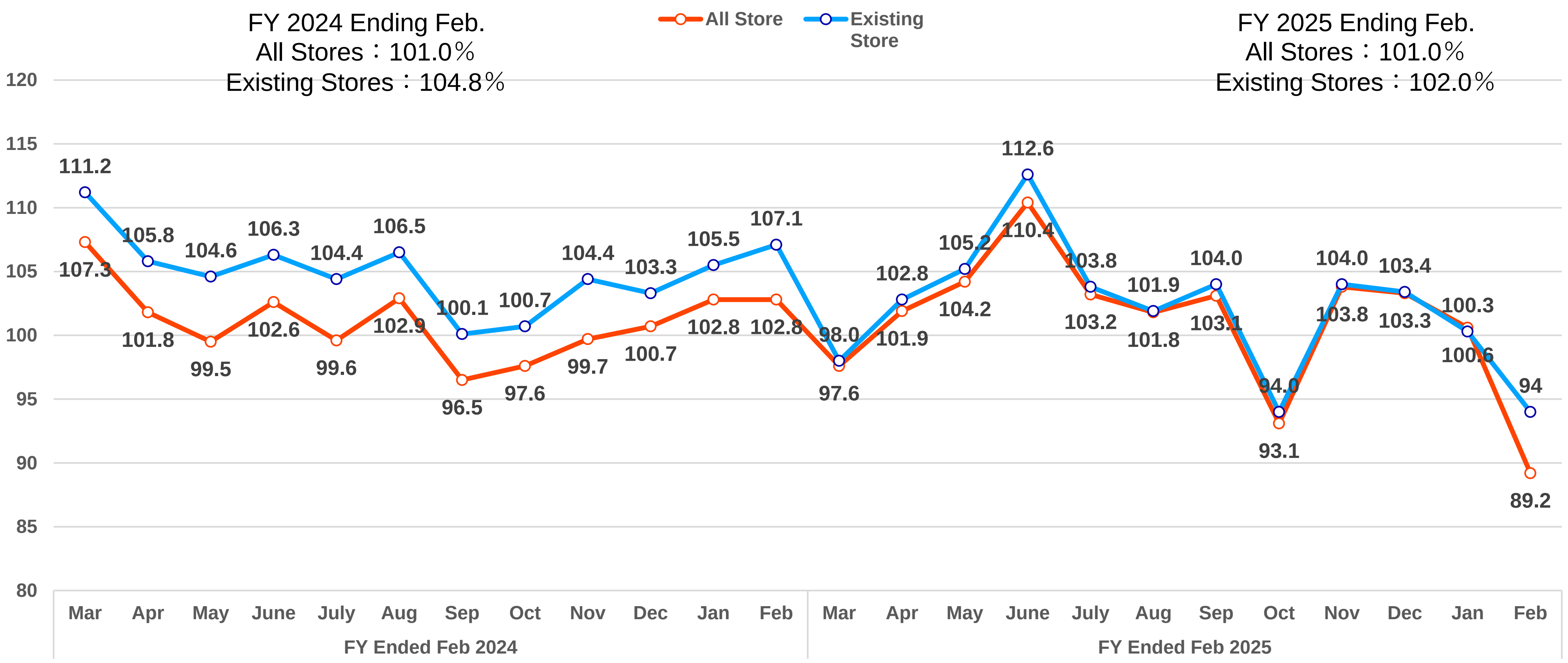
(in million yen)

Brands Overview

	FY Ended Feb. 2024			FY Ended Feb. 2025			YoY	
	Sales	Composition Rate (%)	Gross Profit Ratio (%)	Sales	Composition Rate (%)	Gross Profit Ratio (%)	Sales (%)	Gross Profit Ratio (pt)
1. PEARLY GATES	16,111	10.4	54.5	14,965	9.6	50.2	92.9	-4.3pt
2. NANO universe	14,268	9.2	50.6	14,586	9.3	54.8	102.2	+4.2pt
3. MARGARET HOWELL	14,133	9.1	62.3	14,038	9.0	63.0	99.3	+0.7pt
4. NATURAL BEAUTY BASIC	11,108	7.1	64.2	10,428	6.7	63.9	93.9	-0.2pt
5. AVIREX	8,125	5.2	57.1	8,841	5.6	57.7	108.8	+0.6pt
6. HUF	8,843	5.7	53.2	8,369	5.3	52.9	94.6	-0.3pt
7. STUSSY	5,387	3.5	62.8	6,043	3.9	53.9	112.2	-8.9pt
8. new balance golf	4,714	3.0	49.0	4,989	3.2	46.7	105.8	-2.3pt
9. human woman	4,297	2.8	64.3	4,081	2.6	62.7	95.0	-1.7pt
10. Schott	2,717	1.7	59.0	3,469	2.2	56.1	127.6	-2.9pt
TOP10	89,709	57.7	57.2	89,814	57.4	56.4	100.1	-0.8pt
Other Brands	62,070	39.9	51.8	64,397	41.1	49.6	103.7	-2.2pt
Continuing Brands	151,779	97.7	55.0	154,212	98.5	53.7	101.6	-1.4pt
Closed Brands	3,604	2.3	51.7	2,394	1.5	52.6	66.4	+0.9pt
TOTAL	155,383	100.0	55.0	156,606	100.0	53.6	100.8	-1.3pt

Financial Highlights for FY2025

Trends in Sales for Domestic Existing and All Stores



Financial Highlights for FY2025

Number of Stores

		FY Ended Feb. 2024	Store Open	Store Close	FY Ended Feb. 2025	Y/Y Change
Apparel	Domestic	731	+45	-88	688	-43
	Overseas	30	+4	-16	18	-12
	Total	761	+49	-104	706	-55
Restaurant	Domestic	6	-	-5	1	-5
Cosmetics	Domestic	31	+2	-1	32	1
Total		798	+51	-110	739	-59

This document comprises of forward-looking statements, including forecasts, outlooks, targets, and plans pertaining to the Company, its subsidiaries, and affiliates. The statements are based on the information available to the Company as of the date of this document and certain reasonable assumptions made by the Company.