



2012 Ending February: Results Briefing

2012.4.19

I. 2012 Ending February: Results Overview

*The amount given in this material is rounded to the nearest million yen.

1. Consolidated performance – PL overview

Sales: 147,800 million yen (98.5% of the plan), current net income: -27,158 million yen

(Unit: Million yen)

	2012 ending February				
	Plan	Composition ratio	Results	Composition ratio	Against plan
Sales	150,000	100.0%	147,800	100.0%	98.5%
Gross margin			70,809	47.9%	
SGA			77,665	52.5%	
Operating income	-4,000	-2.7%	-6,857	-4.6%	—
Ordinary income	-6,000	-4.0%	-12,255	-8.3%	—
Current net income	-7,000	-4.7%	-27,158	-18.4%	—

*Plan for 2012 ending February is the performance plan that was announced on January 13

2. Consolidated performance – Overview by group (1)

Tokyo Style Group (Y/Y comparison alone/by subsidiary)

(Unit: Million yen)

	2011 ending February: Results				2012 ending February: Results						
	Alone	Subsidiaries	Elimination/ goodwill amortization	Total	Alone	Y/Y	Subsidiaries	Y/Y	Elimination/ goodwill amortization	Total	Y/Y
Sales	29,299	30,282	-3,690	55,891	27,026	92.2%	49,290	162.8%	-6,187	70,129	125.5%
Gross margin	12,500	14,511	-352	26,659	9,456	75.6%	23,073	159.0%	-341	32,188	120.7%
Gross margin rate	42.7%	47.9%	—	47.7%	35.0%	-7.7pt	46.8%	-1.1pt	—	45.9%	-1.8pt
SGA	14,210	12,158	-162	26,206	17,811	125.3%	19,107	157.2%	2,206	39,124	149.3%
Operating income	-1,710	2,354	-190	454	-8,355	—	3,966	168.5%	-2,547	-6,935	—
Ordinary income	-3,369	2,441	-456	-1,384	-13,403	—	4,046	165.7%	-2,766	-12,124	—
Current net income	-11,473	1,642	-543	-10,374	-31,315	—	1,969	119.9%	-934	-30,280	—

- Sales : Contributions from the increased revenue of nano・universe Co., Ltd. and new M&A
- Gross margin rate (alone): Decline from 42.7% to 35.0% due to the deteriorated performance of spring/summer goods and the revision of the assessment rate for inventory assets
- SGA : Declared 2,601 million yen for goodwill amortization cost
: Increased investment amount for logistics system, development cost for new brands, and advertisement/PR cost, etc.

3. Consolidated performance—Overview by group (2)

SANEI-INTERNATIONAL Group (Y/Y comparison based on the results of 9 months)

(Unit: Million yen)

	Results from previous year (June, 2011 - February, 2012) *			2012 ending February: Results (June, 2011 - February, 2012)					
	Jun-Aug	Sep-Feb	Total	Jun-Aug	Y/Y	Sep-Feb	Y/Y	Total	Y/Y
Sales	22,905	51,570	74,475	24,022	104.9%	53,747	104.2%	77,769	104.4%
Gross margin	10,861	26,180	37,041	11,236	103.5%	27,419	104.7%	38,655	104.4%
Gross margin rate	47.4%	50.8%	49.7%	46.8%	-0.6pt	51.0%	+0.2pt	49.7%	-0.0pt
SGA	12,292	25,495	37,787	12,194	99.2%	26,391	103.5%	38,585	102.1%
Operating income	-1,431	685	-746	-959	—	1,029	150.1%	70	—
Ordinary income	-1,601	535	-1,067	-1,104	—	1,134	212.1%	30	—
Current net income	-1,794	-6,538	-8,332	-1,790	—	1,004	—	-785	—

*Results from previous year are also shown based on the results of 9 months

— Points of the results of this year—

(1) Performance from the 3 months between March and May, which can easily secure operating income, was not declared due to the irregular settlement for 9 months due to the business merger

(2) Since Jun-Aug is the sales season, it is difficult to secure operating income due to the discount sales

● Operating income/ordinary income

: SGA rate declined due to cost reduction, and they both turned a good profit

(1) Partial revision of the inventory asset assessment rate

Effect to the profit: -900 million yen

- Gross margin reduced due to the more strict revision of the inventory asset assessment rate

(2) Change in the assessment method due to the revision of the securities management policy

Effect to the profit: -5.6 billion yen

- Declared investment securities assessment loss as non-operating expense as a result of assessing the overall securities (compound instrument) at fair value.

(3) Declaration of impairment loss

Effect to the profit: -2.4 billion yen

- Declared impairment losses involving operating assets (mainly stores and factories) as extraordinary losses

(4) Re-assessment of goodwill involving part of the sub-subsidiaries

Effect to the profit: -12.1 billion yen

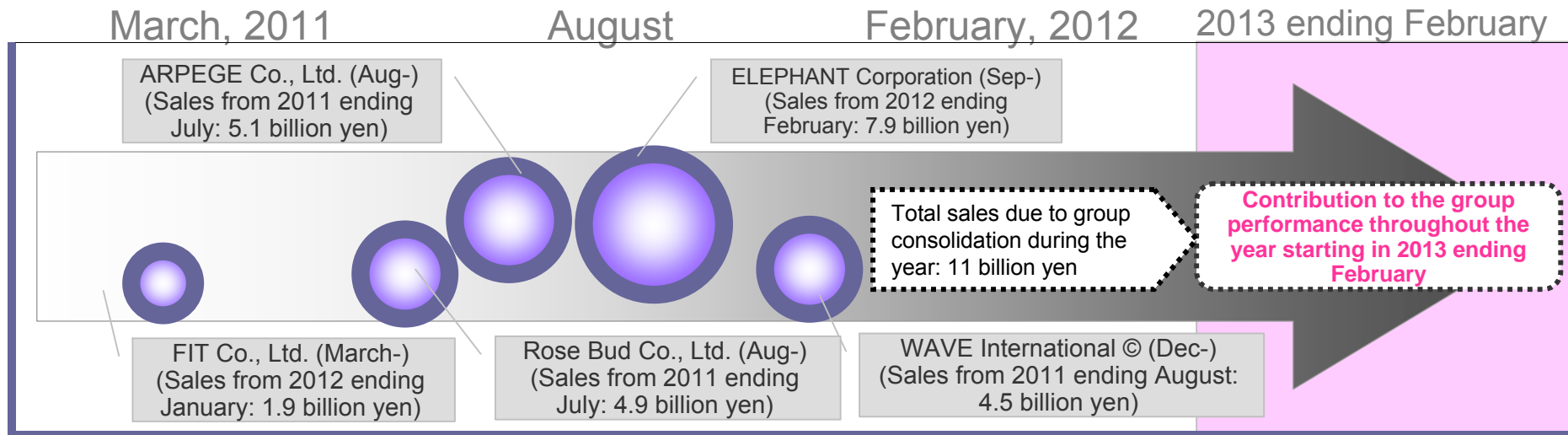
- Since the business plan for each group company was revised as part of the medium term management plan formulation, the goodwill amount was changed. Its impairment amount was declared as special loss as goodwill amortization amount



Total effect to the profit: -21.2 billion yen

5. Business overview

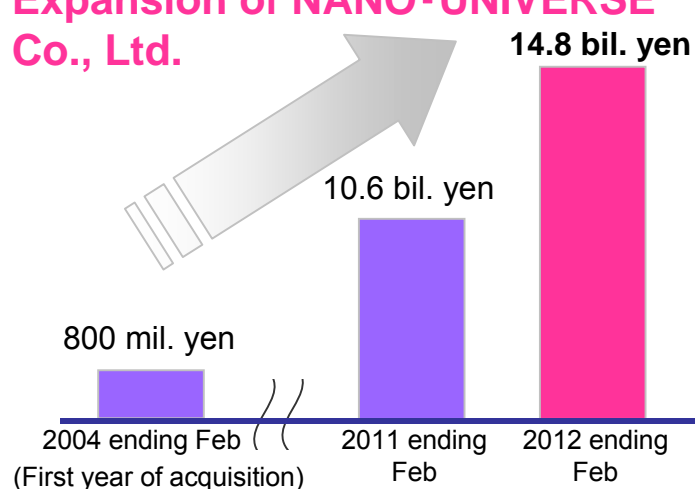
(1) M&A made during the year



*With the exception of FIT Co., Ltd., each company joined the group in the middle of the year. Therefore, the latest annual sales of each company is indicated in (). To the right side of the company name is the month in which the company was incorporated into the consolidation.

(2) Group companies' growth

Expansion of NANO-UNIVERSE Co., Ltd.



(3) Diversification of business domains

Expansion of fashion-related domains aside from apparel/clothing

- Development of new businesses that provide new lifestyles/values
- Opening of "JILLSTUART CAFÉ"



6. Sales by brand

● ● ● Tokyo Style Group ● ● ● SANEI-INTERNATIONAL Group

*The Y/Y comparison for SANEI-INTERNATIONAL CO.,LTD. is based on 9 month performance

(Unit: Million yen)

Brand name	2012 ending February: Results	Composition ratio	Y/Y
1 NANO-UNIVERSE ●	14,881	10.1%	140.4%
2 NATURAL BEAUTY BASIC ●	9,634	6.5%	106.1%
3 MARGARET HOWELL ●	5,997	4.1%	113.6%
4 FREE'S SHOP ●	4,650	3.1%	92.6%
5 HUMAN WOMAN ●	4,476	3.0%	97.9%
6 Aylesbury ●	4,428	3.0%	95.8%
7 & by P&D ●	4,404	3.0%	112.6%
8 ROSE BUD ●	4,293	2.9%	—
9 kate spade new york ●	4,123	2.8%	116.0%
10 STUSSY ●	3,986	2.7%	88.1%
Other	86,928	58.8%	—
Total	147,800	100.0%	—

*The sales for SANEI-INTERNATIONAL Group brands are for 9 months from June, 2011 to February, 2012

*The sales for ROSE BUD are consolidated sales of Rose Bud Co., Ltd. (7 months from August, 2011 to February, 2012) and ELEPHANT Corporation (6 months from September, 2011 to February, 2012)

(1) Dividend policy

Maintenance of stable dividend standard

- Consider the management environment, performance, and financial health in a comprehensive manner
- Appropriate internal reserves to capital investments, such as new store opening, etc., and development expenses, such as new brands and new businesses, etc., in order to improve the corporate value

(2) Dividends

	2012 ending February	Plan for 2013 ending February
Annual dividend per share	17.50 yen	17.50 yen
Total dividend amount	2,026 million yen	

II. 2013 Ending February: Outlook

8. Consolidated business plan for 2013 ending February

Plan 199,000 million yen (Y/Y 134.6%) in sales and 300 million yen in ordinary income

(Unit: Million yen)

	2013 ending February: Plan								
	1 st half			2 nd half			Throughout the year		
	Results from previous year	Plan for this year	Y/Y	Results from previous year	Plan for this year	Y/Y	Results from previous year	Plan for this year	Y/Y
Sales	52,049	94,000	180.6%	95,751	105,000	109.7%	147,800	199,000	134.6%
Operating income	-4,346	-1,700	—	-2,510	1,500	—	-6,857	-200	—
Ordinary income	-5,754	-1,300	—	-6,501	1,600	—	-12,255	300	—
Current net income	-4,657	-2,700	—	-22,501	-600	—	-27,158	-3,300	—

Tokyo Style Group

: Performance of the group companies that underwent M&A in the previous year contributes throughout the year

SANEI-INTERNATIONAL Group

: Significant increase in the revenue due to the irregular settlement of 9 months (June-February) in the previous year

9. Performance plan by group for 2013 ending February

(1) Tokyo Style Group

(Unit: Million yen)

2013 ending February: Plan

	1 st half			2 nd half			Throughout the year		
	Results from previous year	Plan for this year	Y/Y	Results from previous year	Plan for this year	Y/Y	Results from previous year	Plan for this year	Y/Y
Sales	28,034	39,087	139.4%	42,094	45,776	108.7%	70,129	84,863	121.0%
Operating income	-3,361	-1,633	—	-3,575	-131	—	-6,935	-1,764	—
Ordinary income	-4,510	-1,339	—	-7,614	-163	—	-12,124	-1,502	—
Current net income	-6,578	-2,280	—	-23,702	-1,924	—	-30,280	-4,204	—

(2) SANEI-INTERNATIONAL Group

(Unit: Million yen)

2013 ending February: Plan

	1 st half			2 nd half			Throughout the year		
	Results from previous year*	Plan for this year	Y/Y	Results from previous year	Plan for this year	Y/Y	Results from previous year	Plan for this year	Y/Y
Sales	24,022	55,356	230.4%	53,747	59,715	111.1%	77,769	115,071	148.0%
Operating income	-959	-52	—	1,029	1,646	160.0%	70	1,594	2273.5%
Ordinary income	-1,104	82	—	1,134	1,722	151.8%	30	1,804	6020.1%
Current net income	-1,790	-347	—	1,004	1,270	126.5%	-785	923	—

* Jun-Aug (3 months)

□ 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.