



東京生活館株式会社

Tokyo Lifestyle Co., Ltd.'s Hong Kong Subsidiary Terminates Revolving Financing Facility Ahead of Schedule

September 17, 2026

Strong Operating Performance and Improved Liquidity Support Debt Reduction and Lower Financing Costs

Tokyo, Japan, Sept. 17, 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 its wholly-owned Hong Kong subsidiary, Tokyo Lifestyle Limited, had agreed to fully prepay all outstanding amounts under an existing revolving financing facility previously announced by the Company on June 30, 2025 (the "Facility") by September 30, 2026. The Facility, which provided for a maximum credit amount of HK\$100 million (approximately US\$12.8 million) and had not been fully utilized, was terminated on June 24, 2026.

Pursuant to a loan termination agreement (the "Agreement") entered into with the creditor on June 24, 2026, Tokyo Lifestyle Limited agreed to repay in full, by September 30, 2026, all outstanding principal, accrued interest, fees, and other amounts payable under the original revolving loan facility letter dated June 27, 2025. Upon the effectiveness of the Agreement on June 24, 2026, the Facility, which has a five-year term, was terminated immediately, while the Company's obligation to repay the outstanding amounts remained due by September 30, 2026.

Prior to this decision, Tokyo Lifestyle Limited had not fully utilized the available credit facility. After evaluating its overall operating needs, cash flow position, and year-to-date accounts receivable collections, Tokyo Lifestyle Limited determined that it does not expect to require further funding under the Facility. Tokyo Lifestyle Limited believes that it now has a stronger liquidity position and improved cash flow generation and has elected to proactively repay all outstanding amounts under the Facility, with the objective of reducing debt, lowering financing costs, improving capital efficiency, and further optimizing its capital structure. Despite the voluntary termination, Tokyo Lifestyle Limited retains the flexibility to apply for new financing facilities or renew or modify similar arrangements in the future based on its actual financing needs.

The Company believes that the decision reflects the Company's improving operating performance and liquidity position. According to its financial statements released on July 10, 2026, for the fiscal year ended March 31, 2026, Tokyo Lifestyle reported revenue of US\$373.2 million, representing a 77.6% year-over-year increase, while gross profit increased 17.5% year-over-year to US\$28.1 million.

The Company believes that since the beginning of the fiscal year ending March 31, 2027, its Hong Kong subsidiary, Tokyo Lifestyle Limited, has maintained stable operating performance and cash flow generation, supported by the continued recovery of the local retail market. In addition, improved timing of certain accounts receivable collections has further strengthened the Company's liquidity position and provided greater financial flexibility. Against this backdrop, the Company believes that terminating the Facility and reducing its outstanding financing obligations in general will allow it to operate with a more efficient capital structure while retaining greater flexibility to allocate resources toward its core business and strategic growth initiatives.

Mr. Mei Kanayama, Principal Executive Officer of Tokyo Lifestyle, commented: "We have maintained strong business momentum since the beginning of this year, with key operating indicators continuing to improve. At the same time, our liquidity position has strengthened, providing us with greater financial flexibility to support our ongoing operations and planned business expansion.

"Therefore, we have decided to fully repay the outstanding obligations under the Facility and terminate the existing financing arrangement. This decision reflects our confidence in our operating performance and financial position, as well as our commitment to proactively managing our capital structure. By reducing our financing obligations and associated interest and financing costs, we expect to improve capital efficiency and create greater flexibility to allocate resources toward product development, operational optimization, and market expansion. We believe these efforts will further strengthen our financial foundation and support sustainable growth and long-term value creation for our 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 registration statement and in its other filings with the U.S. Securities and Exchange Commission.

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