TSI HOLDINGS

Results Briefing: Q2ND(March to May 2014) Results of 2015 Ending February

～Turning Point of Reform to Growth～

2014.10.20

I. Results Overview

*The amounts given in this material are rounded down to the nearest million yen.

All Rights Reserved.

Net Sales 86,593 million yen(Y/Y 98.8%), Operating Income 319 million yen(Y/Y Change +1,724 million yen)

(Unit: Million Yen)

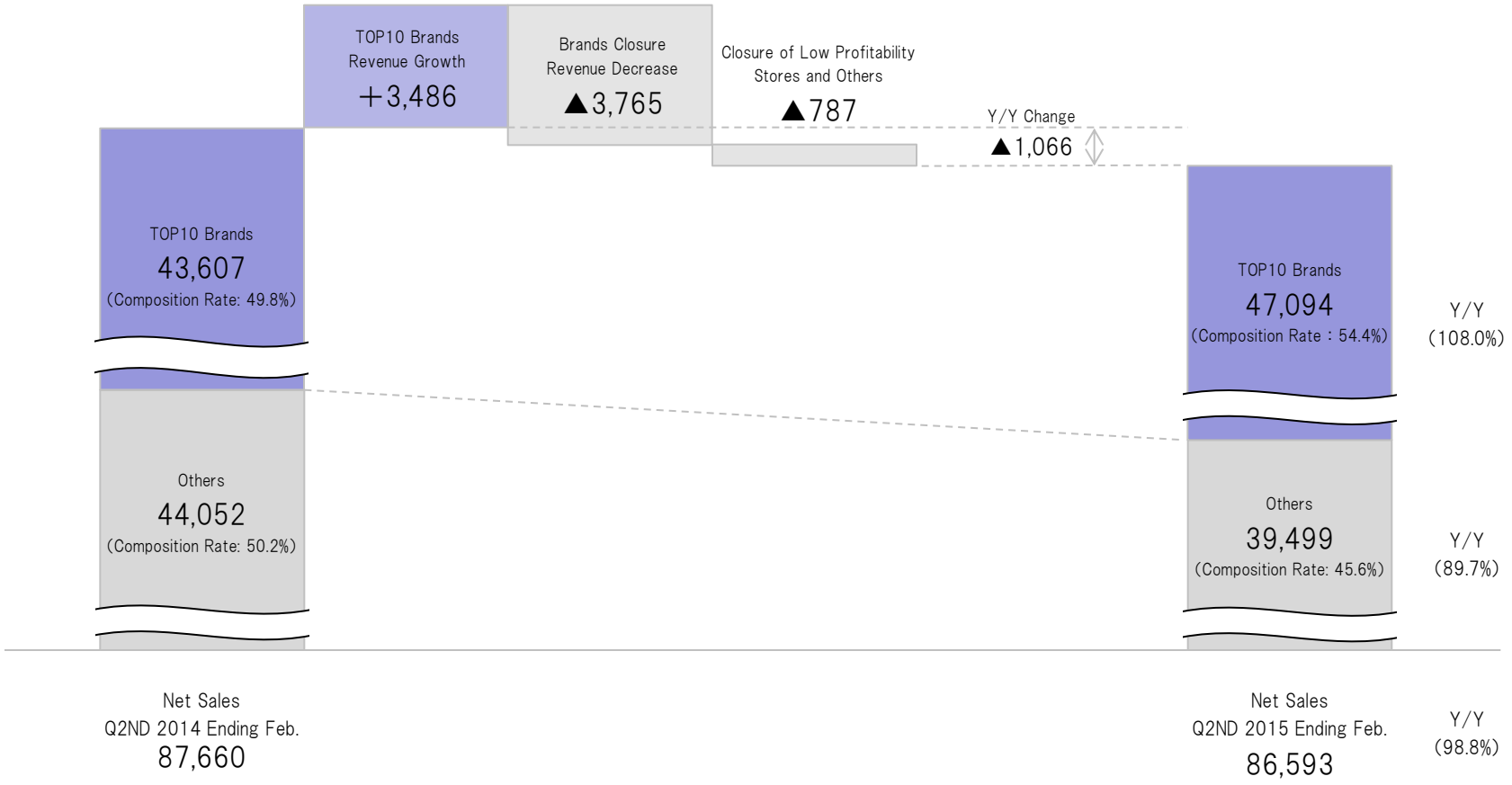
	Q2ND 2014 Ending Feb.		Q2ND 2015 Ending Feb.					
	Results	Composition Rate	Plan	Results	Composition Rate	Y/Y Change	Y/Y	Plan Results Comparison
Net Sales	87,660	100.0%	86,000	86,593	100.0%	-1,066	98.8%	100.7%
Gross Profit	44,974	51.3%	-	45,079	52.1%	+105	100.2%	-
SG&A Expenses	46,379	52.9%	-	44,760	51.7%	-1,619	96.5%	-
Operating Income	-1,404	-1.6%	600	319	0.4%	+1,724	-	53.2%
Ordinary Income	+53	0.1%	1,300	949	1.1%	+895	1760.4%	73.0%
Income Before Taxes	-259	-0.3%	-	790	0.9%	+1,050	-	-
Net Income	-2,888	-3.3%	-1,800	-465	-0.5%	+2,423	-	-

- Net Sales :Turn out as planned
- Operating Income :Gross profit margin increased from 51.3% to 52.1% and SG&A Expenses was reduced to 96.5% Y/Y, thus end in the black

All Rights Reserved.

The decrease in revenues from closure of brands and stores was mostly counteracted by the strong business of Top 10 brands

(Unit: Million Yen)



All Rights Reserved.

TSI HOLDINGS

8 out of top 10 brands increased their revenue and 5 brands achieved double-digit growth

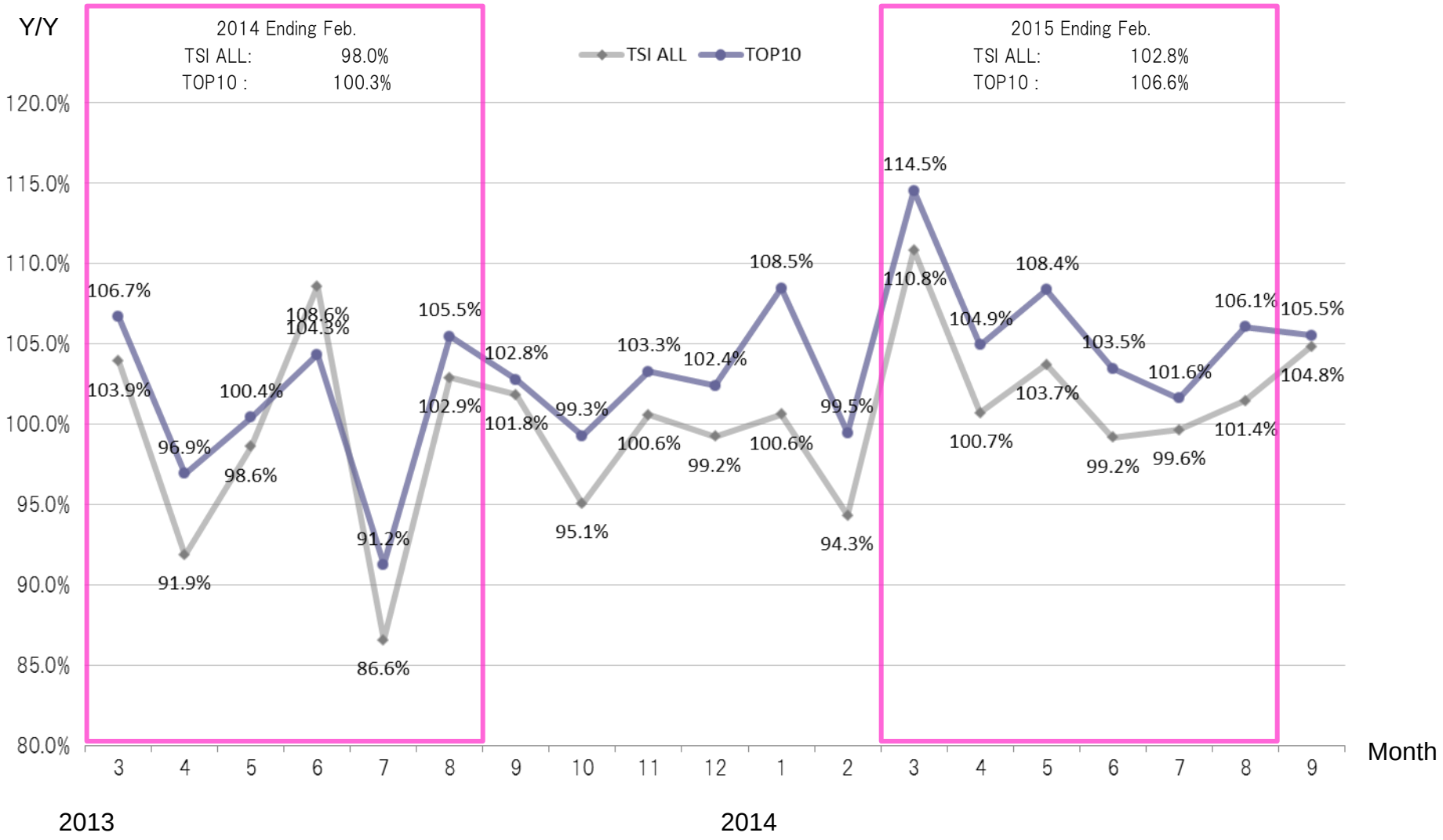
(Unit: Million Yen)

	BRAND	Q2ND 2014 Ending Feb.	Q2ND 2015 Ending Feb.	Composition Rate	Y/Y
1	nano・universe	9,426	11,058	12.8%	117.3%
2	NATURAL BEAUTY BASIC	8,297	8,346	9.6%	100.6%
3	MARGARET HOWELL	5,089	5,967	6.9%	117.2%
4	ROSE BUD	4,603	5,314	6.1%	115.5%
5	PEARLY GATES	3,505	3,917	4.5%	111.7%
6	& by P&D	2,763	2,927	3.4%	106.0%
7	PROPORTION BODY DRESSING	2,319	2,427	2.8%	104.7%
8	STUSSY	2,161	2,426	2.8%	112.3%
9	HUMAN WOMAN	2,831	2,396	2.8%	84.6%
10	Callaway Apparel	2,609	2,311	2.7%	88.6%
	TOP10 TOTAL	43,607	47,094	54.4%	108.0%
	OTHERS	44,052	39,499	45.6%	89.7%
	TOTAL	87,660	86,593	100.0%	98.8%

*The net sales of ROSE BUD is the consolidated net sales of ROSE BUD CO.,LTD. And Elephant Co.,Ltd.

All Rights Reserved.

The sales of top 10 brands remained at a higher level compared to that of the whole group



All Rights Reserved.

E-Commerce business continued to grow at 117.2% Y/Y basis

(Unit: Million Yen)

Sales Channel	Q2ND 2014 Ending Feb. Results	Q2ND 2014 Ending Feb. Composition Rate	Q2ND 2015 Ending Feb. Results	Q2ND 2015 Ending Feb. Composition Rate	Y/Y Amount	Y/Y Rate
Department Store	26,376	30.1%	23,178	26.8%	87.9%	-3.3pt
Commercial Facilities(*1)	40,384	46.1%	41,626	48.1%	103.1%	+2.0pt
E-Commerce	7,090	8.1%	8,308	9.6%	117.2%	+1.5pt
Overseas	5,225	6.0%	4,812	5.6%	92.1%	-0.4pt
Others (*2)	8,584	9.8%	8,667	10.0%	101.0%	+0.2pt
合計	87,660	100.0%	86,593	100.0%	98.8%	-

*1 Commercial Facilities: Fashion buildings, shopping centers, railroad station buildings, individual stores, outlet shops etc. except for department stores

*2 Others: Apparel business such as whole sale, in-company sales, and the non-apparel business of group companies

All Rights Reserved.

SG&A Expenses continued to decrease and achieved 96.5% Y/Y basis

(Unit: Million Yen)

	Q2ND 2014 Ending Feb.		Q2ND 2015 Ending Feb.			
	Results	Composition Rate	Results	Composition Rate	Y/Y Change	Y/Y
Net Sales	87,660	100.0%	86,593	100.0%	-1,066	98.8%
Gross Profit	44,974	51.3%	45,079	52.1%	+105	100.2%
SG&A Expenses	46,379	52.9%	44,760	51.7%	-1,619	96.5%
Selling Expenses	19,598	22.4%	19,350	22.3%	-247	99.7%
Personnel Expenses	15,357	17.5%	14,601	16.9%	-756	98.0%
General and Operating Expenses	11,423	13.0%	10,808	12.5%	-614	91.4%

All Rights Reserved.

Q2ND of 2015 Ending Feb. ended lower-than-expected profit
but will continue to aim for the original consolidated financial plan

(Unit: Million Yen)

	1ST Half			2ND Half			Throughout the year		
	2014 Ending Feb. Results	2015 Ending Feb. Plan	Y/Y	2014 Ending Feb. Results	2015 Ending Feb. Plan	Y/Y	2014 Ending Feb. Results	2015 Ending Feb. Plan	Y/Y
Net Sales	87,660	86,593	98.8%	94,311	94,906	100.6%	181,972	181,500	99.7%
Operating Income	-1,404	319	—	276	2,180	789.5%	-1,128	2,500	—
Ordinary Income	53	949	1760.4%	1,376	2,850	207.1%	1,430	3,800	265.6%
Net Income	-2,888	-465	—	3,999	965	24.1%	1,111	500	45.0%

All Rights Reserved.

II. Reference Data

All Rights Reserved.

“To the Phase of Growth from Reform”

Point 1 Expanding profitability
→ Implement of investment on growth sector

- ✔ Development of new businesses
- ✔ Expansion of existing businesses

Point 2 Strengthening group management capabilities

- ✔ Creation of group synergy
- ✔ Strengthening of production and logistics functions

Point 3 Reforming cost structure

- ✔ Improvement in earning capacity of Challenging Subsidiaries

All Rights Reserved.

		2012 Ending Feb.	2013 Ending Feb.	2014 Ending Feb.	Q2ND 2015 Ending Feb.
Domestic	# of Stores	2,468	2,124	1,795	1,765
	Y/Y Change	-	-344	-329	-30
Overseas	# of Stores	226	263	253	231
	Y/Y Change	-	37	-10	-22
Total	# of Stores	2,694	2,387	2,048	1,996
	Y/Y Change	-	-307	-339	-52

*Numbers of Q2ND 2015 Ending Feb. is the comparison with 2014 Ending Feb.

- The performance outlook for TSI Holdings indicated in this material is based on the assessments/assumptions from the information available as of this material's date. Actual performance may differ depending on various factors.

All Rights Reserved.