
December 4, 2015

Dear All,

Regarding Media Report of Market Manipulation

Currently, my affiliated companies are reported to have gained improper profits through stock trading of TSI HOLDINGS CO., LTD. (“TSI”) by manipulating the market. However, I would like to strongly express that I have never had any intention or reason to abuse the market which I have been involved for a long time. Especially, TSI including the era of TOKYO STYLE CO.,LTD., the predecessor of TSI which I have been continuously proposing to improve capital efficiency and increasing shareholder value for over 15years(I have attached a summary of my efforts put into TSI): I have had a strong belief in TSI and it is totally against my ideology to manipulate the market under such circumstance. Please allow me to briefly explain about the matter.

1. No intention and reason to manipulate the market.

With TSI stock trading, I did not violate any legal requirements to constitute market manipulation nor did I have any motive to unjustly induce trading or lower TSI stock price. It is obvious that lowering TSI stock price means decreasing of my portfolio assets as I owned a significant amount of TSI shares through my affiliated companies (approximately 4 million shares at the end of May, 2014, 2.8 million shares at the end of June, 2014, 1.4 million shares at the end of July, 2014 and finished selling all of TSI shares only in January 2015). Moreover as we were in need of funds to invest further in our key investee at the time, ACCORDIA GOLF CO.,Ltd.it was my intention to only sell TSI shares at the highest price and not to lower price.

2. No use of borrowed-name trading accounts.

A number of news media made false reports that I have gained improper profits by intentionally lowering TSI stock price through short sales through multiple third party account. The fact is all these accounts were owned by my affiliated companies (Owning 50 or 100% of shares and having ordering authority for stock trading in each of them), and did not short sell TSI shares by borrowed-name trading accounts but only settled short sales of TSI shares against actual TSI shares my affiliated companies held (approximately 4 million shares held at the

time). This trade is no different to selling actual shares my affiliated companies held at the time. The reason to have made short sales in multiple companies' trading accounts is to maintain influence over TSI management by not reducing the number of voting rights booked in the shareholder registry while reducing the number of TSI shares held. There were also fund raising issues at the time.

3. **Short sales of shares itself do not mislead the market.**

There were reports that mentioned short sales as a bad conduct but this trade method has been traditionally used in the market and the stock exchanges have allowed using such method under certain rules. From the market point of view, it is simply "sales" of shares, whether it is actual sales or short sales and is not distinguished in market orders. Therefore there is nothing to cause turmoil for market participants. Moreover, as all of my affiliated companies made orders through the same brokerage, the market would only see trading under one brokerage name and therefore hard to believe the market was put to turmoil with such information nor would there be a link to such intention.

In the first place market manipulation, for companies with a market capitalization of over 50 billions of yen and with high trading volume cannot be achieved without

1. Massive volume of phantom orders
 2. Increase of trading volume by cross trading in own accounts
 3. Disseminating unfounded rumors;
- any of which I have never used.

I have explained all facts in details to the SESC and strongly believe in my innocence.

Yours faithfully,
Yoshiaki Murakami