TSI HOLDINGS GROUP

Results Briefing: FY Ending Feb. 2021

13th April, 2021

TSI HOLDINGS

AGENDA

1 Results Overview

Full-year Business Highlights for FY Ending Feb. 2021

Net Sales	Operating Income	Current Net Income
134.1 Billion Yen	**–11.84** Billion Yen	**3.86** Billion Yen
YoY 78.8% Plan Ratio 101.4%	YoY Change –11.91 Billion Yen	YoY 117% YoY Change +1.68 Billion Yen

It was a year of many unexpected turns.
Although the company was unable to recover unachieved operating income in the 1st half of the fiscal year, they sold some assets while also promoting business reforms, becoming profitable with the current net income, and specifically securing future strategic funds.

> In the 1st half of the fiscal year, there were many unexpected turns, such as 1,000 stores having to close for two months due to Covid-19, increased inventory valuation loss and a logistics center that became dysfunctional.

> In the 2nd half of the fiscal year, the impact of increased profits in strong business areas combined with other efforts, such as purchasing restraint, inventory compression and cost control, are leading to recovery, but these are not enough to cover for the loss in the 1st half.

> In order to secure future strategic funds as markets remain uncertain, the company sold off some assets to secure profit for the current net income.

TSI HOLDINGS

Net Sales	
77.8 Billion yen	
YoY	88.2%
Plan Ratio	102.5%

Operating Income	
–1.37 Billion Yen	
YoY Change	–1.6 Billion Yen
Plan Variance	+5.96 Billion Yen

Even amidst the COVID-19 pandemic in the 2nd half, strong brands gave impetus to business.

Also, the structural reform project and measures for professional sales have contributed to improved profitability.

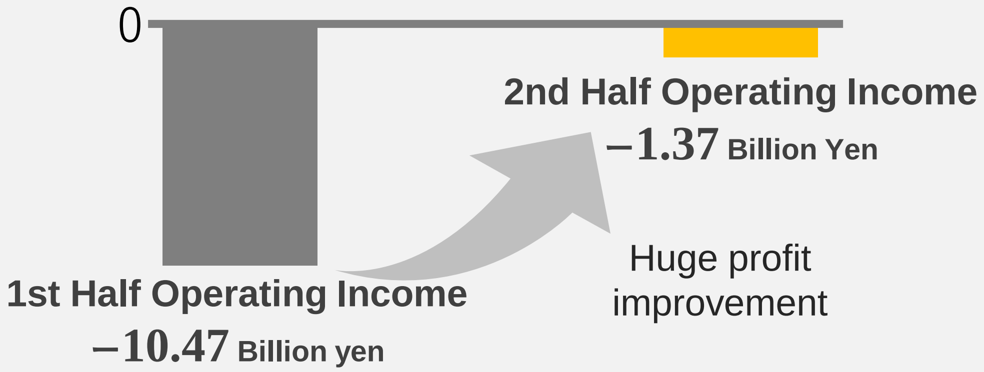
Factors that Improved Business Performance with 2nd Half Plan Ratio

> Net Sales: Plan Ratio of 102.5%

(1) Existence of businesses with robust growth strength in the midst of Covid-19
Golf and street brands are strong
(2) Company's own e-commerce (EC) is strong
Breakthroughs by ETRE TOKYO and TACTICS, both acquired in the previous period

> Operating Income: Plan Variance +5.96 Billion Yen

(1) Gross profit margin due to recovery of net sales: Plan ratio improved by 1.3%
(2) Inventory evaluation and haphazard discounting reduced by applying purchasing restraint
(3) Reduction of fixed costs by restructuring project (rent, labor costs, etc.)
・ SG&A expenses ratio: Plan ratio improved by 6.5%



Overview by Segment

Lifestyle changes during the Coronavirus crisis have led to significant sales growth in golf, athleisure and street brands. Conversely, demand for occasion brands and visits to actual stores mostly in central Tokyo slumped.

Segment	Brands	Period	FY Ending Feb. 2020	FY Ending Feb. 2021	Percentage / Change
Athleisure / Street	PEARLY GATES, PING, TACTICS, and wander, UNION TOKYO, HUF, UNDEFEATED, BAIT etc.	2nd half	18.37 Billion Yen	22.11 Billion Yen	+3.74 Billion Yen +20.4%
		FY	34.89 Billion Yen	36.13 Billion Yen	+1.24 Billion Yen 3.6%
Select / Occasion	nano UNIVERSE, LHP Lazy Hazy Planet, ROSE BUD, NATURAL BEAUTY BASIC, ADORE, Apuweiser-riche, JILL by JILLSTUART, Mystrada etc.	2nd half	45.98 Billion Yen	35.73 Billion Yen	–10.25 Billion Yen -22.3%
		FY	88.62 Billion Yen	62.89 Billion Yen	–25.73 Billion Yen –29.1%

Sales by Channel for FY Ending Feb. 2021

*1 Non-department store: Fashion building, station building, street store, outlet, etc.
*2 Others: Wholesale and other apparel businesses, non-apparel business in group companies, etc.
*3 Results of Efuego Corp, which operates EC sites centering on TACTICS in the USA, are to be consolidated from Q2 of 2021 onward. Results are recorded in overseas net sales.

Outcomes were clear for physical stores and EC.
Due to the closure and withdrawal of physical stores, non department stores were in a very difficult situation, with sales of minus 29.28 billion yen and a growth rate of negative 34%.
EC business continues to be strong, especially on our own website. Net sales exceeded 40 billion yen, with a positive 4.34 billion yen and a growth rate of 12%.

		FY Ending Feb. 2020	FY Ending Feb. 2021	Increase or Decrease	In-channel Growth Rate
Domestic retail	Department store	21.39 Billion Yen (Composition ratio:12.6%)	12.48 Billion Yen (Composition ratio:9.3%)	–8.91 Billion Yen	–41.7%
Domestic retail	Non-department store*1	86.03 Billion Yen (Composition ratio:50.6%)	56.75 Billion Yen (Composition ratio:42.3%)	–29.28 Billion Yen	–34.0%
Domestic retail	EC	36.34 Billion Yen (In-house EC ratio of Domestic retail : 25.2%)	40.68 Billion Yen (In-house EC ratio of Domestic retail : 37.0%)	+4.34 Billion Yen	+12.0%
Domestic and others*2		17.81 Billion Yen (Composition ratio:10.5%)	15.50 Billion Yen (Composition ratio:11.6%)	–2.31 Billion Yen	–12.9%
Overseas*3		8.50 Billion Yen (Composition ratio:5.0%)	8.67 Billion Yen (Composition ratio:6.5%)	+1.7 Billion Yen	+2.0%

EC Sales Results for FY Ending Feb. 2021

Domestically, strengthening was undertaken mainly in-house.
Overseas, sales for MARGARET HOWELL, HUF and TACTICS were strong, leading to increases, with YoY sales reaching 118.3% (+6.8 billion yen)
In-house EC ratio is also strong at 43.9%.

Unit:Million Yen

	FY Ending Feb. 2020	FY Ending Feb. 2021	Y/Y (%)
Domestic E-Commerce	36,337	40,681	112.0
Domestic E-Commerce ratio(%)	21.4	30.3	+9.0pt
In-house EC	11,442	17,872	156.2
In-house EC ratio(%)	31.5	43.9	+12.4pt
Overseas E-Commerce	787	3,238	411.5
E-Commerce TOTAL	37,124	43,919	118.3
E-Commerce TOTAL ratio(%)	21.8	32.8	+11.0pt

In-house EC

Brands with high engagement made breakthroughs, with in-house EC showing a strong trend at 156.2%

Brands that from the outset have a well-established trusting relationship with customers flourished greatly thanks to EC strengthening due to Covid-19. The company's retail staff started online customer services for four brands (Laline, PEARLY GATES, ADORE and MARGARET HOWELL), with average conversion rate (CVR) reaching a lofty performance of 18.4%.
Indeed, ETRE TOKYO, a direct to consumer (D2C) brand added to the company's portfolio through M&A, also gained in strength.

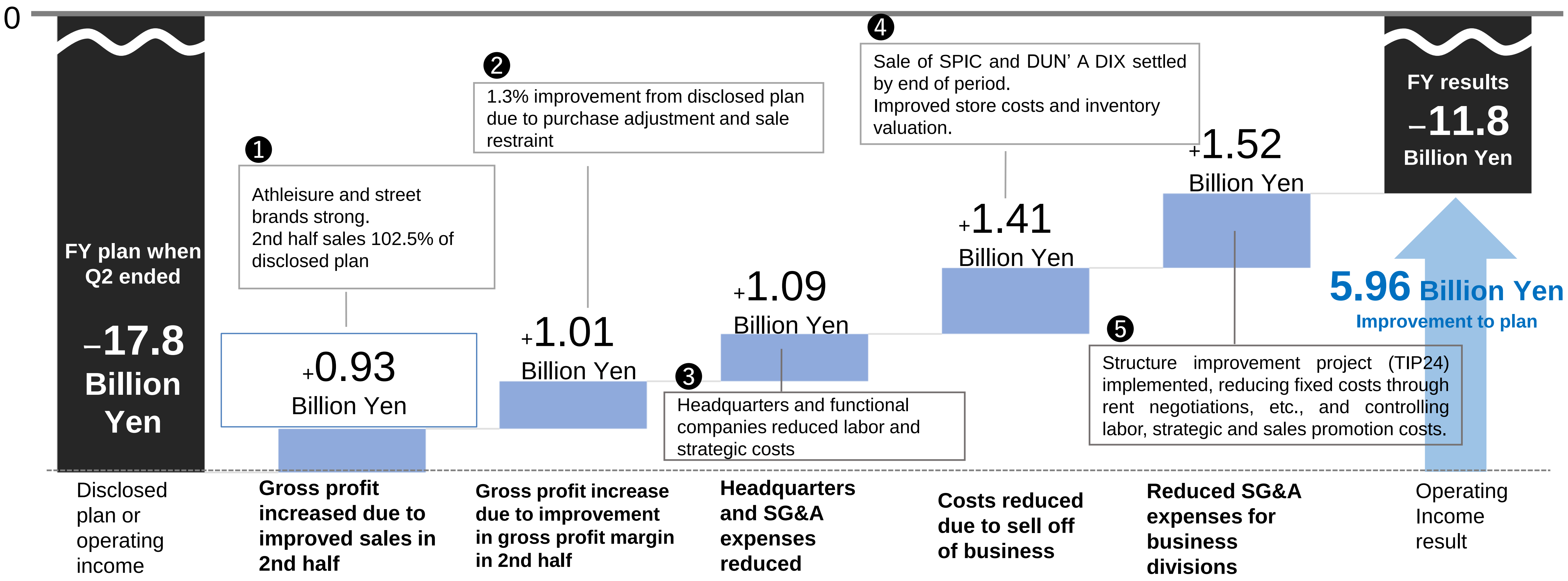
Overseas EC

EC sales increased in overseas business

Acquired in an M&A deal in June of last year, TACTICS (consolidation period June-December 2020) has contributed 2.15 billion yen in total. Of that, EC sales occupy approximately 90% of the business structure, with the brand setting a new record high and performing strongly, while YoY reached 411.5%, a significant increase in sales.

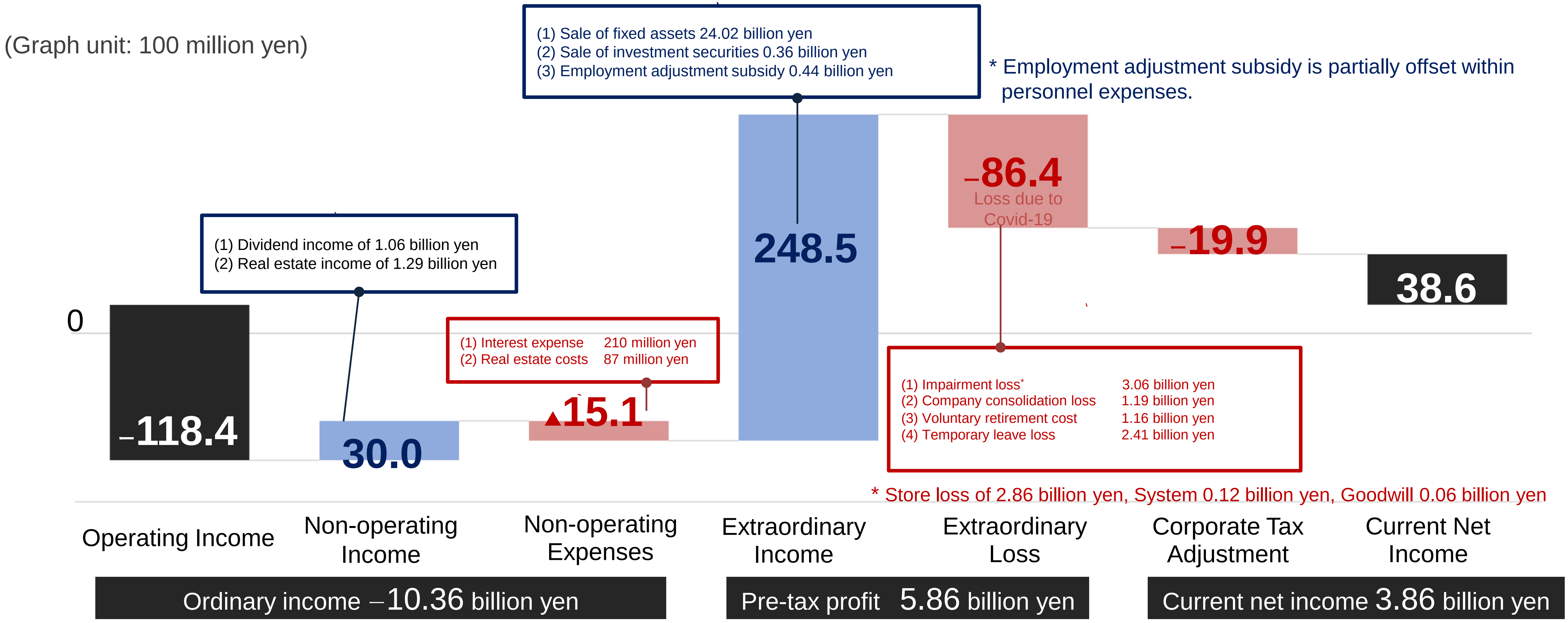
About Differences from the Disclosure Plan

After the declaration of the state of emergency, the company posted a big loss in the 1st half of the fiscal year, so while indicating a revised plan, they organized a profit improvement project. And, as a result, the 2nd half saw improvements of 2 billion yen profit related to sales recovery, 2.6 billion yen reduction in SG&A expenses and 1.4 billion yen profit related to the sell off of business.



Impact Items up to Current Net Income

The company posted 8.64 billion yen as an extraordinary loss for partial loss due to impact of COVID-19, impairment loss, company reorganization costs, personnel adjustments and restructuring costs. Conversely, we recorded extraordinary income of 24.8 billion yen, including 24 billion yen in gain on sales of real estate.



About Consolidated Statement of Income

Even though the company has suffered the largest operating income deficit ever, they have been able to make strategic investments ready for the future.

Unit:Million Yen

	FY Ending Feb. 2020		FY Ending Feb. 2021			
	Results	Composition Rate (%)	Results	Composition Rate (%)	Y/Y Change	Y/Y (%)
Net Sales	170,068	100.0	134,078	100.0	-35,989	78.8
Gross Profit	89,382	52.6	63,846	47.6	-25,536	71.4
SG&A Expenses	89,312	52.5	75,689	56.5	-13,622	84.7
SG&A Expenses (excl. Goodwill Amortization, Depreciation and Amortization)	83,863	49.3	71,150	53.1	-12,713	84.8
Goodwill Amortization	1,024	0.6	762	0.6	-261	74.5
Depreciation and Amortization	4,424	2.6	3,776	2.8	-647	85.4
Operating Income	70	0.0	-11,843	-8.8	-11,913	-
Ordinary Income	1,851	1.1	-10,359	-7.7	-12,210	-
Extraordinary Income	6,289	3.7	24,859	18.5	18,569	395.2
Extraordinary Loss	4,281	2.5	8,644	6.4	4,363	201.9
Profit Before Taxes	3,859	2.3	5,855	4.4	1,995	151.7
Profit Attributable to Owners of Parent	2,181	1.3	3,861	2.9	1,679	177.0
EBITDA ※	5,518	3.2	-7,304	-5.4	-12,822	-

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

■ Net Sales

The company closed approximately 1,000 actual stores at the time of the first COVID-19 emergency declaration, an immense impact from the virus, with YoY at 78.8%.

■ Purchasing and Inventory

In the 1st half, the company struggled to curb purchasing and exhaust inventory, recording a large loss on product valuation. In the 2nd half, inventory at the end of the period recovered to 84.9% from the previous period due to thorough review of ordering terms, restraint of purchases and acceleration of inventory liquidation.

■ Income

Operating Income was -10.4 billion yen in 1st half, but in 2nd half, due to impact of increased profits of strong businesses, such as HUF, PEARLY GATES, UNDEFEATED, TACTICS (acquired in M&A of previous period) and ETRE TOKYO, as well as purchase restraint, inventory reduction, expense restraint, and withdrawal cost compression, business is recovering. As a result, operating income reached -11.8 billion yen, as opposed to the full-year operating income of the disclosed plan of -17.8 billion yen.

Full-year current net income reached 3.8 billion yen thanks to the company stabilizing the management base amidst the impact of COVID-19 and having the foresight to sell real estate for strategic investment in the future.

About Consolidated Balance Sheet

While market trends remain tough, the financial structure of the company is still robust and sound.

Unit:Million Yen

	FY Ending Feb. 2020		Cumulative Q3RD 2021 Ending Feb.		FY Ending Feb. 2021					
	Results	Composition Rate (%)	Results	Composition Rate (%)	Results	Composition Rate (%)	Y/Y Change	Y/Y (%)	Q4/Q3 Change	Q4/Q3 (%)
Current Assets	70,481	44.0	70,678	45.8	82,714	53.0	12,234	117.4	12,036	117.0
(of Cash and Deposits)	30,943	19.3	28,131	18.2	49,871	32.0	18,928	161.2	21,740	177.3
(of which, Inventory)	21,679	13.5	23,823	15.4	18,400	11.8	-3,280	84.9	-5,424	77.2
Noncurrent Assets	89,848	56.0	83,745	54.2	73,373	47.0	-16,475	81.7	-10,371	87.6
(of Investment Securities)	26,121	16.3	26,375	17.1	28,873	18.5	2,752	110.5	2,498	109.5
(of Investment Real estate)	16,642	10.4	16,430	10.6	4,980	3.2	-11,662	29.9	-11,450	30.3
Current Liabilities	34,629	21.6	48,723	31.6	35,970	23.0	1,341	103.9	-12,753	73.8
(of Short term Loans payable)	92	0.1	14,817	9.6	152	0.1	60	164.8	-14,665	1.0
(of Long-term loans payable within one year)	8,894	5.5	8,915	5.8	8,915	5.7	21	100.2	0	100.0
Noncurrent Liabilities	30,248	18.9	25,296	16.4	22,688	14.5	-7,560	75.0	-2,608	89.7
(of Long term Loans payable)	24,562	15.3	18,604	12.0	16,082	10.3	-8,480	65.5	-2,522	86.4
Total Net Assets	95,452	59.5	80,404	52.1	97,430	62.4	1,979	102.1	17,026	121.2
TOTAL Assets	160,329	100.0	154,423	100.0	156,088	100.0	-4,241	97.4	1,665	101.1

■ About Assets

Cash and deposits

An increase of 18.9 billion yen from previous year means that for the time being the company will secure visible funds, making firm investments once market growth balance can be determined after the COVID-19 pandemic ends.

Inventory

Inventory reduced by 3.28 billion yen thanks to curb on inventory, which has led to improved asset efficiency.

■ About liability

loans

Short-term loans of 14.67 billion yen repaid in Q4. COVID-19 special borrowing limit of 35 billion yen is being maintained.

■ About Indicators

Things impacted by COVID-19

Debt-to-equity (D/E) ratio is 0.26 fold, but financial soundness is being maintained at a capital adequacy ratio of 62.6%.

A year dictated by COVID-19.
Learning from this emergency, the company spent the year building the cornerstones of survival, whatever happens.

Breakeven point reduction

- Halted business in unprofitable brands. Withdrew stores and cut labor costs.
- The company have integrated into one to eliminate waste and focus on creativity.

Creating brands that customers will support even in the Covid-19 pandemic

- Focused on memorable creativity, unwavering in the erratic markets of today.
- Raised awareness to take on new challenges that go beyond the company's conventional boundaries.

Preparing for future investment

- Started supply chain management (SCM) reform to maximize digital capabilities.
- Sold 3 fixed assets to meet new demand for funds.

And…
To create an even stronger corporate structure, the company realized the necessity of fully carrying out new reforms.

2

VISION

TSI HOLDINGS GROUP

Striving to be the happiest fashion company in the world.

Becoming a company that creates **happiness** for our shareholders, customers, society and employees.

For TIP24 to work, the company needs to change approaches and customs that have stood unaltered for 30 years.

TSI INNOVATION PROGRAM 2024

TIP24 differs fundamentally from transformations that involve conventional withdrawals (restructuring). Instead, it is an innovation program that will change the "quality" of management and business.

Innovation in Creativity

- Creating new businesses, brands and services through a fusion of people (creativity) and digital (logic)

Innovation in Profitability

- Improving quality of management and productivity using digital transformation (DX)/data driven methods
- Making SCM reforms to flexibly respond to change

Innovation towards environment orientation

- Shifting to a business structure that produces only the required amount
- Challenging to solve issues through business

We will keep changing.
Becoming a business entity that always survive.
“Survival = Generation of profit + Stakeholder happiness”

The happiest fashion company in the world

2023

2022

2021

2020

Organizational integration
1st Phase completed

Growth and leap forward

Brands that can take on the world and spread into neighboring regions

Investment in the future

Setup that nurtures personnel and business, EC, digital shift and fresh investment

Painful innovation

Withdrawing from businesses, closing stores, reducing labor costs…

The Company's Invaluable Approach

Enjoy change, make change our ally, and create a new sense of ethics and value system.

Always thinking of new ways to do things
"This means continual sketching of the next scenario"

Always rejecting the current situation
"This means being relentless in bringing things to fruition"

Always able to admit failure
"This means being aware of what is and isn't feasible"

3 Full-year Consolidated Business Plan for FY Ending Feb. 2022

Profit and Loss Plan for FY Ending Feb. 2022

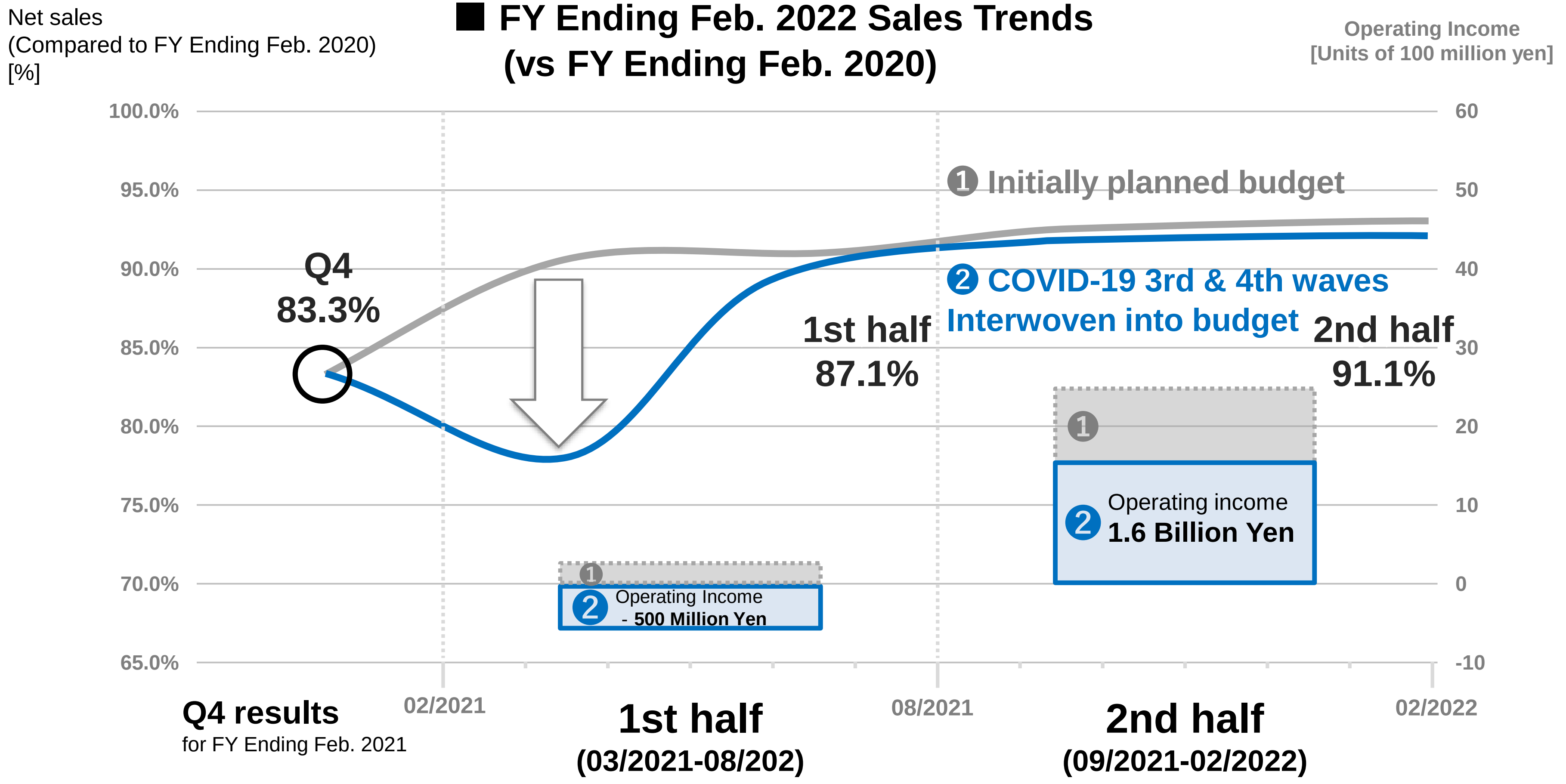
YoY of 113.7% for net sales of 152.4 billion yen (compared to 89.6% for the year before last)
SG&A expenses of 79.9 billion yen (composition ratio of 52.4%)
Considering that the impact of Covid-19 will linger to some extent, the company are planning for operating income of 1.1 billion yen and current net income of 1.66 billion yen.

	FY Ending Feb. 2020	FY Ending Feb. 2021	Plan for FY Ending Feb. 2022	Increase or Decrease	Rate of Change
Net Sales	170.06 Billion Yen (YoY:103.1%)	134.07 Billion Yen (YoY:78.8%)	**152.4 Billion Yen** (YoY:113.7%)	**+18.32 Billion Yen**	+13.7%
SG&A Expenses	89.31 Billion Yen (Composition ratio: 52.5%)	75.68 Billion Yen (Composition ratio:56.5%)	**79.9 Billion Yen** (Composition ratio: 52.4%)	**+4.21 Billion Yen**	+5.6% (Composition ratio:-4.0%)
Operating Income	0.07 Billion Yen (Profit margin: 0.0%)	–11.84 Billion Yen (Profit margin: -%)	**1.1 Billion Yen** (Profit margin: 0.7%)	**+12.94 Billion Yen**	-%
Current Net Income	2.18 Billion Yen (Profit margin: 1.3%)	3.86 Billion Yen (Profit margin:2.9%)	**1.66 Billion Yen** (Profit margin: 1.1%)	**–2.2 Billion Yen**	–57.0%

About Sales Amount Forecast (1st Half & 2nd Half)

In the 1st half of the fiscal year, as a conservative forecast that strongly acknowledges the impact of COVID-19, the company forecasts an operating income of -500 million yen, which is 87.1% of year on year before last sales. Whereas, in the 2nd half, the outlook is for a steady recovery of the market, so they are expecting sales to be in the black with operating income of 1.6 billion yen, which is 91.1% of year on year before last sales.

■ FY Ending Feb. 2022 Sales Trends (vs FY Ending Feb. 2020)



Acknowledging the advent of 3rd and 4th COVID-19 waves, the company revised Mar-Apr sales forecast down by about 10%.

Sales forecast prior to 3rd COVID-19 wave YoY before last

91.9%

Full-year sales forecast (YoY before last)

89.6%

(YoY：113.7%)

Full-year operating income forecast

1.1 Billion Yen

4 Future Growth Strategy

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Bring together people, goods, capital, and information. Invest intensively in strategic brands.

Drastic transformation of not only merchandising but also in creation itself

A concept of Fashion x Flower x Art for Spring 2021
A completely new digital curation EC media, hueLe Museum, launched!

Priority brands for this period

nano UNIVERSE

NATURAL BEAUTY BASIC

nano UNIVERSE
×
Schott N.Y.C.

[Innovation in Creativity]

New Businesses and Services

**Push ahead with transformation to create appealing stores.
Simultaneously boost the sales channel shift to EC.**

Amidst changing lifestyle trends, we will redefine and overhaul the appeal required of actual stores.

Further, we will thoroughly review rent, staff, inventory volume, product content and status of store losses to find ways to unceasingly improve the profit structure.

High-profit stores spur on evolution

Raise the appeal of existing stores, and make every effort to open new stores!

- Prime location strategy
- Improving appeal via digital stores
- Unified commerce

The real thrill of fashion is a great store in a good location with a great selection of attention-grabbing products that fashionably cool staff are confident about promoting – no more, no less!

Low-profit stores spur on the sales channel shift to EC

**Use EC to communicate the appeal of brands.
Use EC to back up ability to earn.**

- Shift customers over to EC
- Make decision on withdrawing from stores based on EC sales growth
- Boost efforts to redirect customers from stores to EC

[Innovation in Creativity] New Businesses and Brands

HYBES

Acquiring customers in new economic zone.
Expand the business of D2C conglomerates.

Looking to expand D2C business, the company acquired ETRE TOKYO in FY02/2021, and it is contributing to group results from its initial year.

And, to further expand D2C business, the company will introduce the new brand “MECRE” in this period.

Beginning to plan for other new brands
Boosting efforts to become a D2C conglomerate, the company will not only pursue fashion business but also cosmetics, food & drink products, sports and other such business.

ETRÉ TOKYO

JUNNA (@junna total followers 180,000)
ETRA TOKYO Creative Directory
In all areas of fashion, but particularly apparel, ETRE TOKYO is an influencer with a loyal fan base in the F2 generation (females between 35 and 49).

MECRE

MAI (@im_5868 total followers 144,000)
MECRE creative director is not only getting noticed as a next-generation influencer for apparel but also cosmetics among the F1 generation (females between 20 and 34).

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Create new experiences and innovative interaction with customers by making use of digital and sales staff capabilities.

Increase opportunities for sales staff to play active roles.
In addition to the appeal of products, use the appeal of people to turn customers into fans.

Unified Commerce Strategy (Store visit reservation via app)

As the 1st phase, the company will start introducing a setup where customers can book in-store fittings from EC sites.
New devices, such as check-in stands (a next-generation customer service solution), will be introduced in Q1.

Staff Commerce Strategy (Renewal of MIX. Tokyo)

Renew this as a specialized site for sales staff and coordinating of clothes & accessories.
Increase opportunities for sales staff to also play active roles in online situations, while at the same time commencing reforms in the evaluation system.


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[Innovation in Profitability] Data Management and Advanced Supply Chain

Raise managing speed in order to respond to erratic markets.

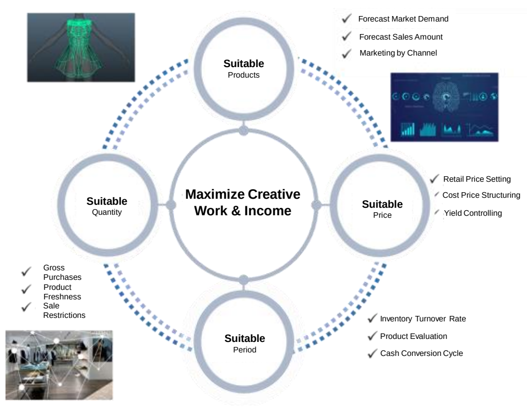
Take initiatives to advance SCM via digitalization.

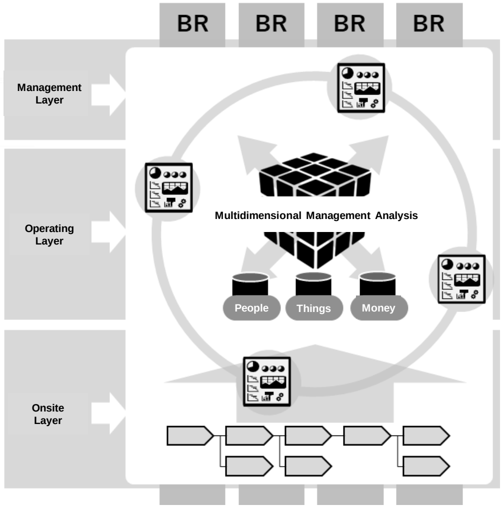
The company will constantly visualize the budgetary and achievement differences in people, things and money, in order to accelerate activities for strategies and modifications. Also, they will tackle next-generation SCM in such a way that all employees can share and utilize data and focus on high-value creative work.

Management DX

Real-time Management

Systemize indicators and forms throughout the company. Enable quick and precise decision-making to establish a corporate structure resilient in the face of change.





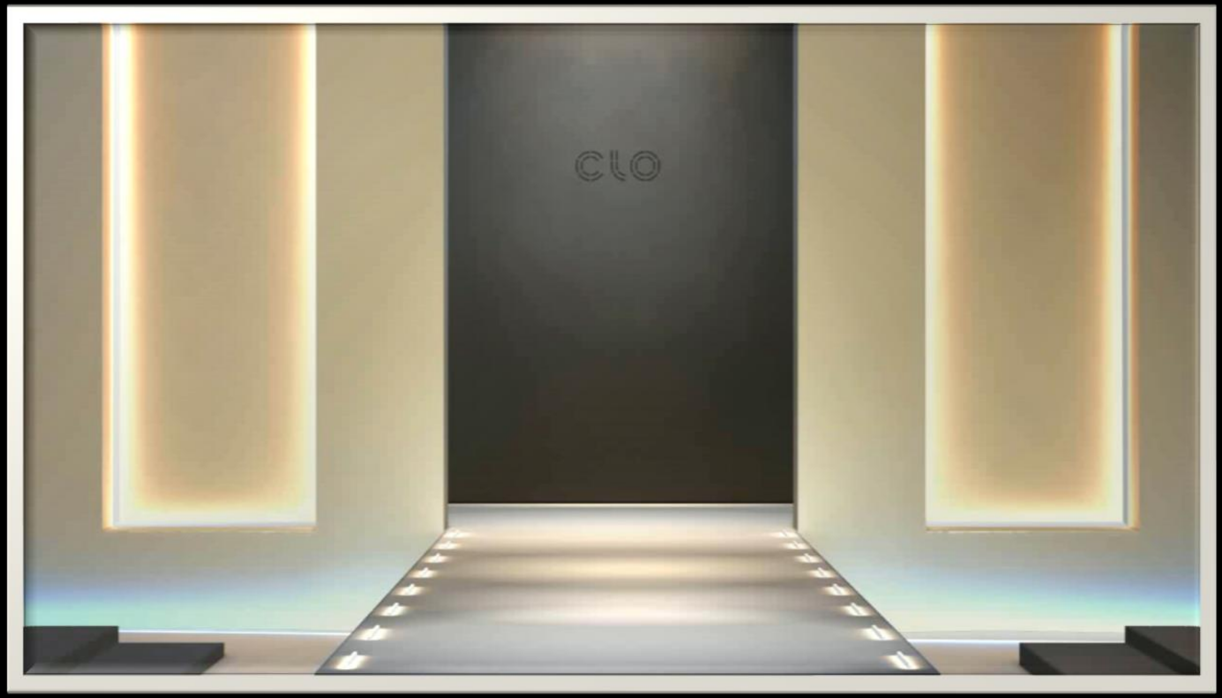
Production reform

Speed Up Production & Logistics

Uniformly manage complex supply chain data and improve accuracy of market launches using just a small number of people.

Product Presentation using 3D CAD

- Evolution of Manufacturing -   Revising Speed and Expense of Introduction into Product Market



MANASTASH prototype Sample

ETRE TOKYO prototype Sample

[Innovation towards Environmental Orientation]
Solving Social Issues Through Business

TSI HOLDINGS

Redesign the social value of the apparel industry

Spin The World !
TSI Sustainable Project

Established TSI Sustainable Project Team

Reinvent the company to be one that can tackle social goals
- starting with SDGs - and be the needed solution facet for social issues.

❶ Pursue a sustainable manufacturing & sales model

- ✓ Commercialize customized services and product upcycles
- ✓ Change to environmentally friendly materials for secondary materials and shopping bags

❷ Solve issues through design

- ✓ Create new lifestyle value using local resources and co-creation
- ✓ Create new worthwhile work by offering designs to different industries

❸ Create culture and value Through design

- ✓ Create new culture through investment in contemporary art business
- ✓ Launch new EC site where fashion, flower and art coexist

MAGUS

TSI HOLDINGS

Pursue sustainable manufacturing & sales model and recycling business for clothes

Tackle social goals through business as well as work to reduce the massive waste generated in the fashion industry and tackle environmental issues.

● Develop mechanisms to minimize waste

- Built up a customized service utilizing the factory in Yonezawa
- With the ReSew Shop as a base, the company launched a repair & remake business

● Initiatives for decarbonized management

TSI's commitment to environmental issues

Quantitative achievements in previous period

- 200,000 products recycled/reused
- Completion of changeover to environmentally friendly materials for shopping bags

Quantitative achievements in this period

- Changeover to environmentally friendly secondary materials (LOX, etc.)
- Changeover to reusable coat hangers (100% changeover expected in this period)

[Innovation towards Environmental Orientation]
Solving Social Issues Through Business

Contribute to solving social issues through the power of design

Regional revitalization x Design
Workstyle reform x Design

Lifestyle value

Create a playground where diverse cultures are born by combining diverse regional assets with TSI’s design & conceptual capabilities

Planning to sign a comprehensive partnership agreement with Kamikawa Town in Hokkaido for the creation of culture

It’s all about knowing that fairs & festivals around the globe are fun

Regional resources × design and the conceptual capabilities to go half a step ahead = **Creation of new playground**

Workstyle value

A project where the company once again review fashion & design prowess to find the uplifting feeling and diverse power originally imparted by clothes, so that the appeal and vitality of workers can be brought into being

Nishitetsu Air Service
Uniform Renewal Project

Collaboration of Nexus (a company that runs Memorytree Nursery School) and nano universe

Uniform x New design **= Solving issues relating to job satisfaction and workstyle**

About Future Financial Strategy

Strategically invest in digital methods and new businesses while focusing on management stability.

In the current uncertain market environment, for the time being, the company will secure cash on hand and determine the balance between the end of COVID-19 and growth, to guide them in investments that reflate existing business, vitalize new business, digitize the company, streamline financial income and strengthen capital.

1. Improvement of Investment Efficiency and Optimal Capital Policy

Investment in new business — **2 Billion Yen**

■ Generate new business (R&D
■ Alliances, etc. ■ M&A

Reinvestment in profitable assets — **4 Billion Yen**

■ Reinvest in partially valid real estate
■ Efficient securities

Investment for growth of existing business — **5 Billion Yen**

- Actual store investment (new, moved, remodeled) — 1 Billion Yen
- EC growth strategy investment — 3.5 Billion Yen
- Investment for efficiency in logistics — 500 Million Yen

■ Open stores in strong segments (golf, athleisure, cosmetics)
■ Logistics infrastructure that can withstand EC expansion
■ Further increase EC sales amount

System investment — **5 Billion Yen**

- DX-driven productivity reform investment
- Other system investment

■ Introduce tools to bring efficiency to business
■ Strengthen functions to achieve unified commerce
■ Newly build or renew EC sites

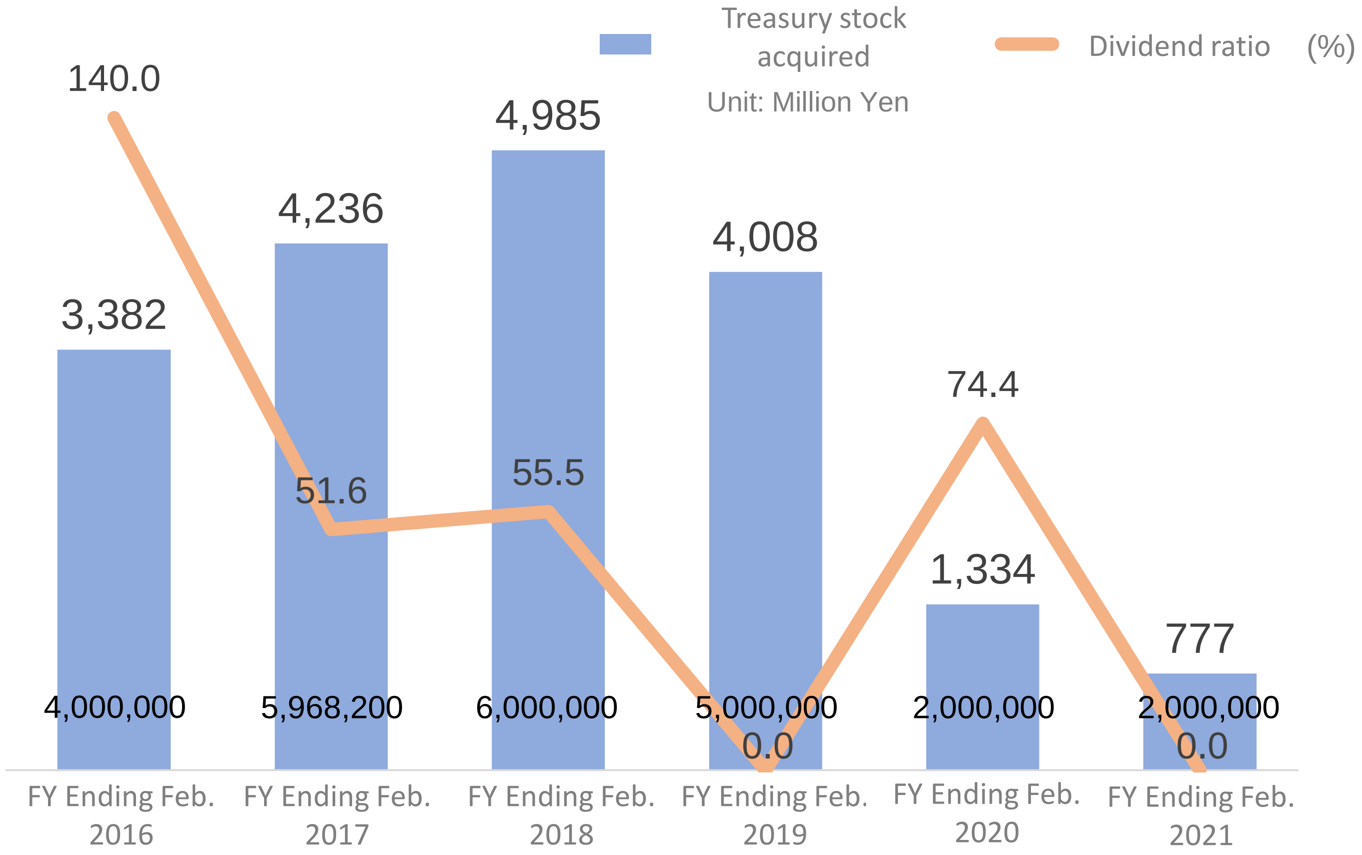
2 . Improvement of Asset Efficiency

Compressing fixed assets and inventory

■ Sell off of policy investment stocks, etc.
■ Inventory turnover period - 0.15 months

Shareholder Return Policy

The company plans to pay a dividend of 5 yen per share, taking into consideration the business results for the fiscal year under review and the future business environment.



Date	**Number of shares**	**Content**
30/6/20	10,000,000	Disposition by cancellation

Regarding retained earnings, the company will utilize them to strengthen their financial position and strategically invest in building a strong business infrastructure.

The company will continue to flexibly consider and implement the acquisition of treasury shares.

In conclusion

TSI will evolve its business to regain trust.
And we will prove to the market and our stakeholders that TSI is a company that can evolve.

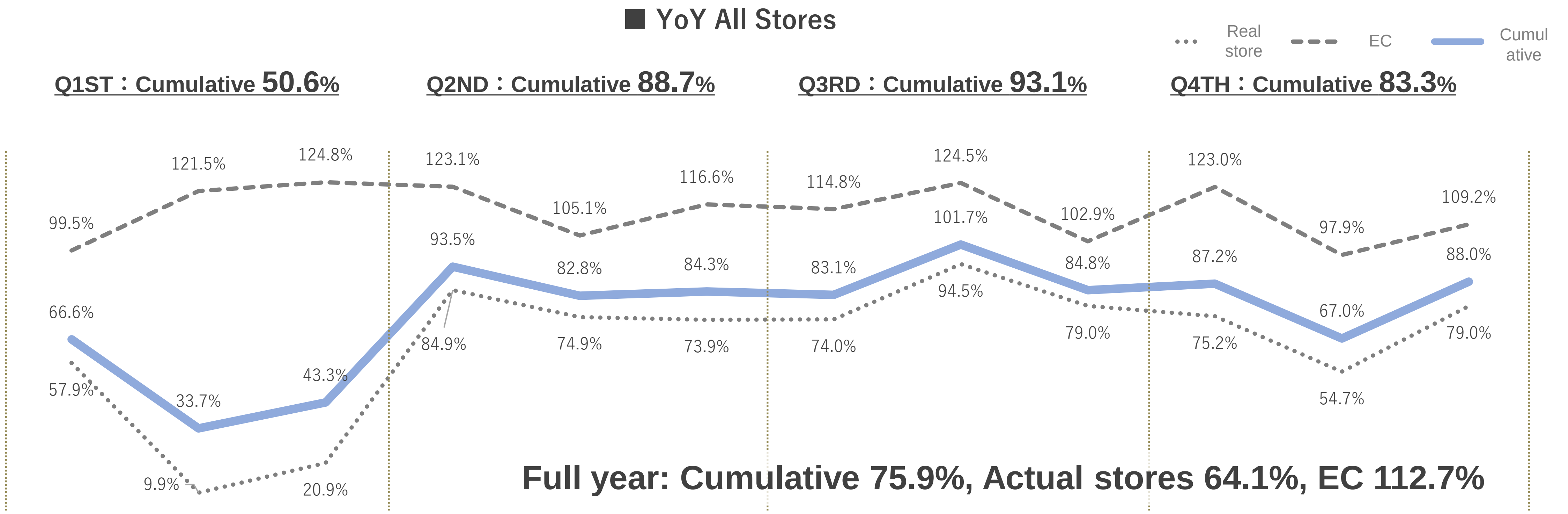
#believe in the power of fashion

TSI HOLDINGS GROUP

5 Reference Data

TSI HOLDINGS

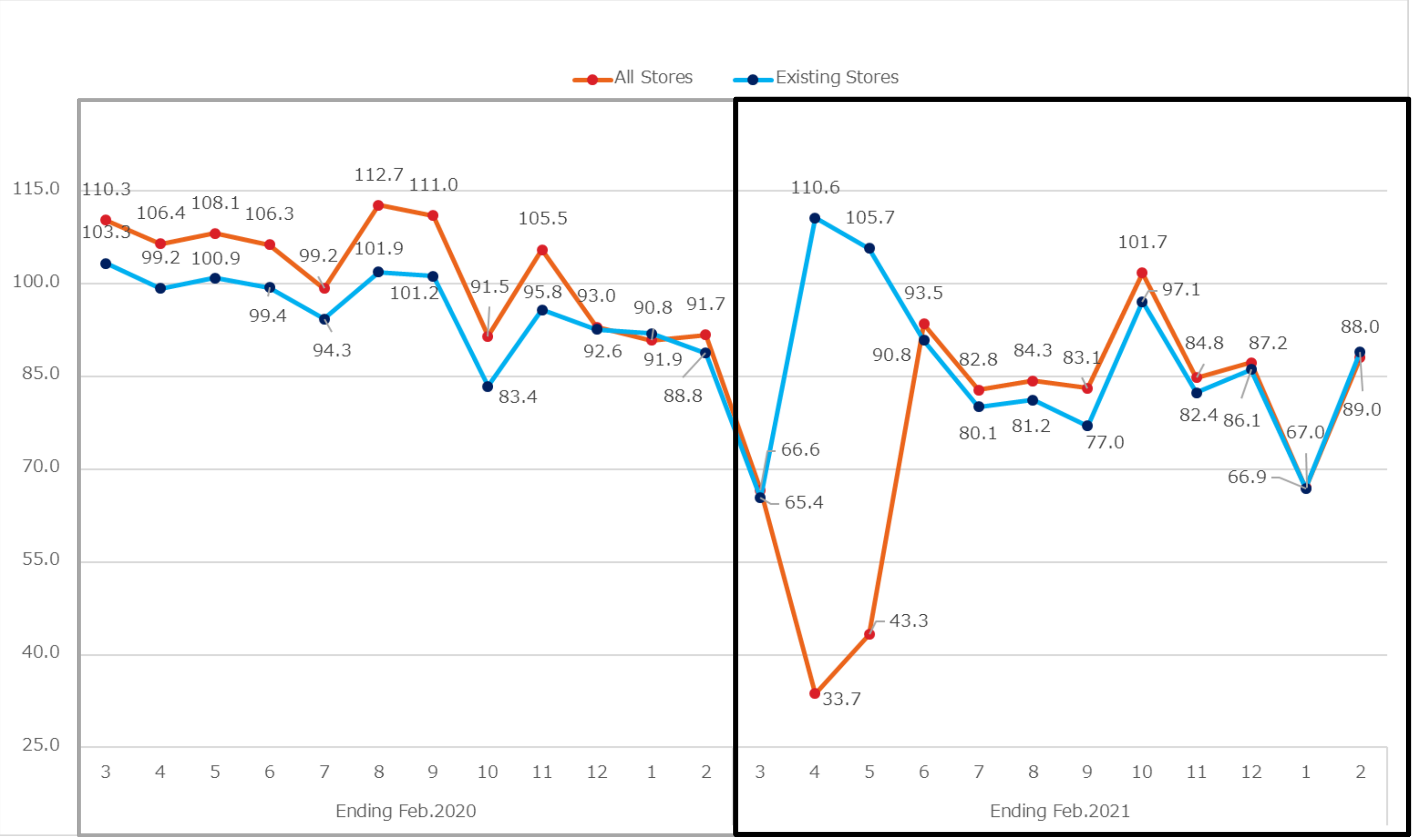
Changes in monthly net sales



	3	4	5	6	7	8	9	10	11	12	1	2
Real store	57.9%	9.9%	20.9%	84.9%	74.9%	73.9%	74.0%	94.5%	79.0%	75.2%	54.7%	79.0%
EC	99.5%	121.5%	124.8%	123.1%	105.1%	116.6%	114.8%	124.5%	102.9%	123.0%	97.9%	109.2%
Cumulative	66.6%	33.7%	43.3%	93.5%	82.8%	84.3%	83.1%	101.7%	84.8%	87.2%	67.0%	88.0%

Highlights of Full-year Results for FY Ending Feb. 2021

Domestic Monthly Sales Information



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

FY 2021 Ending Feb.
All Stores： 75.9%
Existing Stores：82.2%

Q1

- From April, some 1,000 stores nationwide closed
- From March to April, delivery delays for China-made products
- Logistics warehouses come under strain after state of emergency declared in April
- 29 days of leave compensation (100% compensation) granted to all employees

Q2

- From June, stores reestablished themselves, but the situation remained critical, especially in Tokyo metropolitan area, due to shortened business hours and stay-at-home consumers.
- Suburban stores and outlet malls did well.
- Strengthened digital customer service tools, such as “Hero©”.

Q3

- It became apparent that there are even strong brands in the midst of the pandemic, such as athleisure & street, capable of increasing sales and profits.
- Although sales dropped, profits increased YoY thanks to inventory and discount controls.

Q4

- Late 2020 COVID-19 3rd wave significantly reduced the number of customers.
- Promoted autumn and winter inventory stock
- Spring products started to move from February.

Highlights of Full-year Results for FY Ending Feb. 2021

Net Sales Per Channel

	FY Ending Feb. 2020		FY Ending Feb. 2021			
	Results (Million yen)	Composition Rate (%)	Results (Million yen)	Y/Y (%)	Composition Rate (%)	Composition Rate Y/Y Change
Department Stores	21,393	12.6	12,481	58.3	9.3	-3.3
Commercial Facilities(*1)	86,028	50.6	56,745	66.0	42.3	-8.3
In-house EC	11,442	6.7	17,871	156.2	13.3	6.6
3rd Party	24,894	14.6	22,809	91.6	17.0	2.4
E-Commerce	36,336	21.4	40,681	112.0	30.3	9.0
Others(*2)	17,809	10.5	15,504	87.1	11.6	1.1
Domestic	161,568	95.0	125,412	77.6	93.5	-1.5
E-Commerce	787	0.5	3,238	411.3	2.4	2.0
Overseas(*3)	8,499	5.0	8,666	102.0	6.5	1.5
E-Commerce TOTAL	37,124	21.8	43,919	118.3	32.8	10.9
TOTAL	170,068	100.0	134,078	78.8	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, intercompany sales and non-apparel businesses of the group companies.

*3 Results of Efuego Corp. which operates EC sites centering on Tactics.com in the U.S. is to be consolidated from the second quarter of 2021 and onward. The results are recorded in overseas sales.

Brands Overview

Unit:Million Yen

	FY Ending Feb. 2020			FY Ending Feb. 2021			Y/Y	
	Sales	Composition Rate (%)	Gross Profit Ratio (%)	Sales	Composition Rate (%)	Gross Profit Ratio (%)	Sales (%)	Gross Profit Ratio (pt)
1. nano・universe	27,185	16.0	43.7	19,879	14.8	43.5	73.1	-0.2
2. PEARLY GATES	12,805	7.5	50.2	12,502	9.3	52.4	97.6	+2.1
3. NATURAL BEAUTY BASIC	15,191	8.9	57.5	10,677	8.0	49.3	70.3	-8.2
4. MARGARET HOWELL	14,034	8.3	58.0	8,675	6.5	51.5	61.8	-6.5
5. AVIREX	8,495	5.0	60.7	5,893	4.4	60.0	69.4	-0.7
6. STUSSY	5,263	3.1	70.3	4,756	3.5	62.4	90.4	-7.9
7. UNDEFEATED	4,791	2.8	43.3	4,432	3.3	37.5	92.5	-5.8
8. HUF	4,678	2.8	46.0	4,180	3.1	46.1	89.4	+0.1
9. ROSE BUD	5,949	3.5	48.5	3,804	2.8	41.2	64.0	-7.3
10. PROPORTION BODY DRESSING	3,967	2.3	55.6	3,269	2.4	55.9	82.4	+0.3
TOP10	102,362	60.2	52.1	78,072	58.2	49.4	76.3	-2.7
Other Brands	65,517	38.5	53.7	55,448	41.4	45.5	84.6	-8.2
Continuing Brands	167,880	98.7	52.7	133,521	99.6	47.8	79.5	-5.0
Closed Brands	2,188	1.3	40.0	557	0.4	15.2	25.5	-24.8
TOTAL	170,068	100.0	52.6	134,078	100.0	47.6	78.8	-5.0

TSI HOLDINGS

Consolidated Financial Highlights -Profit and Loss- (December to February)

Unit:Million Yen

	Q4TH 2020 Ending Feb.		Q4TH 2021 Ending Feb.			
	Results	Composition Rate (%)	Results	Composition Rate (%)	Y/Y Change	Y/Y (%)
Net Sales	44,245	100.0	36,858	100.0	-7,386	83.3
Gross Profit	20,858	47.1	17,105	46.4	-3,752	82.0
SG&A Expenses	22,728	51.4	20,676	56.1	-2,051	91.0
SG&A Expenses (excl. Goodwill Amortization, Depreciation and Amortization)	21,315	48.2	19,450	52.8	-1,864	91.3
Goodwill Amortization	249	0.6	164	0.4	-85	65.8
Depreciation and Amortization	1,163	2.6	1,061	2.9	-101	91.3
Operating Income	-1,870	-4.2	-3,571	-9.7	-1,701	-
Ordinary Income	-1,461	-3.3	-3,346	-9.1	-1,885	-
Extraordinary Income	3,180	7.2	22,373	60.7	19,193	703.4
Extraordinary Loss	4,135	9.3	3,738	10.1	-397	90.4
Profit Before Taxes	-2,416	-5.5	15,288	41.5	17,705	-
Profit Attributable to Owners of Parent	-2,639	-6.0	14,987	40.7	17,627	-
EBITDA ※	-457	-1.0	-2,345	-6.4	-1,887	512.7

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

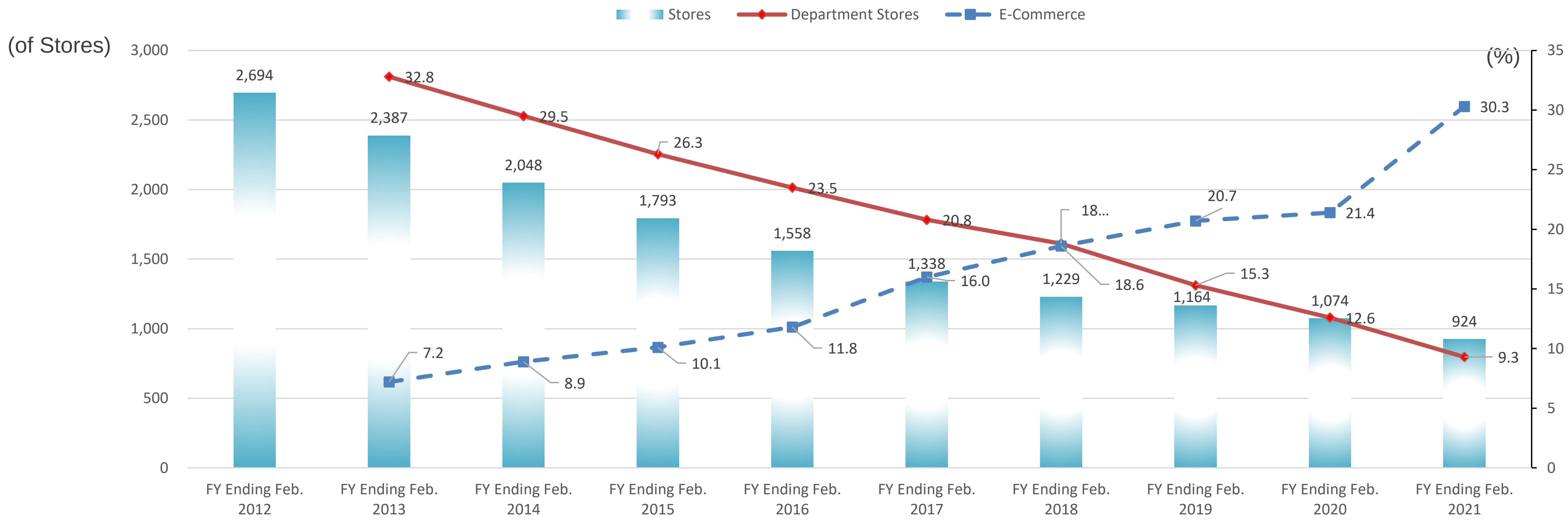
Consolidated Financial Highlights -Profit and Loss- (September to February)

Unit:Million Yen

	Cumulative 2ND half 2020 Ending Feb.		Cumulative 2ND half 2021 Ending Feb.			
	Results	Composition Rate (%)	Results	Composition Rate (%)	Y/Y Change	Y/Y (%)
Net Sales	88,220	100.0	77,807	100.0	-10,412	88.2
Gross Profit	45,473	51.5	39,676	51.0	-5,796	87.3
SG&A Expenses	45,239	51.3	41,050	52.8	-4,188	90.7
SG&A Expenses (excl. Goodwill Amortization, Depreciation and Amortization)	42,437	48.1	36,564	47.0	-5,872	86.2
Goodwill Amortization	442	0.5	795	1.0	353	179.8
Depreciation and Amortization	2,359	2.7	3,690	4.7	1,331	156.4
Operating Income	234	0.3	-1,374	-1.8	-1,608	-
Ordinary Income	1,081	1.2	-716	-0.9	-1,798	-
Extraordinary Income	4,395	5.0	24,440	31.4	20,044	556.0
Extraordinary Loss	3,908	4.4	4,630	6.0	722	118.5
Profit Before Taxes	1,569	1.8	19,093	24.5	17,524	1216.9
Profit Attributable to Owners of Parent	1,128	1.3	18,295	23.5	17,166	1620.5
EBITDA ※	3,036	3.4	3,112	4.0	76	102.5

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

Changes in the number of stores and sales composition ratio by channel



*Sales composition by channel is not disclosed in FY Endling Feb. 2012

Domestic apparel stores

From about 2,700 stores immediately after business integration, the number of stores fell below 1,000 for the first time in FY02/2021 (previous period) due to restructuring to cope with changes in the market environment.

Changes in sales structure

Department store sales, which amounted to more than 30%, fell below 20% in FY02/2018 and less than 10% in the previous period, whereas EC net sales exceeded 20% in FY02/2019 and exceeded 30% in the previous year.

Store Distribution

		FY Ending Feb. 2020 *1	Store Open	Store Close	FY Ending Feb. 2021
Domestic	# of Stores	998	+85	-211	872
	Change	-23			-126
Overseas	# of Stores	76	+9	-33	52
	Change	-67			-24
Total	# of Stores	1,074	+94	-244	924
	Change	-90			-150

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

Withdrawal of Business and Impact on Employment Coordination

[Implementation Report]

Withdrawal of stores

(Result)

Withdrawal of 244 stores

Reduction of staff

(Result)

Reduction of 747 staff
***Including 351 from headquarters**

Withdrawal of business

(Result)

Withdrawal of 5 companies and 7 businesses

Profit and Loss Plans for 1st Half & 2nd Half

	1st Half Plan	2nd Half Plan	Full-year Plan
Net Sales	71.3 Billion Yen (YoY:126.7%)	81.1 Billion Yen (YoY:104.2%)	**152.4** Billion Yen (YoY:113.7%)
SG&A Expenses	38.5 Billion Yen (Composition ratio:54.0%)	41.4 Billion Yen (Composition ratio:51.0%)	**79.90** Billion Yen (Composition ratio: 52.4%)
Operating Income	–0.5 Billion Yen (Profit margin: -%)	1.6 Billion Yen (Profit margin: 2.0%)	**1.1** Billion Yen (Profit margin: 0.7%)
Current Net Income	0.17 Billion Yen (Profit margin: 0.2%)	1.49 Billion Yen (Profit margin: 1.8%)	**1.66** Billion Yen (Profit margin: 1.1%)

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.