TSI HOLDINGS

Results Briefing: Q2ND(March to August 2018) Results of 2019 Ending February

2018.10.9



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I. Results Overview



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Consolidated Financial Highlights -Profit and Loss-

(Unit: Million Yen)

	Q2ND 2018 Ending Feb.		Q2ND 2019 Ending Feb.			
	Results	Composition Rate (%)	Results	Composition Rate (%)	Y/Y Change	Y/Y (%)
Net Sales	73,831	100.0	75,194	100.0	1,362	101.8
Gross Profit	40,125	54.3	40,503	53.9	377	100.9
SG&A Expenses	40,029	54.2	40,689	54.1	659	101.6
SG&A Expenses(excl. Goodwill Amortization, Depreciation and Amortization)	37,678	51.0	38,425	51.1	747	102.0
Goodwill Amortization	260	0.4	408	0.5	147	156.6
Depreciation and Amortization	2,090	2.8	1,855	2.5	-235	88.8
Operating Income	95	0.1	-186	-0.2	-281	-194.3
Ordinary Income	767	1.0	713	0.9	-54	93.0
Extraordinary Income	871	1.2	109	0.1	-761	12.6
Extraordinary Loss	1,061	1.4	383	0.5	-678	36.1
Profit Before Taxes	577	0.8	440	0.6	-136	76.3
Profit Attributable to Owners of Parent	-8	0.0	-362	-0.5	-354	4504.6
EBITDA ※	2,447	3.3	2,077	2.8	-369	84.9

*EBITDA＝Operating Income + Goodwill Amortization + Depreciation and Amortization

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Brands Overview

		Q2ND 2018 Ending Feb.			Q2ND 2019 Ending Feb.			Y/Y	
		Sales (Million Yen)	Composition Rate (%)	Gross Profit Ratio (%)	Sales (Million Yen)	Composition Rate (%)	Gross Profit Ratio (%)	Sales (%)	Gross Profit Ratio (pt)
1.	nano・universe	10,671	14.5	51.3	11,453	15.2	47.9	107.3	-3.5pt
2.	NATURAL BEAUTY BASIC	8,337	11.3	58.6	8,083	10.7	58.2	96.9	-0.4pt
3.	MARGARET HOWELL	6,944	9.4	58.1	7,002	9.3	58.7	100.8	+0.6pt
4.	PEARLY GATES	5,760	7.8	50.0	5,825	7.7	51.4	101.1	+1.4pt
5.	ROSE BUD	3,675	5.0	47.5	3,526	4.7	46.4	96.0	-1.1pt
6.	STUSSY ※1	3,292	4.5	69.2	2,730	3.6	70.3	82.9	+1.2pt
7.	HUMAN WOMAN	2,384	3.2	55.7	2,456	3.3	56.3	103.0	+0.6pt
8.	HUF ※2	185	0.3	63.2	2,316	3.1	49.7	1,251.9	-13.5pt
9.	PROPORTION BODY DRESSING	2,180	3.0	54.6	2,140	2.8	55.1	98.2	+0.5pt
10.	Apuweiser-riche	1,964	2.7	63.7	1,916	2.5	58.2	97.6	-5.4pt
TOP10		45,395	61.5	55.5	47,451	63.1	54.1	104.5	-1.4pt
Other Brands		27,702	37.5	52.9	27,733	36.9	53.5	100.1	+0.5pt
Continuing Brands		73,097	99.0	54.5	75,185	100.0	53.9	102.9	-0.7pt
Closed Brands		734	1.0	37.4	9	0.0	104.3	1.3	+66.9pt
TOTAL		73,831	100.0	54.3	75,194	100.0	53.9	101.8	-0.4pt

*1 Figures of HUF were included as a part of STUSSY in the past as the impact was negligible.
From this term on, they are separately accounted due to HUF Holdings, LLC's status change as a consolidated subsidiary.

*2 The figures were for domestic only in the previous term, but in the current term, they are consolidated figures for domestic and overseas operations combined after eliminating intra-company transactions.

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II Progress of Growth Strategy



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Acquiring shares (ownership) of UENO - SHOKAI CO., LTD.



Main Visual of 「AVIREX」



Main Visual of 「Schott」

Major Brands

AVIREX
Schott N.Y.C.
ROYAL FLASH
B'2nd
RAWLIFE
LHP Lazy Hazy Planet
BEAVER
Uncut Bound
GARDEN
WARE-MO-KOU
Dorothy Lang
club Park

- On October 5, TSI's board of directors meeting have decided to acquire 79.2% stocks of the UENO-SHOKAI CO.,LTD .
- Most of its key brands serve to fill a gap in our brand portfolio. In addition to this, its brand characteristics and loyalty are highly valued. That is why we have decided to acquire its shares, which will contribute to our mid-term growth.
- We will disclose the impact of this acquisition on consolidated financial results as soon as we know the timing of consolidation and goodwill amortization period.

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Ⅳ Reference Data



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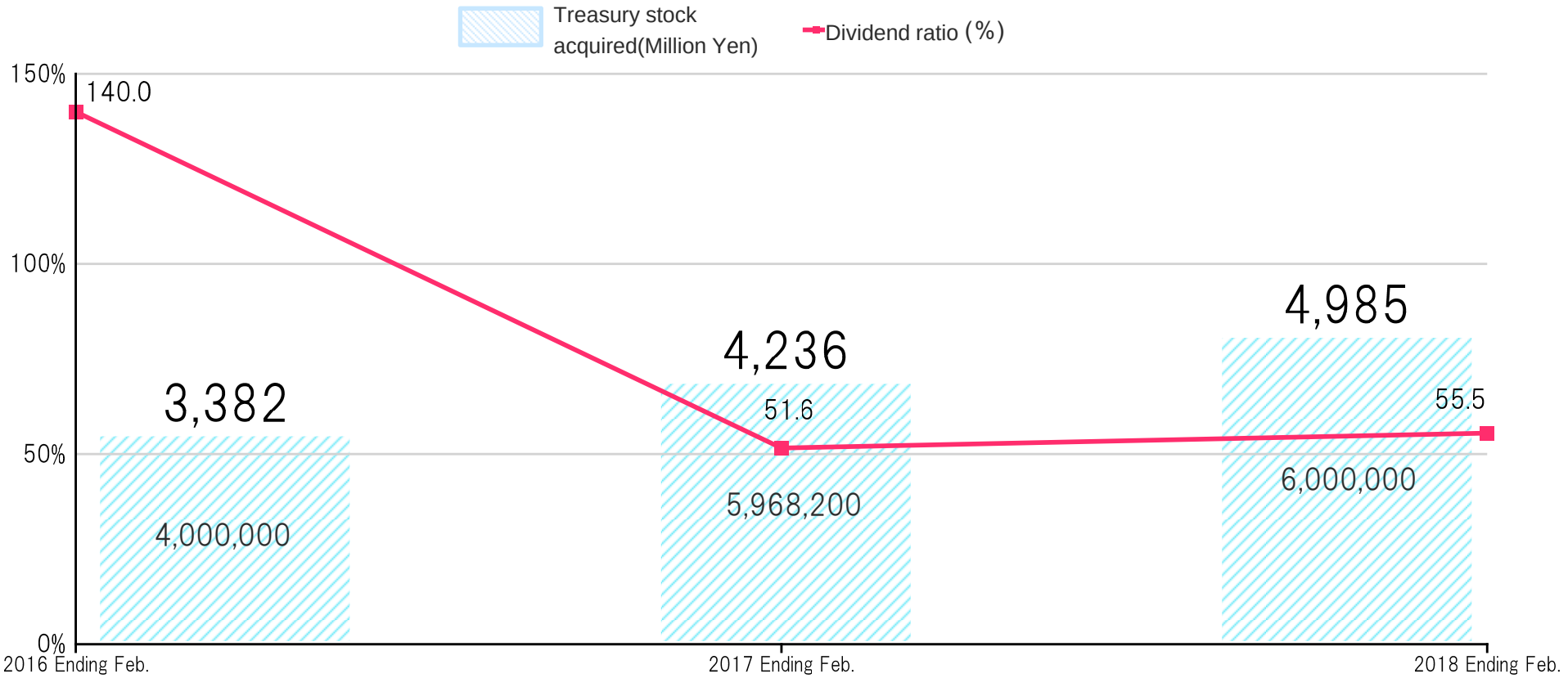
Shareholder Return Policy

- We will continue our stable dividend policy
- We will continue to acquire treasury stock smoothly



- Record of treasury stock acquisition for this term

Disclosed Date	Purchased Share	Total Amount Acquired	Acquired Date
2018/4/13	2,000,000	1,693 million yen	From 4/16 to 6/19
2018/7/6	3,000,000	2,315 million yen	From 7/9 to 10/2

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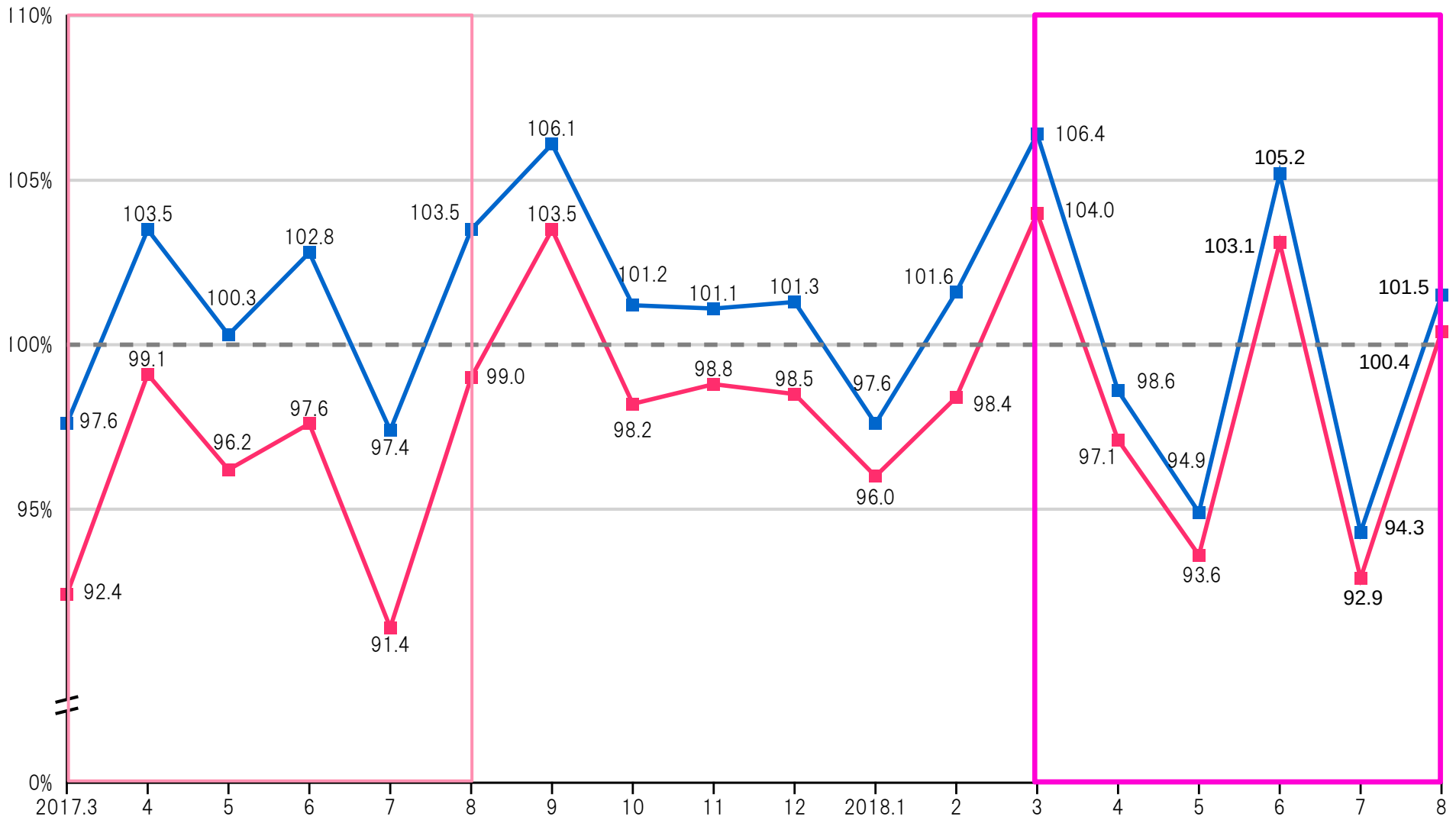
Domestic Monthly Sales Information

Q2ND 2018 Ending Feb
All Stores： 95.6%
Existing Stores：100.5%

Q2ND 2019 Ending Feb
All Stores： 98.2%
Existing Stores：99.8%



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Net Sales Per Channel

	Q2ND 2018 Ending Feb.		Q2ND 2019 Ending Feb.			
	Results (Million yen)	Composition Rate (%)	Results (Million yen)	Y/Y (%)	Composition Rate (%)	Composition Rate Y/Y Change
Department Stores	14,390	19.5	12,331	85.7	16.4	-3.1pt
Commercial Facilities(*1)	37,217	50.4	36,709	98.6	48.8	-1.6pt
E-Commerce	12,385	16.8	14,112	113.9	18.8	+2.0pt
Overseas	2,870	3.9	4,810	167.6	6.4	+2.5pt
Others(*2)	6,968	9.4	7,230	103.8	9.6	+0.2pt
TOTAL	73,831	100.0	75,194	101.8	100.0	-

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

*2 Apparel businesses such as wholesale, in-company sales and non-apparel businesses of the group companies

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Store Distribution

		Q2ND 2018 Ending Feb.	FY Ending Feb. 2018	Store Open	Store Close	Q2ND 2019 Ending Feb.
Domestic	# of Stores	1,111	1,052	+54	-87	1,019
	Change	-45	-75			-33
Overseas	# of Stores	180	177	+1	-19	159
	Change	+3	-5			-18
Total	# of Stores	1,291	1,229	+55	-106	1,178
	Change	-42	-80			-51

*Number indicated on "Change" rows are comparison with its previous quarter

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Disclaimer

Descriptions about future within this document are based on the information that the company obtains on the date of this report and certain assumptions deemed to be reasonable. Actual earnings may differ materially from various future factors.

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