



Q1ST 2015 Ending February: Results Briefing

“To the Phase of Regrowth from Reform”

2014.7.23

I. Q1ST 2015 Ending February: Results Overview

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

Net Sales 45,737 million yen (Y/Y101.1%), Operating Income 2,456 million yen (Y/Y 283.9%)

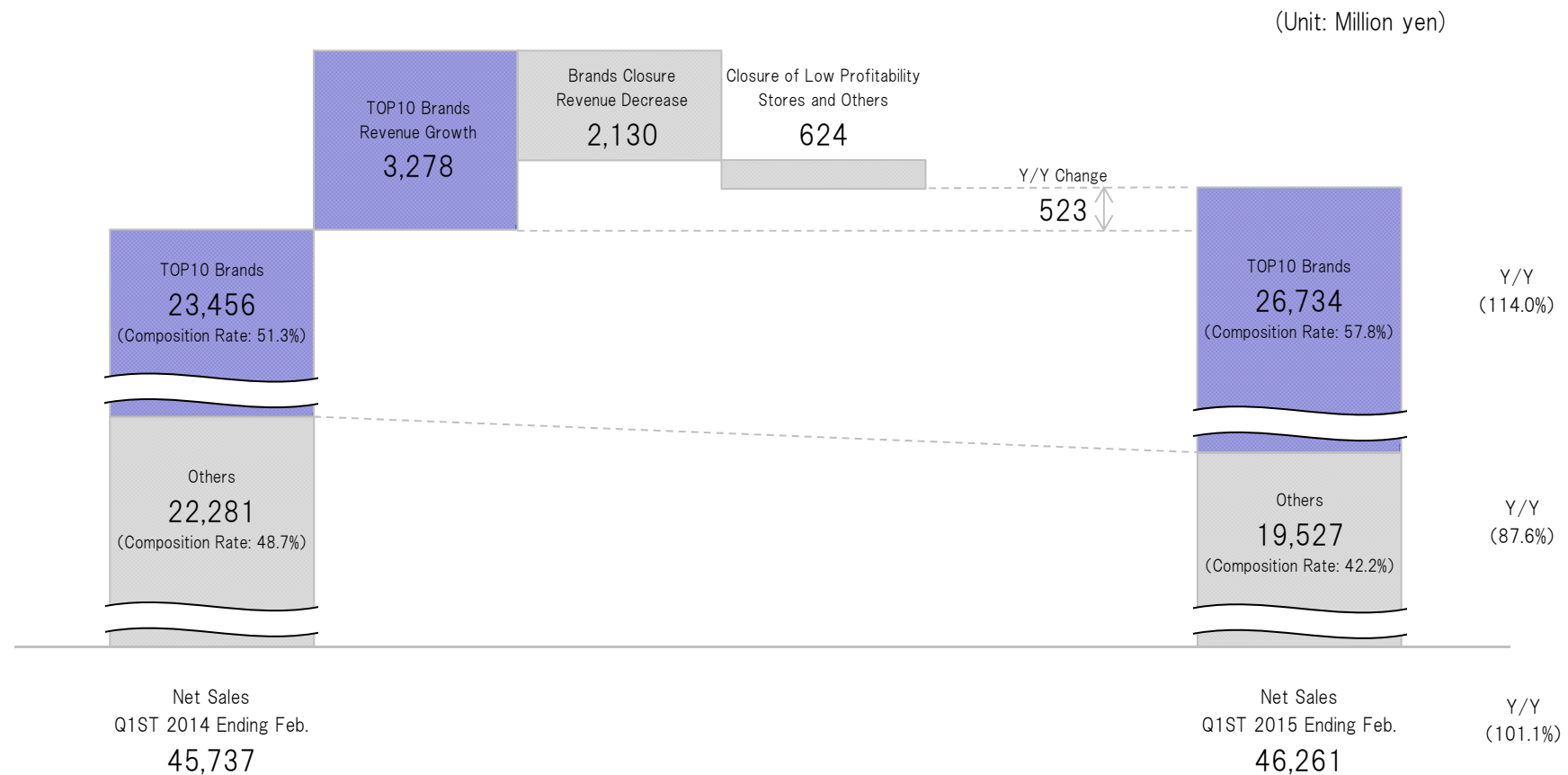
(Unit: Million yen)

	Q1ST 2014 Ending Feb.		Q1ST 2015 Ending Feb.					
	Results	Composition Rate	Plan	Results	Composition Rate	Y/Y Change	Y/Y	Plan Results Comparison
Net Sales	45,737	100.0%	44,982	46,261	100.0%	+523	101.1%	102.8%
Gross Profit	25,030	54.7%	–	25,913	56.0%	+883	103.5%	–
SG&A Expenses	24,165	52.8%	–	23,457	50.7%	–707	97.1%	–
Operating Income	865	1.9%	2,093	2,456	5.3%	+1,590	283.9%	117.3%
Ordinary Income	1,625	3.6%	2,626	2,733	5.9%	+1,107	168.2%	104.1%
Income Before Income Taxes	1,426	3.1%	–	2,762	6.0%	+1,336	193.6%	–
Current Net Income	509	1.1%	–	1,589	3.4%	+1,080	312.0%	–

- Net Sales: Achieved growth in revenue for the first time since the establishment of TSI Holdings excluding effects of the irregular fiscal period of the first year and M&A.
- Operating Income: Gross profit margin increased from 54.7% to 56.0% as a result of the cost structure reform and SG&A Expenses reduction.

2. Net Sales Overview 1

Strong businesses complemented the decrease in revenues from closure of brands and stores and achieved net sales growth of 101.1% (Y/Y)



9 out of top 10 brands increased its revenue and 6 brands achieved double-digit growth

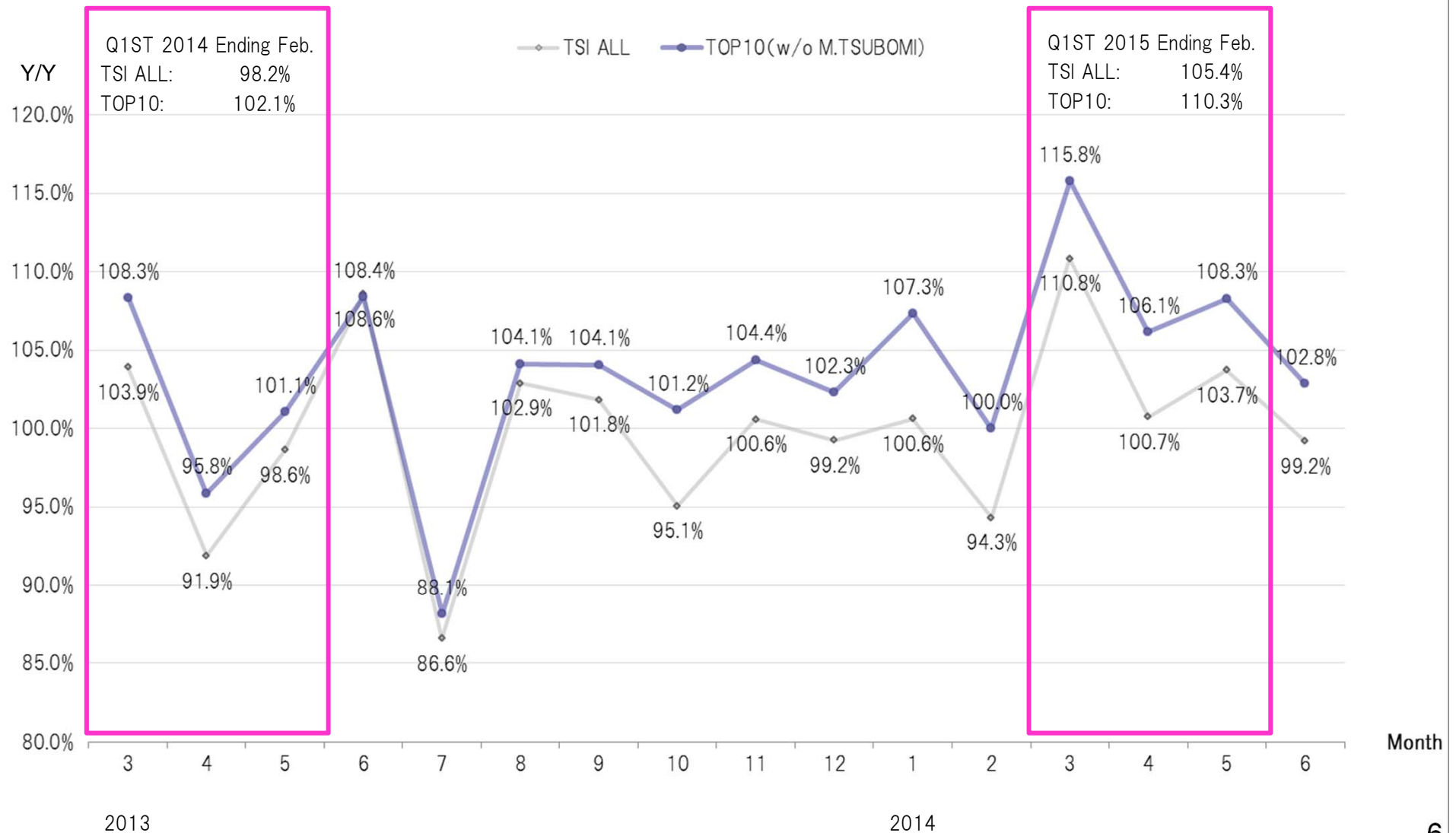
(Unit: Million yen)

BRAND	Q1ST 2014 Ending Feb. Results	Q1ST 2015 Ending Feb.		
		Results	Composition Rate	Y/Y
1 nano・universe	4,618	5,940	12.8%	128.6%
2 NATURAL BEAUTY BASIC	4,772	4,952	10.7%	103.8%
3 MARGARET HOWELL	2,596	3,118	6.7%	120.1%
4 ROSE BUD	2,410	2,834	6.1%	117.6%
5 Apuweiser-riche	2,031	2,449	5.3%	120.6%
6 PEARLY GATES	1,817	1,979	4.3%	108.9%
7 PROPORTION BODY DRESSING	1,350	1,517	3.3%	112.4%
8 & by P&D	1,336	1,433	3.1%	107.3%
9 M.TSUBOMI	1,027	1,261	2.7%	122.8%
10 HUMAN WOMAN	1,495	1,247	2.7%	83.4%
TOP10 TOTAL	23,456	26,734	57.8%	114.0%
OTHERS	22,281	19,527	42.2%	87.6%
TOTAL	45,737	46,261	100.0%	101.1%

*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 sales of top 10 brands continue to be the driving force of the whole group



Strong businesses complemented the decrease in revenues from closure of brands and stores and achieved net sales growth of 101.1% (Y/Y)

(Unit: Million)

Sales Channel	Q1ST 2014 Ending Feb.		Q1ST 2015 Ending Feb.			
	Results	Composition Rate	Results	Composition Rate	Y/Y	
					Amount	Rate
Department Store	14,226	31.1%	12,506	27.0%	87.9%	-4.1pt
Commercial Facilities (*1)	21,158	46.3%	22,591	48.8%	106.8%	+2.6pt
E-Commerce	3,459	7.6%	4,216	9.1%	121.9%	+1.6pt
Overseas	2,735	6.0%	2,991	6.5%	109.3%	+0.5pt
Others (*2)	4,157	9.1%	3,955	8.5%	95.1%	-0.5pt
Total	45,737	100.0%	46,261	100.0%	101.1%	-

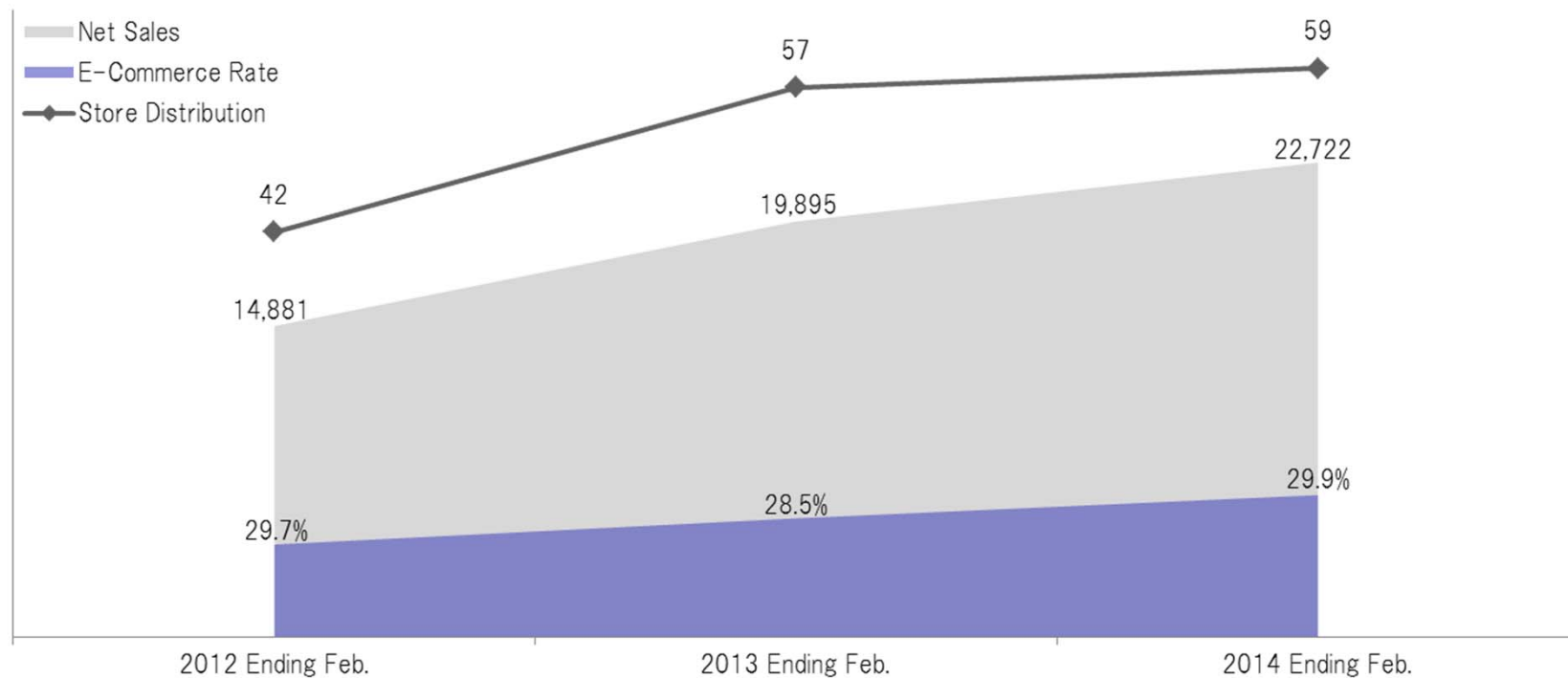
*1 Commercial Facilities: Fashion buildings, railroad station buildings, individual stores, outlet shops etc., except for department stores

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

Increase revenue by expanding comparable-store sales and “Omni Channeling”

(Unit: Million yen)

nano·universe	2012 Ending Feb.	2013 Ending Feb.		2014 Ending Feb.		Q1ST 2015 Ending Feb.
	Results	Results	Y/Y	Results	Y/Y	Results
Net Sales	14,881	19,895	133.7%	22,722	114.2%	5,940
E-Commerce Rate	29.7%	28.5%	-1.2pt	29.9%	+1.4pt	33.3%
Store Distribution	42	57	135.7%	59	103.5%	60



As a result of the cost structure reform,
SG&A Expenses of Q1ST 2015 Ending Feb. was 97.1% compared with the previous Q1ST

(Unit: Million Yen)

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Gross Profit	25,030	54.7%	25,913	56.0%	+883	103.5%
SG&A Expenses	24,165	52.8%	23,457	50.7%	-707	97.1%
Selling Expenses	10,525	23.0%	10,488	22.7%	-36	99.7%
Personnel Expenses	7,650	16.7%	7,494	16.2%	-156	98.0%
General and Operating Expenses	5,989	13.1%	5,474	11.8%	-514	91.4%

Q1ST of 2015 Ending Feb. surpassed the plan but will continue to aim the original consolidated financial plan

(Unit: Million yen)

	1st Half			2nd Half			Throughout the year		
	2014 Ending Feb. Results	2015 Ending Feb. Plan	Y/Y	2014 Ending Feb. Results	2015 Ending Feb. Plan	Y/Y	2014 Ending Feb. Results	2015 Ending Feb. 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%

II. Reference Data

“To the Phase of Regrowth from Reform”

Point 1 Improving profitability
→ Implement of investment on growth



- ✓ Development of new businesses
- ✓ Expansion of existing businesses

Point 2 Strengthening group management capabilities



- ✓ Creation of group synergy
- ✓ Strengthening of production and logistics functions

Point 3 Reforming cost structure



- ✓ Improvement of earning capacity of Challenging Subsidiaries

		2012 Ending Feb.	2013 Ending Feb.	2014 Ending Feb.	Q1ST 2015 Ending Feb.
Domestic	# of Stores	2,468	2,124	1,795	1,833
	Y/Y Change	-	-344	-329	38
Overseas	# of Stores	226	263	253	245
	Y/Y Change	-	37	-10	-8
Total	# of Stores	2,694	2,387	2,048	2,078
	Y/Y Change	-	-307	-339	30

*Numbers of Q1ST 2015 Ending Feb. is the comparison with 2014 Ending Feb.

- ❑ 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.