

Consolidated Financial Results
for the Six Months Ended August 31, 2026
(Under Japanese GAAP)

October 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 of financial report: October 14, 2026
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 Six Months Ended August 31, 2026 (March 1, 2026 to August 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	
Six Months Ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
August 31, 2026	88,905	34.4	995	55.5	1,929	44.7	1,117	(14.9)
August 31, 2025	66,167	(12.0)	640	—	1,333	—	1,313	—

(Notes) Comprehensive income: For the six months ended August 31, 2026 -¥2,503 million [—%]
For the six months ended August 31, 2025 ¥1613 million [125.1%]

	Net income per share	Diluted net income per share
Six Months Ended	Yen	Yen
August 31, 2026	19.69	—
August 31, 2025	19.57	—

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
As of	Million yen	Million yen	%
August 31, 2026	177,608	91,667	51.6
February 28, 2026	179,817	99,444	55.3

(Reference) Shareholders' equity: As of August 31, 2026 ¥91,667 million
As of February 28, 2026 ¥99,444 million

2. Dividends

	Annual dividend				
	End of 1Q	End of 2Q	End of 3Q	End of Fiscal Year	Total
	Yen	Yen	Yen	Yen	Yen
FY ended February 28, 2026	—	0.00	—	40.00	40.00
FY ending February 28, 2027	—	0.00			
FY ending February 28, 2027 (forecast)			—	70.00	70.00

(Note) Revisions to the forecast of cash dividends most recently announced: None

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

(% represent year-on-year changes)

	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
Full Year	200,000	19.7	7,500	73.7	7,200	32.6	7,700	96.6	136.28

(Note) Revisions to the forecast of consolidated business results most recently announced: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: Three companies (Toyo Enterprise Co., Ltd., Lei Lani Trading Co., Ltd., Net Work Inc.)

Excluded: One company (Urth Caffé Japan Co., Ltd.)

(2) Application of particular accounting procedures to the preparation of semi-annual 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 in accounting estimates: None

d. Restatements: None

(4) Number of shares issued (common stock)

a. Total number of issued shares at the end of the period (including treasury shares)

As of August 31, 2026	63,438,793 shares	As of February 28, 2026	63,438,793 shares
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b. Number of treasury stock at the end of the period

As of August 31, 2026	7,217,230 shares	As of February 28, 2026	5,178,696 shares
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c. Average number of shares over the period

As of August 31, 2026	56,779,518 shares	As of August 31, 2025	67,136,344 shares
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* Semi-annual financial results reports are not subject to review by certified public accountants or an audit firm.

* 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 page 3 of the attached materials, "1. Overview of Operating Results, etc. (3) Explanation of Consolidated Business Forecasts and Other Forward-looking Statements," for the assumptions underlying the forecasts and cautionary notes regarding their use.

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1. Overview of Business Results and Other Matters

(1) Overview of Business Results

During the consolidated interim period under review (March 1, 2026 to August 31, 2026), the apparel industry benefited from positive factors including improvements in real wages in Japan and higher per-customer spending by inbound tourists. On the other hand, the continued depreciation of the yen and rising prices led consumers to remain increasingly cautious about spending, and a full-fledged recovery in consumption was not observed. In addition, while record-high temperatures in early spring led to an early start in demand for spring merchandise, unstable weather and climate conditions from June onward had a significant impact on demand for summer merchandise.

As a result, despite some uncertainty in consumer sentiment, personal consumption remained resilient, and overall market conditions remained firm.

In this business environment, TSI Holdings Co., Ltd. (the “Company”) and its subsidiaries (collectively, the “Group”) continued to pursue fundamental reforms of its earnings structure and growth strategies in accordance with its medium-term management plan, “TSI Innovation Program 2027 (TIP27),” announced in April 2024.

Net sales increased significantly, largely reflecting the contribution from Daytona International Co., Ltd. and Waterfront Co., Ltd., which were consolidated during the previous fiscal year and have contributed to consolidated net sales since the beginning of the current fiscal year.

In the existing businesses, sales were also supported by continued strong performance of menswear brands and signs of recovery among womenswear brands, particularly key brands. In addition, sales through the Company’s proprietary e-commerce site, “mix.tokyo,” increased by more than 20% year on year, demonstrating steady growth.

In terms of profitability, the gross profit margin decreased by 2.1 percentage points year on year. This was attributable to the downward impact of the two newly consolidated companies, whose gross profit margins are inherently lower due to the nature of their business models, as well as the adverse impact of foreign exchange rates on imported brands in the existing businesses. Meanwhile, the SG&A expense ratio improved by 2.2 percentage points year on year.

As a result, net sales amounted to ¥88,905 million, up 34.4% year on year; operating income was ¥995 million, up 55.5%; and ordinary income was ¥1,929 million, up 44.7%. Net income attributable to owners of parent was ¥1,117 million, down 14.9% year on year.

Net sales by reportable segment were as follows.

Apparel-Related Businesses

In the Group’s apparel-related business, menswear brands continued to drive sales. Avirex, Schott and Stussy recorded year-on-year sales growth, supported by customer traffic generated by staple items and high-profile products.

Among womenswear brands, Jill by Jill Stuart performed strongly, particularly in accessories, while Human Woman and Natural Beauty Basic showed signs of recovery, supported by successful revisions to merchandising initiatives.

In the multi-brand retail business, LHP was driven by exclusive products developed in collaboration with popular brands. At Freak’s Store, the core retail format of Daytona International Co., Ltd., which was consolidated during the previous fiscal year, sales remained firm, led by products commemorating the brand’s 40th anniversary and menswear products.

In addition, the golf brands New Balance Golf and Jack Bunny!!, as well as the outdoor brand *and wander*, recorded sales above the same period of the previous fiscal year.

As a result of these initiatives, net sales in the apparel-related business amounted to ¥84,385 million, up 32.4% year on year.

Other Businesses

In the other business, Waterfront Co., Ltd., which plans, manufactures, and sells umbrellas and was consolidated during the previous fiscal year, contributed to net sales. The Group also operates Ready to Fashion, Inc., which provides recruitment services and web media specializing in the fashion and apparel industry; S-Groove Co., Ltd., which provides outsourced sales, temporary staffing, and recruitment services; Plax Inc., which provides store design and construction supervision services and operates food and beverage businesses; and Laline Japan Co., Ltd., which procures and sells cosmetics, fragrances, soaps, and other products.

As a result, net sales amounted to ¥4,877 million, up 74.6% year on year.

(2) Overview of Financial Position

Financial Position of Assets, Liabilities, and Net Assets as of the End of the Consolidated Interim Accounting Period

(Million yen)

	As of the end of fiscal year 2026 (February 28, 2026)	As of the end of the six-month period (August 31, 2026)	Increase/decrease
Total assets	179,817	177,608	(2,209)
Liabilities	80,373	85,940	5,567
Net assets	99,444	91,667	(7,776)
Shareholders' equity ratio	55.3%	51.6%	(3.7%)
Net assets per share (Yen)	1,706.90	1,630.47	(76.43)

Total assets decreased by 1.2% from the end of the previous fiscal year to ¥177,608 million, mainly due to decreases of ¥1,738 million in notes and accounts receivable and ¥3,250 million in investment securities, despite an increase of ¥3,533 million in cash and deposits.

Total liabilities increased by 6.9% from the end of the previous fiscal year to ¥85,940 million, mainly due to an increase of ¥7,255 million in borrowings from financial institutions.

Total net assets decreased by 7.8% from the end of the previous fiscal year to ¥91,667 million, mainly due to a ¥2,909 million increase in treasury shares, which is a deduction from net assets, and a ¥3,498 million decrease in the valuation difference on available-for-sale securities.

As a result, net assets per share decreased by ¥76.43.

During the interim consolidated accounting period, the Company finalized the provisional accounting treatment for a business combination. Accordingly, comparisons and analyses with the end of the previous fiscal year are based on the amounts revised to reflect the finalization of the provisional accounting treatment. For details, please refer to “2. Interim Consolidated Financial Statements and Major Notes (4) Notes to Interim Consolidated Financial Statements (Business Combinations).”

(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, announced on April 10, 2026.

2. Interim Consolidated Financial Statements and Major Notes

(1) Interim Consolidated Balance Sheets

	(Million yen)	
	Previous consolidated fiscal year (As of February 28, 2026)	Interim consolidated accounting period of the current fiscal year (As of August 31, 2026)
Assets		
Current assets		
Cash and deposits	28,478	32,012
Notes and accounts receivable - trade	13,855	12,117
Merchandise and finished goods	29,721	30,283
Work in process	451	620
Raw materials and supplies	669	961
Other	6,537	3,582
Allowance for doubtful accounts	(31)	(36)
Total current assets	79,682	79,542
Non-current assets		
Property, plant and equipment	7,394	8,526
Intangible asset		
Goodwill	20,398	20,469
Other	25,184	24,213
Total intangible assets	45,583	44,683
Investments and other assets		
Investment securities	28,628	25,377
Investment property	2,237	2,312
Other	16,344	17,219
Allowance for doubtful accounts	(53)	(52)
Total investments and other assets	47,157	44,856
Total non-current assets	100,135	98,066
Total assets	179,817	177,608
Liabilities		
Current liabilities		
Notes and accounts payable-trade	10,566	10,958
Short-term borrowings	7,637	17,913
Current portion of long-term borrowings	5,552	5,245
Income taxes payable	1,483	1,068
Provision for bonuses	768	689
Provision for shareholder benefit program	100	162
Asset retirement obligations	101	105
Other	8,979	8,707
Total current liabilities	35,190	44,850
Non-current liabilities		
Long-term borrowings	31,621	28,907
Provision for retirement benefits for directors	31	31
Retirement benefit liability	982	1,230
Asset retirement obligations	3,266	3,273
Other	9,280	7,646
Total non-current liabilities	45,183	41,089
Total liabilities	80,373	85,940

	(Million yen)	
	Previous consolidated fiscal year (As of February 28, 2026)	Interim consolidated accounting period of the current fiscal year (As of August 31, 2026)
Net assets		
Shareholders' equity		
Share capital	15,000	15,000
Capital surplus	3,259	3,259
Retained earnings	73,497	72,251
Treasury stock	(5,233)	(8,143)
Total shareholders' equity	86,523	82,368
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,281	7,783
Foreign currency translation adjustment	1,662	1,539
Remeasurements of defined benefit plans	(24)	(23)
Total accumulated other comprehensive income	12,920	9,299
Total net assets	99,444	91,667
Total liabilities and net assets	179,817	177,608

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

Interim Consolidated Statement of Income

	(Million yen)	
	Previous Interim Consolidated Accounting Period (March 1, 2025 to August 31, 2025)	Current Interim Consolidated Accounting Period (March 1, 2026 to August 31, 2026)
Net sales	66,167	88,905
Cost of sales	29,339	41,282
Gross profit	36,827	47,623
Selling, general and administrative expenses	36,187	46,627
Operating income	640	995
Non-operating income		
Interest income	36	46
Dividend income	339	849
Share of profit of entities accounted for using equity method	218	148
Real estate income	121	74
Foreign exchange gains	—	128
Other	135	186
Total non-operating income	851	1,432
Non-operating expenses		
Interest expenses	17	427
Rental expenses on real estate	18	17
Foreign exchange loss	30	—
Acquisition of treasury shares	52	11
Other	39	42
Total non-operating expenses	158	498
Ordinary income	1,333	1,929
Extraordinary income		
Gain on sales of non-current assets	5	2
Gain on sale of investment securities	618	263
Gain on sale of shares of subsidiaries and associates	101	—
Total extraordinary income	726	266
Extraordinary losses		
Loss on retirement of non-current assets	2	16
Loss on valuation of investment securities	13	37
Loss on sale of shares of subsidiaries and associates	486	—
Impairment losses	49	25
Other	60	42
Total extraordinary losses	611	121
Income before income taxes	1,447	2,074
Income taxes—current	246	1,028
Income taxes—deferred	10	(71)
Total income taxes	256	956
Net income	1,190	1,117
Net loss attributable to non-controlling interest	(122)	—
Net income attributable to owners of parent	1,313	1,117

Interim Consolidated Statement of Comprehensive Income

	(Million yen)	
	Previous Interim Consolidated Accounting Period (March 1, 2025 to August 31, 2025)	Current Interim Consolidated Accounting Period (March 1, 2026 to August 31, 2026)
Net income (loss)	1,190	1,117
Other comprehensive income		
Valuation difference on available-for-sale securities	825	(3,498)
Foreign currency translation adjustment	(452)	(135)
Remeasurements of defined benefit plans	59	0
Share of other comprehensive income of affiliates accounted for using equity method	(9)	12
Total other comprehensive income	423	(3,621)
Comprehensive income	1,613	(2,503)
Total comprehensive income attributable to:		
Owners of parent	1,799	(2,503)
Non-controlling interests	(186)	—

(3) Interim Consolidated Statement of Cash Flows

(Million yen)

	Previous Interim Consolidated Accounting Period (March 1, 2025 to August 31, 2025)	Current Interim Consolidated Accounting Period (March 1, 2026 to August 31, 2026)
Cash flows from operating activities		
Income (loss) before income taxes	1,447	2,074
Depreciation	1,573	2,352
Amortization of goodwill	222	741
Increase (decrease) in allowance for doubtful accounts	(17)	(10)
Increase (decrease) in retirement benefit liability	(45)	17
Increase (decrease) in provision for bonuses	(334)	(85)
Increase (decrease) in provision for shareholder benefit program	(44)	61
Interest and dividend income	(375)	(895)
Interest expenses	17	427
Loss (gain) on sales of non-current assets	(5)	(2)
Loss on retirement of non-current assets	2	16
Impairment loss	49	25
Loss (gain) on sales of investment securities	(618)	(263)
Decrease (increase) in accounts receivables—trade	256	2,293
Decrease (increase) in inventories	(755)	(69)
Increase (decrease) in accounts payables—trade	(437)	(283)
Loss (gain) on sale of shares of subsidiaries and associates	385	—
Increase (decrease) in accrued consumption taxes	(693)	34
Other	(559)	(736)
Subtotal	65	5,697
Interest and dividends received	375	895
Interest paid	(17)	(427)
Income taxes paid	(7,507)	(1,586)
Income tax refund	65	3,203
Net cash provided by (used in) operating activities	(7,017)	7,781

(Million Yen)

	Previous Interim Consolidated Accounting Period (March 1, 2025 to August 31, 2025)	Current Interim Consolidated Accounting Period (March 1, 2026 to August 31, 2026)
Cash flows from investing activities		
Net decrease (increase) in time deposits	—	223
Purchase of property, plant and equipment	(1,418)	(1,269)
Proceeds from sales of property, plant and equipment	5	2
Purchase of investment securities	(4,045)	(2,593)
Proceeds from sales of investment securities	5,599	2,198
Purchase of intangible assets	(1,044)	(819)
Payments of leasehold and guarantee deposits	(167)	(453)
Proceeds from collection of leasehold and guarantee deposits	651	435
Acquisition of long-term prepaid expenses	(36)	(48)
Payments for purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(4,342)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	1,207	—
Other	(673)	(919)
Net cash provided by (used in) investing activities	78	(7,586)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	7,522	10,271
Repayments of long-term borrowings	(570)	(2,931)
Purchase of treasury shares	(12,874)	(2,999)
Proceeds from sales of treasury shares	99	90
Dividends paid	(4,559)	(2,363)
Other	(0)	(0)
Net cash provided by (used in) financing activities	(10,382)	2,066
Effect of exchange rate change on cash and cash equivalents	(103)	68
Net increase (decrease) in cash and cash equivalents	(17,425)	2,330
Cash and cash equivalents at beginning of period	45,822	27,955
Cash and cash equivalents at end of period	28,397	30,286

(4) Notes to Interim 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)

At a meeting of the Board of Directors held on July 14, 2025, the Company resolved to reintroduce a trust-type employee stock ownership plan (ESOP) as part of its employee incentive program and benefits package.

i. Overview of the Plan

The Company has established a trust (the "Shareholding Association Trust"), the beneficiaries of which are employees of the Company Group who participate in the TSI Employee Shareholding Association (the "Shareholding Association") and meet certain eligibility requirements.

In August 2025, the Shareholding Association Trust acquired in advance, using funds procured through borrowings, the number of the Company's shares expected to be purchased by the Shareholding Association over the next five years. Thereafter, the acquisition of the Company's shares by the Shareholding Association will be executed through the Shareholding Association Trust. The Company provides a guarantee for such borrowings.

ii. Shares of the Company Remaining in the Trust

The shares of the Company remaining in the Trust are recorded as treasury stock in the net assets section at their carrying value in the Trust. The carrying amount and number of such treasury shares were ¥396 million and 354 thousand shares, respectively, for the prior consolidated fiscal year, and ¥306 million and 274 thousand shares, respectively, for the current interim consolidated accounting period.

iii. Carrying Amount of Debt Financing Recorded Using the Gross Method

The carrying amount was ¥407 million as of the end of the prior consolidated fiscal year and ¥317 million as of the end of the current interim consolidated accounting 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 (collectively, "eligible officers").

i. Outline of Transaction

Under the plan, the Company's shares are acquired through a trust using funds contributed by the Company. 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 recorded as treasury stock in the net assets section at their carrying value in the Trust. The carrying amount and number of shares of treasury stock were ¥267 million and 474

thousand shares, respectively, as of both the end of the previous fiscal year and the end of the interim consolidated accounting period under review.

Segments of the Company and Related Information

1. Previous interim consolidated accounting period (March 1, 2025, to August 31, 2025)

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

	Reportable segment	Other Note 1	Total	Adjustments Note 2	Interim Consolidated Income Statement Amounts (Note 3)
	Apparel-related businesses				
Net sales					
Sales to third parties	63,653	2,513	66,167	—	66,167
Inter-segment sales or transfers	65	280	346	(346)	—
Total	63,719	2,793	66,513	(346)	66,167
Segment income	1,029	283	1,313	(673)	640

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 ¥(673) 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 interim 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

2. Current Interim Consolidated Accounting Period (March 1, 2026, to August 31, 2026)

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

	Reportable segment	Other Note 1	Total	Adjustments Note 2	Interim Consolidated Income Statement Amounts (Note 3)
	Apparel-related businesses				
Net sales					
Sales to third parties	84,316	4,589	88,905	—	88,905
Inter-segment sales or transfers	69	288	358	(358)	—
Total	84,385	4,877	89,263	(358)	88,905
Segment income (loss)	1,349	370	1,720	(724)	995

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 (loss) adjustment of ¥(724) million is due to corporate expenses not allocated to business segments and the transaction offsets among consolidated companies.
3. Segment loss is adjusted to operating income listed in the consolidated financial statements.

(2) Information on Assets by Reportable Segment

Significant Increase in Assets Due to Acquisition of Subsidiaries

During the interim consolidated accounting period, the Company acquired Toyo Enterprise Co., Ltd. and Leilani Trading Co., Ltd. and included these companies and their subsidiaries in the scope of consolidation. As a result, segment assets in the “Apparel-related Business” increased by ¥9,674 million compared with the end of the previous fiscal year.

(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

In the “Apparel-related Business” segment, the Company had applied provisional accounting treatment in the previous fiscal year to the business combination with Daytona International Co., Ltd., and finalized the accounting treatment during the interim consolidated accounting period. As a result, the provisionally calculated amount of goodwill of ¥28,811 million decreased by ¥10,216 million upon finalization of the accounting treatment, to ¥18,594 million.

In the “Other Business” segment, the Company had applied provisional accounting treatment in the previous fiscal year to the business combination with Waterfront Co., Ltd., and finalized the accounting treatment during the interim consolidated accounting period. As a result, the provisionally calculated amount of goodwill of ¥4,050 million decreased by ¥1,998 million upon finalization of the accounting treatment, to ¥2,052 million.

A significant gain from negative goodwill

None

Business Combinations

Business Combination through Acquisition

(1) Overview of the Business Combination

i. Name and Business of the Acquired Companies

Acquired companies

Name: Toyo Enterprise Co., Ltd. and Lei Lani Trading Co., Ltd.

Business: Planning and manufacturing of textile products, wholesale, and trading

ii. Principal Reasons for the Business Combination

The Company expects synergies across a wide range of areas by combining Toyo Enterprise Co., Ltd.'s craftsmanship-based strengths in the "ultimate reproduction and preservation of culture" with the Company's strength in its "diverse brand portfolio." These include the development of exclusive product lines that differentiate the Group from other companies, expansion into new customer segments through "mix.tokyo," and joint promotion of "Japan Quality" in global markets.

The business combination is also expected to contribute to expanding the Group's share of the American casualwear market, where existing brands such as Avirex and Alpha Industries have recently achieved significant growth.

For these reasons, the Company determined that the acquisition would further accelerate the Group's growth strategy and contribute to enhancing corporate value over the medium to long term, and therefore decided to acquire Toyo Enterprise and its distribution company, Lei Lani Trading.

iii. Date of the Business Combination

August 3, 2026 (share acquisition date)

July 31, 2026 (deemed acquisition date)

iv. Legal Form of the Business Combination

Acquisition of shares for cash consideration

v. Name of the Company after the Business Combination

No change

vi. Percentage of Voting Rights Acquired

100% (including 12.3% indirectly held)

vii. Principal Basis for Determining the Acquirer

The Company was determined to be the acquirer because it acquired the shares for cash consideration.

(2) Period of the Acquired Companies' Results Included in the Interim Consolidated Statement of Income

As the deemed acquisition date of the acquired companies was July 31, 2026, and the difference between that date and the interim consolidated closing date did not exceed three months, only the balance sheets of the acquired companies were consolidated. Accordingly, the results of the acquired companies are not included in the interim consolidated statement of income for the interim consolidated accounting period.

(3) Acquisition Cost of the Acquired Companies and Breakdown by Type of Consideration

Consideration for acquisition	Cash	¥7,909 million
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Acquisition cost		¥7,909 million
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(4) Details and Amount of Major Acquisition-related Costs

Advisory fees and other expenses: ¥14 million

(5) Amount of Goodwill Recognized, Reason for Recognition, and Method and Period of Amortization

i. Amount of Goodwill Recognized: ¥810 million

The amount of goodwill has been provisionally calculated as the allocation of the acquisition cost had not been completed as of the end of the interim consolidated accounting period.

ii. Reason for Recognition

The goodwill primarily represents the excess earning power expected from future business development.

iii. Method and Period of Amortization

Goodwill is expected to be amortized on a straight-line basis over the period in which its benefits are expected to be realized. The amortization period is currently being determined.

(6) Amounts of Assets Acquired and Liabilities Assumed on the Date of the Business Combination and Major Components Thereof

Current assets	¥6,944 million
Non-current assets	¥2,275 million
Total assets	¥9,220 million
Current liabilities	¥1,403 million
Non-current liabilities	¥717 million
Total liabilities	¥2,120 million

Finalization of Provisional Accounting Treatment for a Business Combination

With respect to the business combination with Daytona International Co., Ltd. conducted on September 2, 2025 (deemed acquisition date: September 1, 2025), the Company had applied provisional accounting treatment in the previous fiscal year and finalized the accounting treatment during the interim consolidated accounting period.

As a result of the finalization of the provisional accounting treatment, a significant revision to the initial allocation of the acquisition cost has been reflected in the comparative information included in the interim consolidated financial statements for the interim consolidated accounting period.

Consequently, the provisionally calculated amount of goodwill of ¥28,811 million decreased by ¥10,216 million upon finalization of the accounting treatment, to ¥18,594 million.

In addition, intangible assets other than goodwill and non-current liabilities as of the end of the previous fiscal year increased by ¥15,701 million and ¥4,578 million, respectively. There was no impact on the interim consolidated statement of income for the previous interim consolidated accounting period.

With respect to the business combination with Waterfront Co., Ltd. conducted on December 1, 2025, the Company had applied provisional accounting treatment in the previous fiscal year and finalized the accounting treatment during the interim consolidated accounting period.

As a result of the finalization of the provisional accounting treatment, a significant revision to the initial allocation of the acquisition cost has been reflected in the comparative information included in the interim consolidated financial statements for the interim consolidated accounting period.

Consequently, the provisionally calculated amount of goodwill of ¥4,050 million decreased by ¥1,998 million upon finalization of the accounting treatment, to ¥2,052 million.

In addition, intangible assets other than goodwill and non-current liabilities as of the end of the previous fiscal year increased by ¥2,882 million and ¥911 million, respectively. There was no impact on the interim consolidated statement of income for the previous interim consolidated accounting period.