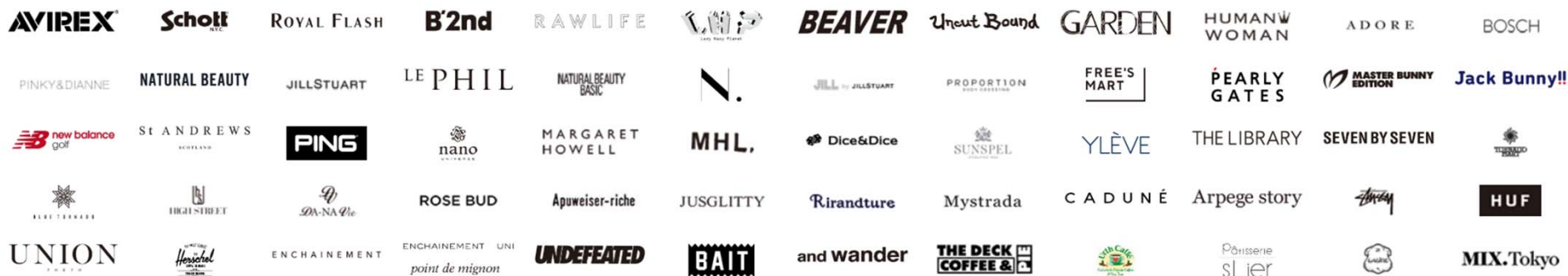


TSI HOLDINGS

Results Briefing: FY Ending Feb. 2020

2020.4.14





I. Results Overview



Consolidated Financial Highlights -Profit and Loss-

Unit:Million Yen

	FY Ending Feb. 2019		FY Ending Feb. 2020					
	Results	Composition Rate (%)	Results	Composition Rate (%)	Y/Y Change	Y/Y (%)	Against Plan (Change)	Against Plan(%)
Net Sales	165,009	100.0	170,068	100.0	5,058	103.1	▲932	99.5
Gross Profit	87,093	52.8	89,382	52.6	2,288	102.6	-	-
SG&A Expenses	84,812	51.4	89,312	52.5	4,499	105.3	-	-
SG&A Expenses(excl. Goodwill Amortization, Depreciation and Amortization)	79,935	48.4	83,863	49.3	3,927	104.9	-	-
Goodwill Amortization	886	0.5	1,024	0.6	137	115.5	-	-
Depreciation and Amortization	3,990	2.4	4,424	2.6	434	110.9	-	-
Operating Income	2,280	1.4	70	0.0	-2,210	3.1	▲930	7.0
Ordinary Income	3,902	2.4	1,851	1.1	-2,051	47.4	▲649	74.0
Extraordinary Income	365	0.2	6,289	3.7	5,923	1719.6	-	-
Extraordinary Loss	3,208	1.9	4,281	2.5	1,072	133.4	-	-
Profit Before Taxes	1,059	0.6	3,859	2.3	2,800	364.3	-	-
Profit Attributable to Owners of Parent	-185	-0.1	2,181	1.3	2,367	-1173.2	▲1,118	66.1
EBITDA ※	7,157	4.3	5,518	3.2	-1,638	77.1	-	-

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

Brands Overview

Unit:Million Yen

	FY Ending Feb. 2019			FY Ending Feb. 2020			Y/Y	
	Sales	Composition Rate (%)	Gross Profit Ratio (%)	Sales	Composition Rate (%)	Gross Profit Ratio (%)	Sales (%)	Gross Profit Ratio (pt)
1. nano · universe	28,349	17.2	47.1	27,185	16.0	43.7	95.9	-3.4
2. NATURAL BEAUTY BASIC	15,583	9.4	57.7	15,191	8.9	57.5	97.5	-0.2
3. MARGARET HOWELL	14,361	8.7	58.4	14,034	8.3	58.0	97.7	-0.4
4. PEARLY GATES	12,173	7.4	51.0	12,582	7.4	50.3	103.4	-0.7
5. AVIREX ※1	2,438	1.5	60.5	8,495	5.0	60.7	348.4	+0.2
6. ROSE BUD	6,869	4.2	43.7	5,949	3.5	48.5	86.6	+4.8
7. STUSSY	5,607	3.4	69.2	5,263	3.1	70.3	93.9	+1.1
8. UNDEFEATED	3,904	2.4	41.1	4,791	2.8	43.3	122.7	+2.2
9. HUF	5,159	3.1	47.9	4,678	2.8	46.0	90.7	-1.9
10. HUMAN WOMAN	4,849	2.9	55.8	4,557	2.7	55.1	94.0	-0.7
TOP10	99,296	60.2	52.4	102,729	60.4	52.1	103.5	-0.3
Other Brands	59,377	36.0	54.6	67,130	39.5	53.4	113.1	-1.1
Continuing Brands	158,674	96.2	53.2	169,860	99.9	52.6	107.0	-0.6
Closed Brands	6,335	3.8	41.3	207	0.1	4.4	3.3	-36.9
TOTAL	165,009	100.0	52.8	170,068	100.0	52.6	103.1	-0.2

*1 As we acquired the stock of UENO-SHOKAI Co., LTD. on October 26, 2018, we regarded the deemed acquisition date on November 30, 2018.

Therefore we count UENO-SHOUKAI CO., LTD on this sheet from December 1, 2018.

Sales Figures for e-commerce

3rd party sales worsened substantially from October 2019 onward. As a result, EC sales, which until now had continued to grow by double-digit, remained at 106.4% YoY. However, in-house EC sales, which has been strategically incorporating omnichannel, remained robust at 114.2% YoY, due to the strategic enticement of customers to our website.

	FY Ending Feb. 2018	FY Ending Feb. 2019	FY Ending Feb. 2020	Y/Y
EC sales (million Yen)	28,932	34,139	36,337	106.4%
EC ratio (%)	18.6	20.7	21.4	+0.7pt
In-house EC sales (million Yen)	7,547	10,019	11,442	114.2%
In-house EC ratio (%)	26.1	29.3	31.5	+2.2pt

● Favorable factors of in-house EC sales

Number of Omnichannel members **110.4% YoY**

Omnichannel sales **114.6% YoY**

● Factors making the move to Omnichannel favorable

Sales through the app for the whole term **163.0% YoY**

App profitability for the whole term **103.0% YoY**

The Previous Year Summary

Net Sales

Y/Y 97.7%, owing to the poor sales of existing apparel brands in Japan. Not to absorb capacity in overseas business was one of the causes of decrease.

Purchase Inventory

In spite of reducing purchase and inventory, the sales of winter clothes didn't work well because of disasters and warm winter .
Inventory Y/Y 96.0%

Profit

Gross profit ratio Y/Y -0.2%
Operating income Y/Y -2,210 Million Yen owing to giving priority to reducing inventory,

- **Too much confidence in earning power of existing businesses**
- **Underestimating the change of our Business Environment**

Regarding the Impacts of the Novel Coronavirus (COVID-19)

Impacts on production and at stores began to be felt from February.

The effects rapidly spread from March; by the end of the month, on the 28th (Sat.) and 29th (Sun.), many stores in central Tokyo had closed. For the present, the road ahead remains extremely uncertain.

- **Affected stores:** Based on the government's state of emergency, from April 8 to May 6, stores are due to be closed in the following prefectures: Tokyo, Saitama, Chiba, Kanagawa, Osaka, Hyogo, and Fukuoka. (As of the end of February, there were 607 stores operating in the above prefectures, **equivalent to around 60% of all apparel stores in Japan.**)
- **HQ:** From March, encourage teleworking and hold meetings via teleconferencing, etc.
- **Company-wide:** Provide all employees with 14 days of paid special leave (100% compensated).

Social contributions as TSI Holdings Group

Provision of hand cream to medical professionals by cosmetics retailer Laline JAPAN Co., Ltd. for free



From April 1 to April 30, all 27 Laline branches in Japan will provide all medical professionals fighting against the novel coronavirus with hand cream for free.

Production of washable masks at TSI Sewing Co., Ltd., which possesses factories in Yonezawa and Miyazaki

TSI Sewing is producing washable masks by reusing scrap fabric. It will donate these masks to group employees and the local municipalities where its factories are located.





Ⅱ . Medium-Term Management Plan Plan and policy for this term



Medium-Term Management Plan

■ Although strategic direction remains unchanged, we will lower of the break-even point and boost our speed of restructuring.

■ The numerical targets will be revised during the current fiscal year while we leave the Medium to long term target of operating margin unchanged.

Group Structure Review

- Restructure common platform functions
- Improve efficiency and optimization of Group organizational system



Reorganize the structure in order to improve the efficiency of our organization by introducing company organization and establishing platform department on this March.

Enhancing the Full-price Sales Business

- Shift to full-price sales model
- Enhance premium nature of brands
- Turn own-brand customers into loyal customers



Implementing the strategy of enhancing branding, credibility and royalty.
In-house EC ratio 31.5%(Y/Y 114.2%)

Multinationalization

- Expand the number of countries with global brands
- Expand existing brands globally
- Develop new M&A/Brand



Expanding MARGARET HOWELL and PEARLY GATES to US.
Planning to work with a Chinese company for HUF.
We will develop after recovering their market.

Digitalization

- Expand brand E-Commerce/Omnichannel
- Develop E-Commerce native brands
- Develop new service models utilizing I.T.



Investing in Lyra 30 Fund LP
Starting e-commerce service by salesperson at a real shop, through "unified commerce".

継続

In response to the novel coronavirus (COVID-19), the Japanese government has requested people to refrain from going outside for nonessential reasons, and to stop using certain facilities, etc., which has had a severe impact on personal consumption. What is more, further effects are being felt following the government's issuance of a state of emergency on April 7. The outlook for the future is at present extremely uncertain, and is dependent on factors such as the length of time it takes for infections to subside or the effectiveness of the government's largest ever emergency economic stimulus package. As it is extremely uncertain, our consolidated performance forecast has not been determined. From now on, we will announce it promptly when a reasonable estimate is available.

The policy for this term

- 1. We will drastically restructure and change our business structure aimed at all of our companies include a holding company.**
- 2. We will give priority to Medium to long-term improvement of the constitution over annual balance.**

Priority Measures for this term (1) Reorganization

The point of the reorganization

1. Reorganize subsidiaries into four groups

Each "Company president" in HD, manages the business of each group.

2. Form the new Platform department

Integrating four functions of SCM, e-commerce, IT system and marketing into one platform department.

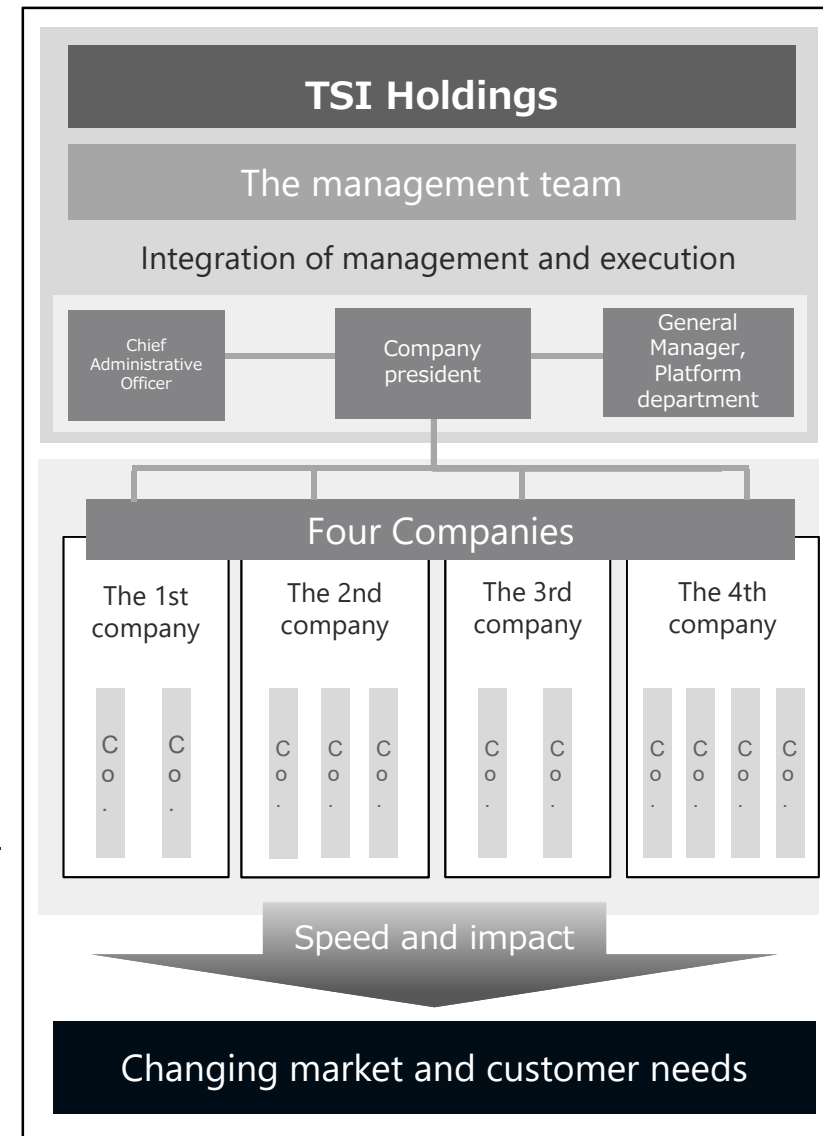
The purpose of the reorganization

1. Accelerate the decision-making and implement.

2. Improvement in profitability by utilizing common platform.

3. Slim down the headquarters and break off the overlapping function.

4. Improvement balance and transparency of functional subsidiaries.



Lowering of the break-even point

Revisions to selling and administration costs in existing businesses

Over 3 years, aim to achieve SGA ratio of less than 50% (Previous term 52.5%)

Significant reduction in costs at HQ by revising the appropriate allocation of human resources

Initiate a project to cut selling and administration costs throughout the company

Reduction of procurement costs

Over 3 years, aim to achieve a 2.0% cut in procurement costs

*Includes partial selling and administration costs, such as logistics costs

Implementing operational reforms for whole existing supply chains

Investment in brand business

Make a quick decision on policies for rooting out low profit businesses

- Regeneration of or withdrawal from domestic businesses
- Closure of overseas dormant subsidiaries
- Revision of functions of overseas subsidiaries
- Restructuring of or withdrawal from overseas subsidiaries

Domestic

- High unit price, proper sales
- Channel strategy that does not rely on the number of stores

Overseas

- Expansion of existing brands overseas, opening up of stores
- Partner contracts and opening up of stores overseas
- Negotiations for the acquisition of licenses overseas

Investment to bring about evolution in business structures

- Streamlining and cost cutting through the introduction of systems
- Investment in overseas settlement hubs
- Capital investments to reform domestic logistics hubs

Investment in future profitable fields

- JV in growth fields such as EC, digital technologies, etc. and expansion into investment business

Development of new businesses

Control the opening of real stores and launch new apparel brands centering on high unit price & proper sales which have prospects for overseas expansion.



Founded in 2011 in California. Opened its first Japan store in Nov. 2019 in Shibuya Parco.

CADUNÉ



Launch in 2020 in SS. As of the end of Feb., had opened 2 stores: one in JR Nagoya Takashimaya and the other in LUMINE Shinjuku.

Ele NATURAL BEAUTY



Launch in 2020 in SS. Opened in JR Nagoya Takashimaya.



Founded in 1959 as a golf club manufacturer. Will deal at the HOUSE in April 2020. decide to open a store in Odakyu Shinjuku.

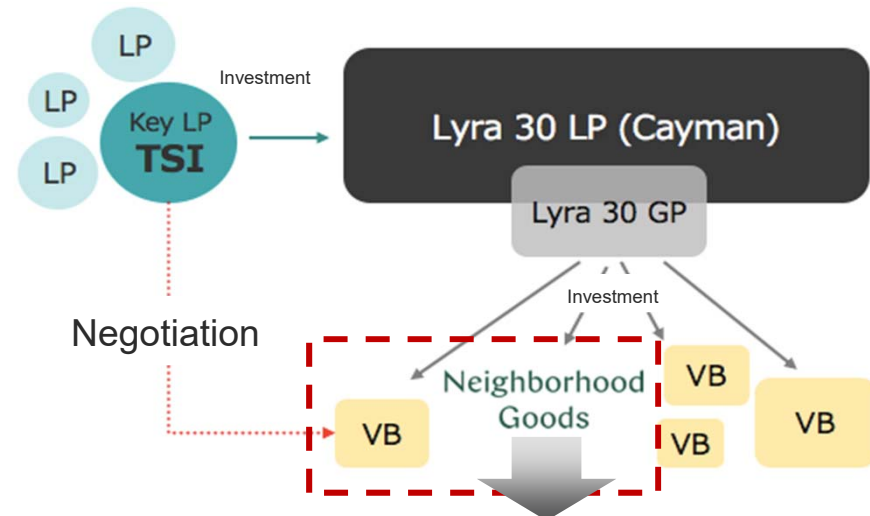
STUMBL™
H A V E L studio

Expansion of FW wholesale in 2020

Investment in future profitable fields

1. Investment in Lyra 30 Fund LP - Investment strategy aimed at creating business -

- ✓ In order to expand new businesses, there is a need to take initiatives with rising brands and tech companies with **business frameworks optimized in terms of IT/digital technologies**, and to build relationships with such companies that include investment.
- ✓ Targeting investment in global fashion tech, we decided to invest in Lyra 30LP, a fund which possesses an **investment scheme (Key LP Scheme) that apprehends items of strategic interest for our company** while being an LP investment.
- ✓ This will lead to the creation of new business values for us as TSI, such as the development of new collaborative ventures with funded companies.

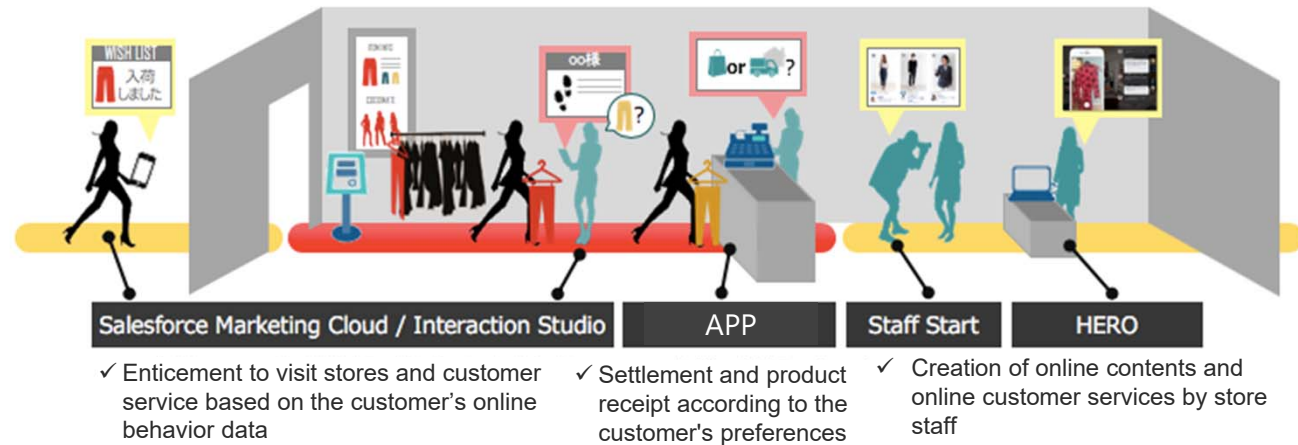


TSI will cultivate prospective global ventures through this fund, and will create new business pillars utilizing our DNA, such as the fashion tech business.

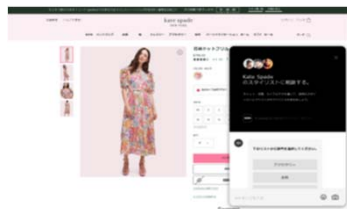
Investment in future profitable fields

2. Unified commerce - Stores and EC provide a unified customer service experience -

We aim to create systems in which sales staff take center stage in providing brand experiences and values through a range of channels, and create true engagement with customers.



Commencement of [HERO] test introduction



Customers contact store staff via a chat function on the EC site



Store staff deal with customers via video chat, live chat, etc.

A solution that enables sales staff in real stores to deal with customers via EC. It allows staff to create engagement with customers, and for customers to also book a visit to the store. **The creation of new values by store staff is a tool for generating themes.**

Many famous overseas brands have introduced this solution, but TSI is the first to introduce it in Japan.

Environmental initiatives

We are working to reduce our environmental footprint by streamlining our business activities and constructing environmentally friendly supply chains.

In order to turn our vision into reality, we have set the following 3 core goals for the current term, which all sectors of our group will work towards achieving.

Stamping out the practice of sending products to waste

As one of our basic policies, from the current term our group has resolved to completely do away with the practice of sending products to waste, and to make more effective utilization of reusing, recycling, etc.

Transition to environmentally friendly shopping bags

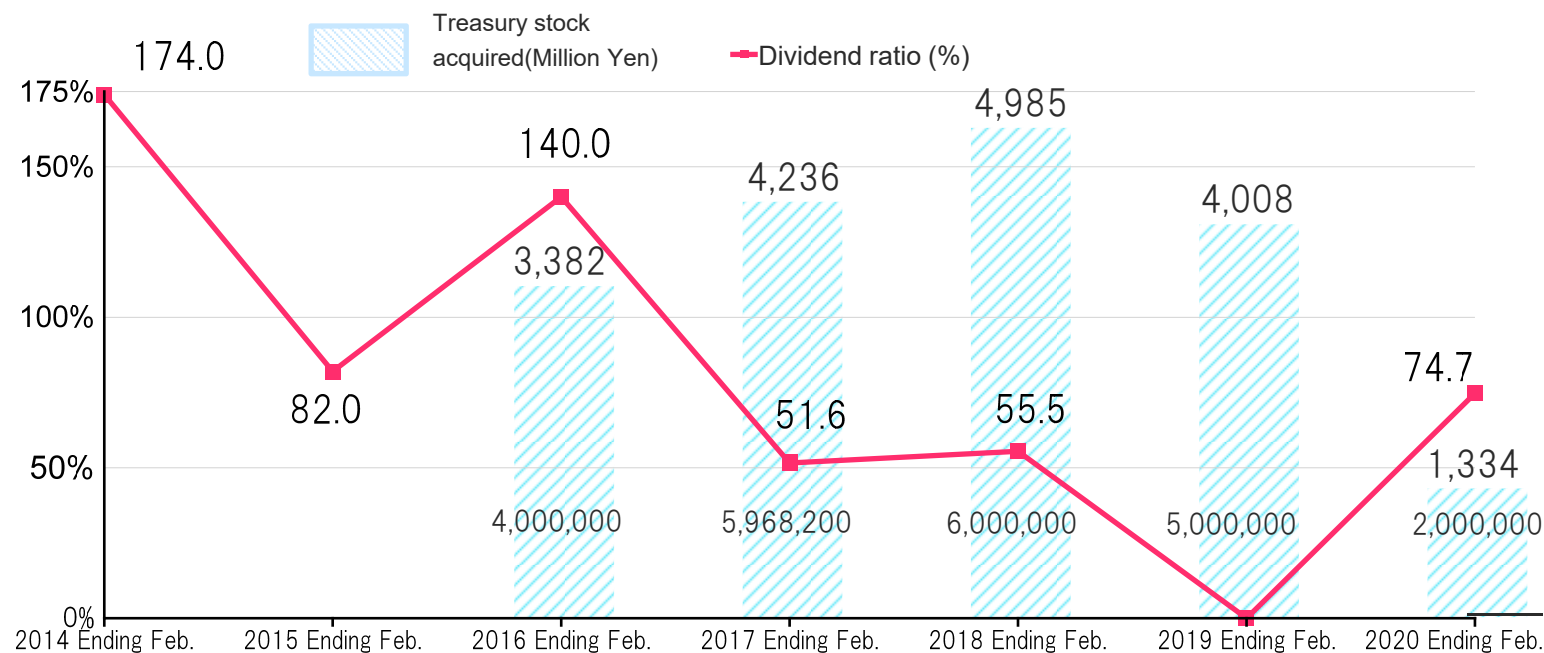
We will make the transition to more environmentally friendly materials in all our plastic and paper shopping bags, including the use of materials made from biomass or FSC-certified materials. (Once our current stock has been depleted, we will gradually replace our bags with those made from more environmentally friendly materials, with the intention of making a total transition within the current fiscal year.)

Reuse of plastic hangers

We will promote the reuse of distributed plastic hangers, with the aim of cutting plastic hanger use by around 50% during the current fiscal year.

Dividend Policy

- We will disclose dividend payment during the current term as soon as we can reasonably estimate.
- We will continue to implement the acquisition of treasury shares in a flexible manner.



- Regarding treasury shares

Date	Number of shares	Content
1/31/2018	10,000,000	Disposition by cancellation
6/30/2020	* 8,000,000 - 10,000,000	Disposition by cancellation

*8 million of the treasury shares currently owned and all of the treasury shares currently being acquired



III. Reference Data

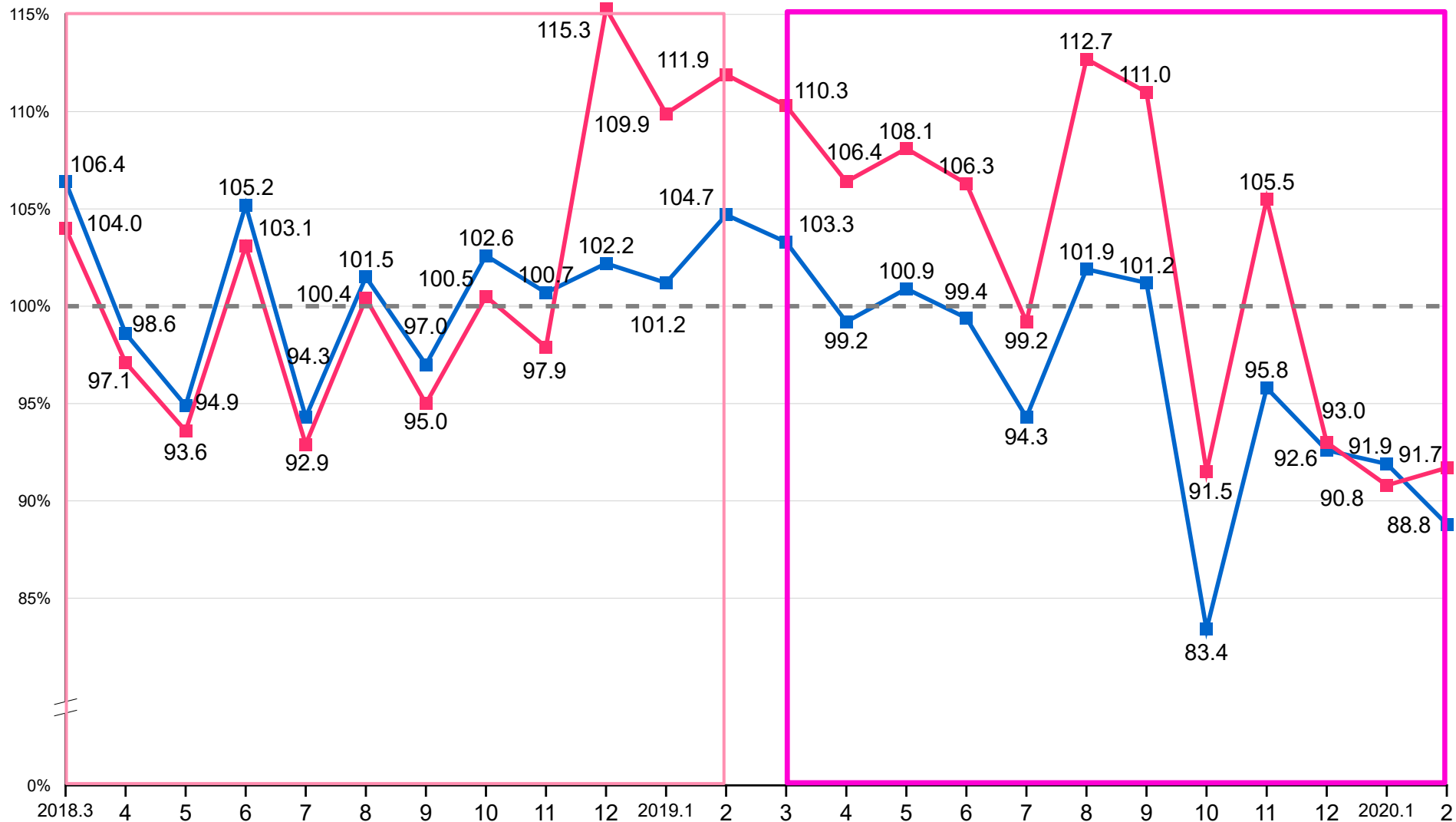


Domestic Monthly Sales Information

FY 2019 Ending Feb.
 All Stores: 101.8%
 Existing Stores: 100.6%

FY 2020 Ending Feb.
 All Stores: 101.3%
 Existing Stores: 95.6%

—全店 —既存店



Net Sales Per Channel

	FY Ending Feb. 2019		FY Ending Feb. 2020			
	Results (Million yen)	Composition Rate (%)	Results (Million yen)	Y/Y (%)	Composition Rate (%)	Composition Rate Y/Y Change
Department Stores	25,202	15.3	21,393	84.9	12.6	-2.7pt
Commercial Facilities(*1)	80,203	48.6	86,028	107.3	50.6	+2.0pt
E-Commerce	34,138	20.7	36,336	106.4	21.4	+0.7pt
Overseas	10,367	6.3	8,499	82.0	5.0	-1.3pt
Others(*2)	15,097	9.1	17,809	118.0	10.5	+1.4pt
TOTAL	165,009	100.0	170,068	103.1	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.

Store Distribution

		FY Ending Feb. 2019	Store Open	Store Close※2	FY Ending Feb. 2020
Domestic	# of Stores	1,021	+61	-84	998
	Change	-99			-23
Overseas	# of Stores	143	+9	-76	76
	Change	-10			-67
Total	# of Stores	1,164	+70	-160	1,074
	Change	-109			-90

*1 Number indicated on "Change" rows are comparison with the end of Q3ND 2019 Ending February.

*2 The number of the stores BEIJING TSUBOMI FASHION CO.,LTD. locates (50) is included.



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.