



2014 Ending February: Results Briefing

2014.04.23

I. 2014 Ending February: Results Overview

*The amounts given in this material are rounded down to the nearest million yen.

(Unit: Million yen)

	Previous FY		2014 ending February			
	Results	% of Total	Results	% of Total	Y/Y Change	Y/Y
Net Sales	185,512	100.0%	181,972	100.0%	-3,540	98.1%
Gross Profit	93,023	50.1%	91,999	50.6%	-1,023	98.9%
SG&A Expenses	94,300	50.8%	93,128	51.2%	-1,172	98.8%
Operating Income	-1,277	-0.7%	-1,128	-0.6%	+149	—
Ordinary Income	989	0.5%	1,430	0.8%	+440	144.6%
Current Income Before Income Taxes	2,772	1.5%	5,050	2.8%	+2,277	182.1%
Current Net Income	-1,779	-1.0%	1,111	0.6%	+2,890	—

- Net Sales: Decreased 1.9 % year on year due to reduction in total number of stores from closing down of brands and withdrawal of unprofitable stores.
- Extraordinary Income: Accrued 6,229 million yen in gain on sales of investment securities.
- Extraordinary Loss: Accrued 1,103 million yen in loss on retirement of fixed assets, and 1,325 million yen in impairment loss.

TOKYO STYLE Group (Y/Y comparison alone/by subsidiaries)

(Unit: Million yen)

	Previous FY				2014 ending February: Results						
	Alone	Subsidiaries	Elimination/ Others	Total	Alone	Y/Y	Subsidiaries	Y/Y	Elimination/ Others	Total	Y/Y
Net Sales	23,461	68,780	-9,617	82,624	17,702	75.5%	73,500	106.9%	-8,201	83,002	100.5%
Gross Profit	8,459	31,551	-294	39,716	7,275	86.0%	34,681	109.9%	182	42,140	106.1%
Gross Profit Margin	36.1%	45.9%		48.1%	41.1%	+5.0pt	47.2%	+1.3pt		50.8%	+2.7pt
SG&A Expenses	14,710	26,553	585	41,849	10,627	72.2%	30,514	114.9%	890	42,032	100.4%
Operating Income	-6,250	4,997	-879	-2,132	-3,351	—	4,167	83.4%	-707	107	—
Ordinary Income	-4,805	5,726	-1,094	-173	-1,165	—	4,860	84.9%	-1,430	2,264	—
Current Income Before Income Taxes	-5,793	5,749	83	38	3,070	—	4,710	81.9%	-1,089	6,691	—
Current Net Income	-5,799	3,127	-319	-2,991	3,383	—	2,512	80.3%	-1,761	4,134	—

- Net Sales: [ALONE] Decreased due to reduction in total number of stores from closing down of brands and withdrawal of unprofitable stores.
[Subsidiaries] Increased by 6.9% year on year due to strong businesses such as nano-universe and Arpege.
- Operating Income: [Alone] Gross profit margin was increased by 5.0% from LY due to the improvement of production control and of ratio of regular price sales. Also SG&A expenses was reduced to 72.2% in comparison with LY expenses.
[Subsidiaries] Decreased due to challenging sales performance of some companies.

SANEI-INTERNATIONAL GROUP

(Unit: Million yen)

	Previous FY		2014 ending February: Results			
	Results	% of Total	Results	% of Total	Y/Y Change	Y/Y
Net Sales	102,859	100.0%	98,756	100.0%	-4,102	96.0%
Gross Profit	53,441	52.0%	50,041	50.7%	-3,399	93.6%
SG&A Expenses	52,735	51.3%	51,639	52.3%	-1,096	97.9%
Operating Income	705	0.7%	-1,597	-1.6%	-2,303	—
Ordinary Income	1,083	1.1%	-1,136	-1.2%	-2,220	—
Current Income Before Income Taxes	2,591	2.5%	-1,861	-1.9%	-4,453	—
Current Net Income	1,520	1.5%	-1,475	-1.5%	-2,995	—

- Net Sales: Declined to 96.0% on year-on-year-basis due to challenging sales performance of the 3rd quarter
- Operating Income: Decreased due to closure of 6 brands and unprofitable stores in the second half.

(1) Payment of Dividends

Maintainance of stable dividend standard

- Consider the management environment, performance and financial health in a comprehensive manner.
- TSI will allocate its internal reserves to the developement of new brands and high-growth new businesses as well as to capital expenditure for opening new stores, thereby enhancing the company's enterprise value.

Value

	2014 ending February	Plan for 2015 ending February
Annual dividend per share	17.50 yen	17.50 yen
Total dividend amount	1,886 million yen	

(2) Aquisition of Treasury Stock

As part of its shareholder return policy, TSI acquired its treasury stock twice in LY.

1. Period of share aquisition: From April 19, 2013 to June 4, 2013

- The total number of shares acquired: 4,000,000 shares (3.45% of the total number of shares outstanding)
- The share acquisition value: 2,953 million yen

2. Period of share acquisition: From July 19, 2013 to September 18, 2013

- The total number of shares acquired: 4,000,000 shares (3.58% of the total number of shares outstanding)
- The share acquisition value: 2,826 million yen

II. 2014 Ending February: Outlook

Plan to achieve 181,500 million yen in sales and 2,500 million yen in operating income

(Unit: Million yen)

	1st half			2nd half			Throughout the year		
	2014 ending February: Result	2015 ending February: Plan	Y/Y	2014 ending February: Result	2015 ending February: Plan	Y/Y	2014 ending February: Result	2015 ending February: Plan	Y/Y
Net Sales	87,660	86,000	98.1%	94,311	95,500	101.3%	181,972	181,500	99.7%
Operating Income	▲1,404	600	—	276	1,900	687.9%	▲1,128	2,500	—
Ordinary Income	53	1,300	2410.1%	1,376	2,500	181.6%	1,430	3,800	265.6%
Current Net Income	▲2,888	▲1,800	—	3,999	2,300	57.5%	1,111	500	45.0%

- Net Sales: Slight decrease due to withdrawal of unprofitable stores although planning to increase in revenue of strong businesses.
- Operating Income: Surplus as a result of increase in gross profit margin and decrease in SG&A expenses of Tokyo Style.

III. Reference Data

(Unit: Million yen)

Brand		2013 ending February: Result	2014 ending February: Plan	% of Total	Y/Y
1 nano·universe	●	19,592	22,712	12.5%	115.9%
2 NATURAL BEAUTY BASIC	●	15,753	16,228	8.9%	103.0%
3 MARGARET HOWELL	●	8,995	10,508	5.8%	116.8%
4 ROSE BUD	●	8,937	9,785	5.4%	109.5%
5 Apuweiser-riche	●	6,703	8,005	4.4%	119.4%
6 PEARLY GATES	●	6,392	7,414	4.1%	116.0%
7 & by P&D	●	6,137	5,649	3.1%	92.0%
8 Callaway Apparel	●	4,706	5,527	3.0%	117.4%
9 HUMAN WOMAN	●	5,988	5,499	3.0%	91.8%
10 PROPORTION BODY DRESSING	●	4,994	4,789	2.6%	95.9%
Total of Top 10 Brands		88,202	96,121	52.8%	109.0%
Others		97,310	85,851	47.2%	88.2%
Total		185,512	181,972	100.0%	98.1%

*The net sales of ROSE BUD is the consolidated net sales of ROSE BUD CO., LTD. And Elephant Co., Ltd.

*The net sales of Apuweiser-rich is the consolidated net sales of Arpege Co., Ltd.

*The net sales of outlet business of SANEI-INTERNATIONAL was formerly recorded as "Others" however from this ending fiscal year, the sales is divided and distributed to each brand.

- Tokyo Style Group
- SANEI-INTERNATIONAL Group

(Unit: Million yen)

Sales Channel	2013 ending February Cumulative		2014 ending February, Cumulative							
	Results	% of Total	TOKYO STYLE GROUP		SANEI-INTERNATIONAL GROUP		Elimination/ Others	Consolidates		
			Results	% of Total	Results	% of Total		Results	% of Total	Y/Y
Department Store	60,936	32.8%	25,193	30.4%	28,440	28.8%	—	53,633	29.5%	88.0%
Commercial Facilities(*1)	85,229	45.9%	30,805	37.1%	52,209	52.9%	—	83,014	45.6%	97.4%
E-Commerce	13,432	7.2%	11,323	13.6%	4,931	5.0%	—	16,255	8.9%	121.0%
Overseas	9,270	5.0%	7,166	8.6%	4,658	4.7%	—	11,825	6.5%	127.6%
Others(*2)	16,644	9.0%	8,514	10.3%	8,516	8.6%	213	17,243	9.5%	103.6%
Total	185,512	100.0%	83,002	100.0%	98,756	100.0%	213	181,972	100.0%	98.1%

*1 Commercial Facilities: Fashion buildings, railroad station buildings, individual stores, outlet shops etc., except for department stores

*2 Others: Apparel Business such as whole sale, in-company sales, and the non-apparel business of group companies

(1) Non-Operating Income

	2013	2014
Interest received	698 million yen	831 million yen
Dividends received	582 million yen	508 million yen
Foreign exchange gain	214 million yen	396 million yen
Valuation gain on derivatives	654 million yen	550 million yen
Others	977 million yen	864 million yen
Total	3,125 million yen	3,149 million yen

(2) Non-Operating Expenses

	2013	2014
Interest paid	230 million yen	144 million yen
Loss on retirement of shops and others	198 million yen	240 million yen
Others	430 million yen	206 million yen
Total	858 million yen	590 million yen

(3)Extraordinary Gain

	2013	2014
Gain on sale of fixed assets	454 million yen	1,257 million yen
Gain on sales of investment securities	1,884 million yen	6,229 million yen
Others	4,070 million yen	952 million yen
Total	6,408 million yen	8,438 million yen

(4)Extraordinary Loss

	2013	2014
Loss on retirement of fixed assets	638 million yen	1,103 million yen
Impairment loss	411 million yen	1,325 million yen
Loss on sale of investment securities	477 million yen	428 million yen
Valuation loss on investment securities	196 million yen	342 million yen
Loss on sale of affiliated company shares	–	221 million yen
Others	2,903 million yen	1,400 million yen
Total	4,625 million yen	4,819 million yen

- ❑ 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.