



First Half of Fiscal Year 2025 Financial Results Briefing

TSI HOLDINGS CO., LTD.

Stock Code : 3608 (Tokyo Stock Exchange Prime Market)

2024.10.15



AGENDA

- 1 FY2025 1H Results Overview
- 2 Existing Channels Overview
- 3 Brands Overview
- 4 Topics
- 5 Structural Reforms Status
- 6 Full-Year Consolidated Earnings Forecast
- 7 Appendix

Next Agenda

FY2025 1H

Results Overview



FY2025 1H: Executive Summary

Targets for Net Sales, Operating Income, and Net Profit Achieved as Structural Reforms Exceed Expectations

Consolidated Sales

¥75,230
million

Up ¥1,950 million YoY

Up ¥730 million (vs Original Plan)

Operating Income

¥-220
million

Down ¥750 million YoY

Up ¥670 million (vs Original Plan)

1H Gross Profit

¥-790
million

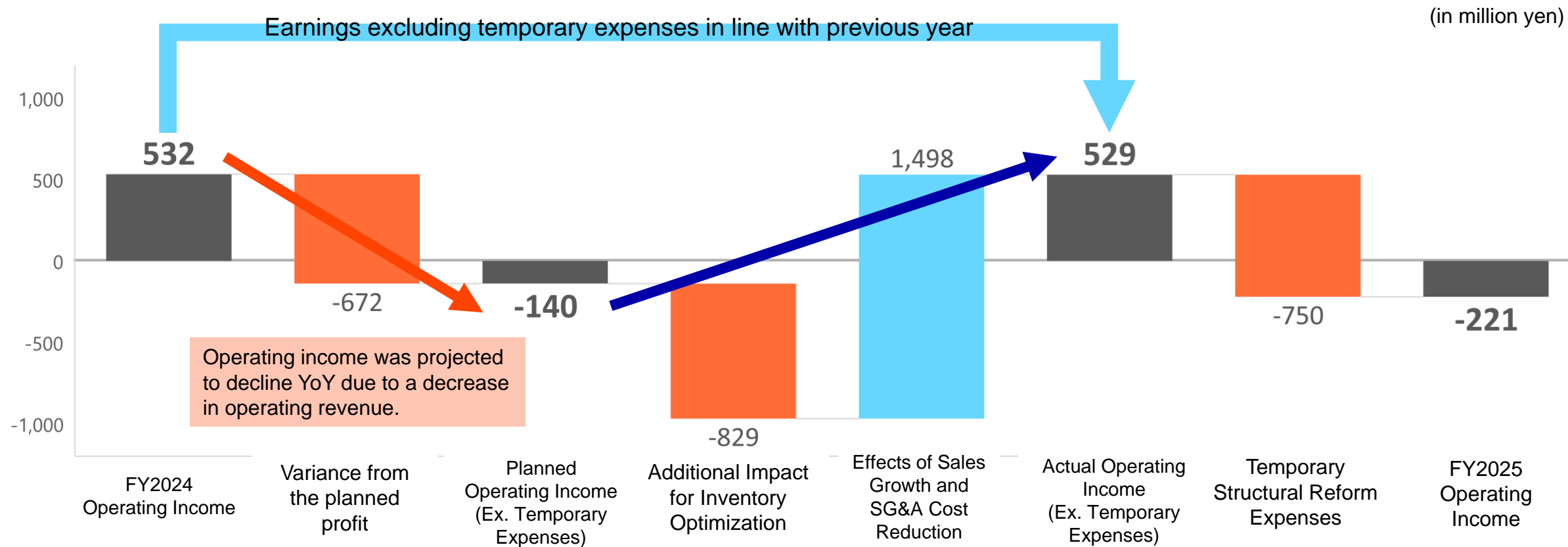
Down ¥226 million YoY

Up ¥100 million (vs Original Plan)

- Although sales struggled in March, falling below the previous year's level, consumer demand increased afterward due to the warm weather. Effective product offerings for mid-summer and late-summer contributed to a result of **730 million yen above the initial plan**.
- Despite the projected earnings decline attributed to temporary expenses, the operating income showed reduced deterioration, **exceeding the original plan by 670 million yen**, owing to sales growth and structural reforms.
- The net income was impacted by a reduction in investment-related income due to the divestment of non-operating assets, as well as foreign exchange losses and an increase in tax adjustments. This resulted in a **100 million yen increase** compared to the original plan.

FY2025 1H: Items Affecting Operating Income

Earnings Declined, but Profitability Maintained at Previous Year's Level Excluding Impact of Temporary Expenses



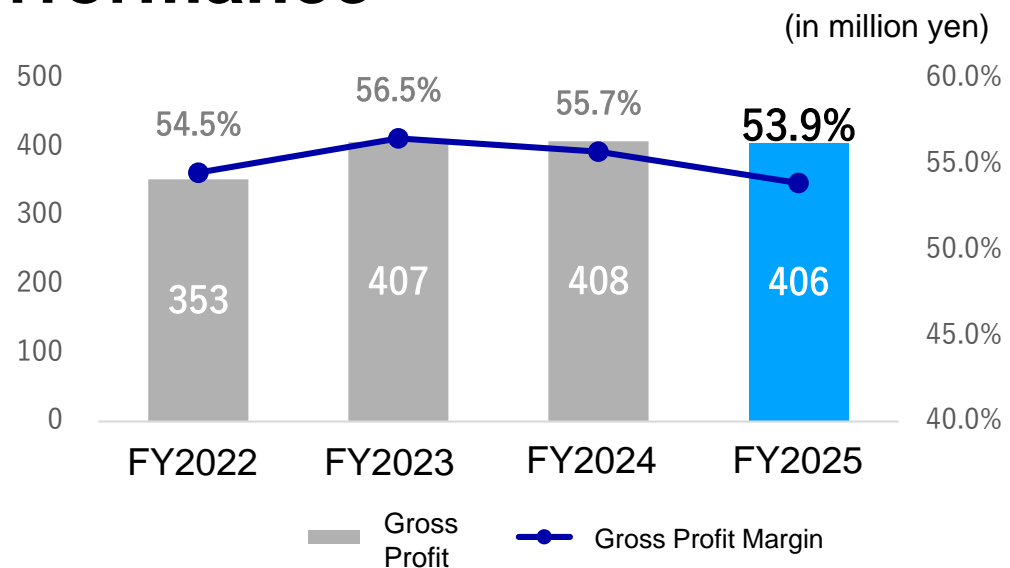
(Commentary) Despite the anticipated decline in gross profit attributed to the deteriorating foreign exchange rate, escalating raw material costs, and increased discounts and impairment losses stemming from excess inventory, supplementary measures were enacted to expedite inventory optimization, leading to a further reduction in gross profit. Nonetheless, the surpassing of sales growth targets and the accelerated realization of benefits from structural reforms contributed to enhanced profitability.

FY2025 1H: Performance

Gross Profit
¥40,550
 million

99.3% YoY

Up ¥280 million YoY



> Gross Profit

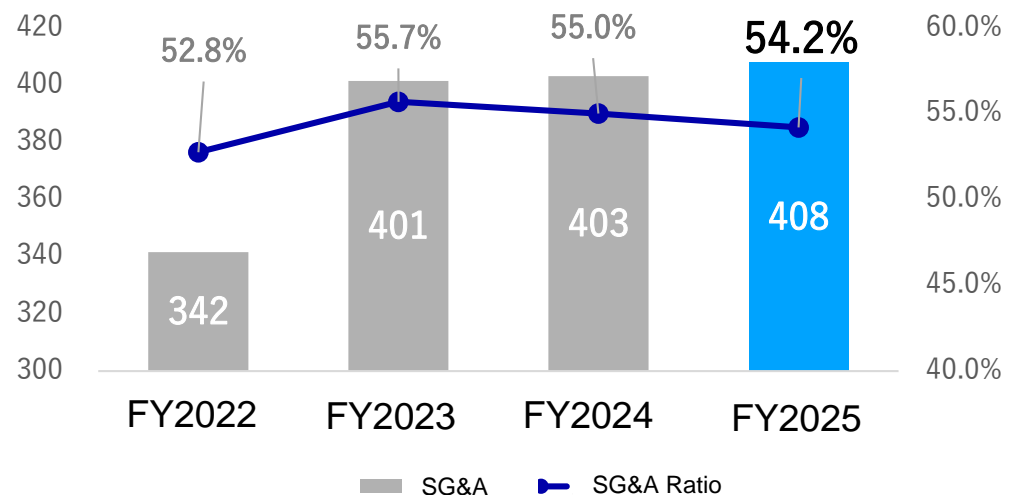
- Rising raw material costs due to deteriorating foreign exchange rates and soaring energy prices.
- Increased impairment losses due to higher inventory levels.
- Discounted sales aimed at inventory optimization.

⇒ **Both the gross profit amount and gross profit margin have deteriorated, but this is a temporary trend due to efforts aimed at inventory optimization**

SG&A Expenses
¥40,770
 million

101.2% YoY

Up ¥460 million YoY



> SG&A Expenses

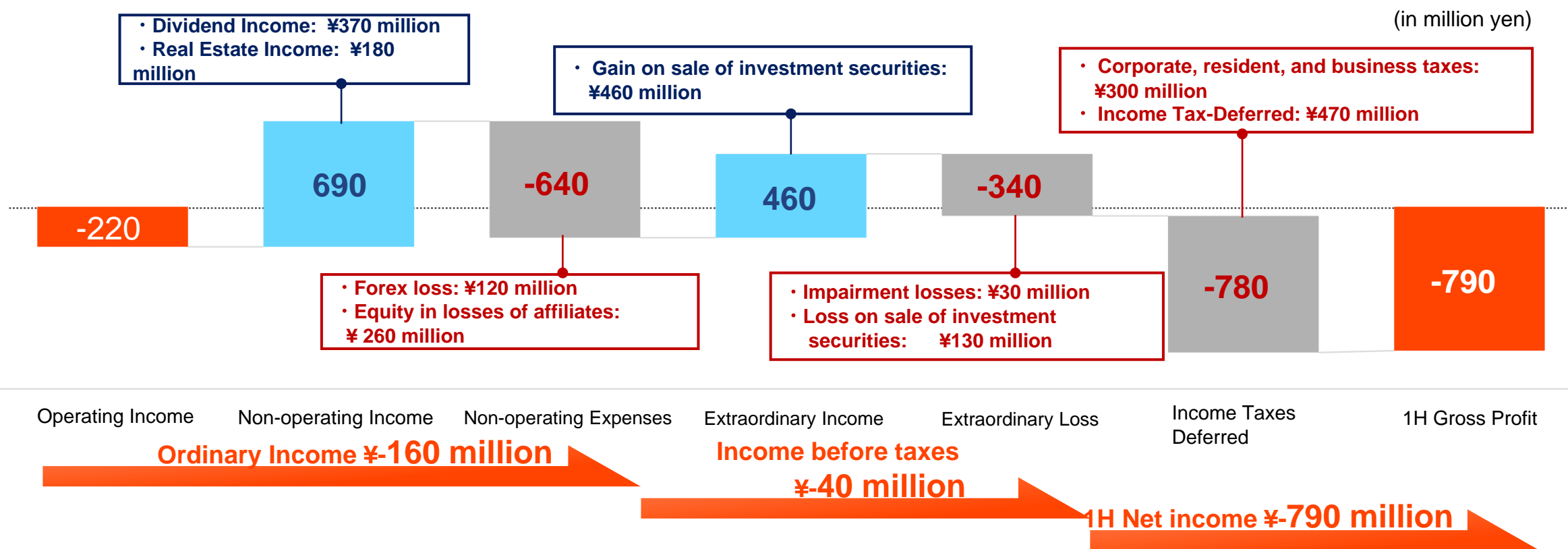
- Occurrence of temporary expenses related to structural reforms
- Increase in personnel expenses (including base salary increases of overseas subsidiaries)
- Streamlining of promotional, advertising, and logistics costs
- Reduction in outsourcing costs through the utilization of internal personnel

⇒ **While incorporating temporary expenses related to structural reforms, cost-cutting measures have progressed, resulting in a 0.8 percentage point improvement in the SG&A expense ratio.**

FY2025 1H: Items Affecting Net Profit

The company recorded a **negative ordinary income of 160 million yen**, largely due to a strategic reduction in investment securities, which led to a decrease in dividend income. Additionally, non-operating losses, including foreign exchange losses and equity-method investment losses in U.S. affiliates, further impacted financial performance.

Similarly, the company recorded extraordinary losses of 120 million yen, including gains and losses on the sale of investment securities and impairment losses. In addition, tax adjustments (loss) amounted to 470 million yen, including a reduction in deferred tax assets, resulting in a **net loss of 790 million yen** for the first half, with a **profit margin of -1.1%**.



Balance Sheet

(in million yen)

	1ST Half 2024 Ending Feb.		Cumulative Q1ST 2025 Ending Feb.		1ST Half 2025 Ending Feb.					
	Results	Composition Rate (%)	Results	Composition Rate (%)	Results	Composition Rate (%)	Y/Y Change	Y/Y (%)	Q2/Q1 Change	Q2/Q1 (%)
Current Assets	67,566	50.9%	68,588	52.0%	65,263	50.8%	-2,303	96.6%	-3,325	95.2%
(of Cash and Deposits)	24,660	18.6%	24,425	18.5%	21,680	16.9%	-2,980	87.9%	-2,745	88.8%
(of which, Inventory)	27,792	20.9%	28,859	21.9%	28,375	22.1%	583	102.1%	-484	98.3%
Non-current Assets	65,113	49.1%	63,428	48.0%	63,100	49.2%	-2,013	96.9%	-328	99.5%
(of Investment Securities)	27,792	20.9%	25,816	19.6%	25,644	20.0%	-2,148	92.3%	-172	99.3%
(of Investment Real estate)	4,695	3.5%	4,886	3.7%	4,880	3.8%	185	103.9%	-6	99.9%
Total Assets	132,679	100.0%	132,016	100.0%	128,363	100.0%	-4,316	96.7%	-3,653	97.2%
Current Liabilities	23,963	18.1%	27,529	20.9%	27,127	21.1%	3,164	113.2%	-402	98.5%
(of Short-term borrowings)	-	0.0%	5,000	3.8%	5,098	4.0%	5,098	0.0%	98	102.0%
(of Current portion of long-term borrowings)	4,203	3.2%	2,759	2.1%	1,952	1.5%	-2,251	46.4%	-807	70.8%
Non-current Liabilities	9,435	7.1%	7,449	5.6%	7,034	5.5%	-2,401	74.6%	-415	94.4%
(of Long-term borrowings)	3,047	2.3%	1,345	1.0%	1,016	0.8%	-2,031	33.3%	-329	75.5%
Total Liabilities	33,399	25.2%	34,979	26.5%	34,162	26.6%	763	102.3%	-817	97.7%
Total Net Assets	99,280	74.8%	97,037	73.5%	94,200	73.4%	-5,080	94.9%	-2,837	97.1%
(of Treasury stock(-))	-4,537	-3.4%	-4,052	-3.1%	-5,890	-4.6%	-1,353	129.8%	-1,838	145.4%
Total Liabilities and Net Assets	132,679	100.0%	132,016	100.0%	128,363	100.0%	-4,316	96.7%	-3,653	97.2%

> Cash and Deposits

Due to the repurchase of treasury stock and growth investments, there was a decrease of 2,980 million yen compared to the previous fiscal year.

> Inventory

While production-sales balance management for current-season products is under control, the pace of clearing prior-season products remains moderate, resulting in a year-on-year increase of 580 million yen. However, inventory levels have improved compared to the end of the first quarter.

> Treasury Stock

(Repurchased over the past year: approx. ¥8,000 million)

The repurchase of treasury stock resulted in an increase of ¥1,830 million in the treasury stock balance for the quarter. The shares acquired by the end of September are scheduled to be cancelled by the end of October, 2024.

Additionally, a new repurchase of ¥3,000 million is planned starting in October.

> Equity Ratio

Maintained a high equity ratio of 73.1%.

Next Agenda

Existing Channels Overview



FY2025 1H: Existing Channels

Both domestic and international sales increased, but different challenges exist across channels:

Domestic physical stores (department and non-department stores): While department store sales fell short of the previous year due to a net decrease in store count, overall physical store sales remained strong, supported by demand for outings and inbound tourism, achieving **105.1% YoY growth (+2,160 million yen)**.

Domestic e-commerce: Sales were significantly impacted by the withdrawal of some brands, resulting in 98.4% year-on-year performance.

International: Although physical stores struggled, e-commerce performed steadily, supported by successful initiatives. While currency rate effects provided some boost, overall international sales reached 102.4% year-on-year.

		1H of FY Ended Feb 2023	1H of FY Ended Feb 2024	1H of FY Ending Feb 2025	YoY
Domestic Retail	Department Store (% of total sales)	9,560 (13.3%)	9,400 (12.8%)	9,310 (12.4%)	99.1%
	Non-Department Store (% of total sales) * 1	31,370 (43.5%)	32,930 (44.9%)	35,180 (46.8%)	106.8%
	EC (% of total domestic retail sales)	17,820 (30.3%)	16,660 (28.2%)	16,400 (26.9%)	98.4%
Domestic Misc. (% of total sales) *2		7,180 (10.0%)	8,540 (11.7%)	8,450 (11.2%)	99.0%
International (% of total sales)		6,130 (8.5%)	5,730 (7.8%)	5,870 (7.8%)	102.4%

* 1 Non-Department Store: Stores located in shopping centers, outlet malls etc.

* 2 Domestic Misc. Wholesale sales, sales to the employees and other sales by TSI Group's apparel related business as well as non-apparel business.

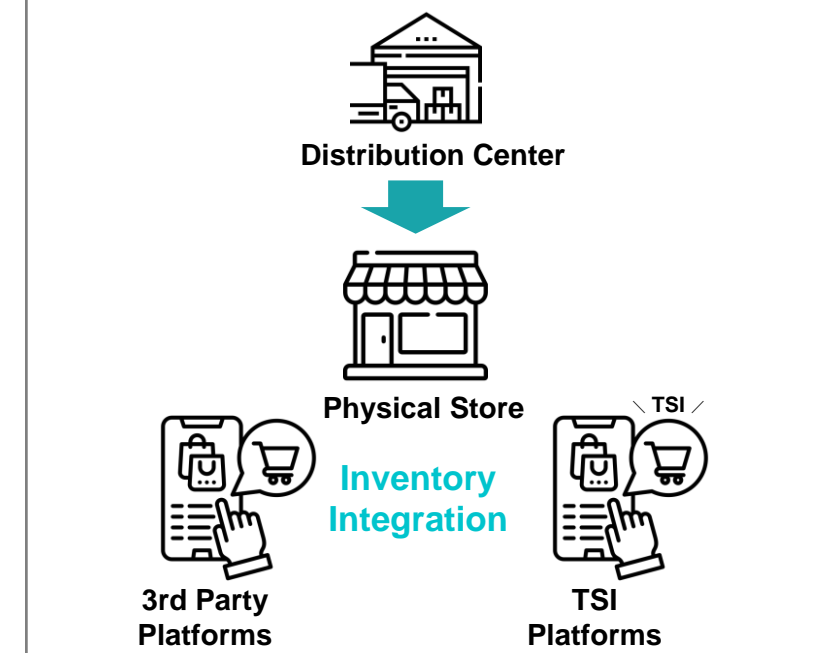
FY2025 1H: Existing Channels (E-commerce)

Efforts to consolidate inventory across our e-commerce and third-party platforms domestically have been successful, resulting in improved inventory efficiency and increased sales. Excluding the impact of ending the 'UNDEFEATED' distribution agreement last year, we are seeing a positive recovery trend.

Internationally, the strong performance of 'HUF' has been a driving force, supported by successful collaborative products and effective utilization of customer data.

	(in million yen)				
	1H FY 2023	1H FY 2024	1H FY 2025	Vs 2023	Vs 2024
Domestic In-House E-comm sales (% of total EC sales)	8,730 (49.0%)	7,840 (47.1%)	7,150 (43.7%)	82.0% (-5.3pt)	91.3% (-3.4pt)
Domestic E-comm sales (% of total domestic retail sales)*	17,820 (30.3%)	16,660 (28.2%)	16,400 (26.9%)	92.0% (-3.4pt)	98.4% (-1.3pt)
Int'l E-comm sales (% of Total Int'l retail sales)	1,940 (31.7%)	1,790 (31.3%)	1,960 (33.5%)	101.3% (1.8pt)	109.8% (2.3pt)
Total E-comm Sales (% of total retail sales)*	19,770 (30.5%)	18,450 (28.5%)	18,370 (27.5%)	92.9% (-2.9pt)	99.5% (-1.0pt)

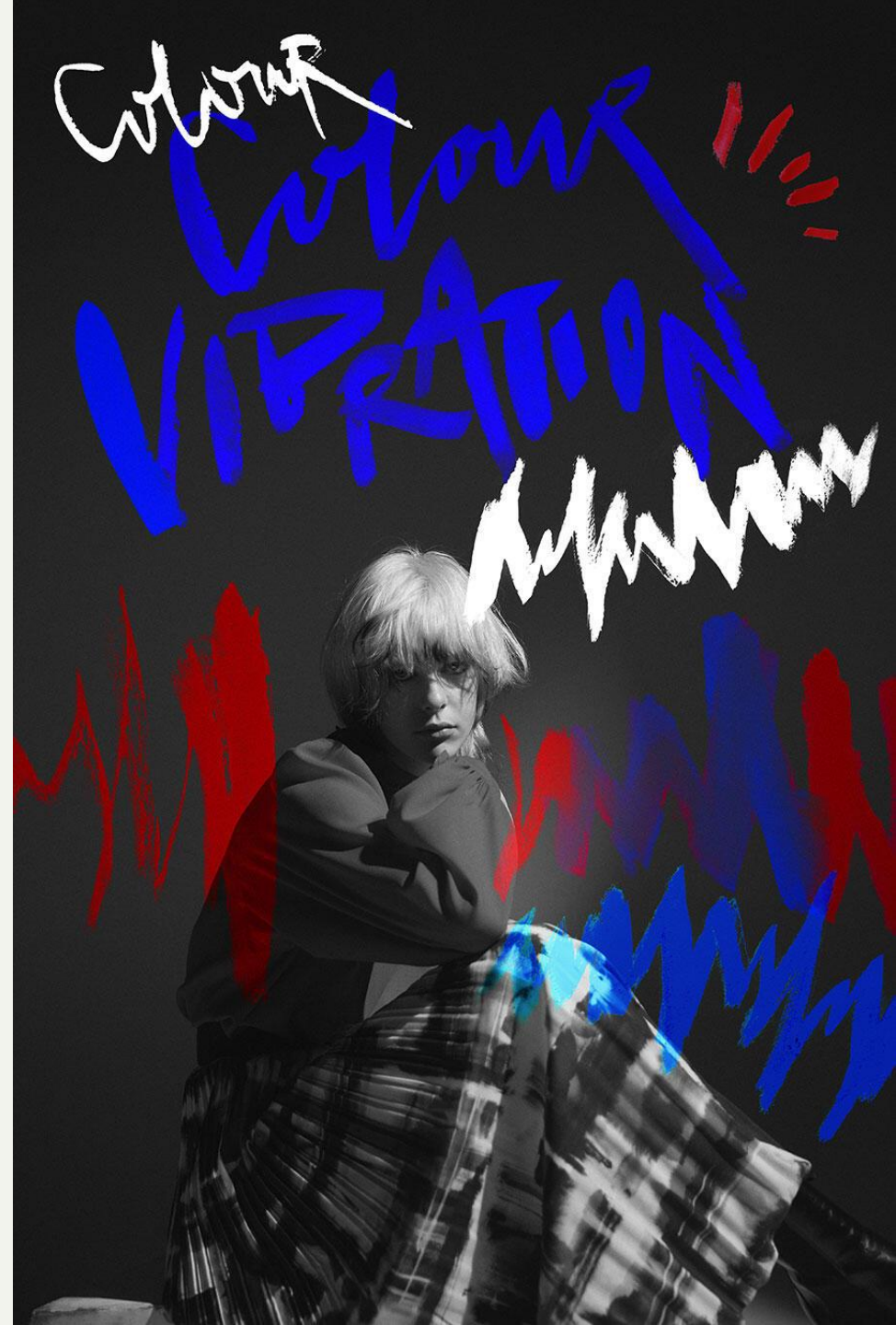
Inventory integration is being carried out sequentially across each business.



* The e-comm sales ratio is calculated excluding other domestic sales (such as wholesale and employee sales).

Next Agenda

Brands Overview



FY2025 1H: Core Brands

(%: YoY sales)

**PEARLY
GATES**

98.5% YoY

The brand struggled to maintain a balance between past inventory and current-season products, yet sales remained on par with the previous year. The company will continue to prioritize careful management of inventory optimization by clearing past stock while driving growth with new products.

**N A N O
universe**

102.8% YoY

Sales growth has continued across all channels due to product revisions and improved sales management. The previously challenging task of profitability improvement is making progress, and the focus will now shift toward further sales growth.

AVIREX®

107.3% YoY

Throughout the first half of the year, both existing and new stores performed well. One factor driving sales growth was the alignment of products, such as the 'DAILY COLLECTION,' with actual weather conditions, effectively meeting customer needs and encouraging purchases.

**M A R G A R E T
H O W E L L**

102.3% YoY

Key stores in central Tokyo are driving sales. MARGARET HOWELL's GINZA SIX store and MHL's Daikanyama store have both exceeded 130% YoY, maintaining strong performance.

**NATURAL BEAUTY
BASIC**

95.2% YoY

During the first quarter, while some stores experienced temporary closures due to renovations, the strong performance of key stores and newly renovated locations has contributed to narrowing the gap.

STUSSY

125.8% YoY

Several stores have achieved over 150% year-on-year growth, maintaining excellent performance. The 'Stussy Sapporo Chapter,' which opened earlier this year, is also ranked among the top TSI stores and continues to perform well.

FY2025 1H: Growing Brands

Several Brands Achieved Double-Digit Growth Year-on-Year, Beyond the Core Brands

(%: YoY sales)

Strong Performers

ROYAL FLASH



BEAVER

SEVEN BY SEVEN

Dice&Dice



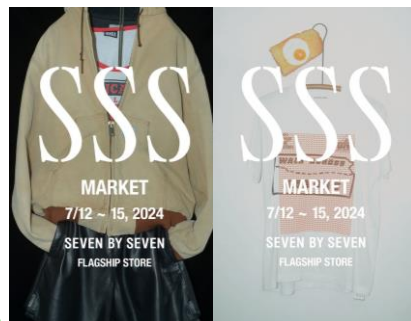
143.5% YoY

YLÈVE is experiencing consistent double-digit growth, with the Isetan Shinjuku store, which reopened in September last year, notably achieving over 300% year-on-year growth. The brand is entering a growth phase and plans to actively explore opportunities for new store openings and pop-up events.



231.1% YoY

SEVEN BY SEVEN currently operates two physical retail locations and an e-commerce platform. Its sales are experiencing rapid growth as brand awareness gradually expands. To bolster its image, the brand is executing initiatives such as hosting SSS MARKET, where the designer curates and sells meticulously chosen vintage items and personal belongings of stylists.



and wander

YLÈVE



hueLe Museum

A D O R E

LE PHIL

Arpege story

C A D U N É

E T R É
T O K Y O



FY2025 1H: Growing Brands

hueLe Museum

Pick Up

hueLe Museum, with its unique concept of *Fashion × Flowers × Art*, presents a creative world that extends beyond clothing.

The brand has steadily grown since its 2021 debut, leveraging pop-up store events to boost brand recognition while operating through a permanent location at GINZA SIX and its e-commerce site. This fiscal period, hueLe Museum continues its strong trajectory, achieving 150.9% year-on-year growth

Recent Topics

In pursuit of further growth, new stores opened at Omotesando Hills on Aug 24 and NEWoMan Shinjuku on Sep 7.

The grand openings were celebrated with the release of limited-edition items created in collaboration with line artist Eri Yoshida. Additionally, the brand featured initiatives such as offering art-inspired Japanese confections as exclusive gifts to emphasize its core concept..



ETRÉ TOKYO

Pick Up

The much-anticipated third iteration of the renowned EDWIN × ETRÉ TOKYO collaboration has made its return this year. This collaboration has a history of rapid sell-outs. In commemoration, a pop-up event took place at Lumine Shinjuku, attracting significant attendance with all advance reservation slots fully booked.

In addition to active use of social media, the brand's ongoing collaborations and in-store initiatives have continued to attract both loyal customers and new clientele, resulting in a strong sales performance of 147.0% year-on-year.



▲ Showcasing appeal via brand's YouTube channel



▲ The blue interior, inspired by the color of denim, grabbed attention.

Next Agenda

Topics



Brands Introduce Sub-brands, Showcasing a New Dimension

In the upcoming autumn season, four prominent brands will unveil new product lines, leveraging their distinctive concepts to expedite the delivery of novel value and venture into interconnected segments of the fashion industry.

ALUNC



PINKY & DIANNE aims to attract luxury customers by offering a sophisticated new elegance style, with *excitement and quality* as key concepts. The brand seeks to differentiate itself through a line of dresses and outfits for special occasions, targeting the acquisition of new customers.

Launch

- Nov 6-12: Pop-up store at Mitsukoshi Ginza
- Nov 13: Sales start at Roppongi Hills and online

<https://store.tokyostyle.co.jp/alunc.html>

wagona



human woman introduces a new line featuring “lifeware,” encompassing crafts and lifestyle goods. The brand's objective is to progress by engaging a diverse array of individuals, ranging from designers to artisans, and to offer not only original apparel but also a wide variety of products.

Launch

- Available at 10 human woman stores, mainly in Tokyo, and the official online store
- Oct 12-14: Pop-up store at CASICA

www.wagona.jp

UNIPH



ADORE is set to unveil a new collection of sophisticated and high-fashion daily wear tailored for mature women. This strategic move seeks to broaden the brand's customer base while staying true to its fundamental identity.

Launch

- Debuted at the newly reopened *ADORE* Daimaru Shinsaibashi on Sep 20 and on the official online store.

<https://www.adore2005.com/features/20240913-lp.html>

jbplse™



Jack Bunny introduces a new line of high-quality daily wear for golf enthusiasts. The collection emphasizes functionality, environmental consciousness, and domestic production, delivering quality through the expertise unique to a sportswear brand.

Launch

- Debuted on August 16, exclusively at directly operated stores nationwide and the official online store.

https://store.tsigs.com/PEARLYGATES/pg-topics/pg-jb_jbplse/, LTD. All right reserved.

Exclusive Distribution Deal with Alpha Industries, Inc. for FW 2025 Japan Launch

Alpha Industries, a long-established supplier of authentic military apparel and urban lifestyle products with a dedicated global following, will be joining TSI's brand portfolio.



ALPHA INDUSTRIES INC.
KNOXVILLE, TENNESSEE, U.S.A.

Future Developments

Starting in the fall of 2025, sales will gradually begin through domestic wholesale, directly operated stores, and e-commerce with the goal of expanding market share in military and casual fashion.

<https://www.alphaindustries.com/>

Achieving Environmental Impact Reduction and Conservation

Implement business activities with minimal environmental impact and promote a sustainable business model.

Global Environment

Materiality

- 1 Energy resources
- 2 Raw materials
- 3 Waste
- 4 Water Resources
- 5 Biodiversity

Transition to Plastic-Free Shopping Bags by End of FY2025 and Use FSC-Certified Paper*

As a key goal for 2050, the company has established a focus on reducing environmental impact through the selection of raw materials. The medium-term management plan also includes a target of reducing paper resource consumption.

By the conclusion of the fiscal year ending February 28, 2025, the Company will implement charges for existing shopping bags and discontinue the procurement of plastic shopping bags. This transition will involve a gradual migration to bags manufactured from FSC-certified paper as the current inventory is depleted.

Additionally, from October 1, 2024, the company has begun gradually switching to FSC-certified paper for cardboard boxes shipped from TSI warehouses to customers.

* FSC-certified paper refers to paper made from wood sourced from responsibly managed forests, in accordance with standards set by the FSC® (Forest Stewardship Council).

Sustainable Material Sourcing Goals

2050:
Achieve Carbon Neutrality

STEP 3 By the end of FY2031

Reduce the use of shopping bags by 60% by FY 2031, compared to FY 2024.

STEP 2 By the end of FY 2027

Reduce the use of shopping bags by 40% by FY 2027, compared to FY 2024, and increase the use of FSC-certified paper to 90% or more.

STEP 1 By the end of FY 2025

Charge for shopping bags and gradually replace plastic bags with paper ones. Switch cardboard boxes to FSC-certified paper.

Charges to begin on Nov 1, 2024 (except at some stores).



Passing on to the Next Generation Through Technology and Expertise

Collaborating with next-generation talent to tackle apparel industry challenges and drive sustainable growth in fashion.

Social

Materiality

- 10 Collaboration with Local Communities
- 11 Foster the Next Generation
- 12 Community Services

NANO universe and *BUNKA Fashion College* Collaborate on T-Shirt Production Using 'Made by ZOZO' in Hands-On Lecture

Since April 2023, the SDGs Promotion Office has been implementing an educational curriculum at Bunka Fashion College as part of TSI's 'Next-Generation Development' initiative, a key materiality goal related to the SDGs.

As a component of the program, comprehensive lectures covered the work processes of corporate designers and the social challenges posed by mass production and waste. Students also had the opportunity to collaborate with 'NANO universe' on producing T-shirts through 'Made by ZOZO,' a system that customizes production to meet specific demand and reduces excess.

This initiative not only educated future designers on the environmental issues facing the apparel industry and explored potential solutions but also gave students hands-on experience in sustainable manufacturing practices



▲ Selected designs from the lectures are now available as printed T-shirts, exclusively on ZOZOTOWN from July 5.

Empowering Society Through the Power of Fashion

Contributing to the creation of an inclusive society where everyone can shine as their true selves through fashion design.

Social

Materiality

- 10 Collaboration with Local Communities
- 11 Foster the Next Generation
- 12 Community Services

First Universal Design Initiative: 'MOVE WEAR,' Clothing for Wearable Arm Robot Developed by Ory Yoshifuji, is Now Finished.

Neuroscience research is being conducted on how people's psychology and emotions affect the brain. We, TSI, are exploring whether the 'power of fashion' can be used to generate positive psychological and emotional effects.

As part of these efforts, a collaborative development project called 'MOVE WEAR' was launched with Ory Yoshifuji, a robot developer and representative of Ory Laboratory. The project brings together a cross-disciplinary team to tackle social challenges.



From left: Yusuke Honda, ReSew; Kaiha Osawa, Designer of NANO universe; Tsuyoshi Shimoji, President of TSI Holdings; Masatane Muto, Representative Director of WITH ALS; Ory Yoshifuji, Director of Ory Laboratory; Mikito Ogino, Project Professor, Graduate School of Arts and Sciences, University of Tokyo



Universal design clothing was created for ALS patient Masatane Muto and the robotic arm specially designed for him.

Muto, who serves as both producer and performer, is set to wear the outfit at 'MOVE FES. 2024,' a music festival dedicated to raising ALS awareness, on November 24, 2024.

Introducing a new styling concept: 'clothing worn with a wheelchair.' The outfit features aurora-colored reflective prints to enhance nighttime visibility, inspired by the theme of the music festival, 'Human Body Augmentation.' It also incorporates a series of triangular motifs inspired by Muto's artwork.

Next Agenda

Structural Reforms Status



Profit Structure Reform

(Excerpt from *Medium-term Management Plan* dated April 12, 2024)

Purpose	Current Issues	Course of Action	Completion	Impact
Purchase Cost Reductions	<ul style="list-style-type: none"> ▶ Decentralized procurement is causing high COGM. 	<p>Consolidate orders/improve purchasing leverage</p> <ul style="list-style-type: none"> ▶ Cost reduction through revision of business schemes/contracts with suppliers/manufacturers 	<ul style="list-style-type: none"> ▶ FYE Feb 2026 	<p>FYE Feb 2027 (1-year)</p> <p>Approx. 3 billion yen</p>
Optimized Supply & Demand Management	<ul style="list-style-type: none"> ▶ Stick to the traditional way of setting retail prices. ▶ Increasing loss of opportunity and volume of dead stock. 	<p>Strategic pricing/sales promotions</p> <ul style="list-style-type: none"> ▶ Optimization of retail pricing and cost ratio. ▶ Reassess promotional/discount sale programs 	<ul style="list-style-type: none"> ▶ FYE Feb 2027 	<p>Approx. 2.5 billion yen</p>
Retail Operation Reform	<ul style="list-style-type: none"> ▶ Inefficiencies in assigning staff specifically for each brand/store. 	<p>Increase efficiency/productivity of staffing</p> <ul style="list-style-type: none"> ▶ Optimal allocation of store staff across brands and by area. Consolidate underperforming stores and development of large stores. 	<ul style="list-style-type: none"> ▶ FYE Feb 2026 	<p>Approx. 1.5 billion yen</p>
EC Integration & System Renewal	<ul style="list-style-type: none"> ▶ Inefficiencies in system-related/operational costs due to an overabundance of independent EC sites within TSI. 	<p>EC site integration</p> <ul style="list-style-type: none"> ▶ Improve operational efficiency by integrating EC functions/websites that exist under each brand. ▶ Streamline the backend operations 	<ul style="list-style-type: none"> ▶ FYE Feb 2025 	<p>Approx. 0.5 billion yen</p>
Improve efficiency of costs including SG&A	<ul style="list-style-type: none"> ▶ Insufficient cost budgeting ▶ Brands working in silos. 	<p>Ensure ROI-driven expenditures</p> <ul style="list-style-type: none"> ▶ Review of brand positioning and cost/staffing structure based on ROI of measures 	<ul style="list-style-type: none"> ▶ FYE Feb 2026 	<p>Approx. 2.5 billion yen</p>

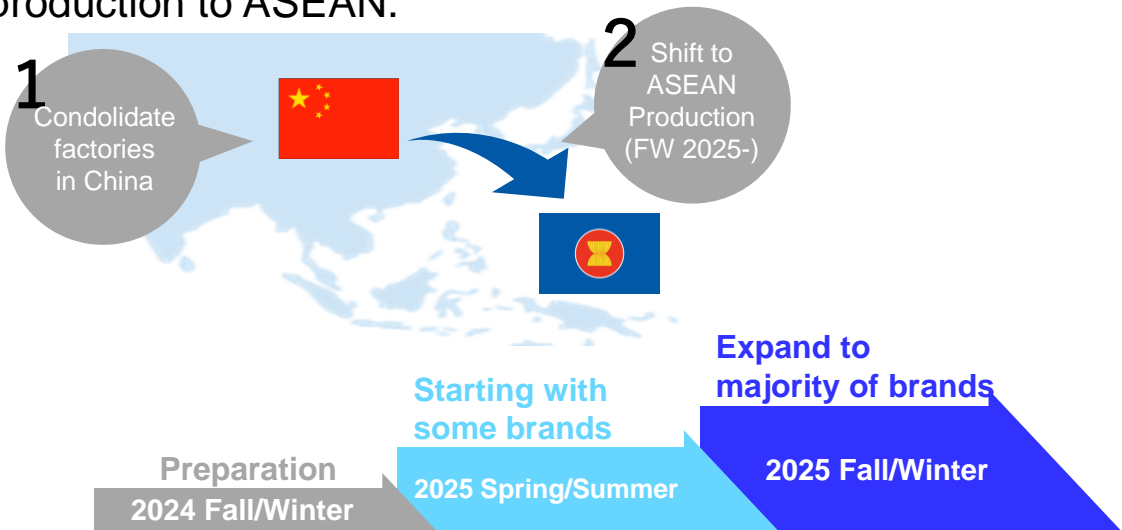
TOTAL: 10 billion yen

Profit Structure Reform: Status

Purchase Cost Reductions

With a focus on reducing FOB costs through supplier consolidation and local settlements, the company has initiated proactive measures, including accelerating production in ASEAN, primarily for brands with short production lead times. By the Fall/Winter 2025 season, efforts will be expanded to cover the majority of brands.

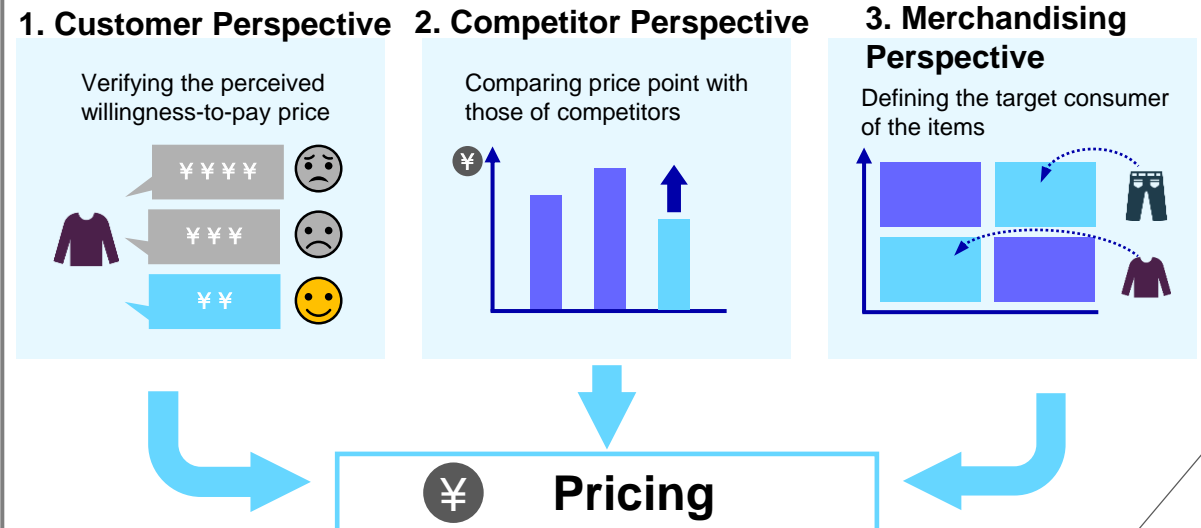
Along with the consolidation of major suppliers, the company will also consolidate factories within China and transfer some production to ASEAN.



Optimized Supply & Demand Management

An architecture for price optimization has been established by leveraging internal and external data from customer, competitor, and company perspectives. In Fall/Winter 2024, this pricing approach will be implemented in advance for several key brands.

Shifting from cost-based pricing to market value-based pricing



Profit Structure Reform: Status

Retail Operation Reform

A scheme has been implemented to optimize staffing by reviewing shifts and assignments, aiming to improve the store labor cost ratio. Additionally, new career paths for sales staff are being developed to further enhance talent utilization.

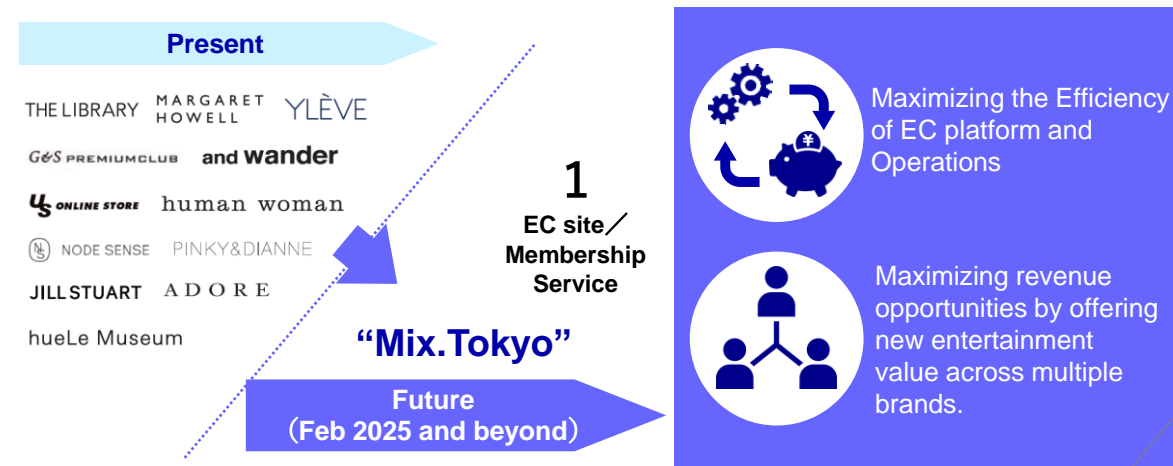
Designing diverse career paths that allow individuals to excel in what they want to do and what they are good at



EC Integration & System Renewal

By February 2025, TSI Inc. plans to relaunch the platform “Mix.Tokyo” by consolidating its 13 existing EC sites and membership services. From the following fiscal year onward, the company aims to achieve cost reductions through the standardization of operational processes.

Consolidate existing EC sites and membership services by February 2025.



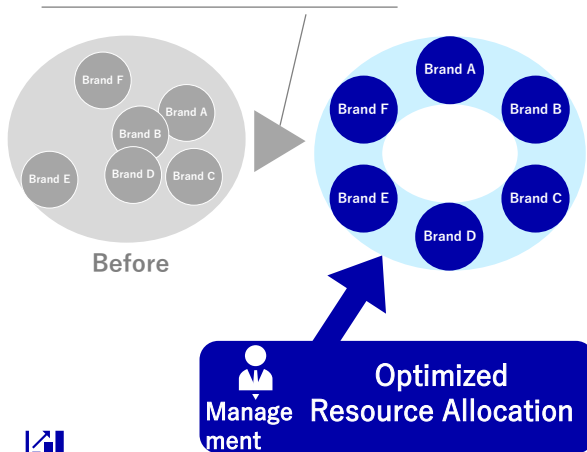
Profit Structure Reform: Status

Improve efficiency of costs including SG&A

To maximize growth and profitability through optimal resource allocation, the company will redefine its brand portfolio and set clear objectives. While aiming for revenue growth, it will also establish a foundation for new challenges using the resources generated.

By optimizing the allocation of management resources and promoting business renewal, we will implement strategic business investments to establish a foundation for growth and new challenges.

Define the role and direction of each brand

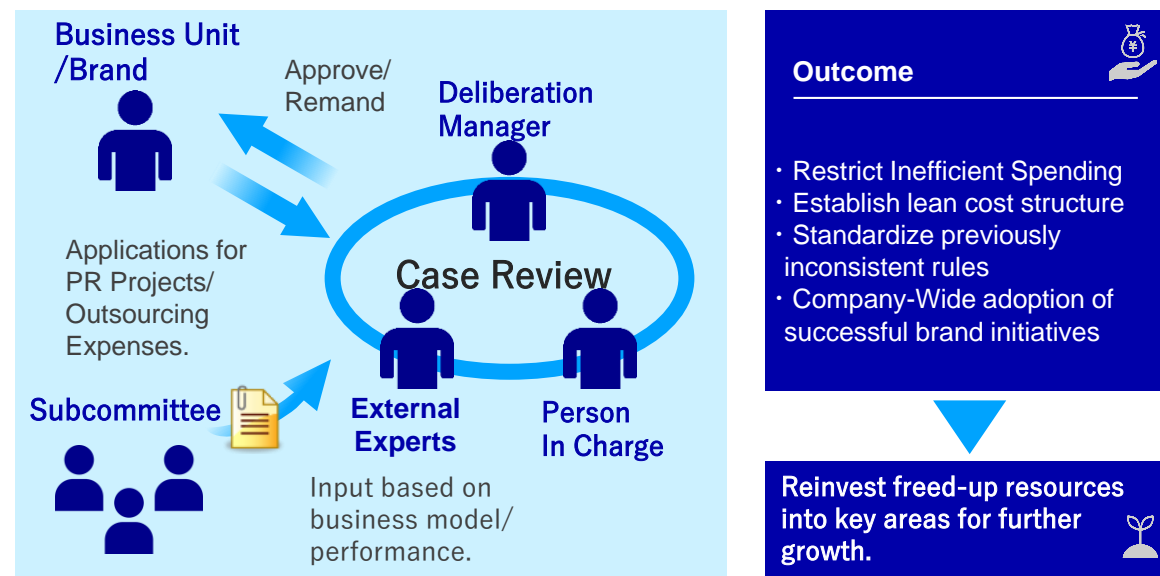


Achieve High Profitability and Growth

- ① **Define Brand Positioning**
Position each brand in the portfolio based on market environment, growth potential, and profitability.
- ② **Define Basic Profitability Standards**
Set revenue and profit targets for each brand to ensure economic viability and achieve sufficient profitability compared to competitors.
- ③ **Align Brand Goals and Strategies**
Discuss and clarify medium-term objectives and strategies between management and each brand, considering positioning and required profitability standards.
- ④ **Review, Withdrawal, Streamlining**

Address structural challenges unique to the company, which are causing persistently high SG&A expense ratios, by enhancing systems and frameworks, benchmarking against competitors, and transforming cost management approaches.

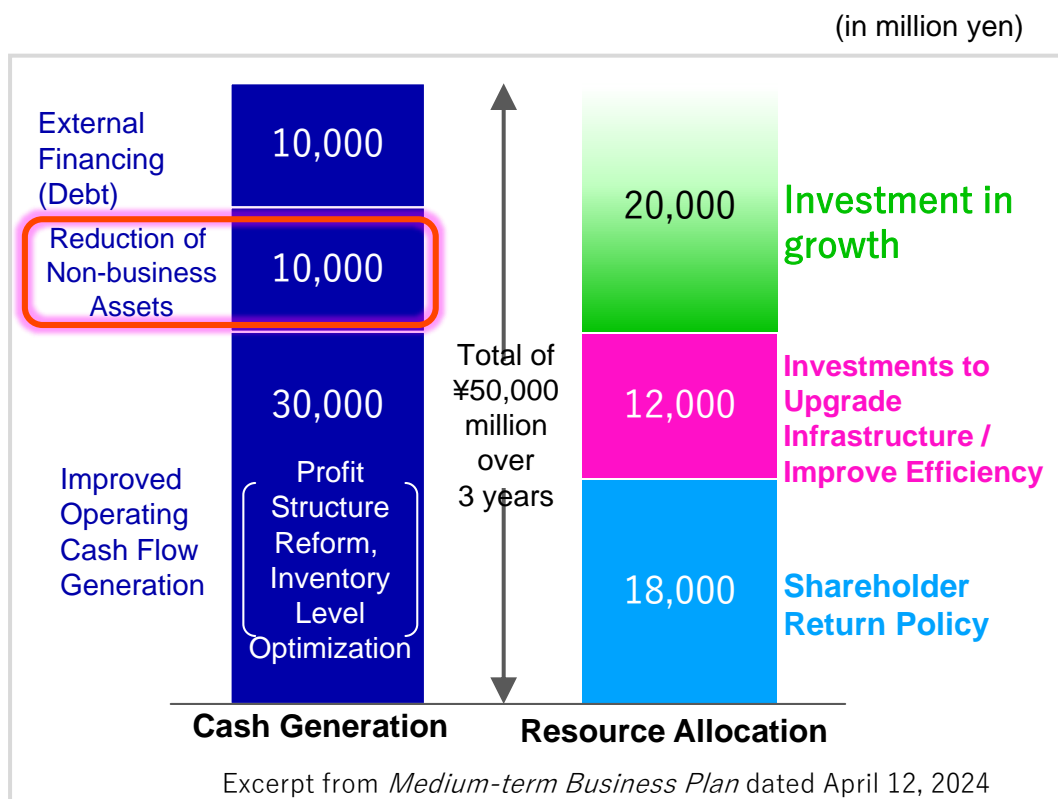
The process of developing strategies for each brand and business unit to maximize sales and profits within budget and funding constraints.



Profit Structure Reform: Status

Reduction of non-business assets

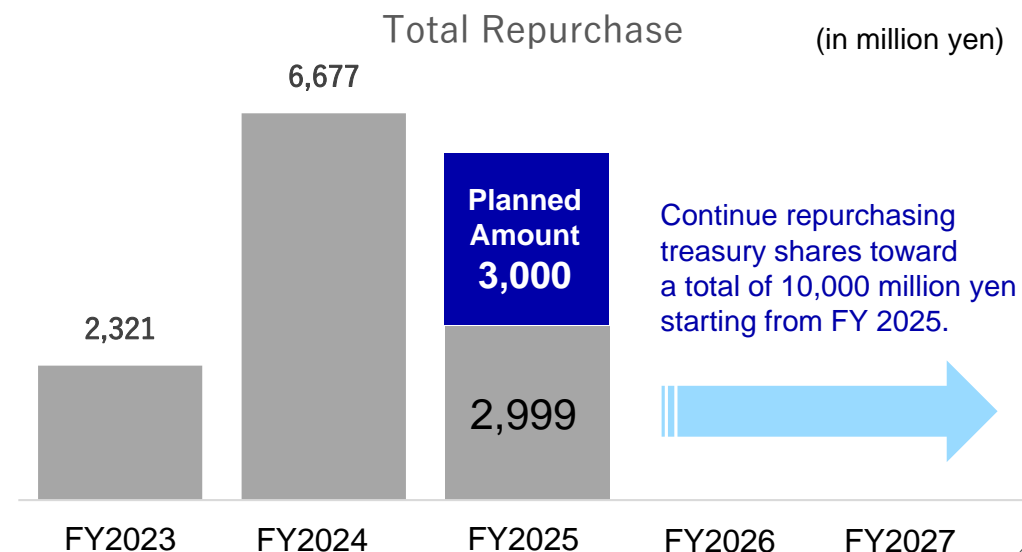
We are advancing efforts to generate ¥10,000 million in cash over three years through the sale of investment securities and investment properties, with plans to accelerate sales in the second half of the fiscal year and beyond.



Repurchase of treasury stock

The share repurchase program, which began in April 2024, concluded in September. The 3,386,600 shares acquired are scheduled for cancellation by the end of October. As part of a capital strategy aimed at enhancing shareholder returns and improving capital efficiency, an additional share repurchase has been announced.

Period	October 15, 2024 – March 31, 2025
Total repurchasable shares	3,400,000



Next Agenda

FY 2025 Full-Year Consolidated Earnings Forecast



Full-Year Consolidated Earnings Forecast

The consolidated earnings forecast for the full year remains unchanged at this stage.

	FY2025 Forecast
	(in million yen)
Sales	160,000
Operating Income	2,000 (Profit margin : 1.25%)
Ordinary Income	2,500 (Profit margin : 1.56%)
Net Income Attributable to owners of the parent	4,000 (Profit margin : 2.50%)

- Impact on gross profit due to inventory optimization measures
- Business withdrawal as part of the structural reform and business portfolio review
- Additional costs from streamlining the headquarters organization

Considering the above factors, the consolidated earnings forecast for the full year will remain unchanged.

We create empathy and social value across the world
through the power of fashion entertainment.

Creator of Fashion Entertainment

TSI HOLDINGS GROUP

Next Agenda

Appendix



Financial Highlights for the 1H FY2025

(in million yen)

2Q Overview

(New Revenue Recognition Standards)

	Q2ND 2024 Ending Feb.		Q2ND 2025 Ending Feb.			
	Results	Composition Rate (%)	Results	Composition Rate (%)	Y/Y Change	Y/Y (%)
Net Sales	33,905	100.0	35,935	100.0	2,029	106.0
Gross Profit	18,278	53.9	18,521	51.5	242	101.3
SG&A Expenses	19,582	57.8	19,761	55.0	179	100.9
SG&A Expenses(excl. Goodwill Amortization, I	18,639	55.0	18,861	52.5	221	101.2
Goodwill Amortization	124	0.4	127	0.4	3	102.9
Depreciation and Amortization	818	2.4	771	2.1	-46	94.3
Operating Income	-1,303	-3.8	-1,240	-3.5	63	95.1
Ordinary Income	-816	-2.4	-1,276	-3.6	-459	156.2
Extraordinary Income	319	0.9	-	-0.0	-319	-0.0
Extraordinary Loss	56	0.2	177	0.5	120	314.7
Profit Before Taxes	-553	-1.6	-1,453	-4.0	-899	262.5
Profit Attributable to Owners of Parent	-516	-1.5	-1,337	-3.7	-821	259.1
EBITDA ※	-360	-1.1	-340	-0.9	20	94.3

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

Financial Highlights for the 1H FY2025

(in million yen)

1st Half Overview

(New Revenue Recognition Standards)

	1ST Half 2024 Ending Feb.		1ST Half 2025 Ending Feb.			
	Results	Composition Rate (%)	Results	Composition Rate (%)	Y/Y Change	Y/Y (%)
Net Sales	73,278	100.0	75,230	100.0	1,951	102.7
Gross Profit	40,841	55.7	40,554	53.9	-286	99.3
SG&A Expenses	40,308	55.0	40,776	54.2	467	101.2
SG&A Expenses(excl. Goodwill Amortization, I	38,528	52.6	39,010	51.9	482	101.3
Goodwill Amortization	230	0.3	243	0.3	12	105.5
Depreciation and Amortization	1,549	2.1	1,521	2.0	-27	98.2
Operating Income	532	0.7	-221	-0.3	-754	-41.6
Ordinary Income	1,608	2.2	-167	-0.2	-1,776	-10.4
Extraordinary Income	511	0.7	467	0.6	-43	91.4
Extraordinary Loss	103	0.1	341	0.5	237	329.2
Profit Before Taxes	2,016	2.8	-41	-0.1	-2,058	-2.1
Profit Attributable to Owners of Parent	1,472	2.0	-791	-1.1	-2,264	-53.8
EBITDA ※	2,312	3.2	1,543	2.1	-769	66.7

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

Financial Highlights for the 1H FY2025

Net Sales Per Channel

(New Revenue recognition standards)

	1ST Half 2024 Ending Feb.		1ST Half 2025 Ending Feb.					
	Results (Million yen)	Composition Rate (%)	Results (Million yen)	Composition Rate (%)	Y/Y (%)	Composition Rate Y/Y Change(pt)	前々期比 (%)	構成比前々期差 (pt)
Department Stores	9,400	12.8	9,311	12.4	99.1	-0.5pt	97.3	-0.9pt
Commercial Facilities(*1)	32,933	44.9	35,184	46.8	106.8	+1.8pt	112.1	+3.2pt
In-house EC	7,845	10.7	7,159	9.5	91.3	-1.2pt	82.0	-2.6pt
3rd Party	8,818	12.0	9,242	12.3	104.8	+0.3pt	101.6	-0.3pt
EC(E-Commerce)	16,663	22.7	16,402	21.8	98.4	-0.9pt	92.0	-2.9pt
Others(*2)	8,543	11.7	8,459	11.2	99.0	-0.4pt	117.7	+1.3pt
Domestic	67,541	92.2	69,357	92.2	102.7	+0.0pt	105.2	+0.7pt
EC(E-Commerce)	1,793	2.4	1,968	2.6	109.8	+0.2pt	101.3	-0.1pt
Overseas	5,736	7.8	5,872	7.8	102.4	-0.0pt	95.8	-0.7pt
EC(E-Commerce)	18,457	25.2	18,371	24.4	99.5	-0.8pt	92.9	-3.0pt
TOTAL	73,278	100.0	75,230	100.0	102.7	-	104.4	-

Note 1: Non-department stores include fashion buildings, station buildings, street stores, and outlets.

Note 2: Other includes wholesale, employee sales, and non-apparel businesses of group companies.

Financial Highlights for the 1H FY2025

Brands Overview

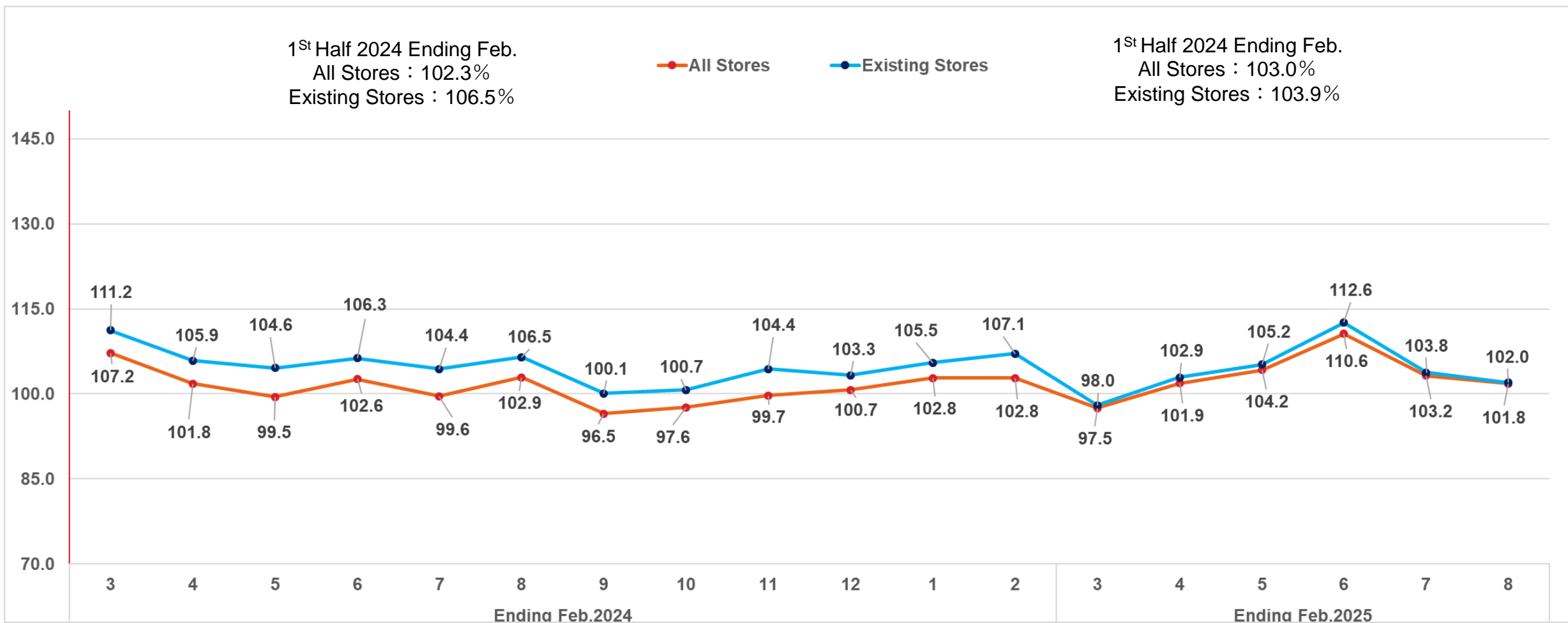
(New Revenue recognition standards)

(in million yen)

	1ST Half 2024 Ending Feb.			1ST Half 2025 Ending Feb.			YoY	
	Sales	Composition Rate (%)	Gross Profit Ratio (%)	Sales	Composition Rate (%)	Gross Profit Ratio (%)	Sales	Gross Profit Ratio (pt)
1. PEARLY GATES	7,941	10.8	58.4	7,822	10.4	50.5	98.5	-7.9pt
2. MARGARET HOWELL	6,705	9.2	66.0	6,862	9.1	68.5	102.3	+2.5pt
3. NANO universe	6,251	8.5	52.7	6,429	8.5	54.1	102.8	+1.4pt
4. NATURAL BEAUTY BASIC	5,594	7.6	64.1	5,326	7.1	64.0	95.2	-0.1pt
5. HUF	4,066	5.5	52.9	4,124	5.5	50.9	101.4	-2.0pt
6. AVIREX	3,321	4.5	58.3	3,562	4.7	55.7	107.3	-2.6pt
7. STUSSY	2,481	3.4	64.8	3,120	4.1	56.7	125.8	-8.1pt
8. new balance golf	2,429	3.3	48.2	2,595	3.5	46.3	106.8	-1.8pt
9. human woman	2,203	3.0	65.9	2,089	2.8	63.2	94.9	-2.6pt
10. Jack Bunny!!	1,647	2.2	47.0	1,578	2.1	44.7	95.8	-2.3pt
TOP10	42,642	58.2	58.7	43,512	57.8	56.5	102.0	-2.1pt
Other Brands	30,076	41.0	51.8	31,711	42.2	50.3	105.4	-1.5pt
Continuing Brands	72,719	99.2	55.8	75,223	100.0	53.9	103.4	-1.9pt
Closed Brands	558	0.8	48.4	6	0.0	72.4	1.2	+24.0pt
TOTAL	73,278	100.0	55.7	75,230	100.0	53.9	102.7	-1.8pt

Financial Highlights for the 1H FY2025

Trends in Sales for Domestic Existing Stores and All Stores



Financial Highlights for the 1H FY2025

Number of Stores

		1ST Half 2024 Ending Feb.	FY Ending Feb. 2024	Store Open	Store Close	1ST Half 2025 Ending Feb.	Y/Y Change	Q2/Q4 Change
Apparel	Domestic	733	731	+31	-34	728	-5	-3
	Overseas	30	30	+2	-3	29	-1	-1
	Total	763	761	+33	-37	757	-6	-4
Restaurant	Domestic	8	6	-	-	6	-2	0
Cosmetics	Domestic	35	31	+1	-1	31	-4	0
Total		806	798	+34	-38	794	-12	-4

This document comprises of forward-looking statements, including forecasts, outlooks, targets, and plans pertaining to the Company, its subsidiaries, and affiliates. The statements are based on the information available to the Company as of the date of this document and certain reasonable assumptions made by the Company.

2025年2月期 上期 販管費影響項目 (TERRAのみ)

改善科目 (基準：金額)

勘定科目	前年実績	本年実績	前年比	増減額
本人代理人	3,325,616,580	3,214,274,449	96.65%	-111,342,131
算定物流費	1,672,500,535	1,570,338,244	93.89%	-102,162,291
貸倒引当金繰入額	10,255,926	-91,307,226	-890.29%	-101,563,152
業務委託費	2,038,154,269	1,945,816,883	95.47%	-92,337,386
広告宣伝費	738,414,893	669,524,729	90.67%	-68,890,164
修繕費	530,247,266	468,623,290	88.38%	-61,623,976
商品流通委託料	264,140,036	216,693,679	82.04%	-47,446,357
販売促進費	1,169,013,195	1,123,530,742	96.11%	-45,482,453
販売手数料	1,624,627,069	1,580,543,297	97.29%	-44,083,772
租税公課	145,548,887	102,909,126	70.70%	-42,639,761
事務所等賃借料	523,395,598	484,307,709	92.53%	-39,087,889
履行差額	18,676,820	-11,692,252	-62.60%	-30,369,072
展示会費	122,149,951	97,487,634	79.81%	-24,662,317
水道光熱費	362,537,161	339,255,124	93.58%	-23,282,037
動産賃借料	169,040,579	147,911,054	87.50%	-21,129,525
荷造運賃	249,549,008	230,950,796	92.55%	-18,598,212
退職給付費用	235,892,774	220,136,837	93.32%	-15,755,937
減価償却費	1,003,293,210	989,176,850	98.59%	-14,116,360
賞与社員	-21,288,114	-34,739,462	163.19%	-13,451,348
消耗品費	157,541,501	145,437,416	92.32%	-12,104,085

悪化科目 (基準：金額)

勘定科目	前年実績	本年実績	前年比	増減額
業務委託費	2,038,154,269	2,695,816,883	132.27%	657,662,614
手数料	3,201,809,504	3,456,660,900	107.96%	254,851,396
給料手当	5,994,385,250	6,054,371,473	101.00%	59,986,223
クレジット手数料	949,342,627	1,005,804,820	105.95%	56,462,193
店舗賃借料	4,987,743,369	5,033,921,396	100.93%	46,178,027
賞与引当金繰入	733,547,040	762,042,180	103.88%	28,495,140
社員募集費	40,491,064	57,573,240	142.19%	17,082,176
福利厚生費	50,564,092	63,646,085	125.87%	13,081,993
セール費	1,639,072	14,495,380	884.37%	12,856,308
受取出向料	149,351,547	161,785,143	108.33%	12,433,596
会議費	19,243,609	26,298,802	136.66%	7,055,193
教育研修費	16,285,846	22,929,859	140.80%	6,644,013
通勤交通費	303,549,720	310,157,725	102.18%	6,608,005
法定福利費	1,050,229,463	1,055,401,069	100.49%	5,171,606
寄付金	11,100,228	15,428,110	138.99%	4,327,882
ライセンス手数料	298,418,058	300,574,780	100.72%	2,156,722
試験検査費	664,605	1,087,976	163.70%	423,371
利息費用	1,198,392	1,488,501	124.21%	290,109
加工修繕費	15,313,454	15,514,265	101.31%	200,811
附属品費販売用	205,164,018	205,346,979	100.09%	182,961