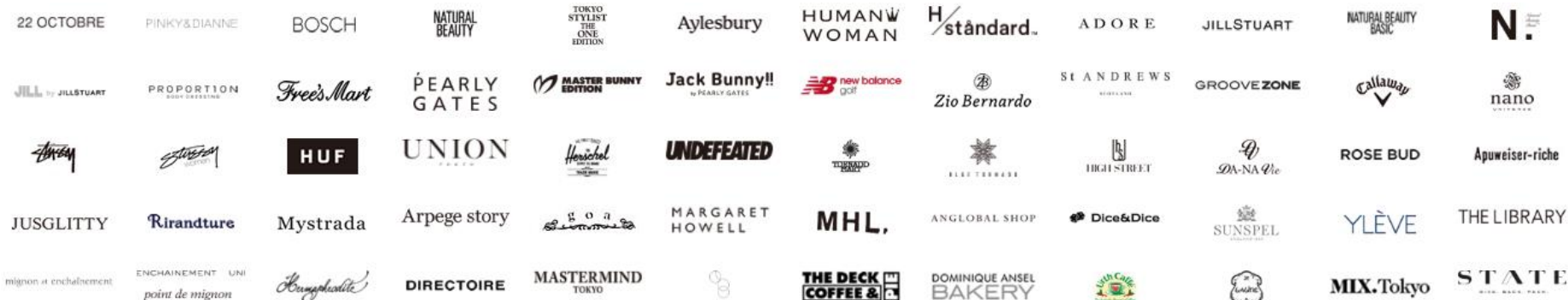




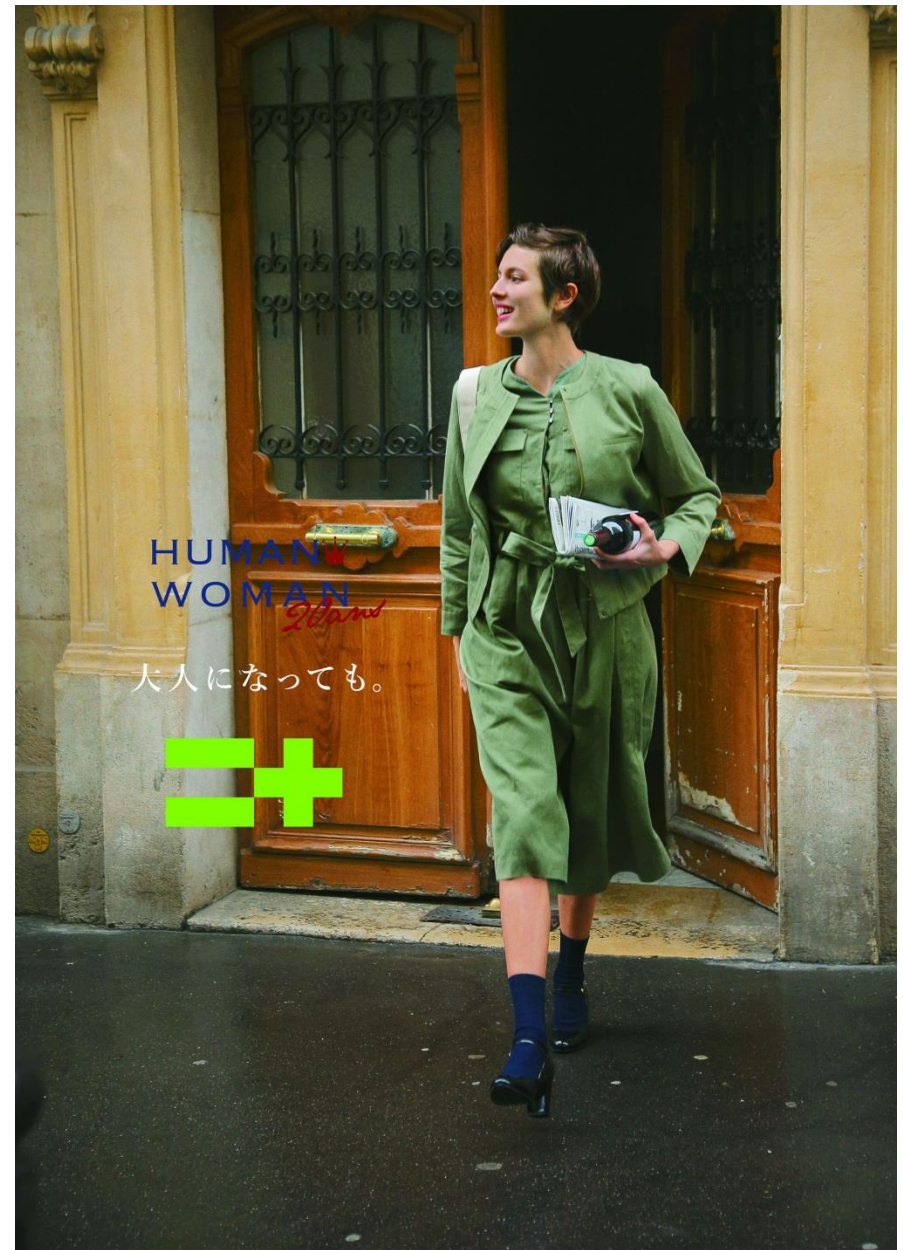
TSI HOLDINGS

Results Briefing: Q1ST(March to May 2018) Results of 2019 Ending February

2018.7.9



I. Results Overview



Consolidated Financial Highlights -Profit and Loss-

(Unit: Million Yen)

	Q1ST 2018 Ending Feb.		Q1ST 2019 Ending Feb.			
	Results	Composition Rate (%)	Results	Composition Rate (%)	Y/Y Change	Y/Y (%)
Net Sales	38,867	100.0	39,193	100.0	325	100.8
Gross Profit	22,389	57.6	22,199	56.6	-190	99.1
SG&A Expenses	20,687	53.2	21,087	53.8	400	101.9
SG&A Expenses(excl. Goodwill Amortization, Depreciation and Amortization)	19,489	50.1	19,895	50.8	406	102.1
Goodwill Amortization	130	0.3	198	0.5	68	152.5
Depreciation and Amortization	1,067	2.7	993	2.5	-74	93.1
Operating Income	1,702	4.4	1,111	2.8	-591	65.3
Ordinary Income	1,958	5.0	1,480	3.8	-477	75.6
Extraordinary Income	107	0.3	109	0.3	2	101.9
Extraoridnary Loss	345	0.9	280	0.7	-64	81.3
Profit Before Taxes	1,720	4.4	1,309	3.3	-410	76.1
Profit Attributable to Owners of Parent	1,137	2.9	578	1.5	-558	50.9
EBITDA ※	2,900	7.5	2,303	5.9	-596	79.4

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

Brands Overview

(Unit: Million Yen)

	Q1ST 2018 Ending Feb.			Q1ST 2019 Ending Feb.			Y/Y	
	Sales	Composition Rate (%)	Gross Profit Ratio (%)	Sales	Composition Rate (%)	Gross Profit Ratio (%)	Sales (%)	Gross Profit Ratio (pt)
1. nano・universe	5,247	13.5	54.4	5,761	14.7	54.2	109.8	-0.2pt
2. NATURAL BEAUTY BASIC	4,713	12.1	63.2	4,567	11.7	61.1	96.9	-2.1pt
3. MARGARET HOWELL	3,426	8.8	60.6	3,496	8.9	61.8	102.0	+1.2pt
4. PEARLY GATES	2,946	7.6	50.8	3,072	7.8	50.9	104.3	+0.1pt
5. ROSE BUD	1,986	5.1	55.1	1,832	4.7	50.7	92.3	-4.4pt
6. STUSSY ※1	1,575	4.1	67.7	1,343	3.4	69.0	85.3	+1.3pt
7. HUMAN WOMAN	1,287	3.3	59.1	1,319	3.4	60.6	102.5	+1.5pt
8. PROPORTION BODY DRESSING	1,249	3.2	58.6	1,212	3.1	59.1	97.1	+0.5pt
9. HUF ※2	98	0.3	64.0	1,138	2.9	49.1	1,157.9	-14.9pt
10. Apuweiser-riche	1,240	3.2	62.0	1,117	2.9	61.8	90.1	-0.2pt
TOP10	23,771	61.2	58.5	24,861	63.4	57.4	104.6	-1.1pt
Other Brands	14,727	37.9	56.1	14,324	36.5	55.4	97.3	-0.8pt
Continuing Brands	38,498	99.1	57.6	39,185	100.0	56.6	101.8	-0.9pt
Closed Brands	368	0.9	61.5	7	0.0	134.7	2.0	+73.2pt
TOTAL	38,867	100.0	57.6	39,193	100.0	56.6	100.8	-1.0pt

*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.

II 3-Year Medium-term Management Policy

-Road Map to Achieve the Medium-term Management Plan to the 2021 Ending Feb. Term -



1

Eradication of loss-making businesses,
reform of the organizational structure

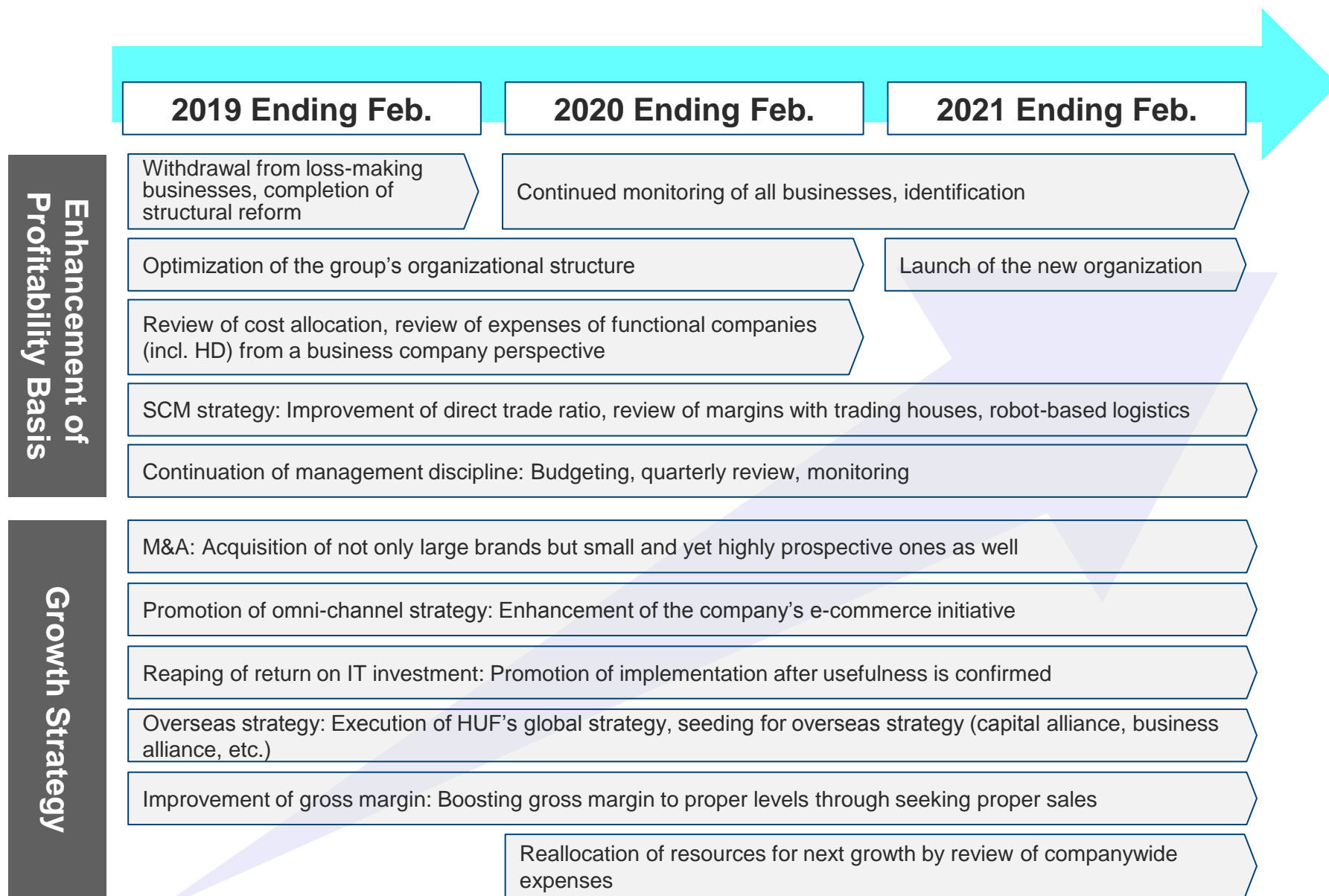
2

Investment in growth businesses and domains

3

United management that enables business
companies to maximize their capabilities

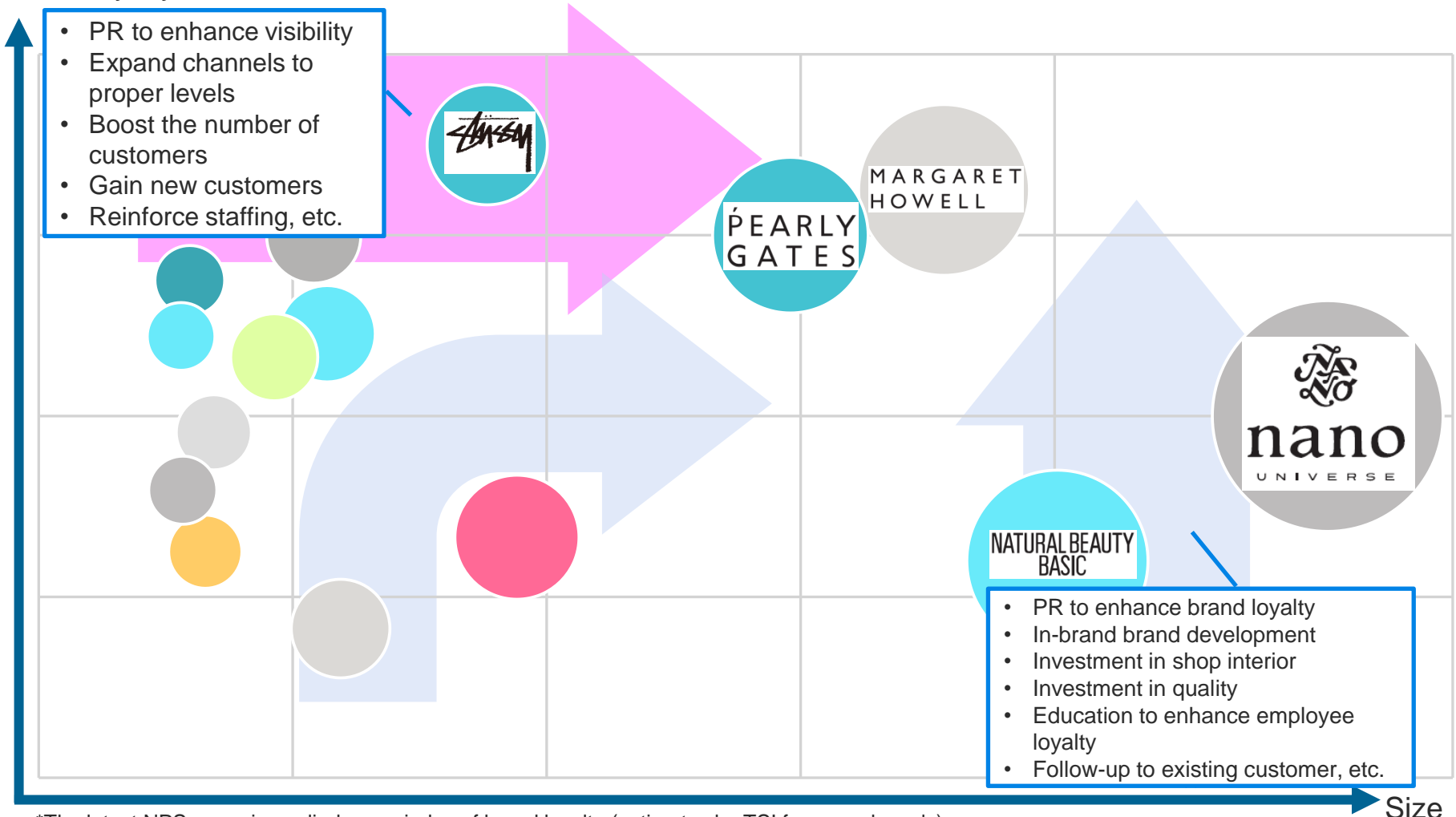
Road Map to Achieve the Medium-term Management Plan to the 2021 Ending Feb. Term



Direction of Business Strategy (Brand Loyalty x Size)

- Enhance brand loyalty and execute investments in businesses with high brand loyalty to expand their size based on the growth potential of their respective target markets and brand features

Brand Loyalty



*The latest NPS score is applied as an index of brand loyalty (estimates by TSI for some brands).

Direction of Business Strategy (Category x Positioning)

- Target the premium price zone that is unlikely to get involved in power games with competitors
Place emphasis on affinity with existing businesses and it is imperative to put an operational system in place before working on a domain with less affinity

Category	Description	Ladies'			Men's		Common
Luxury	High-end international brands						
Contemporary	While retaining a premium feel, these brands are more affordably priced than their luxury counterparts and marketed worldwide	<div>ADORE</div> <div>MARGARET HOWELL PEARLY GATES</div>					
Trend	Upper Middle	<div>JILLSTUART BOSCH</div> <div>Apuweiser-riche</div> <div>STUSSY</div> <div>GAGINE</div> <div>nano UNDEFEATED</div>					
	Lower Middle	<div>HUMAN WOMAN nano</div> <div>NATURAL BEAUTY BASIC</div>					
Mass /Volume	With high quality and low price as ammunition, this zone keeps expanding by taking away customers from the trendy market						

Future Target: Premium Price Zone

- Price design with an eye toward e-commerce and deployment overseas
- Enhance men's products and shoes, bags and accessories to stabilize the profit-earning base
- For domains without know-how available in the group, supplement it with M&A in principle

TSI's current main domain is skewed to the trendy market of ladies' apparel

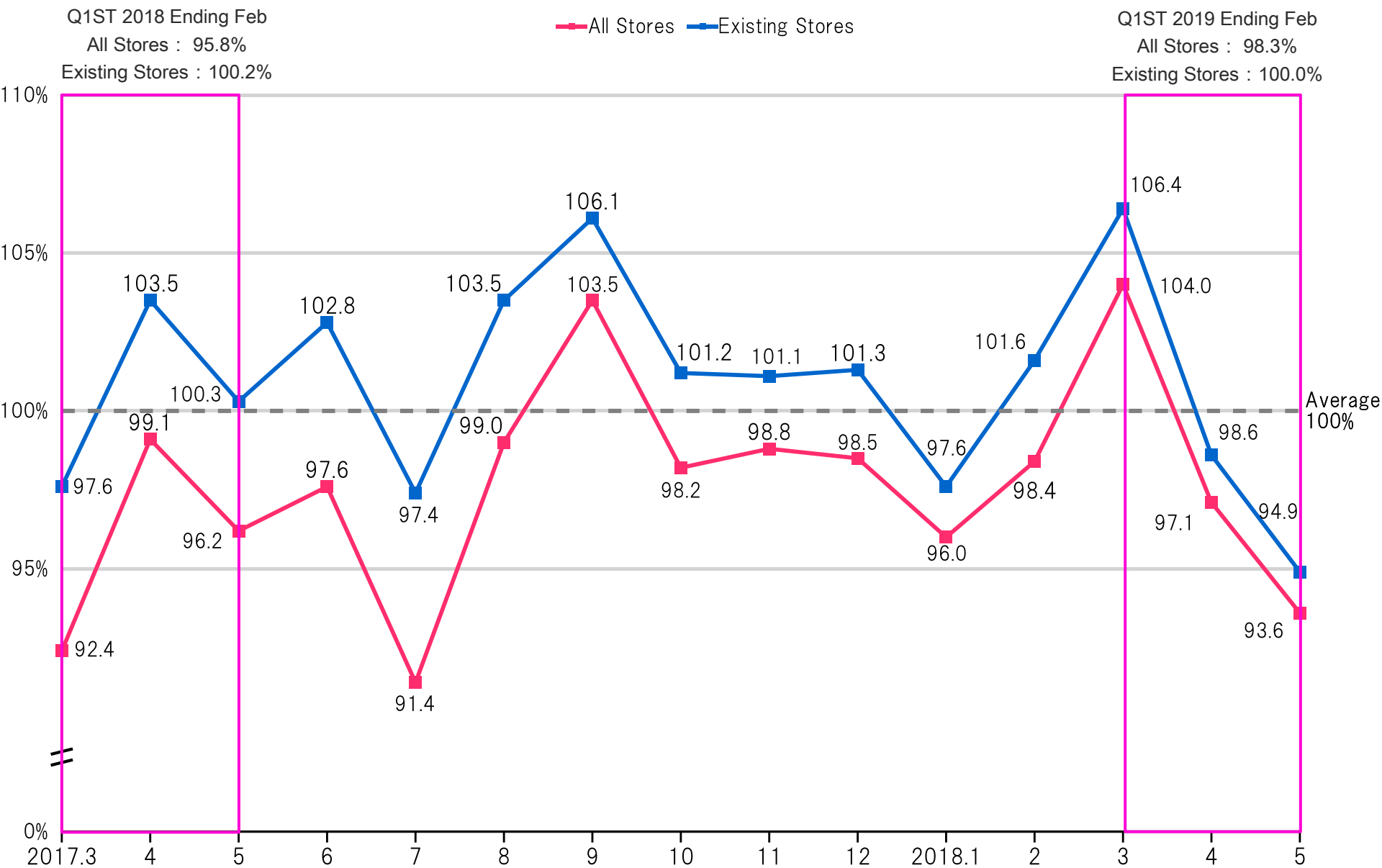
Among others, the lower middle zone of the trendy market faces intensifying cost competition due in part to players from volume stores or the rise of fast fashion

Apparel	Shoes, bags and accessories	Beauty Care /Cosmetics	Apparel	Shoes, bags and accessories	Fashion Services
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IV Reference Data



Domestic Monthly Sales Information



Net Sales Per Channel

(Unit:Million yen)

	Q1ST 2018 Ending Feb.		Q1ST 2019 Ending Feb.			
	Results	Composition Rate (%)	Results	Y/Y (%)	Composition Rate (%)	Composition Rate Y/Y Change
Department Stores	7,773	20.0	6,667	85.8	17.0	-3.0pt
Commercial Facilities(*1)	19,769	50.9	19,797	100.1	50.5	-0.3pt
E-Commerce	5,906	15.2	6,760	114.5	17.2	+2.1pt
Overseas	1,963	5.1	2,455	125.0	6.3	+1.2pt
Others(*2)	3,454	8.9	3,512	101.7	9.0	+0.1pt
TOTAL	38,867	100.0	39,193	100.8	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

Store Distribution

		Q1ST 2018 Ending Feb.	FY Ending Feb. 2018	Store Open	Store Close	Q1ST 2019 Ending Feb.
Domestic	# of Stores	1,156	1,052	+33	-12	1,073
	Change	+13	-75			+21
Overseas	# of Stores	177	177	+1	-11	167
	Change	-24	-5			-10
Total	# of Stores	1,333	1,229	+34	-23	1,240
	Change	-11	-80			+11

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

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.