

Consolidated Financial Results
for the Six Months Ended August 31, 2025
(Under Japanese GAAP)

October 14, 2025

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, 2025
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, 2025 (March 1, 2025 to August 31, 2025)

(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, 2025	66,167	(12.0)	640	—	1,333	—	1,313	—
August 31, 2024	75,230	2.7	(221)	—	(167)	—	(791)	—

(Notes) Comprehensive income: For the six months ended August 31, 2025 ¥1,613 million (125.1%)
For the six months ended August 31, 2024 ¥716 million (-74.0%)

	Net income per share	Diluted net income per share
Six Months Ended	Yen	Yen
August 31, 2025	19.57	—
August 31, 2024	(10.68)	—

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
As of	Million yen	Million yen	%
August 31, 2025	122,701	92,759	75.4
February 28, 2025	141,159	108,230	76.4

(Reference) Shareholders' equity: As of August 31, 2025 ¥92,488 million
As of February 28, 2025 ¥107,905 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, 2025	—	0.00	—	65.00	65.00
FY ending February 28, 2026	—	0.00			
FY ending February 28, 2026 (forecast)			—	40.00	40.00

(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, 2026 (March 1, 2025 to February 28, 2026)

(% represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
Full Year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	169,000	7.9	5,700	248.4	6,000	188.9	4,200	72.4	62.56

(Note) Revisions to the forecast of consolidated business results most recently announced: Yes

* Notes:

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

Newly included: None

Excluded: Six companies (TSI Sewing Co., Ltd., Efuego Corp., Toska Bano'k Co., Ltd., Van Nang Banok Co., Ltd., Avirex Shanghai Trading Co., Ltd., Tokyo Style Hong Kong Co., Ltd.)

(2) Application of particular accounts 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: Yes

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

As of August 31, 2025	74,105,793 shares	As of February 28, 2025	76,941,393 shares
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b. Number of treasury stock at the end of the period

As of August 31, 2025	15,875,540 shares	As of February 28, 2025	7,490,520 shares
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c. Average number of shares over the period

As of August 31, 2025	67,136,344 shares	As of August 31, 2024	74,129,142 shares
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* Semi-annual financial results reports are exempt from review conducted 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.

Contents of Attached Materials

1. Overview of Business Results and Other Matters	2
(1) Overview of Business Results	2
(2) Overview of Financial Position	3
(3) Explanation of Consolidated Business Forecast and Other Forward-looking Statements	3
2. Interim Consolidated Financial Statements and Major Notes	4
(1) Interim Consolidated Balance Sheets	4
(2) Interim Consolidated Statements of Income and Comprehensive Income	6
(3) Interim Consolidated Statements of Cash Flows	8
(4) Notes to Interim Consolidated Financial Statements	10
Going Concern Assumption	10
Notes on Significant Changes in Shareholders' Equity	10
Changes in Accounting Policies	10
Additional Information	10
Segment Information, etc.	12

1. Overview of Business Results and Other Matters

(1) Overview of Business Results

During the interim consolidated accounting period (from March 1, 2025, to August 31, 2025), the apparel industry experienced a mixed environment. In Japan, several positive factors contributed, including wage increases and a record-high growth in inbound visitors. However, ongoing inflation, U.S. tariff policies, and record-breaking heat created an environment vulnerable to rising concerns over an economic slowdown. As a result, while overall market conditions stayed strong, consumer sentiment remained unpredictable.

Under these business conditions, TSI Holdings Co., Ltd. and its subsidiaries (collectively, the “Group”) have continued to implement fundamental profit structure reforms and growth strategies based on the medium-term management plan, “TSI Innovation Program 2027 (TIP27),” announced in April 2024.

In terms of net sales, in addition to the decline resulting from the withdrawal or divestment of certain businesses in the previous fiscal year, negative impacts included slower growth in inbound tourism demand since July, difficulties in acquiring new customers for core brands, and delays in the migration of the customer base associated with the renewal of our proprietary e-commerce site, “mix.tokyo,” which progressed more slowly than anticipated.

Conversely, as a result of ongoing profit structure reforms initiated in the previous fiscal year, the gross profit margin increased by 1.8 percentage points year-on-year, thanks to decreases in the cost-of-sales ratio and efforts to clear past inventories. Additionally, selling, general, and administrative expenses remained tightly controlled.

Consequently, net sales were ¥66,167 million (down 12.0% year-on-year), operating income was ¥640 million (compared with an operating loss of ¥221 million in the same period of the previous fiscal year), and ordinary income was ¥1,333 million (compared with an ordinary loss of ¥167 million in the same period of the previous fiscal year).

Profit attributable to owners of parent for the interim period was ¥1,313 million (compared with a loss attributable to owners of parent of ¥791 million in 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 business, the above factors particularly affected sales of core brands.

On the other hand, in the men’s segment, American casual brands such as Avirex and Schott continued to perform steadily. In the women’s segment, despite ongoing challenges, brands such as Arpege Story, Rirandture, and ETRE TOKYO achieved higher sales through successful collaboration initiatives and promotional events.

Overseas, although signs of recovery were seen in the U.S. streetwear market, business conditions in the United States remained challenging.

As a result, net sales in the apparel-related business totaled 63,719 million yen (down 11.9% year-on-year).

Other Businesses

In other businesses, the Group operated S-groove Co., Ltd., which engages in sales agency and staffing services; READY TO FASHION Inc., which provides an apparel-focused SaaS recruitment service; PLAX Co., Ltd., which engages in store design management and the restaurant business; and Laline JAPAN Co., Ltd., which sells cosmetics, perfumes, and soaps. As a result, net sales decreased to ¥2,793 million (down 15.8% year-on-year).

The transfer of all shares of Toska Bano’k Co., Ltd., a consolidated subsidiary, was completed on June 1, 2025, and its performance up to the transfer date is included in this interim consolidated period.

(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 2025 (February 28, 2025)	As of the end of the six-month period (August 31, 2025)	Increase/decrease
Total assets	141,159	122,701	(18,457)
Liabilities	32,928	29,942	(2,986)
Net assets	108,230	92,759	(15,471)
Shareholders' equity ratio	76.4%	75.4%	(1.1%)
Net assets per share (Yen)	1,553.70	1,588.32	34.62

Total assets decreased by ¥18,457 million from the end of the previous fiscal year, despite an increase in investment securities (up ¥637 million), mainly due to a decrease in cash and deposits (down ¥17,428 million) and a decrease in Other under Investments and Other Assets (down ¥900 million).

Total liabilities decreased by ¥2,986 million from the end of the previous fiscal year, despite an increase in short-term borrowings (up ¥7,671 million), mainly due to decreases in notes and accounts payable (down ¥628 million), income taxes payable (down ¥7,155 million), provision for bonuses (down ¥385 million), and Other under Current Liabilities (down ¥1,687 million).

Net assets decreased by ¥15,471 million from the end of the previous fiscal year, mainly due to a decrease in retained earnings (down ¥3,124 million) and the acquisition of treasury stock (¥10,312 million), which is deducted from net assets.

As a result, net assets per share increased by ¥34.62.

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

The financial results for the second quarter (interim period) differed from the consolidated earnings forecast for the same period of the fiscal year ending February 2025, which was announced on April 11, 2025. For details, please refer to the Revision of Consolidated Earnings Forecast for the Second Quarter (Interim) of the Fiscal Year Ending February 28, 2026" released on October 8, 2025.

Additionally, the full-year consolidated earnings forecast has been revised to reflect the recent business trends and the impact of consolidating Daytona International Co., Ltd., which became a wholly owned subsidiary on September 2, 2025.

For further details, please refer to the "Revision of Full-Year Earnings Forecast for the Fiscal Year Ending February 2026" on October 14, 2025.

2. Interim Consolidated Financial Statements and Major Notes

(1) Interim Consolidated Balance Sheets

	(Million yen)	
	Previous consolidated fiscal year (As of February 28, 2025)	Interim consolidated accounting period of the current fiscal year (As of August 31, 2025)
Assets		
Current assets		
Cash and deposits	46,325	28,896
Notes receivable-trade	87	—
Account receivable-trade	11,363	10,791
Merchandise and finished goods	24,767	24,172
Work in process	440	612
Raw materials and supplies	702	621
Other	2,638	2,814
Allowance for doubtful accounts	(52)	(26)
Total current assets	86,273	67,882
Non-current assets		
Property, plant and equipment	6,165	6,523
Intangible asset		
Goodwill	1,626	1,302
Other	4,692	4,857
Total intangible assets	6,318	6,160
Investments and other assets		
Investment securities	23,490	24,127
Investment property	2,248	2,243
Other	16,739	15,838
Allowance for doubtful accounts	(76)	(74)
Total investments and other assets	42,401	42,135
Total non-current assets	54,885	54,818
Total assets	141,159	122,701
Liabilities		
Current liabilities		
Notes and accounts payable-trade	8,005	7,376
Short-term borrowings	107	7,779
Current portion of long-term borrowings	1,140	875
Income taxes payable	7,417	262
Provision for bonuses	776	391
Provision for shareholder benefit program	101	57
Asset retirement obligations	248	93
Other	9,066	7,378
Total current liabilities	26,864	24,213
Non-current liabilities		
Long-term borrowings	407	428
Provision for retirement benefits for directors	35	31
Retirement benefit liability	1,093	926
Asset retirement obligations	2,302	2,346
Other	2,224	1,995
Total non-current liabilities	6,063	5,728
Total liabilities	32,928	29,942

	(Million yen)	
	Previous consolidated fiscal year (As of February 28, 2025)	Interim consolidated accounting period of the current fiscal year (As of August 31, 2025)
Net assets		
Shareholders' equity		
Share capital	15,000	15,000
Capital surplus	16,929	14,461
Retained earnings	74,140	71,015
Treasury stock	(6,160)	(16,473)
Total shareholders' equity	99,908	84,004
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,273	7,098
Foreign currency translation adjustment	1,776	1,377
Remeasurements of defined benefit plans	(52)	7
Total accumulated other comprehensive income	7,997	8,483
Non-controlling interests	325	271
Total net assets	108,230	92,759
Total liabilities and net assets	141,159	122,701

(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, 2024 to August 31, 2024)	Current Interim Consolidated Accounting Period (March 1, 2025 to August 31, 2025)
Net sales	75,230	66,167
Cost of sales	34,675	29,339
Gross profit	40,554	36,827
Selling, general and administrative expenses	40,776	36,187
Operating income (loss)	(221)	640
Non-operating income		
Interest income	22	36
Dividend income	372	339
Share of profit of entities accounted for using equity method	—	218
Real estate income	187	121
Other	116	135
Total non-operating income	698	851
Non-operating expenses		
Interest expenses	24	17
Rental expenses on real estate	21	18
Foreign exchange loss	122	30
Share of loss of entities accounted for using equity method	268	—
Other	206	91
Total non-operating expenses	644	158
Ordinary income (loss)	(167)	1,333
Extraordinary income		
Gain on sales of non-current assets	0	5
Gain on sale of investment securities	466	618
Gain on sale of shares of subsidiaries and associates	—	101
Total extraordinary income	467	726
Extraordinary losses		
Loss on retirement of non-current assets	3	2
Loss on sale of investment securities	135	—
Loss on valuation of investment securities	—	13
Loss on sale of shares of subsidiaries and associates	—	486
Impairment losses	34	49
Other	167	60
Total extraordinary losses	341	611
Income (loss) before income taxes	(41)	1,447
Income taxes—current	302	246
Income taxes—deferred	479	10
Total income taxes	781	256
Net income (loss)	(823)	1,190
Net loss attributable to non-controlling interest	(31)	(122)
Net income or loss attributable to owners of parent	(791)	1,313

Interim Consolidated Statement of Comprehensive Income

	(Million yen)	
	Previous Interim Consolidated Accounting Period (March 1, 2024 to August 31, 2024)	Current Interim Consolidated Accounting Period (March 1, 2025 to August 31, 2025)
Net income (loss)	(823)	1,190
Other comprehensive income		
Valuation difference on available-for-sale securities	556	825
Foreign currency translation adjustment	816	(452)
Remeasurements of defined benefit plans	110	59
Share of other comprehensive income of affiliates accounted for using equity method	57	(9)
Total other comprehensive income	1,540	423
Comprehensive income	716	1,613
Total comprehensive income attributable to:		
Owners of parent	736	1,799
Non-controlling interests	(19)	(186)

(3) Interim Consolidated Statement of Cash Flows

(Million yen)

	Previous Interim Consolidated Accounting Period (March 1, 2024 to August 31, 2024)	Current Interim Consolidated Accounting Period (March 1, 2025 to August 31, 2025)
Cash flows from operating activities		
Income (loss) before income taxes	(41)	1,447
Depreciation	1,547	1,573
Amortization of goodwill	243	222
Increase (decrease) in allowance for doubtful accounts	11	(17)
Increase (decrease) in retirement benefit liability	43	(45)
Increase (decrease) in provision for bonuses	(127)	(334)
Increase (decrease) in provision for shareholder benefit program	0	(44)
Interest and dividend income	(394)	(375)
Interest expenses	24	17
Loss (gain) on sales of non-current assets	(0)	(5)
Loss on retirement of non-current assets	3	2
Impairment loss	34	49
Loss (gain) on sales of investment securities	(331)	(618)
Decrease (increase) in accounts receivables—trade	(506)	256
Decrease (increase) in inventories	(98)	(755)
Increase (decrease) in accounts payables—trade	56	(437)
Loss (gain) on sale of shares of subsidiaries and associates	—	385
Increase (decrease) in accrued consumption taxes	(33)	(693)
Other	945	(559)
Subtotal	1,377	65
Interest and dividends received	394	375
Interest paid	(24)	(17)
Income taxes paid	(785)	(7,507)
Income tax refund	490	65
Net cash provided by (used in) operating activities	1,452	(7,017)

(Million Yen)

	Previous Interim Consolidated Accounting Period (March 1, 2024 to August 31, 2024)	Current Interim Consolidated Accounting Period (March 1, 2025 to August 31, 2025)
Cash flows from investing activities		
Net decrease (increase) in time deposits	(5)	—
Purchase of property, plant and equipment	(1,465)	(1,418)
Proceeds from sales of property, plant and equipment	3	5
Purchase of investment securities	(4,877)	(4,045)
Proceeds from sales of investment securities	5,374	5,599
Purchase of intangible assets	(164)	(1,044)
Payments of leasehold and guarantee deposits	(243)	(167)
Proceeds from collection of leasehold and guarantee deposits	329	651
Acquisition of long-term prepaid expenses	(21)	(36)
Payments for purchase of shares of subsidiaries resulting in change in scope of consolidation	(390)	—
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	—	1,207
Other	53	(673)
Net cash provided by (used in) investing activities	(1,408)	78
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	83	7,522
Repayments of long-term borrowings	(1,949)	(570)
Purchase of treasury shares	(2,823)	(12,874)
Proceeds from sales of treasury shares	28	99
Dividends paid	(1,143)	(4,559)
Other	(113)	(0)
Net cash provided by (used in) financing activities	(5,918)	(10,382)
Effect of exchange rate change on cash and cash equivalents	97	(103)
Net increase (decrease) in cash and cash equivalents	(5,776)	(17,425)
Cash and cash equivalents at beginning of period	26,766	45,822
Cash and cash equivalents at end of period	20,989	28,397

(4) Notes to Interim Consolidated Financial Statements

Going Concern Assumption

Not applicable

Notes on Significant Changes in Shareholders' Equity

The amount of shareholders' equity has not significantly changed compared to the end of the previous consolidated fiscal year.

Changes in Accounting Policies

Application of Accounting Standards for Income Taxes, etc.

The "Accounting Standard for Income Taxes, Inhabitant Taxes and Enterprise Taxes" (ASBJ Statement No. 27, issued October 28, 2022; hereinafter the "2022 Amended Accounting Standard"), and related standards have been applied from the beginning of the current interim consolidated fiscal period.

With respect to the amendments concerning the classification of income taxes (taxation on other comprehensive income), the Company has applied the transitional treatment prescribed in the proviso to Paragraph 20-3 of the 2022 Amended Accounting Standard and in the proviso to Paragraph 65-2 (2) of the "Implementation Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, issued October 28, 2022; hereinafter the "2022 Amended Implementation Guidance"). This change in accounting policies has no impact on the interim consolidated financial statements.

In addition, with respect to the amendments related to the treatment in the consolidated financial statements of deferred gains or losses for tax purposes arising from the sale of shares in subsidiaries and other investments among consolidated companies, the Company has applied the 2022 Amended Implementation Guidance from the beginning of the current interim consolidated fiscal period.

This change in accounting policies has been applied retrospectively, and the interim consolidated financial statements for the previous interim consolidated fiscal period and the consolidated financial statements for the previous fiscal year have been prepared to reflect the retrospective application. There is no impact on the interim consolidated financial statements for the previous interim consolidated fiscal period or the consolidated financial statements for the previous fiscal year as a result of this change in accounting policies.

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 book value and number of treasury shares were ¥427 million and 383,000 shares during the current interim consolidated accounting period.

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

¥428 million for the current interim 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 (collectively, "eligible officers").

i. Outline of the 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 ¥269 million for 478,000 shares as of the end of the previous fiscal year and ¥268 million for 476,000 shares as of the end of this fiscal year under review.

Segments of the Company and Related Information

1. Previous interim consolidated accounting period (March 1, 2024, to August 31, 2024)

(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	72,245	2,984	75,230	—	75,230
Inter-segment sales or transfers	70	333	404	(404)	—
Total	72,316	3,317	75,634	(404)	75,230
Segment income	680	208	888	(1,110)	(221)

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 ¥ (1,110) 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, 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 (loss)	1,029	283	1,313	(673)	640

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 ¥ (673) million is attributed 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) 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