



TSI HOLDINGS

Results Briefing: 2017 Ending February

2017.4.14

22 OCTOBRE	PINKY&DIANNE	BOSCH	NATURAL BEAUTY	TOKYO STYLIST THE ONE EDITION	Aylesbury	HUMAN WOMAN	H/standard.	ADORE	JILLSTUART	DIANE VON FURSTENBERG	NATURAL BEAUTY BASIC
N.	JILL by JILLSTUART	PROPORTION	& by PSD	Free's Mart	PEARLY GATES	MASTER SUNNY EDITION	Jack Bunny!!	new balance got	Callaway	Zio Bernardo	nano
	STUSSY	STUSSY	HUF	UNDEFEATED	THE ROAD TEAM	BLUE TORNADE	HIGH STREET	DA-NA Vie	ROSE BUD	Apweiser-riche	JUSGLITTY
Rirandture	Mystrada	Arpege story	HOA	MARGARET HOWELL	MHL,	ANGLOBAL SHOP	Dice&Dice	SUNSPHEL	enchainement	ENCHAINEMENT UNI point de mignon	Strengthville
DIRECTOIRE		THE DECK COFFEE & BAKERY		Bar Bernardo	DOMINIQUE ANSEL BAKERY		MIX.Tokyo				

I. Results Overview



Achieved the highest profits since the establishment of the holdings by improving gross profit

(Unit: Million Yen)













	Previous FY		2017 Ending Feb.				
	Results	Composition Rate	Results	Composition Rate	Y/Y Change	Y/Y	Against Plan
Net Sales	167,211	100.0%	159,143	100.0%	-8,067	95.2%	95.9%
Gross Profit	88,119	52.7%	86,366	54.3%	-1,752	98.0%	-
SG&A Expenses	87,057	52.1%	83,825	52.7%	-3,232	96.3%	-
Employment Costs	36,371	21.8%	34,134	21.4%	-2,237	93.8%	-
Business Strategy Costs	5,374	3.2%	5,268	3.3%	-105	98.0%	-
Store Rents	16,034	9.6%	15,527	9.8%	-506	96.8%	-
Other Expenses	22,678	13.6%	22,772	14.3%	+93	100.4%	-
SG&A Expenses(exc. Goodwill Amortization, Depreciation and Amortization)	80,459	48.1%	77,703	48.8%	-2,755	96.6%	-
Goodwill Amortization	1,373	0.8%	1,141	0.7%	-231	83.1%	-
Depreciation and Amortization	5,225	3.1%	4,980	3.1%	-244	95.3%	-
Operating Income	1,061	0.6%	2,541	1.6%	+1,479	239.4%	84.7%
Ordinary Income	2,592	1.6%	3,964	2.5%	+1,371	152.9%	86.2%
Extraordinary Income	6,476	3.9%	4,830	3.0%	-1,646	74.6%	-
Extraordinary Loss	5,577	3.3%	4,052	2.5%	-1,525	72.6%	-
Profit Before Taxes	3,491	2.1%	4,742	3.0%	+1,250	135.8%	-
Profit Attributable to Owners of Parent	1,391	0.8%	3,679	2.3%	+2,287	264.4%	141.5%
EBITDA	7,660	4.6%	8,663	5.4%	+1,003	113.1%	-
ROE	1.2%		3.2%		+2.0pt	266.7%	145.5%

*Employment Costs = Personnel Expenses + Subcontract Costs + Commission

*Business Strategy Costs = Advertising + Sales Promotion Expenses + Digital/Cross border EC investment

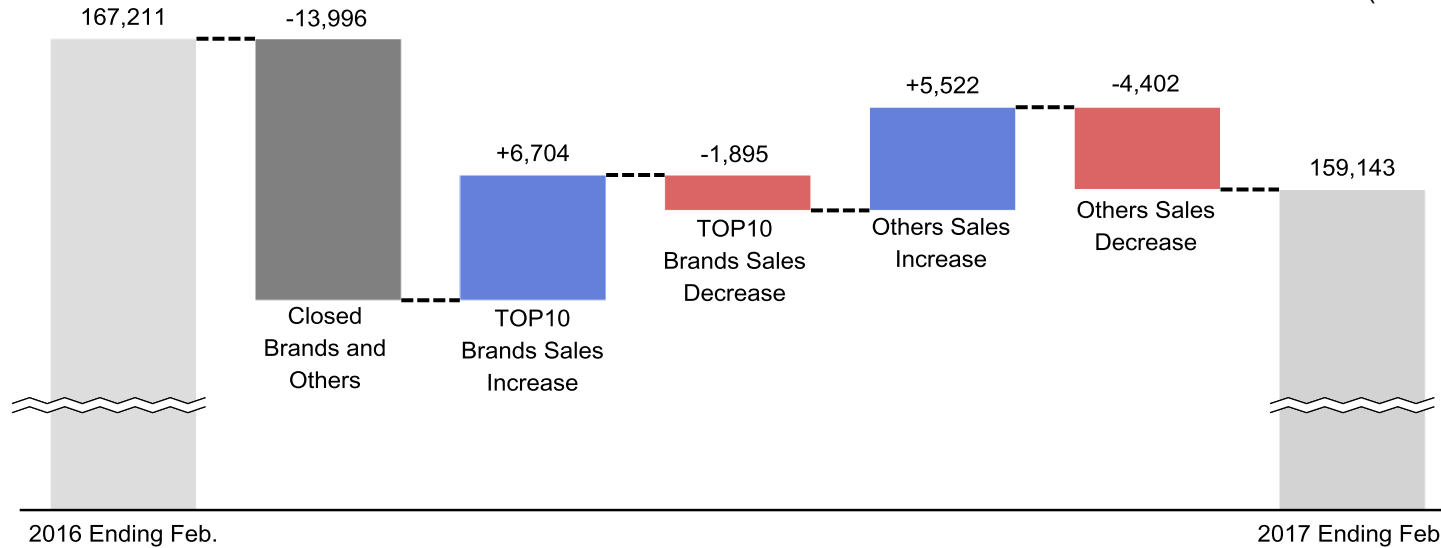
*EBITDA = Operating Income + Goodwill Amortization + Depreciation and Amortization

(Unit: Million Yen)

Accounting Item	Content	Result	2017 Ending Feb. Results
Net Sales 	E-Commerce 	E-commerce sales growth +29.4% Y/Y	159,143(Y/Y 95.2%)
Cost of Goods Sold 	Direct Trading Ratio 	Last FY results 11.8% →12.9% at 2017 Ending Feb.	72,776(Y/Y 92.0%)
Gross Profit 	<div style="border: 1px solid red; padding: 5px;"> <ul style="list-style-type: none"> Set KPI for yield ratio and digestion ratio 7 measures of BPR </div> Gross profit ratio improved 1.6%pt Y/Y		86,366(Y/Y 98.0%)
Business Strategy Costs 	Digital Cross border EC IoT 	400 million yen increase Y/Y	5,268(Y/Y 98.0%)
Other Expenses 	Sales Personnel Incentive 		78,556 (Y/Y 96.2%)
	Procurement Project 		
Operating Income 	TERRA/Integration of warehouses 	Expand the unified core system to group companies, integration of logistics centers of subsidiaries	2,541 (Y/Y 239.4%)

Net sales of continuing brands(excluding closed brands and others) was 104.0% Y/Y

(Unit: Million Yen)

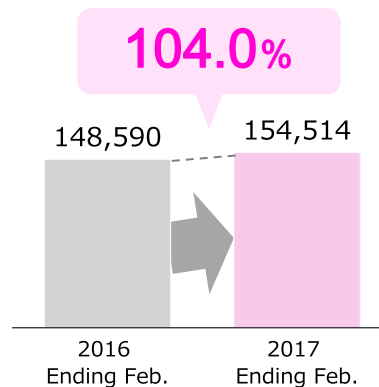


Net Sales Increased Brands

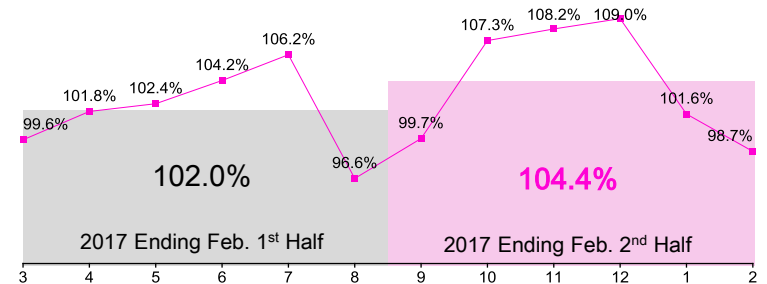
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|--------|--|
| TOP10 | <ul style="list-style-type: none"> nano· universe NATURAL BEAUTY BASIC MARGARET HOWELL PEARLY GATES STUSSY Apuweiser-riche |
| Others | <ul style="list-style-type: none"> JILL by JILLSTUART JUSGLITTY Mystrada ADORE |

Continuing Brands Comparison

① Financial Net Sales



② Monthly Revenue (All Stores)



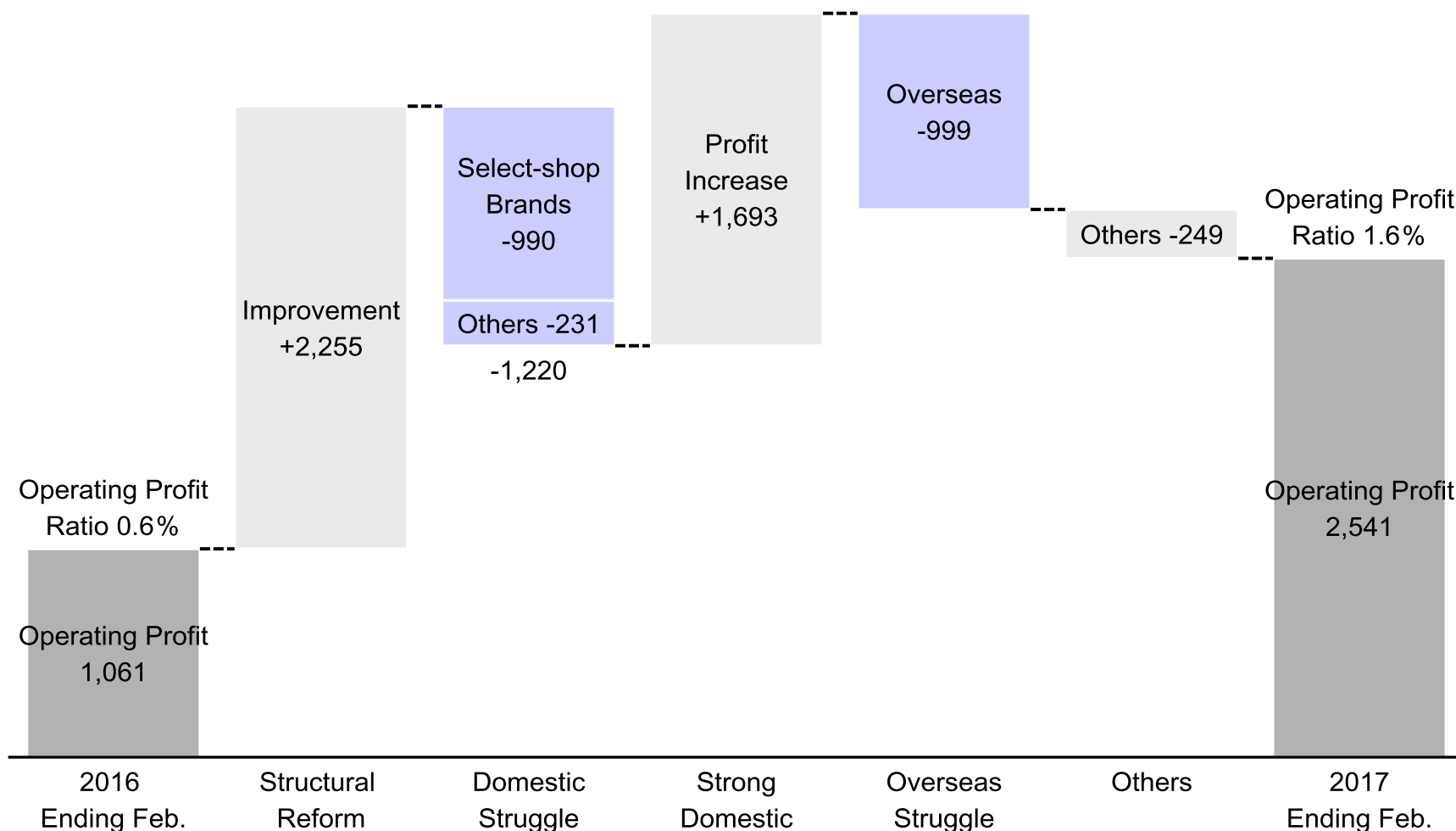
6 brands' net sales increased and 8 brands' gross profit ratio improved Y/Y

(Unit: Million Yen)

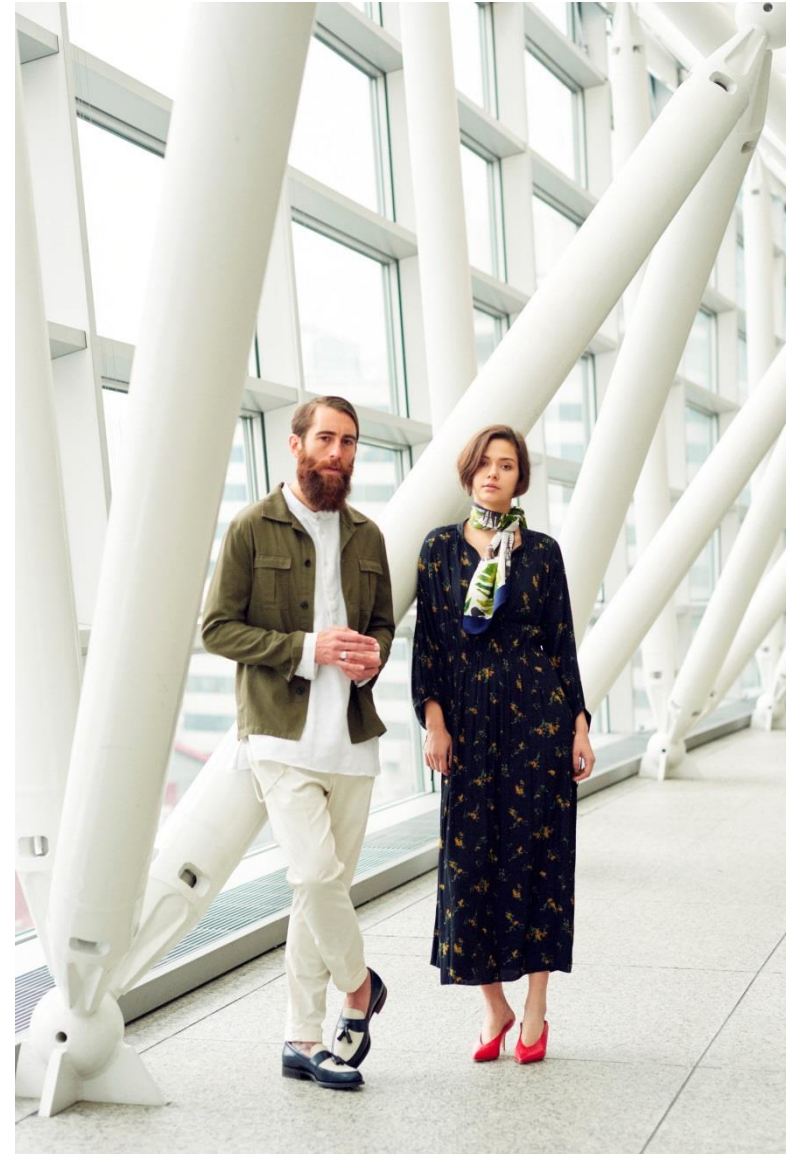
Brand	Previous FY		2017 Ending Feb.			Y/Y		
	Sales	Gross Profit Ratio	Sales	Gross Profit Ratio	Sales	Gross Profit Ratio		
	Composition		Composition					
1 nano·universe	22,810	13.6%	56.6%	27,153	17.1%	52.7%	119.0%	-3.9pt
2 NATURAL BEAUTY BASIC	15,763	9.4%	57.1%	15,920	10.0%	57.3%	101.0%	+0.2pt
3 MARGARET HOWELL	12,799	7.7%	58.3%	13,030	8.2%	58.3%	101.8%	-0.0pt
4 PEARLY GATES	9,426	5.6%	46.6%	10,287	6.5%	51.5%	109.1%	+4.9pt
5 ROSE BUD	10,248	6.1%	48.6%	9,009	5.7%	49.1%	87.9%	+0.5pt
6 STUSSY	5,831	3.5%	65.7%	6,731	4.2%	68.1%	115.4%	+2.4pt
7 HUMAN WOMAN	4,957	3.0%	47.8%	4,875	3.1%	51.3%	98.3%	+3.5pt
8 PROPORTION BODY DRESSING	4,935	3.0%	50.0%	4,761	3.0%	54.9%	96.5%	+4.9pt
9 Free's Mart	5,043	3.0%	52.8%	4,643	2.9%	55.7%	92.1%	+2.9pt
10 Apuweiser-Riche	3,904	2.3%	60.4%	4,117	2.6%	63.9%	105.5%	+3.5pt
TOP 10	95,721	57.2%	54.7%	100,530	63.2%	55.4%	105.0%	+0.7pt
Other Brands	52,868	31.6%	54.2%	53,984	33.9%	53.5%	102.1%	-0.7pt
Continuing Brands Total	148,590	88.9%	54.5%	154,514	97.1%	54.7%	104.0%	+0.2pt
Closed Brands and Others	18,621	11.1%	38.2%	4,629	2.9%	40.6%	24.9%	+2.4pt
TOTAL	167,211	100.0%	52.7%	159,143	100.0%	54.3%	95.2%	+1.6pt

In addition to structural reform, strong domestic companies absorbed the struggled and increased profit significantly

(Unit: Million Yen)



II. 2018 Ending February: Outlook



Plan: net sales 160 billion yen(Y/Y 100.5%) and operating income 3 billion yen(Y/Y 125.9%)

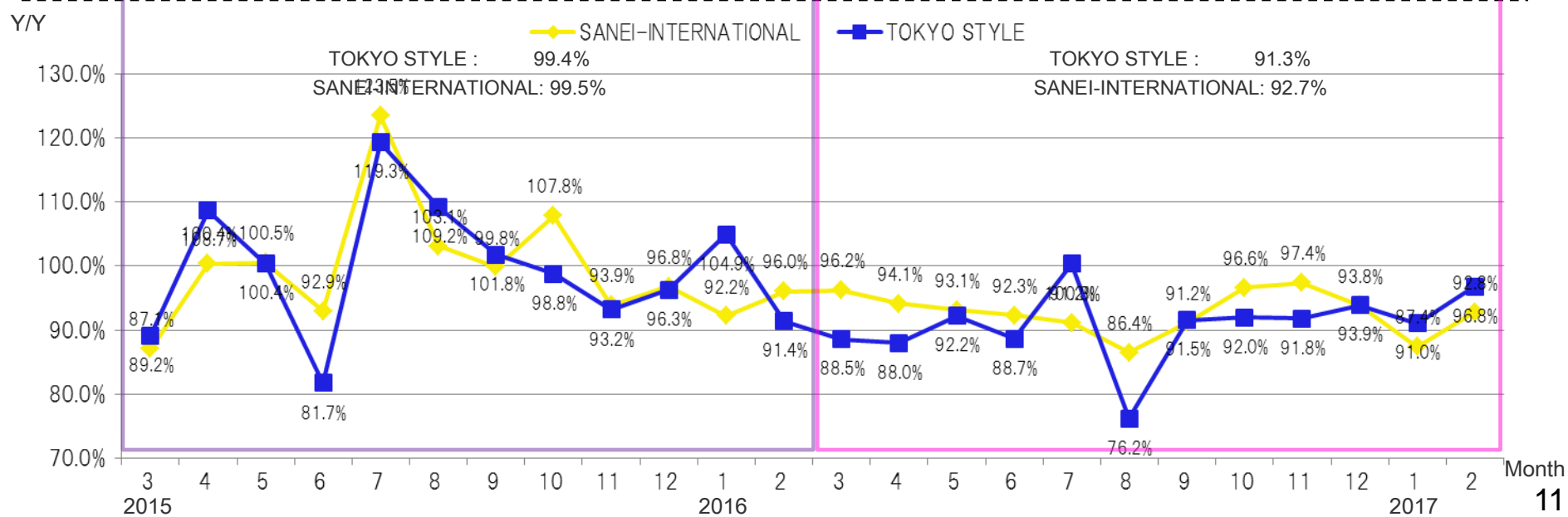
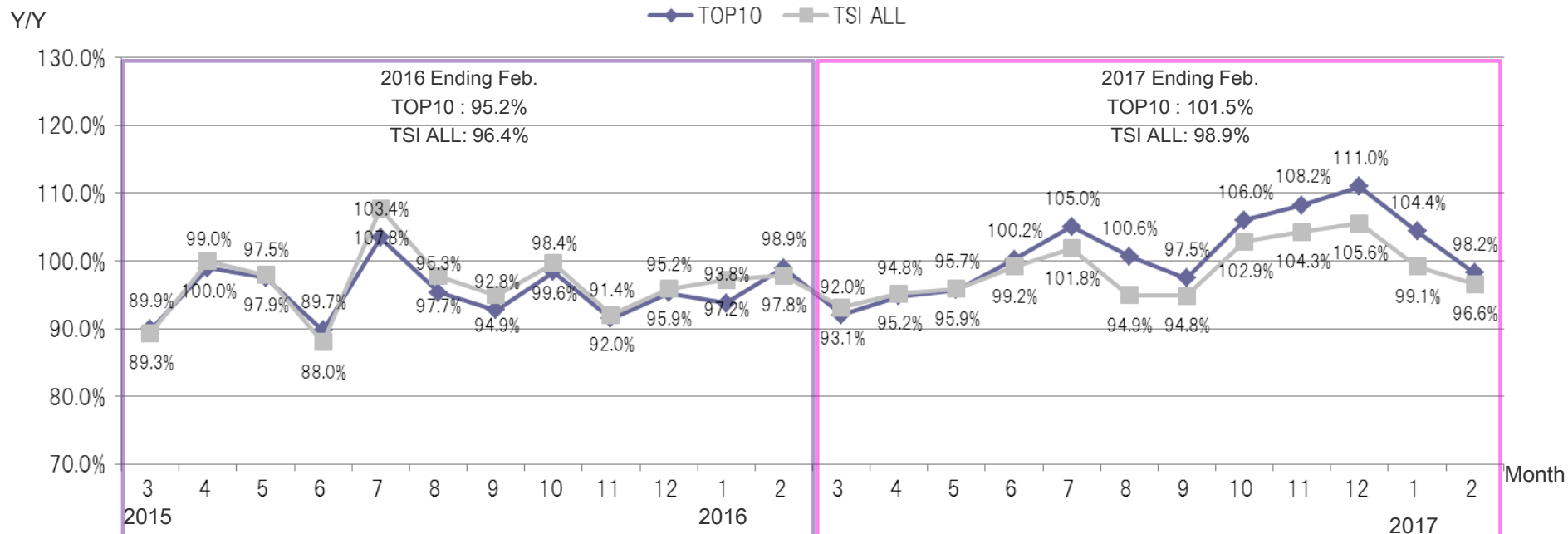
(Unit: Million Yen)

	1st Half			2nd Half			FY		
	2017 Ending Feb. Results	2018 Ending Feb. Plan	Y/Y	2017 Ending Feb. Results	2018 Ending Feb. Plan	Y/Y	2017 Ending Feb. Results	2018 Ending Feb. Plan	Y/Y
Net Sales	77,181	76,000	98.5%	81,962	84,000	102.5%	159,143	160,000	100.5%
Operating Income	830	400	48.2%	1,710	2,800	163.7%	2,541	3,200	125.9%
Ordinary Income	1,236	900	72.8%	2,727	3,500	128.3%	3,964	4,400	111.0%
Profit Attributable to Owners of Parent	505	400	79.1%	3,173	2,700	85.1%	3,679	3,100	84.3%

*Planning to move offices of subsidiaries, invest on IT strategies and new businesses

III. Reference Data





(Unit: Million Yen)

	Previous FY		2017 Ending Feb.			
	Results	Composition Rate	Results	Y/Y	Composition Rate	Composition Rate Y/Y Change
Department Stores	39,349	23.5%	33,062	84.0%	20.8%	-2.8pt
Commercial Facilities(*1)	81,638	48.8%	78,857	96.6%	49.6%	+0.7pt
E-Commerce	19,684	11.8%	25,463	129.4%	16.0%	+4.2pt
Overseas	10,252	6.1%	7,772	75.8%	4.9%	-1.2pt
Others(*2)	16,287	9.7%	13,988	85.9%	8.8%	-1.0pt
TOTAL	167,211	100.0%	159,143	95.2%	100.0%	-

*1 Fashion buildings, shopping centers, railroad 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

		2016 Ending Feb.	Q3RD 2017 Ending Feb.	Store Open	Store Close	2017 Ending Feb.
Domestic	# of stores	1,331	1,231	6	94	1,143
	Change	-70	-4			-88
Overseas	# of Stores	227	197	1	3	195
	Change	-1	-17			-2
Total	# of Stores	1,558	1,428	7	97	1,338
	Change	-71	-21			-90

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

- ❑ Descriptions contained in this document such as earnings forecast 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.
- ❑ The amounts given in this material are rounded down to the nearest million yen