



東京生活館株式会社

Tokyo Lifestyle Secures Strategic Franchise Partnership with FLUSH Co., Ltd. to Accelerate Expansion in Western Japan and Strengthen O2O Digital Capabilities

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Tokyo, Japan, June 10, 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 strategic franchise agreement (the "Agreement") on March 30, 2026, with FLUSH Co., Ltd. ("FLUSH"), a company engaged in AI-driven digital operations with market development experience in Osaka and the broader Western Japan region. The partnership is expected to enhance the market presence of the Tokyo Lifestyle and REIWATAKIYA brands and advance the Company's AI-enabled digital retail initiatives.

Pursuant to the Agreement, which has an initial term of three years, Tokyo Lifestyle will grant FLUSH franchise rights and a non-exclusive license to operate household-goods retail businesses under the Company's flagship brands: "東京生活館," "TOKYO LIFESTYLE," and "REIWATAKIYA."

Key Strategic Benefits

Deepening Domestic Footprint in a Priority Market

While Tokyo Lifestyle operates internationally, Japan remains its cultural origin and one of its core markets. Expanding its presence in Western Japan, particularly in the Kansai region, the country's second-largest metropolitan area, is expected to strengthen the Company's brand presence, improve supply chain efficiency, and enhance its competitiveness. A stronger domestic footprint may also support the Company's international expansion strategy by reinforcing its authentic Japanese-brand identity, a key differentiator in overseas markets.

Validation of Brand Strength and Franchise Model

Tokyo Lifestyle believes that FLUSH's decision to partner with the Company reflects growing recognition of the strength of the Tokyo Lifestyle and REIWATAKIYA brands, as well as confidence in the Company's merchandising capabilities, operational framework, and franchise support system. The partnership represents another step in expanding the Company's franchise ecosystem and extending its brand reach into new regional markets.

Leveraging Local Expertise for Cost-Efficient Expansion

Tokyo Lifestyle believes that FLUSH's local resources, business network, and market expertise will facilitate further expansion in Western Japan with lower capital requirements and reduced execution risk. This asset-light approach aligns with the Company's broader growth strategy of expanding through franchising and strategic partnerships, potentially enhancing return on invested capital while maintaining brand consistency and operational oversight.

O2O and AI-Powered Live Broadcasting as Growth Drivers

FLUSH's experience in digital operations and AI-powered live broadcasting is expected to complement Tokyo Lifestyle's expanding physical store network. The Company expects that FLUSH will integrate an Online-to-Offline ("O2O") model, which is generally designed to engage younger, digitally native consumers, drive incremental traffic and online-to-store conversions, transform physical stores into fulfillment and customer engagement hubs, and enhance sales efficiency, customer lifetime value, and customer loyalty through data-driven targeting and engagement.

Advancing Digital Transformation in the AI Era

The partnership is intended to accelerate Tokyo Lifestyle's evolution from a traditional retail operator to a modern "new retail" platform. By integrating AI-enabled live commerce and digital operational capabilities, the Company aims to build scalable digital assets and operational frameworks that may be replicated across additional franchise networks and geographic markets over time.

Mr. Mei Kanayama, Principal Executive Officer of Tokyo Lifestyle, commented: "We are excited to partner with FLUSH to accelerate the expansion of our franchise network in Japan by leveraging FLUSH's strengths and resources. Beginning with the first franchise store in Ginza, Tokyo, we envision this collaboration extending well beyond a single location: in the next phase of our partnership, we plan to expand further into the Western Japan market, particularly the Kansai region, with the goal of establishing a franchise network of eight stores. FLUSH's strong local presence and AI-powered digital capabilities complement our expertise in physical retail operations. We believe this O2O model will create meaningful synergies that support both our asset-light expansion strategy and our broader digital transformation initiatives in the emerging AI era.

"Through this collaboration, we expect to transform our stores into strategic hubs for fulfillment, customer engagement, and data-driven retail operations, enabling greater efficiency, enhanced customer experiences, and stronger brand loyalty.

"Strategically, we expect this partnership to strengthen our presence in Japan and support our global growth ambitions. Our authentic Japanese heritage remains one of our most important competitive advantages in international markets. By reinforcing our domestic foundation, we believe we can build a stronger and more sustainable platform for long-term global expansion.

"We also view this collaboration as a replicable blueprint for future regional growth, combining franchising, local market expertise, and digital innovation to achieve scalable, asset-light expansion. Over time, we expect this model to enhance brand recognition, increase market penetration, and improve operational leverage both within Japan and across international markets."

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/ir/library/>.

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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