

(Translation)

To Whom It May Concern

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Establishment of New Policies

TSI Holdings Co., Ltd (the “Company”) hereby announces that at its Board of Directors meeting held today, it was resolved to establish new policies on Quality, Procurement, Customer-Initiated Harassment, Anti-Corruption, Information Security, Artificial Intelligence (AI) Utilization, and Tax for the Company and its subsidiaries (the “Group”).

Details of each policy are outlined below.

I. Quality and Procurement Policies

In response to increasing societal expectations regarding product quality and safety, the Group has established a new Quality Policy to define its core approach to quality. This policy aims to support the Group’s sustainable growth and uphold its corporate social responsibility by fostering a common understanding of its quality principles.

In parallel, there has been increasing emphasis in recent years on ensuring traceability and addressing environmental and human rights considerations in product sourcing. The formulation of a Procurement Policy is now widely recognized as a requirement under international standards. As the Group continues to expand globally, the need to comply with laws and regulations in each country, as well as with internationally recognized management standards, has become increasingly critical. In light of this, the Company has determined that establishing a Procurement Policy as a common framework across the entire Group is essential.

Quality Policy

The Group is committed to delivering products and services that meet the expectations and requirements of customers and all stakeholders, based on fundamental principles of quality and safety. We strive for continuous improvement in quality.

1. Pursuit of Safety and Reliability

The Group complies with the Group’s quality assurance standards, ensures product safety, and strives to deliver goods and services that customers can use with confidence.

2. Legal Compliance

The Group adheres to the laws and regulations of all countries and regions where it operates, striving to be a trusted organization by providing safe and reliable products and services.

3. Transparency in Quality Management

The Group collaborates with suppliers at every stage, from sourcing raw materials to sales, and works to build the

value chain that respects the environment and human rights.

4. Human Resource Development

The Group improves education and training programs for all officers and staff to provide safe, high-quality products and services to customers.

5. Monitoring and Evaluating Quality

The Group sets clear quality standards and pursues continuous improvement through regular monitoring, analysis, and corrective actions.

6. Communication

The Group continuously enhances quality by incorporating customer feedback to introduce new value and execute improvements. It also focuses on effective communication to ensure the accurate delivery of product and brand information.

7. Addressing Risks and Opportunities

The Group identifies and assesses risks related to quality and growth opportunities, using these insights to drive continuous improvement in quality.

8. Enhancing Crisis Management

The Group will respond promptly in the event of a serious quality issue that affects product safety, following its recall procedures, and will implement measures to prevent recurrence.

9. Continuous Improvement

The Group fosters quality enhancement through a cycle of planning, implementation, evaluation, and improvement.

10. Communication and Integration of the Policy

The Group ensures that this policy is communicated to all stakeholders, including employees, and promotes its understanding and implementation throughout the organization.

Procurement Policy

In the apparel industry, where supply chains stretch across the globe, the procurement of raw materials is increasingly associated with various environmental and social challenges, which include contributions to climate change, depletion of natural resources, loss of biodiversity, and human rights risks such as child labor and forced labor.

To minimize adverse impacts throughout the entire value chain, the Group is dedicated to responsible procurement practices that emphasize ethics, legal compliance, human rights, environmental sustainability, and quality, in collaboration with producers, business partners, and customers.

1. Commitment to Quality

In line with the TSI Holdings Group Quality Policy, the Group prioritizes quality and safety in all procurement activities.

2. Compliance and Legal Adherence

- The Group adheres to the laws and regulations of all countries and regions where it operates, and it respects internationally recognized standards.
- The Group conducts procurement activities with a focus on fairness, impartiality, and transparency while working to prevent corrupt practices. Additionally, the Group strictly avoids any relationships with anti-social forces.

- The Group emphasizes transparency in the supply chain and works to ensure traceability, preventing the procurement of illegally traded, harvested, or hunted raw materials.
- The Group prohibits the trade of leather and animal hair that violates the Washington Convention (CITES) and encourages the procurement of sustainably sourced livestock materials through third-party certifications.
- The Group communicates effectively with consumers by providing fair and accurate information.
- The Group ensures that all transactions respect intellectual property rights and do not involve unauthorized use.
- The Group recognizes materials as certified only when backed by valid documentation or certificates issued by accredited certification bodies.
- The Group fosters strong relationships with public officials and other authorities and refrains from providing entertainment or gifts that could violate applicable laws or regulations.

3. Respect for Human Rights

Under the TSI Holdings Group Human Rights Policy, the Group promotes procurement practices that respect the human rights of all stakeholders across the value chain.

The Group is committed to:

- 1) Prohibiting inhumane treatment
- 2) Prohibiting forced labor
- 3) Prohibiting child labor
- 4) Prohibiting discrimination
- 5) Providing a safe, hygienic, and healthy working environment
- 6) Managing working hours appropriately
- 7) Ensuring fair and appropriate wages
- 8) Respecting the rights of children
- 9) Providing safe products and services, and engaging in ethical marketing and advertising practices

4. Environmental Conservation

- The Group, under the TSI Holdings Group Environmental Policy, aims to conserve the environment and biodiversity in regions where raw materials are sourced and to prevent the depletion of natural resources.
- The Group identifies environmental risks and impacts, such as water and soil pollution, associated with raw material procurement and works to mitigate their adverse effects.
- The Group promotes the efficient use of limited natural resources, encourages the use of recycled materials, and supports the sourcing of raw materials that contribute to a circular economy.
- The Group promotes the procurement of environmentally responsible raw materials, including those certified by third-party environmental standards.

5. Contributing to the Resolution of Social Issues

- The Group fosters long-term, trusting relationships with business partners through fair and equitable procurement practices and contributes to resolving social issues across the value chain by engaging in strategic sourcing partnerships.
- The Group establishes a risk management framework in preparation for disasters, even during normal operations, and works to build and maintain a structure based on its Business Continuity Plan (BCP). In the event of a disaster, the Group aims to collaborate with local communities to provide mutual support and assistance.

II. Customer-Initiated Harassment Policy

The Group has established its purpose as: “We create global empathy and social value through the power of fashion entertainment.” Guided by this purpose, the Group seeks to deliver happiness to all stakeholders through its business activities.

The Group operates stores and business locations both in Japan and internationally. In certain cases, employees of the Group and its business partners have encountered inappropriate demands, abusive language, or violence from customers (“Customer-Initiated Harassment”).

Fulfilling the Group’s purpose requires that all stakeholders, including employees and business partners, be able to work in a safe and healthy environment, both physically and mentally. The Group believes it is essential to respect the human rights of everyone involved.

With the understanding and cooperation of all stakeholders, the Group has established this Customer-Initiated Harassment Policy to ensure a safe and secure working environment, thus continuing to deliver services that exceed customer expectations.

1. Definition of Customer-Initiated Harassment

Under the *Corporate Manual on Measures against Customer Harassment* published by Japan’s Ministry of Health, Labour and Welfare (MHLW), the Group defines Customer-Initiated Harassment as:

"Actions or statements made by customers or others that, considering the reasonableness of their demands, are executed in a manner or form that is socially unacceptable and result in harm to the working environment of employees."

The following examples illustrate behaviors that may constitute Customer-Initiated Harassment:

- Physical or psychological attacks (e.g., assault, threats, defamation, insults, verbal abuse)
- Intimidating behavior, coercion to kneel, personal denigration, or destruction of store property
- Persistent, excessive, or coercive demands beyond a reasonable scope (e.g., refusal to leave, loitering, forced long-duration phone calls)
- Posting or threatening to post employees’ personal information (including photos, audio, or video) on social media or other online platforms
- Demands for products, services, money, or apologies that exceed reasonable limits or lack justifiable grounds (including unreasonable return or exchange requests)

2. Response to Customer-Initiated Harassment

- In cases where the acts described in the previous section are committed, the Group may refuse to continue providing services or conducting business with the individual concerned.
- If conduct or speech directed at Group employees is determined to constitute Customer-Initiated Harassment, the Group will take firm and appropriate action to protect those employees, which may include cooperating with law enforcement or legal counsel.

3. Message to Customers

The Group is committed to building trusting relationships with customers by valuing open communication and continually striving to deliver better products and services. We kindly ask for your understanding and cooperation, as any behavior deemed to constitute Customer-Initiated Harassment will be addressed under this policy.

III. Anti-Corruption Policy

The Group conducts its business activities guided by its purpose: “We create global empathy and social value through the power of fashion entertainment.” In line with our sustainability statement, “Building a sustainable future through fashion entertainment,” the Group is committed to acting with integrity toward all stakeholders.

We uphold high ethical standards and strongly reject all forms of corruption and bribery in every country where we operate. The Group adheres to all applicable anti-bribery and anti-corruption laws and regulations. We procure and deliver products and services through fair, transparent, and open competition, and we do not seek profit through improper or non-transparent practices.

1. Scope of Application

This policy applies to all officers and employees engaged in the Group's business activities, including full-time employees, contract employees, temporary staff, secondees, and dispatched workers.

The Group also expects its business partners, agents, consultants, advisors, and other related parties to comprehend and comply with the intent of this policy.

2. Compliance with Laws and Regulations

The Group fully understands and adheres to all applicable laws, regulations, and international standards in the countries and regions where it operates. We maintain a zero-tolerance policy toward all forms of corruption and bribery.

3. Prohibition of Unfair Transactions

The Group adheres to the Antimonopoly Act, the Subcontract Act, and other relevant laws and regulations, and refrains from engaging in any form of unfair trade practices, including collusion, cartels, coercion, fraud, abuse of a superior bargaining position, unreasonable restraints of trade, unfair business practices, or money laundering.

The Group strictly prohibits the embezzlement of assets and the offering, promising, requesting, or accepting of money, entertainment, gifts, hospitality, or any other benefits aimed at obtaining or maintaining a commercial advantage or for any improper purpose. This includes, but is not limited to, bribery, facilitation payments, excessive gifts or entertainment, and kickbacks.

In selecting suppliers and contractors for raw materials, products, services, or outsourced operations, the Group evaluates candidates fairly based on a comprehensive assessment of factors such as price, quality, service, technical capability, track record, and contributions to society and local communities.

The Group maintains strong relationships with customers and business partners across all sales, purchasing, and business activities, and does not allow the exchange of inappropriate money, goods, or benefits that deviate from socially accepted norms or sound business practices.

When an action is covered by applicable laws, regulations, or established business practices, and transparency is maintained, employees must consult with the Legal Department or other relevant authorities beforehand to ensure compliance.

4. Prohibition of Conflicts of Interest

The Group prohibits any conflict of interest that may compromise transparency or interfere with fair and impartial decision-making. If an officer intends to engage in a competing transaction or any transaction that presents a conflict of interest with the Group, they must obtain prior approval from the Board of Directors and promptly report the outcome of such a transaction to the Board after its completion.

Examples of conflicts of interest include, but are not limited to, the following:

- Officers or employees engaging in personal business activities such as consulting, regardless of employment status, on behalf of a business partner or competitor.
- Preferential dealings, without fair competition, with companies owned or managed by close relatives (e.g., family members or friends) of officers or employees.
- Using the Group's assets, information, or position for personal gain, or engaging in any action that could

reasonably be perceived as such.

If a potential conflict of interest is suspected, it should be reported to the Company immediately, and suitable measures should be taken to prevent any actual or perceived conflict.

5. Prohibition of Bribery of Public Officials

All officers and employees are strictly prohibited, regardless of jurisdiction, from directly or indirectly offering, promising, or providing money, entertainment, gifts, hospitality, conveniences, or any other benefits including kickbacks to public officials (including, but not limited to, officials of national or local governments, employees of state-owned or state-controlled enterprises, officials of public international organizations, and political party affiliates) for the purpose of obtaining or retaining business advantages for the Group, acquiring permits or approvals, easing regulations, or pursuing any other improper objectives.

6. International Trade

To support the maintenance of international peace and security, the Group complies with all applicable export control laws, foreign exchange regulations, and other relevant domestic and international trade laws, ensuring that all export and import transactions involving products, technologies, and services are conducted in a lawful manner and in accordance with applicable regulations.

7. Prohibition of Insider Trading

The Group strictly prohibits officers and employees from engaging in the purchase, sale, or any other trading of listed shares or securities of the Group or other companies based on material non-public information obtained during the course of their duties. This prohibition applies regardless of the significance of the information; using any undisclosed information for personal gain is not allowed under any circumstances.

Furthermore, if an officer or employee becomes aware of material non-public information about a business partner or another third party, they must refrain from trading the relevant securities until said information has been publicly disclosed.

Anyone involved in business activities related to material non-public information must handle such information with the utmost care until it is officially disclosed.

8. Protection of Company Assets

The Group is committed to the proper use and protection of all company assets, both tangible and intangible. The personal use or misappropriation of company assets, or the use of such assets for improper purposes, is strictly prohibited.

9. Political and Administrative Contributions

The Group adheres to the Political Funds Control Act, the Public Offices Election Act, and all other applicable laws and regulations concerning political contributions. When donating or contributing to political entities, government officials, or political party affiliates, the necessity, appropriateness, and transparency of these actions must be thoroughly evaluated, and all procedures must comply with internal policies.

10. Accounting and Recordkeeping

The Group ensures that all transactions are accurately and fairly reflected in its financial records. All expenditures, including payments to third parties, must be properly documented and supported by relevant evidence. The Group prepares, retains, and manages accurate and complete books and records in accordance with applicable laws and internal policies.

Any false, misleading, or incomplete entries, as well as improper accounting practices, must be promptly reported

to the internal reporting channel.

11. Elimination of Relationships with Antisocial Forces

The Group takes a firm stance against antisocial forces that threaten social order and safety and maintains no relationship with them whatsoever. We categorically reject any unjust demands and, when necessary, take appropriate legal action.

12. Anti-Corruption Framework

The Group conducts internal audits tailored to the corruption risks and business characteristics of each country or region in which it operates and regularly verifies the effectiveness of its anti-corruption framework.

An internal reporting channel is established to enable prompt consultation and reporting when a violation or suspected violation of applicable anti-corruption laws, agreements, guidelines, or this Policy is identified. The Group ensures that the contact information for this channel is clearly communicated.

If an officer or employee is found to have violated applicable anti-corruption laws or this Policy, the Group will take strict and prompt disciplinary action in accordance with internal rules and employment regulations. In cases where a business partner is found to have committed a violation, appropriate measures will be taken, including the review or termination of the business relationship.

13. Employee Training and Communication

The Group ensures that all officers and employees are thoroughly informed of applicable anti-corruption laws, regulations, and this Policy through regular training and communication efforts. Additionally, the Group communicates the intent and principles of this Policy to business partners, as necessary, and seeks their understanding and cooperation.

14. Revisions to This Policy

This Policy will be reviewed and revised as needed in response to changes in societal conditions, amendments to laws and regulations, or developments in the Group's business environment.

Any updates to the Policy will be promptly communicated to all relevant parties.

IV. Information Security Policy

The Group recognizes the importance of utilizing and safeguarding information assets as a key social responsibility and is committed to earning the trust of all stakeholders. Amid increasing globalization of business, the expansion of online sales, and the ongoing development and tightening of personal information protection laws both in Japan and overseas, the Company is strengthening and reinforcing its information security practices.

This Policy is reviewed and revised as necessary in response to changes in the social environment, legal developments, and operational needs.

1. Importance of Protecting Information Assets

The Group acknowledges that information assets, including digital data and physical documents such as trade secrets, customer data, intellectual property, personnel and financial information, supplier data, and proprietary business processes, are crucial for maintaining business continuity and a competitive edge. As a company that handles consumer information, we believe it is our responsibility to ensure the security and reliability of these assets, and we will protect them against all threats, whether intentional or accidental.

2. Information Management System and Structure

The Group is committed to a proactive risk management approach, based on prevention and rapid response, by establishing a robust information security framework. The Sustainability Committee, reporting directly to the

Board of Directors and comprising directors and executive officers, discusses and determines the information security policy, risk mitigation measures, and related initiatives.

Additionally, the Risk & Compliance Committee regularly identifies and evaluates risks to information assets, providing guidance and direction on appropriate measures based on risk levels, as well as the strategies and actions of relevant departments.

3. Ongoing Improvement of Security Measures

To address evolving risks and technological advancements, the Group routinely reviews and enhances its information security measures. Alongside preventive strategies, we have systems in place to respond quickly and effectively to security incidents. Employees receive training to follow proper reporting procedures.

After an incident, the event is evaluated, and improvements are implemented through a cycle of planning, execution, evaluation, and refinement. We also establish regular drill procedures to protect assets and systems in the event of disasters or unexpected accidents.

The Group advocates for the safeguarding of information not only within our systems but also across external servers and with business partners.

4. Compliance with Laws and Regulations

The Group complies with all laws and regulations related to information security and the protection of personal data.

5. Auditing and Evaluation

Internal audits are conducted regularly to verify the proper functioning of the information security management system, encompassing access control, data protection, and incident response. Periodic third-party audits by external experts are also performed to gain objective evaluations. The results of audits are presented to the Risk and Compliance Committee, and improvements are implemented accordingly.

6. Information Security Training

The Group offers ongoing training to all officers and employees to ensure proper handling of confidential and personal information.

7. Operational Manual Development

To support the effective operation of the information security management system, the Group maintains documented procedures, including regular maintenance, system operation, and incident response protocols. These manuals are periodically reviewed and updated.

8. Scope of Application

This policy applies to all information assets owned or used by the Group and its officers and employees, including those stored at all Group entities and locations such as stores and warehouses, as well as on cloud servers and internal systems.

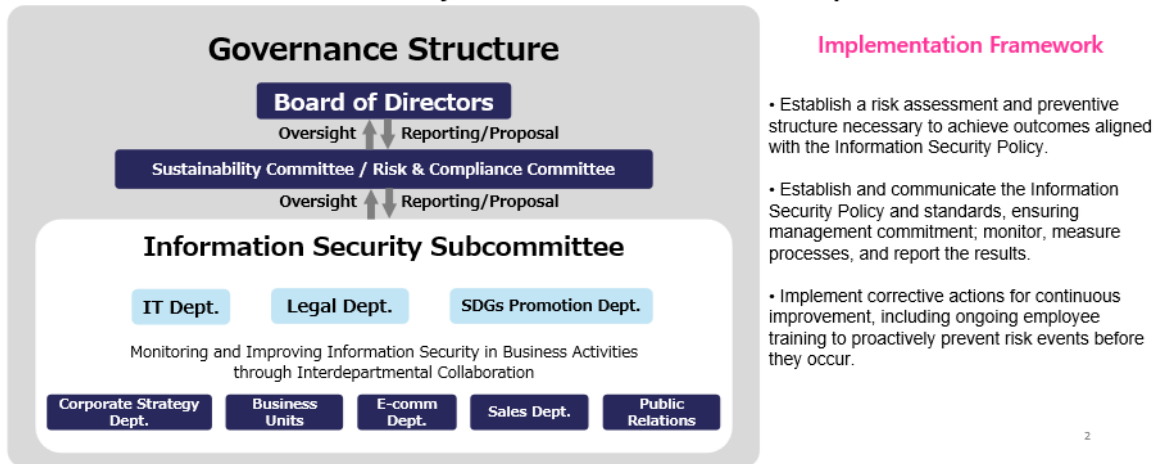
Privacy Policy (Current)

In all business activities, the Group handles personal information in accordance with its Privacy Policy, implementing appropriate protection and security measures.

<https://www.tsi-holdings.com/privacy.html> (Japanese only)

Information Security Governance Structure

Establishing an Effective Management Framework to Prevent and Mitigate Information Security Risks Across All Business Operations



V. Artificial Intelligence (AI) Utilization Policy

The Group conducts its business activities under the purpose of “We create global empathy and social value through the power of fashion entertainment,” and in accordance with its sustainability statement: “Creating a sustainable future through fashion entertainment.” With this purpose as our foundation, we aim to help build a society where all stakeholders can thrive physically and mentally in a state of well-being.

To align with this purpose, we aim to integrate artificial intelligence (AI) with the technological capabilities developed through our fashion business activities, thereby enriching fashion culture by creating new forms of value.

Recognizing that AI is an evolving technology, we understand the challenges that must be considered in its application to business, including shifts in social norms and values, information security, intellectual property, and legal and ethical responsibilities. The Group will actively engage in dialogue with experts and apply AI responsibly, in alignment with the laws and policies of each country, to address these issues and unlock new values.

1. Respect for Human Rights

The Group avoids excessive reliance on AI-generated information and ensures that its usage does not compromise the principles outlined in the Group’s Human Rights Policy.

2. Fair Use

The Group anticipates potential risks associated with various AI applications and uses AI only after appropriate validation from relevant departments, external experts, or third parties. The scope of AI usage is regularly reviewed in alignment with technological advancements.

3. Accuracy and Quality of Data

The Group gathers accurate data, including product information, customer data, and sales records, to train AI models and ensure the accuracy and quality of AI outputs.

4. Compliance with Laws and Regulations

As part of its social responsibility, the Group adheres to AI-related policies and regulations in every country and region where it operates. It protects intellectual property rights and customer privacy and takes measures to prevent any infringement of third-party rights in accordance with its internal policies.

5. Transparency

When AI is used in business operations, the Group strives to ensure that such usage is clearly disclosed. In the event of any unexpected errors or issues arising from the use of AI, the Group responds promptly and discloses relevant information as necessary.

6. Responsible Governance

The Group promotes the fair, safe, and innovative use of AI by establishing and maintaining a governance framework in line with its Information Security Policy and AI Usage Guidelines. This framework is adapted as needed to reflect technological advancements and changes in the external environment.

7. AI Talent Development

The Group will provide training in intellectual property, human rights, and other essential areas to officers and employees who utilize AI, ensuring they apply AI ethically and possess a comprehensive understanding of relevant issues.

VI. Tax Policy

The Group has established a Tax Policy with the aim of ensuring compliance with tax-related laws and regulations and enhancing transparency in its tax practices.

1. Fundamental Policy

The Group is committed to contributing to the realization of a sustainable society by ensuring the proper payment of taxes in full compliance with relevant laws and regulations. The Group promotes a highly transparent tax governance framework. Its tax strategy aims at sustainably enhancing corporate value and building trust with stakeholders.

2. Tax Governance Framework

The Accounting and Finance Department manages all significant tax-related issues and consults with management and the Board of Directors as needed. For high-risk transactions or complicated tax matters, the Group seeks expert advice to facilitate informed decision-making.

3. Tax Compliance

The Group complies with the tax laws of all countries in which it operates, as well as international taxation rules, including the OECD's Base Erosion and Profit Shifting (BEPS) framework. The Group meets its tax obligations appropriately and does not engage in deliberate tax avoidance or unethical tax planning strategies.

4. Tax Risk Management

The Group aims to identify, assess, and monitor tax risks proactively, with the goal of minimizing their potential impact. Risk management is carried out with consideration of the nature and scale of transactions, as well as the potential for international tax issues.

5. Approach to Tax Planning

The Group engages in tax planning only to the extent that it is based on sound commercial rationale. It does not employ artificial or aggressive structures for tax avoidance. The Group does not utilize schemes that lead to profit shifting or base erosion.

6. Relationship with Tax Authorities

The Group maintains honest and constructive relationships with tax authorities in all jurisdictions. It is committed to transparent disclosure of relevant information and adopts a cooperative attitude during tax audits and inquiries.

7. Disclosure and Reporting

The Group discloses quantitative information (such as country-by-country tax payments and effective tax rates) and qualitative information (such as tax risk management policies) as necessary. We aim to ensure transparency by referencing international disclosure frameworks, including GRI 207.

8. Consistency with Sustainability Strategy

The Group's Tax Policy aligns with its sustainability strategy, demonstrating a commitment to fostering a fair society and supporting local communities. The Group views taxation as a vital social responsibility and ensures it assumes a fair tax burden.