

(Translation)

To Whom It May Concern

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Stock Listing	Tokyo Stock Exchange Prime Market (Code: 3608)
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**Notice of Variance between Consolidated Full-year Financial Results Forecast and Actual Results and Occurrence of Extraordinary loss**

TSI Holdings, Inc. ("Company") announces the following variance between its consolidated business results projection for the fiscal year ended on February 29, 2024 (from March 1, 2023 to February 29, 2024), announced on January 12, 2024, and the actual results announced today.

**1. Variance between Consolidated Full-Year Financial Results Forecast and Actual Results for the Fiscal Year Ended on February 29, 2024 (March 1, 2023 - February 29, 2024.)**

**(1) Details**

	Sales	Operating Profit	Ordinary Profit	Net Income Attributable to Owners of the Parent	Earnings Per Share
	million JPY	million JPY	million JPY	million JPY	JPY
Previous Forecast (A)	154,400	1,400	3,000	2,800	34.06
Actual Value (B)	155,383	1,760	3,758	4,849	59.97
Variance (B-A)	983	360	758	2,049	
Percent Variance (%)	0.6	25.7	25.3	73.2	
(Ref) Results of previous FY ending Feb 28, 2023	154,456	2,329	3,859	3,063	35.21

**(2) Occurrence of extraordinary loss (impairment loss) and its details**

In the fourth quarter of the fiscal year ended on February 29, 2024 (from December 1, 2023 to February 29, 2024), the Company wrote down the value of a part of its fixed assets held by part of its subsidiaries and stores, pursuant to the "Accounting Standard for Impairment of Fixed Assets" and posted an impairment loss of ¥980 million.

### **(3) Reason for the Variance and Posting of Extraordinary Loss**

Sales were generally in line with the plan due to a recovery in demand and number of visitors from overseas. Operating profit increased by 360 million yen due to reduced headquarters costs, including IT/digital expenses. In terms of non-operating profit and loss, ordinary profit increased by 758 million yen due to increased dividend income.

While a gain on sales of investment securities of 2,218 million yen was posted as a result of the sale of cross-holding shares, impairment losses of 1,332 million yen were written down the value of fixed assets held pursuant to the "Accounting Standard for Impairment of Fixed Assets" due to the deterioration in the performance of some consolidated subsidiaries.

As a result of a thorough evaluation of the recoverability of deferred tax assets, considering the future business prospects and other relevant factors, the recoverability of deductible temporary differences increased due to anticipated increases in income before adjustment for temporary differences. Additionally, deferred tax assets were posted for the fiscal year ended on February 29, 2024, leading to the posting of income taxes-deferred (gain) of 2,351 million yen. This resulted in an increase of 2,049 million yen in net income attributable to owners of parent, bringing the total to 4,849 million yen.