Consolidated Financial Results

for the First Quarter of the Fiscal year ending February 28, 2027

[Japanese GAAP] (Consolidated)

July 14, 2026

Company name: TSI HOLDINGS CO., LTD. Stock listing: Tokyo Stock Exchange

Code number: 3608 URL: https://www.tsi-holdings.com/en/

Representative: Representative Director, President and CEO, Tsuyoshi Shimoji

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Scheduled date to begin dividend payment: —

Preparation of supplementary financial document: Yes

Briefing session to explain the financial statements: Yes (For institutional investors and analysts)

(Rounded down to the nearest million yen)

1. Consolidated Business Results for the first quarter of the Fiscal Year Ending February 28, 2027 (March 1, 2026 to May 31, 2026)

(1) Consolidated results of operations (% change from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First quarter of FY ending February 28, 2027	46,279	30.0	2,512	65.8	3,316	73.1	2,102	6.9
First quarter of FY ended February 28, 2026	35,605	(9.4)	1,514	48.7	1,916	72.9	1,966	260.1

(Notes) Comprehensive income: First quarter of Fiscal year ending February 28, 2027 -¥1,245 million (-%)
First quarter of Fiscal year ended February 28, 2026 ¥2,060 million (up 20.1%)

	Net income per share	**Diluted net income per share**
	Yen	Yen
First quarter of FY ending February 28, 2027	36.65	—
First quarter of FY ended February 28, 2026	28.45	—

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
First quarter of FY ending February 28, 2027	168,887	92,750	54.9
FY ended February 28, 2026	174,204	99,321	57.0

(Reference) Shareholders' equity: First quarter of FY ending February 28, 2027 ¥92,750 million
FY ended February 28, 2026 ¥99,321 million

2. Dividends

	Annual dividend				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY ended February 2026	—	0.00	—	40.00	40.00
FY ending February 2027	—				
FY ending February 2027 (forecast)		0.00	—	70.00	70.00

(Note) Revisions during this quarter of dividends forecast for the fiscal year: None

3. Forecast of Consolidated Business Results for the Fiscal Year Ending February 28, 2027 (March 1, 2026 to February 28, 2027)

(% change from the corresponding period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Second quarter (Cumulative)	91,500	38.3	1,200	87.4	1,000	(25.0)	700	(46.7)	12.02
Full fiscal year	200,000	19.7	7,500	73.4	7,200	32.3	7,700	103.0	132.17

(Note) Revisions during this quarter of previously disclosed consolidated business results projection for FY 2027: None

＊Notes:

(1) Changes in significant subsidiaries during the period: None
Newly included: None.
Excluded: None.

(2) Application of particular accounts procedures to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, accounting estimates, and restatements
a. Changes in accounting policies due to revisions of accounting standards: None
b. Changes in accounting policies other than above (a): None
c. Changes of accounting estimates: None
d. Restatements: None

(4) Number of shares issued (common stock)

a. Number of shares issued at the end of period (treasury stock included)	Q1 of FY ending February 2027	63,438,793 shares	FY ended February 2026	63,438,793 shares
b. Number of treasury stock at the end of period	Q1 of FY ending February 2027	7,263,896 shares	FY ended February 2026	5,178,696 shares
c. Average number of shares over the period	Q1 of FY ending February 2027	57,361,481 shares	Q1 of FY ended February 2026	69,128,208 shares

*This business results report is not subject to auditing by certified public accountants or audit firms.

***Explanation regarding the appropriate use of business forecasts and other special instructions**

The forward-looking statements, including business forecasts, contained in this document are based on information currently available to the Company and on certain assumptions deemed reasonable by the Company, and are not intended as a promise by the Company that they will be achieved. Actual results may differ materially due to a variety of factors. Please refer to "(3) Explanation of Consolidated Business Forecast and Other Forward-looking Statements " on page 3 for the assumptions underlying the forecasts and cautionary statements regarding the use of the forecasts.

Contents of Attached Materials

1. Qualitative Information on results for this quarter of FY ending February 2027

(1) Overview of Business Results

During the consolidated fiscal period under review (from March 1, 2026, to May 31, 2026), the domestic apparel market benefited from relatively stable, warmer-than-usual spring weather and the positive impact of continued wage increases. On the other hand, consumer sentiment was weighed down by concerns over the weaker yen, rising prices, and the ongoing conflict in the Middle East. In inbound tourism, although the number of visitors from China declined by approximately half, robust growth from other regions largely offset the decrease, resulting in only a slight year-on-year decline in the total number of international visitors to Japan.

Against this backdrop, although consumer sentiment remained subject to uncertainty, personal consumption proved resilient, and market conditions remained generally favorable.

Amid this operating environment, TSI Holdings Co., Ltd. (the "Company") and its subsidiaries (collectively, the "Group") continued to advance fundamental profit structure reforms and growth strategies under the medium-term management plan, "TSI Innovation Program 2027 (TIP27)," which was announced in April 2024.

Net sales increased significantly, primarily reflecting the full-period contribution from Daytona International Co., Ltd. and Waterfront Co., Ltd., which were consolidated in the previous fiscal year. Within the existing business, men's casual brands continued their strong performance from the previous fiscal year, while certain women's brands, including Jill by Jill Stuart, showed signs of recovery. In addition, sales through the Group's proprietary e-commerce platform, *mix.tokyo*, grew steadily, increasing by more than 20% year-on-year.

On the earnings front, the gross profit margin declined by 1.2 percentage points year-on-year. This was mainly attributable to the relatively lower gross profit margins of the two newly consolidated subsidiaries, reflecting the nature of their business models. Excluding the impact of these subsidiaries, profitability in the existing business improved in line with the Company's plan. Meanwhile, the SG&A expense ratio improved by 2.4 percentage points compared with the same period of the previous fiscal year.

As a result, net sales increased 30.0% year on year to ¥46,279 million, operating profit rose 65.8% to ¥2,512 million, and ordinary profit increased 73.1% to ¥3,316 million. Profit attributable to owners of parent amounted to ¥2,102 million, up 6.9% from the same period of the previous fiscal year.

Net sales by reportable segment were as follows.

Apparel-Related Businesses

In the Group's apparel-related businesses, men's casual brands continued to drive sales growth. At Avirex, the Daily Wear series maintained its strong performance from the previous year, while Schott achieved significant sales growth driven by the Old Hickory series. At Stussy, highly anticipated product launches attracted customers, resulting in sales exceeding those of the same period of the previous fiscal year.

In the multi-brand retail business, Freak's Store, the flagship brand of Daytona International Co., Ltd., performed well, driven by strong menswear sales. At LHP, exclusive collaboration products with popular brands were well received. The outdoor brand *and wander* also delivered solid performance, supported by inbound tourist demand.

Among women's brands, Jill by Jill Stuart increased sales by offering products tailored to the new school and business seasons. Rirandture and Mystrada also delivered solid performance, supported by collaboration products. In addition, Natural Beauty Basic posted strong sales, particularly in tops, with existing-store sales continuing to recover.

In the golf category, New Balance Golf also delivered solid performance.

As a result, net sales in the Apparel-related Business increased 28.3% year on year to ¥43,809 million.

Other Businesses

In Other Business, Waterfront Co., Ltd., which was consolidated in the previous fiscal year and is primarily engaged in planning, manufacturing, and selling umbrellas, contributed to sales. Other contributors included READY TO

FASHION Inc., which operates a SaaS-based recruitment platform specializing in the apparel industry; S-groove Co., Ltd., which provides retail staffing and sales outsourcing services; PLAX Co., Ltd., which engages in store design and project management as well as food and beverage operations; and Laline Japan Co., Ltd., which imports and sells cosmetics, fragrances, soaps, and other personal care products.

As a result, net sales in the Other Business increased 63.2% year on year to ¥2,648 million.

(2) Overview of Financial Position

(Million yen)

	At the end of FY ended February 2026 (As of February 28, 2026)	At the end of 1Q FY ending February 2027 (As of May 31, 2026)	Increase/decrease
Total assets	174,204	168,887	(5,317)
Liabilities	74,883	76,137	1,253
Net assets	99,321	92,750	(6,570)
Shareholders' equity ratio	57.0%	54.9%	(2.1%)
Net assets per share (Yen)	1,704.79	1,651.10	(53.69)

Total assets decreased by ¥5,317 million, mainly due to decreases in cash and deposits of ¥2,040 million and investment securities of ¥4,139 million from the end of the previous fiscal year, despite an increase in inventories of ¥1,461 million.

Total liabilities increased by ¥1,253 million, primarily due to a ¥5,045 million increase in short-term borrowings from the end of the previous fiscal year, despite decreases in long-term borrowings, including the current portion of long-term borrowings, of ¥1,616 million and other non-current liabilities of ¥1,774 million.

Total net assets decreased by ¥6,570 million, mainly due to the acquisition of treasury shares, which are deducted from net assets, of ¥2,962 million, and a decrease in valuation difference on available-for-sale securities of ¥3,345 million from the end of the previous fiscal year.

As a result, net assets per share decreased by ¥53.69.

(3) Explanation of Consolidated Business Forecast and Other Forward-looking Statements

There are no changes to the earnings forecast for the fiscal year ending February 28, 2027, from the outlook announced on April 10, 2026.

2. Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	Previous consolidated fiscal year (As of February 28, 2026)	Quarter consolidated accounting period of current fiscal year (As of May 31, 2026)
Assets		
Current assets		
Cash and deposits	28,478	26,438
Notes receivable-trade	–	3
Account receivable-trade	13,855	14,799
Merchandise and finished goods	29,721	31,248
Work in process	451	397
Raw materials and supplies	669	657
Other	6,537	5,555
Allowance for doubtful accounts	(31)	(17)
Total current assets	79,682	79,083
Non-current assets		
Property, plant and equipment	7,394	7,808
Intangible asset		
Goodwill	32,238	31,665
Other	7,731	7,380
Total intangible assets	39,970	39,046
Investments and other assets		
Investment securities	28,628	24,488
Investment property	2,237	2,314
Other	16,344	16,198
Allowance for doubtful accounts	(53)	(53)
Total investments and other assets	47,157	42,948
Total non-current assets	94,522	89,803
Total assets	174,204	168,887
Liabilities		
Current liabilities		
Notes and accounts payable–trade	10,566	10,547
Short-term borrowings	7,637	12,682
Current portion of long-term borrowings	5,552	5,247
Income taxes payable	1,483	1,290
Provision for bonuses	768	1,080
Provision for shareholder benefit program	100	94
Asset retirement obligations	101	89
Other	8,979	8,453
Total current liabilities	35,190	39,487
Non-current liabilities		
Long-term borrowings	31,621	30,309
Provision for retirement benefits for directors	31	31
Retirement benefit liability	982	984
Asset retirement obligations	3,266	3,307
Other	3,791	2,016
Total non-current liabilities	39,693	36,650
Total liabilities	74,883	76,137

(Million yen)		
	Previous consolidated fiscal year (As of February 28, 2026)	Quarter consolidated accounting period of current fiscal year (As of May 31, 2026)
Net assets		
Shareholders' equity		
Share capital	15,000	15,000
Capital surplus	3,259	3,259
Retained earnings	73,374	73,113
Treasury stock	(5,233)	(8,195)
Total shareholders' equity	86,400	83,177
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,281	7,936
Foreign currency translation adjustment	1,662	1,657
Remeasurements of defined benefit plans	(24)	(21)
Total accumulated other comprehensive income	12,920	9,572
Total net assets	99,321	92,750
Total liabilities and net assets	174,204	168,887

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income

Quarterly consolidated statements of income

First Quarter Consolidated Cumulative Period

(Million yen)

	Consolidated cumulative first quarter of previous fiscal year (March 1, 2025 to May 31, 2025)	Consolidated cumulative first quarter of current fiscal year (March 1, 2026 to May 31, 2026)
Net sales	35,605	46,279
Cost of sales	15,126	20,203
Gross profit	20,478	26,075
Selling, general and administrative expenses	18,964	23,563
Operating income	1,514	2,512
Non-operating income		
Interest income	10	16
Dividend income	69	558
Share of profit of entities accounted for using equity method	272	213
Real estate income	84	37
Foreign exchange income	—	119
Other	100	107
Total non-operating income	539	1,053
Non-operating expenses		
Interest expenses	4	199
Rental expenses on real estate	8	10
Foreign exchange losses	104	—
Other	19	38
Total non-operating expenses	137	249
Ordinary income	1,916	3,316
Extraordinary income		
Gain on sales of non-current assets	2	2
Gain on sale of investment securities	253	263
Gain on sale of shares of subsidiaries and associates	105	—
Other	0	—
Total extraordinary income	361	265
Extraordinary losses		
Loss on retirement of non-current assets	2	3
Impairment loss	32	8
Loss on valuation of investment securities	13	—
Loss on sale of shares of subsidiaries and associates	155	—
Other	48	29
Total extraordinary losses	252	41
Income before income taxes	2,025	3,541
Income taxes—current	153	1,303
Income taxes—deferred	(72)	135
Total income taxes	81	1,439
Net income	1,944	2,102
Net loss attributable to non-controlling interest	(22)	—
Net income attributable to owners of parent	1,966	2,102

Quarterly Consolidated statements of comprehensive income
First Quarter Consolidated Cumulative Period

(Million yen)

	Consolidated cumulative first quarter of previous fiscal year (March 1, 2025 to May 31, 2025)	Consolidated cumulative first quarter of current fiscal year (March 1, 2026 to May 31, 2026)
Net income	1,944	2,102
Other comprehensive income		
Valuation difference on available-for-sale securities	354	(3,345)
Foreign currency translation adjustment	(243)	(12)
Remeasurements of defined benefit plans	11	2
Share of other comprehensive income of affiliates accounted for using equity method	(6)	7
Total other comprehensive income	116	(3,347)
Comprehensive income	2,060	(1,245)
Total comprehensive income attributable to:		
Owners of parent	2,111	(1,245)
Non-controlling interests	(50)	—

(3) Notes to Quarterly Consolidated Financial Statements

Going Concern Assumption

Not applicable

Notes on Significant Changes in Shareholders' Equity

Not applicable

Additional Information

Trust-Type Employee Stock Ownership Plan (ESOP)

TSI Holdings resolved at a Board of Directors' meeting held on July 14, 2025 to reintroduce a trust-type employee stock ownership plan (ESOP) as an incentive plan and part of its efforts to provide benefits for its employees.

i. Overview of the Plan

The Company has established a trust (the "ESOP Trust") in which employees of the Group who are members of the TSI Employee Stock Ownership Association (the "ESOA") and meet certain criteria are designated as beneficiaries.

In August 2025, the ESOP Trust pre-acquired, using borrowed funds, a number of shares in the Company expected to be purchased by the ESOA over a five-year period. Thereafter, the ESOA's purchases of the Company's shares are executed through the ESOP Trust. The Company provides a guarantee for the borrowings undertaken by the ESOP Trust.

ii. Shares of the Company Remaining in the Trust

The shares of the Company remaining in the ESOP Trust are recorded as treasury stock in the net assets section at their book value in the Trust. The book value and number of shares of the treasury stock were ¥396 million and 354 thousand shares in the previous consolidated fiscal year, and ¥358 million and 320 thousand shares in the first quarter of the current consolidated fiscal period, respectively.

iii. Book Value of Borrowings Recognized Under the Gross Method

¥407 million in the previous consolidated fiscal year and ¥407 million in the first quarter of the current consolidated fiscal period.

Board Benefit Trust (BBT)

In accordance with a proposal put forward at the Company's 5th General Meeting of Shareholders held on May 25, 2016, TSI Holdings introduced a performance-linked stock compensation (Board Benefit Trust (BBT)) plan for its directors and delegated executive officers, as well as Group company directors (eligible officers).

i. Outline of the Transaction

Under the plan, the Company's shares are acquired through a trust using money contributed by the Company as funds. Eligible officers receive the Company's shares equivalent to the points granted in accordance with the level of performance achievement, etc., and money equivalent to the amount of the Company's shares converted at market value as of the date of retirement (the Company's shares, etc.), pursuant to the officer stock delivery regulations. Meanwhile, the timing of receipt of the benefits of the Company's shares, etc. by eligible officers shall, in principle, be upon their retirement from office.

ii. Shares of the Company Remaining in the Trust

The shares of the Company remaining in the Trust are posted as shares of treasury stock in the net assets section at their book value in the Trust. The book value and number of treasury shares were ¥267 million and 474 thousand shares, respectively, both at the end of the previous consolidated fiscal year and at the end of the first quarter of the current consolidated fiscal period.

Segments of the Company and Related Information

I. Consolidated cumulative first quarter of previous fiscal year (March 1, 2025 to May 31, 2025)

(1) Net sales, income or losses, assets and other items by reportable segments

(Million Yen)

	Reportable segment	Other Note 1	Total	Adjustments Note 2	Consolidated financial statements amount (Note 3)
	Apparel-related businesses				
Net sales					
Sales to third parties	34,122	1,483	35,605	—	35,605
Inter-segment sales or transfers	34	139	173	(173)	—
Total	34,156	1,622	35,779	(173)	35,605
Segment income	1,679	147	1,827	(312)	1,514

Notes:

1. "Other," which doesn't belong to respective reportable segments, includes synthetic resin-related issues, store design and management, and so on.
2. Segment income adjustment of ¥ (312) million is attributed to corporate expenses not allocated to business segments and the transaction offsets among consolidated companies.
3. Segment income is adjusted to operating income listed in the consolidated financial statements.

(2) Goodwill or impairment loss in non-current assets by reportable segments

Important impairment loss in non-current assets

None

A significant change in the amount of goodwill

None

A significant gain from negative goodwill

None

II. Consolidated cumulative first quarter of the current fiscal year (March 1, 2026 to May 31, 2026)

(1) Net sales, income or losses, assets, and other items by reportable segments

(Million Yen)

	Reportable segment	Other Note 1	Total	Adjustments Note 2	Consolidated financial statements amount (Note 3)
	Apparel-related businesses				
Net sales					
Sales to third parties	43,775	2,503	46,279	—	46,279
Inter-segment sales or transfers	34	144	178	(178)	—
Total	43,809	2,648	46,457	(178)	46,279
Segment income	2,499	346	2,846	(334)	2,512

Notes:

1. "Other," which doesn't belong to respective reportable segments, includes synthetic resin-related, store design and management, and so on.
2. Segment income adjustment of ¥ (334) million is attributed to corporate expenses not allocated to business segments and the transaction offsets among consolidated companies.
3. Segment income is adjusted to operating income listed in the consolidated financial statements.

(3) Goodwill or impairment loss in non-current assets by reportable segments

Important impairment loss in non-current assets

None

A significant change in the amount of goodwill

None

A significant gain from negative goodwill

None

Notes to the Statement of Cash Flows

A quarterly consolidated statement of cash flows for the first quarter consolidated cumulative period has not been prepared. The depreciation expense (including amortization of intangible assets other than goodwill) and amortization of goodwill for the same period are as follows:

(Million Yen)

	Consolidated cumulative first quarter of previous fiscal year (March 1, 2025 to May 31, 2025)	Consolidated cumulative first quarter of current fiscal year (March 1, 2026 to May 31, 2026)
Depreciation	734	953
Amortization of Goodwill	114	574