



## 東京生活館株式会社

### Tokyo Lifestyle Enters into US\$1.92 Million Subordinated Unsecured Loan Agreement with Tokushin G. K.

March 5, 2026

Tokyo, Japan, March 05, 2026 (GLOBE NEWSWIRE) -- Tokyo Lifestyle Co., Ltd. ("Tokyo Lifestyle" or the "Company") (Nasdaq: TKLF), a retailer and wholesaler of Japanese beauty and health products, sundry products, luxury products, electronic products, collectible cards, trendy toys as well as other products in Hong Kong, Japan, North America, Thailand, Vietnam, the United Kingdom and Australia, today announced that it entered into a five-year subordinated unsecured loan agreement for JPY 300 million (approximately US\$1.92 million) (the "Loan Agreement") with its controlling shareholder, Tokushin G. K. ("Tokushin"), a limited liability entity owned by the Company's Representative Director and Principal Executive Officer, Mr. Mei Kanayama, and his family, on November 27, 2025. The funding is intended to support the Company's future growth and development initiatives.

Pursuant to the Loan Agreement, Tokyo Lifestyle received the loan proceeds from Tokushin on February 1, 2026. The loan term commenced on the same date and will mature on January 31, 2031. Repayment will follow a schedule mutually agreed upon by both parties. Tokyo Lifestyle will pay interest monthly and will settle the principal in a lump sum upon maturity. The loan bears a fixed annual interest rate of 2.0%, which is slightly higher than prevailing commercial lending rates in Japan in the current high-interest-rate environment.

A subordinated loan ranks below other forms of indebtedness in terms of claims on assets in the event of default. In bankruptcy or liquidation, it is repaid only after all senior indebtedness has been satisfied. Unlike equity financing, a subordinated loan does not dilute shareholders' equity, yet it can achieve a similar financial effect to a capital infusion by strengthening the borrower's financial profile while preserving its existing equity structure.

Tokyo Lifestyle is currently advancing its global expansion strategy, aiming to establish a robust network integrating direct-operated stores, franchise locations, online platforms, and wholesale customers. For its 2026 business strategy, the Company aims to focus on expanding its global footprint and achieving superior operational efficiency, both of which require more abundant and stable financial resources.

Mr. Mei Kanayama commented: "In the current market environment, this strategic subordinated unsecured loan agreement not only reflects the deep trust my family and I have in Tokyo Lifestyle's business model and the execution capabilities of its management team, but also represents a significant optimization of its capital structure.

"Although the funds are legally classified as debt, we view them as 'quasi-capital' for the Company from both a financial and strategic perspective due to their subordinated nature. This structure is expected to strengthen the Company's capital base and enhance its credit profile by providing an effective capital cushion on the balance sheet. As a result, for rating agencies and bank creditors, the transaction may be viewed as supportive of the Company's overall financial position and could potentially facilitate access to lower-cost senior financing in the future. Beyond replenishing working capital, we believe that the loan meaningfully reinforces the Company's equity value protection buffer. Importantly, it improves the Company's financial position without diluting shareholder equity, making it an attractive approach for introducing long-term growth capital while preserving existing shareholders' earnings per share and control.

"With this funding, the Company will continue to focus on operational excellence, strengthening daily operations, and expanding its core business, market channels, and sales network. Looking ahead to 2026 and beyond, as macroeconomic uncertainties gradually ease, Tokyo Lifestyle plans to expand into new markets by opening new stores. This includes adding additional directly operated physical stores in Japan, Hong Kong, the U.S., Vietnam, Australia, and Canada, as well as new franchise stores in the U.S., Canada, Australia, New Zealand, the U.K., Singapore, Thailand, Malaysia, the Middle East, and Taiwan over the next three years. This ambitious plan requires stronger financial support and a more stable capital structure.

"We believe this funding is primarily intended to support the Company's longer-term growth objectives rather than to address immediate liquidity needs. Fully aligned with the interests of all other shareholders, my family and I will continue to provide strong support for the Company's development, with the goal of creating long-term value for all shareholders."

#### About Tokyo Lifestyle Co., Ltd.

Headquartered in Tokyo, Japan, Tokyo Lifestyle Co., Ltd. (formerly known as Yoshitsu Co., Ltd) is a retailer and wholesaler of Japanese beauty and health products, sundry products, luxury products, electronic products, collectible cards, trendy toys, and other products in Hong Kong, Japan, North America, Thailand, Vietnam, the United Kingdom and Australia. The Company offers various beauty products (including cosmetics, skincare, fragrance, and body care products), health products (including over-the-counter drugs, nutritional supplements, and medical supplies and devices), sundry products (including home goods), collectible cards and trendy toys (including Pokémon cards, BE@RBRICK and other trendy products) and other products (including food and alcoholic beverages). The Company currently sells its products through directly-operated physical stores, through online stores, and to franchise stores and wholesale customers. For more information, please visit the Company's website at <https://www.ystbek.co.jp/irlibrary/>.

#### Forward-Looking Statements

*Certain statements in this press release are forward-looking statements, within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements involve known and unknown risks and uncertainties and are based on current expectations and projections about future events and financial trends that the Company believes may affect its financial condition, results of operations, business strategy, and financial needs. Investors can identify these forward-looking statements by words or phrases such as "may," "will," "expect," "anticipate," "aim," "estimate," "intend," "plan," "believe," "potential," "continue," "is/are likely to," or*

*other similar expressions. The Company undertakes no obligation to update forward-looking statements to reflect subsequent occurring events or circumstances, or changes in its expectations, except as may be required by law. Although the Company believes that the expectations expressed in these forward-looking statements are reasonable, it cannot assure you that such expectations will turn out to be correct, and the Company cautions investors that actual results may differ materially from the anticipated results and encourages investors to review other factors that may affect its future results in the Company's filings with the U.S. Securities and Exchange Commission.*

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