



TSI HOLDINGS GROUP

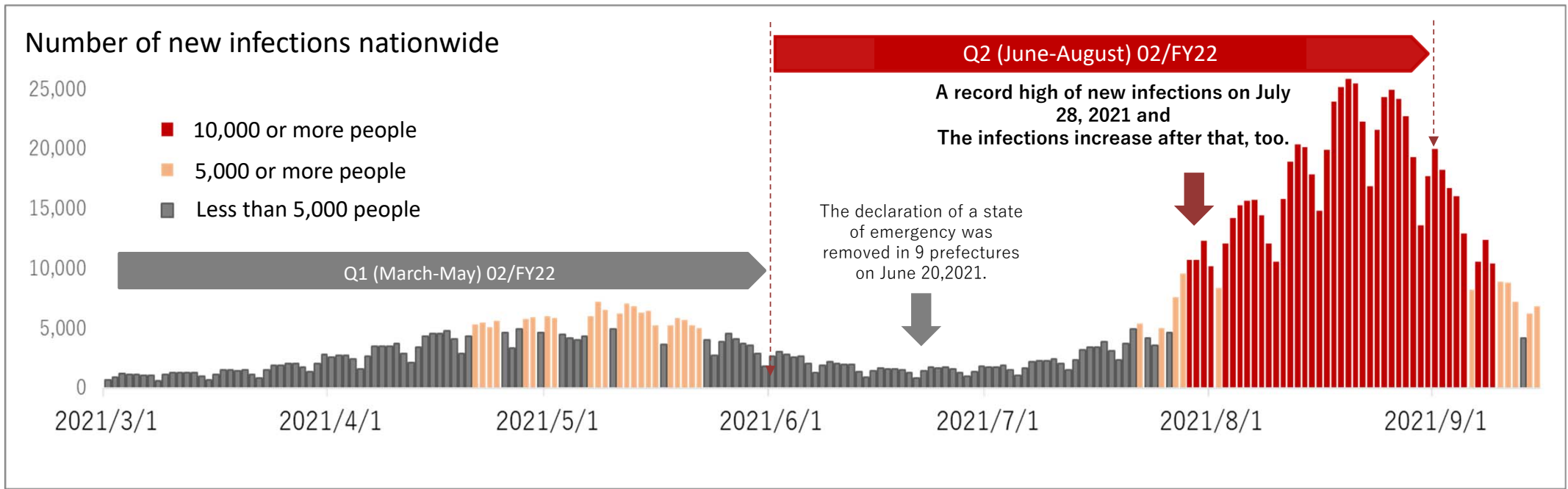
Results Briefing: 1st Half
Results of 2022 Ending Feb.

6th October, 2021

1 Impacts of the COVID-19 for 1H 02/FY22

Associated with the fourth wave abating, business performance in June was on a recovery trend, but the impact of the COVID-19 expanded in July and beyond.

The number of stores that are closed or open for shorter hours further increased, the business hours of stores in major metropolitan areas were reduced by about 10% compared to usual time in Q2. The business environment in Q2 was harsher than in Q1, with a greater impact on real stores.



- June 20 The 3rd declaration of a state of emergency was removed in 9 prefectures, 7 of which shifted to priority measures for prevention of the spread of the COVID-19
- July 12 The 4th declaration of a state of emergency was extended for Tokyo and the declaration of a state of emergency was extended in Okinawa prefecture.
- August 2 The declaration of a state of emergency was issued in Tokyo and Okinawa, and a declaration of a state of emergency was issued in 4 prefectures and priority measures for prevention of the spread of the COVID-19 were issued in 5 prefectures.
- August 20 A declaration of a state of emergency was issued in 7 prefectures.
- August 27 A declaration of a state of emergency was issued in 6 prefectures.

2 Market Trends for 1H 02/FY22

Covid-19 environment is not an excuse for not selling products.

Facing a very difficult environment in 1H, we broke away from the “norm” of the past from business management and operation and we’ve been working on reforms thoroughly focusing on agility.

As a result, we were able to achieve certain targeted numerical results.



First Half Review



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The days of mass-producing clothes in quantities not needed by the market, burdening the environment, and selling them at a reduced price are over.

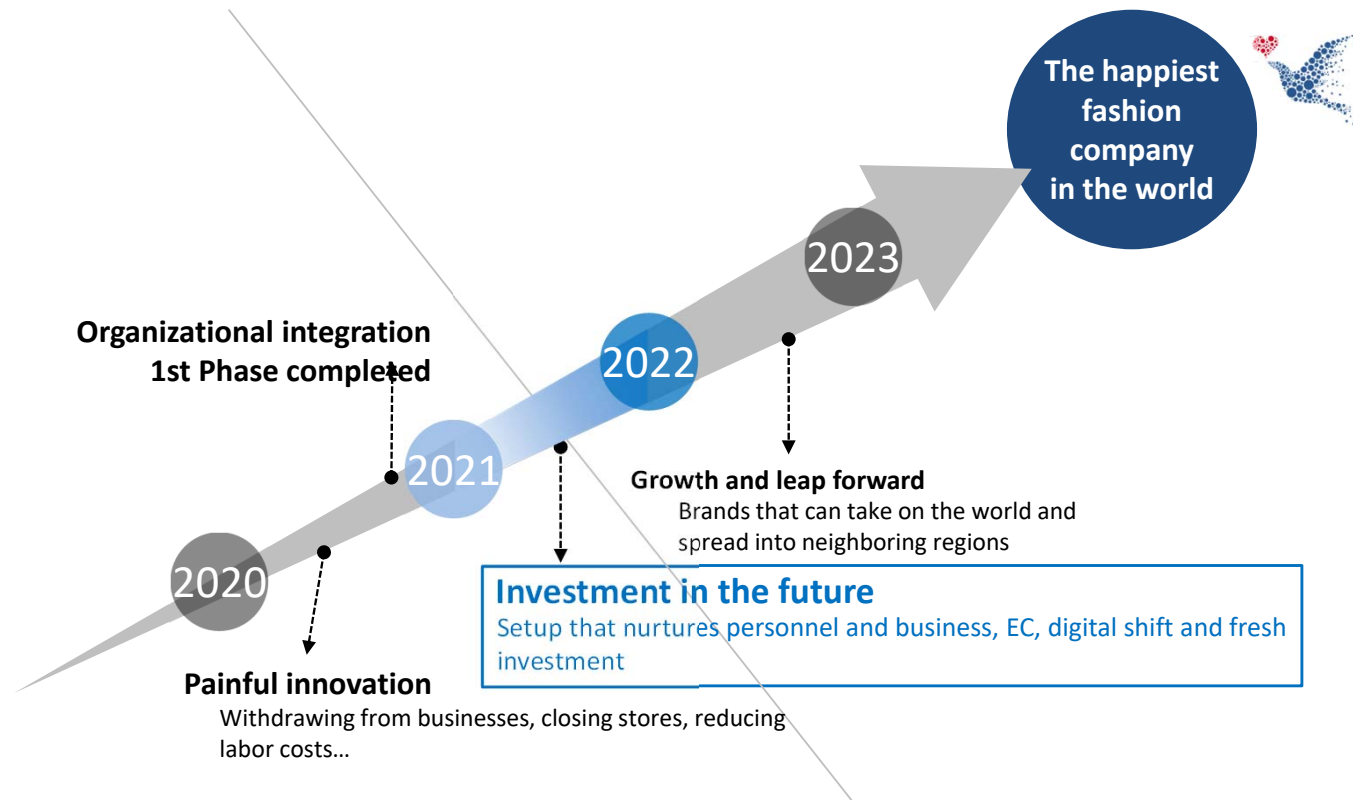
Rather than adjusting margins through mass procurement, we shifted to a highly profitable structure with a high crossover ratio that does not produce surpluses through discounting or remaining inventory.

Breaking away from “excessive” business

Where we are now The future we should aim for

Break away from the business model of the past

We will put aside nostalgia for past businesses and take on new challenges, aiming to further pursue corporate value.



※ TIP24 (TSI Innovation Program 2024) is a name of in-house program in regard to structural reform and future strategy started from 2022 Ending Feb.

Adherence to existing brands, sales channels, and business models means inefficient use of corporate assets, that is, people, goods, and money, and loss of market competitiveness and growth potential.

2 things we should do in 2H and beyond

1

Get out of inefficient business model with low productivity and pursue new apparel business ideals.

Strengthen digital investment and reinforce a business model without fragmentation through real stores and EC cooperation.

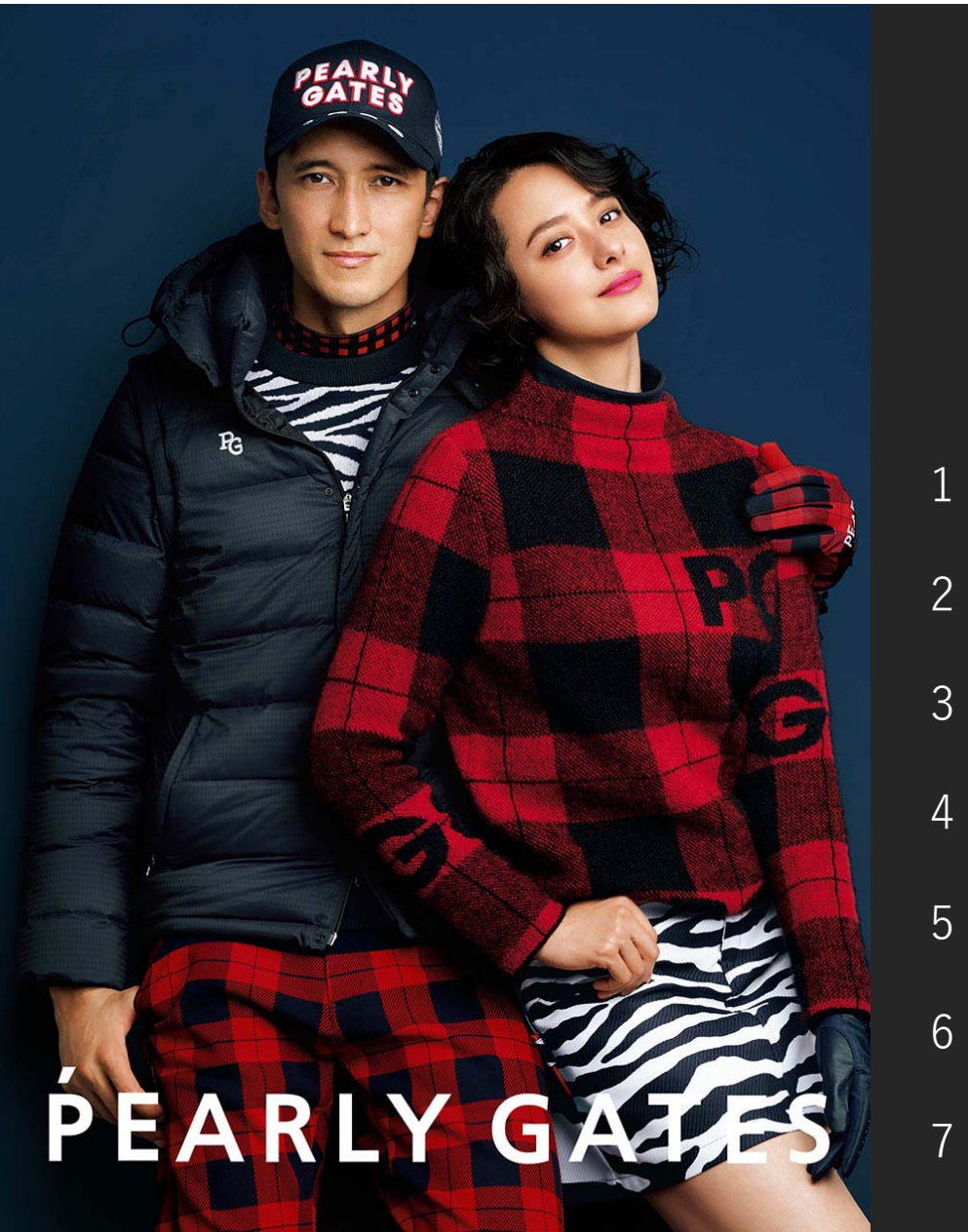
Refine the structure of short-cycle, small-lot procurement and strengthen supply chain reforms to ensure a high turnover of full-price products

2

Fashion entertainment will be the key word for our future investment.

Pursue products and services with even higher customer value in the new post-COVID-19 world of value.

Step forward to invest in the next generation creations (products, communications, services) and businesses.



AGENDA

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- 1 Summary of Financial Results for 1H, 02/FY22
- 2 1H Business Situation
- 3 Business Overview by Channel
- 4 Action on SDGs
- 5 Balance Sheet and Future Investment Strategy
- 6 Full-year Forecast
- 7 Supplemental Materials



1

Summary of Financial Results for 1H, 02/FY22

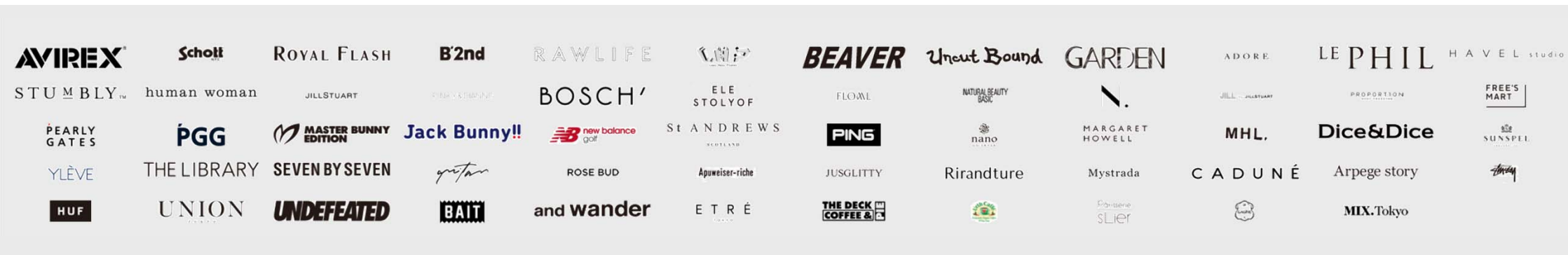
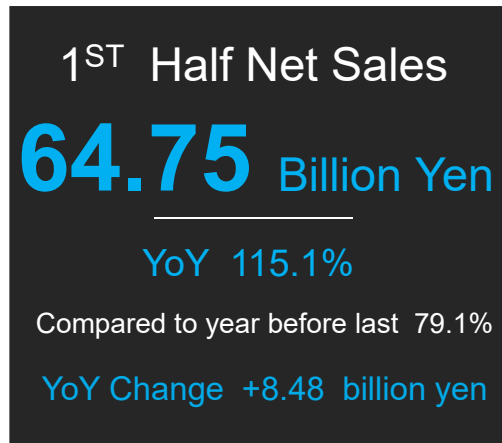
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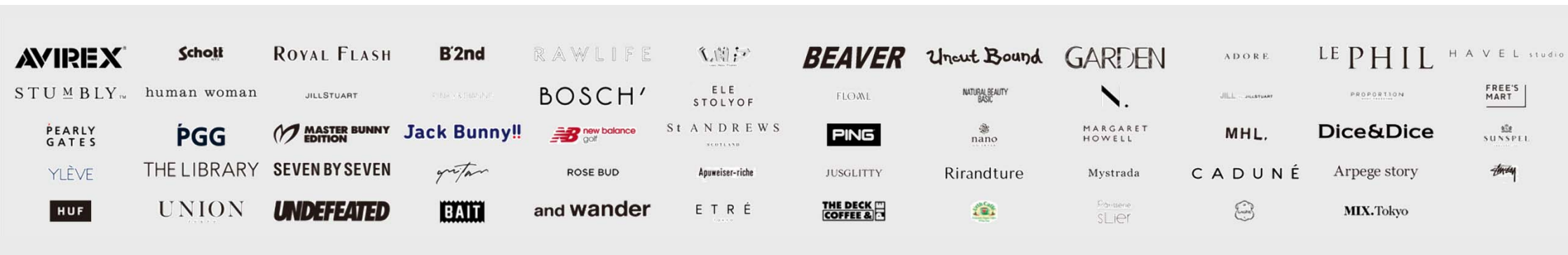
7 Financial Highlights for 1H 02/FY22

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Under tough market, we united to work on our business.
1st half went well as planned.



Net sales fell far short of the previous year's level, but review of discounts/inventory/expense led to significant improvement in revenue against budget.

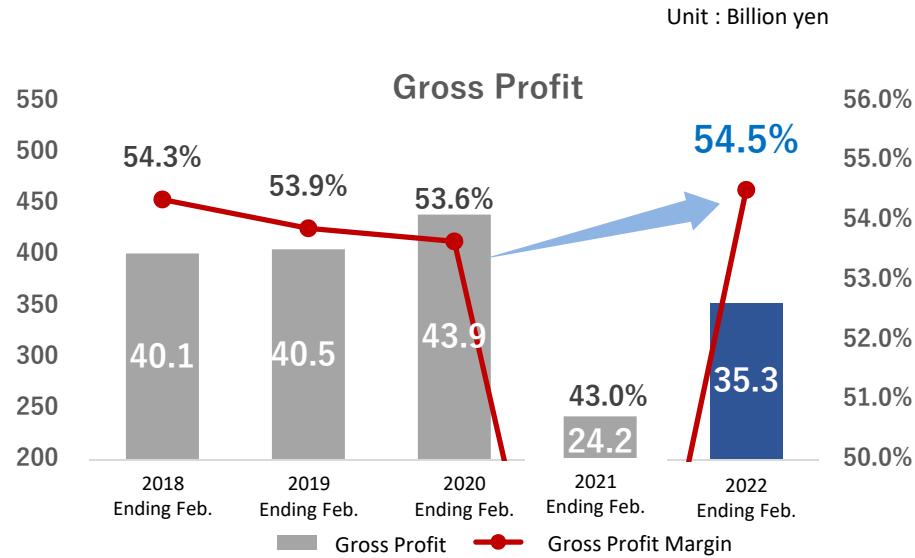


9 Gross profit / SG&A expenses for 1H 02/FY22

1ST Half Gross Profit

35.29 Billion yen

YoY 146.0%
Compared to year before last
80.4%
YoY Change +11.13 billion yen



> Gross Operating Profit

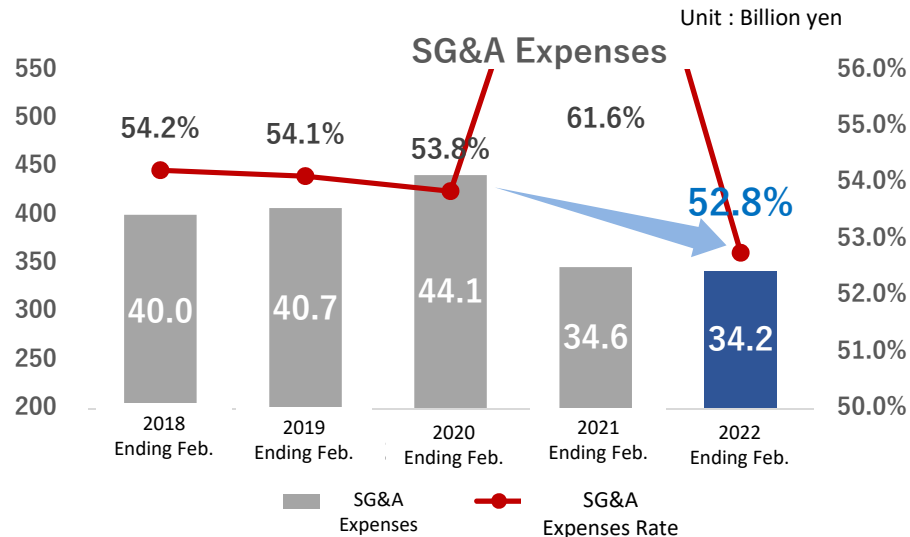
- Purchases were curbed to about 85.4% of the previous fiscal year's level.
- Profitability improvement through the sale of full-price products for which sales opportunities were not available in the previous fiscal year

⇒ **Improved profit by ¥11.1 billion compared to last year**

1ST Half SG&A Expenses

34.16 Billion yen

YoY 98.6%
Compared to year before last
77.5%
YoY Change -0.48 billion yen



> SG&A expenses

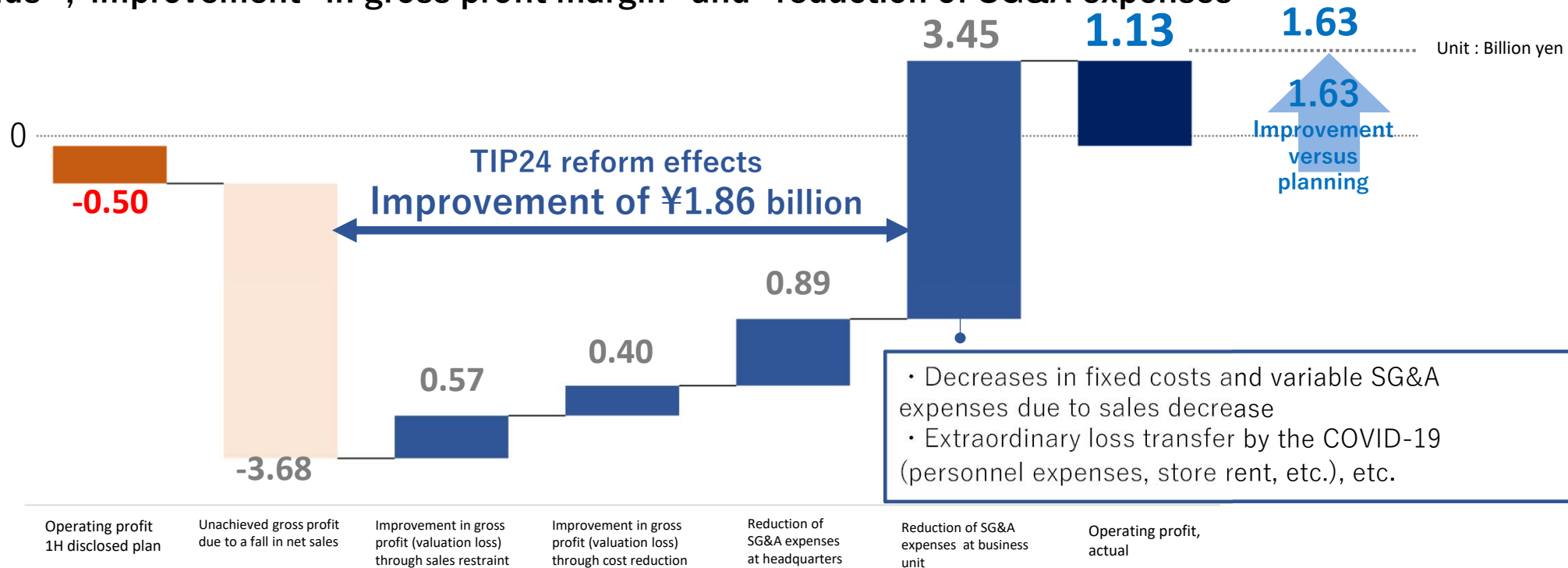
- Review of rent during the store closing period
- Work style reform, review of work system at stores and headquarters
- Improvement of transportation costs by changing logistics carriers

⇒ **¥9.9 billion improvement over the year before last**

FY2/22 1H: **¥1.13 billion** vs. disclosed plan of **¥-0.50 billion**

As the Covid-19 impacts prolong, the situation remains difficult standing at **90.8%** of the sales plan.

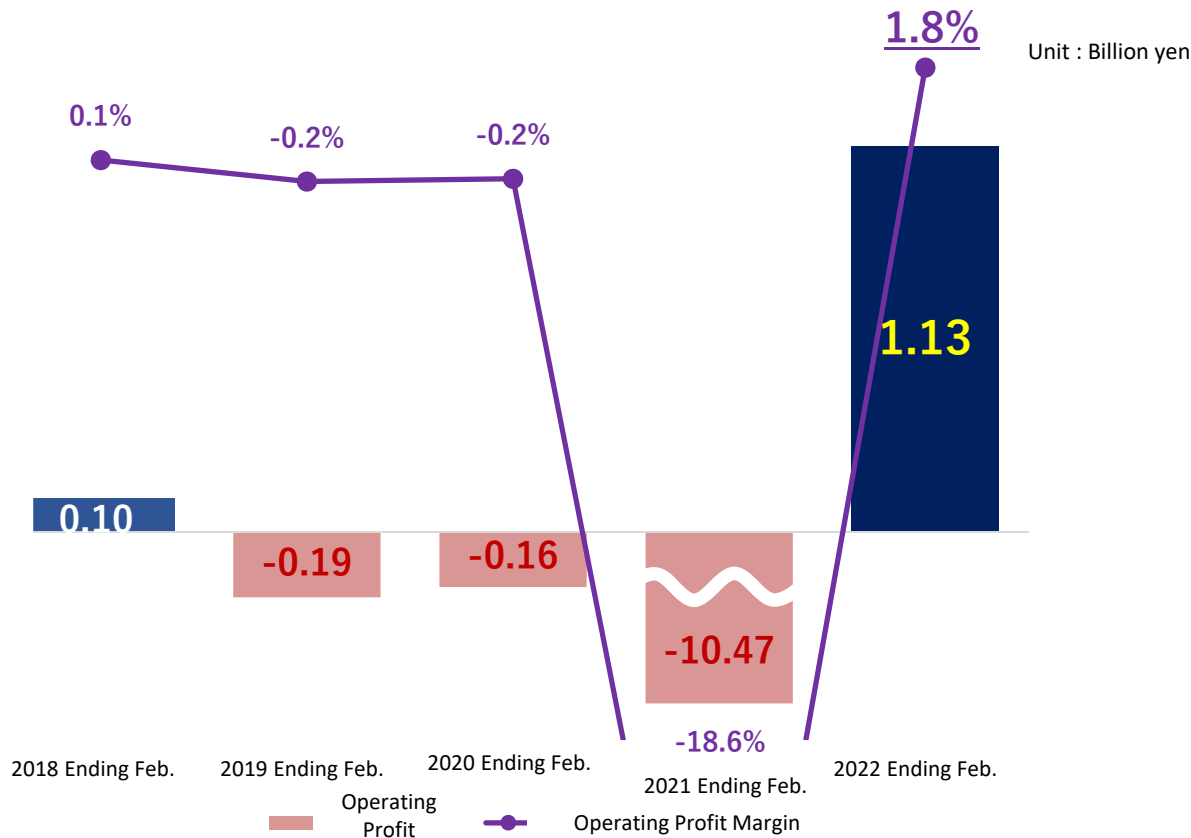
However, improved by **¥1.63 billion** due to “big growth of golf and street casual brands” ,“improvement” in gross profit margin” and “reduction of SG&A expenses”



※ Changing the sales policy, we tried to reduce purchasing, sales costs and discount sales.

11 Operating Profit Trends for 1H 02/FY22

In the midst of the prolonged Covid-19 impacts, in terms of 1H results, **profitable for the first time in four years.**



> Operating Profit

Operating profit **¥1.13 billion**

Profit ratio **1.8%**

(Disclosed plan -¥0.5 billion)

EBITDA **¥3.06 billion** EBITDA ratio **4.7%**

> Main factors

- ① Profitability of the strong golf business
- ② Active street business with sales growth potential
- ③ Contribution of overseas business, which improved profitability through M&As
- ④ Improvement of inventory sales rate through appropriate yield
- ⑤ Effects of suppression of purchasing and reduction of SG&A.

12 Net income impact items for 1H 02/FY22

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Non-operating income was ¥1.12 billion due to dividend income/real estate income, etc.

Extraordinary income reached ¥1.45 billion due to gain on sales of marketable securities, gain on sales of fixed assets, etc.

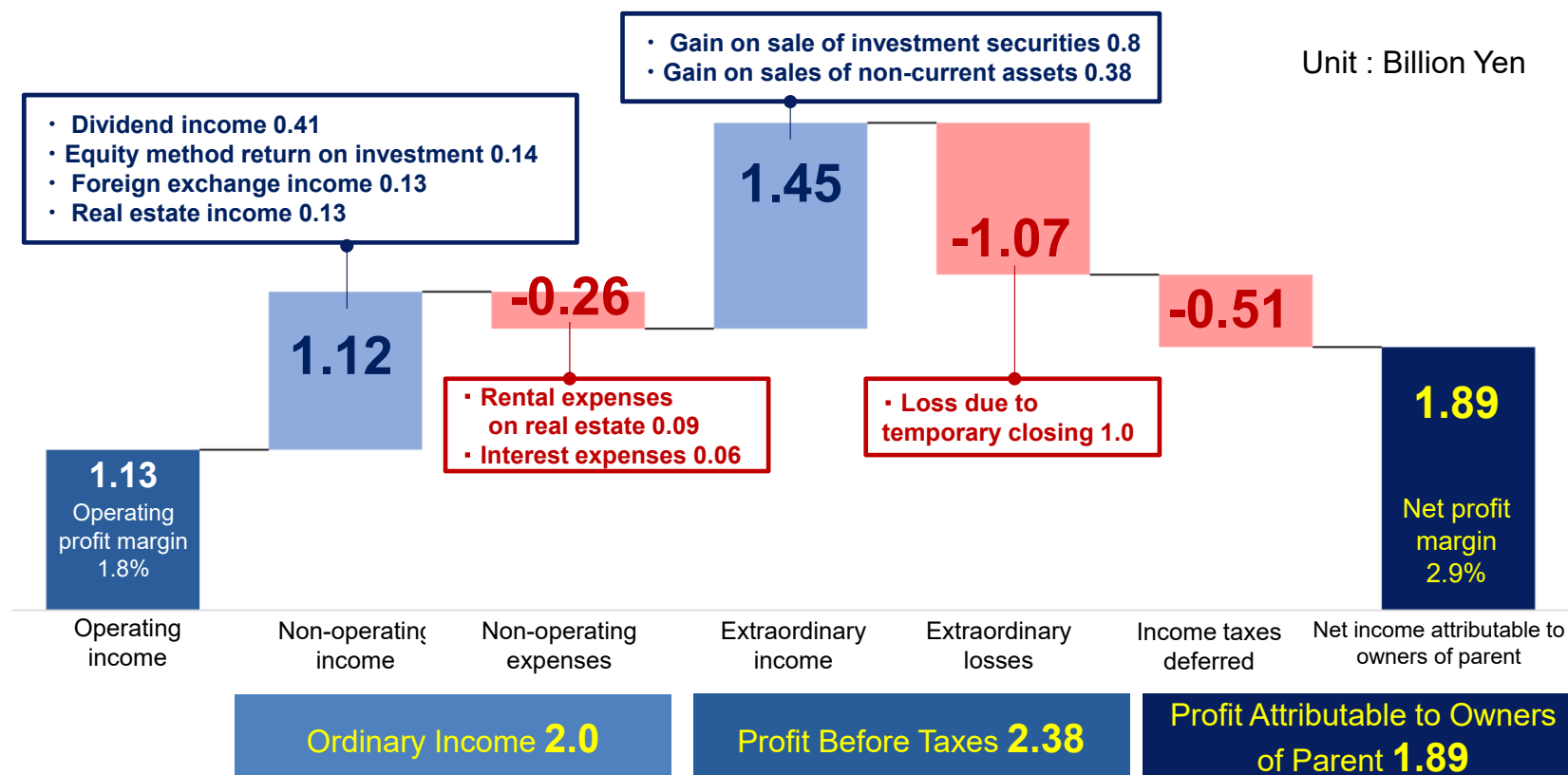
COVID-19 impacts caused loss due to temporary closing -¥1.0 billion, posting quarterly net income of **¥1.89 billion** and a profit margin of **2.9%**.

1ST Half
Operating Profit
1.13 Billion yen

Compared to year before last
Change +1.30 billion yen
YoY Change +11.60 billion yen

1ST Half
Quarterly Net Income
1.89 Billion yen

Compared to year before last
Change +0.84 billion yen
YoY Change +16.32 billion yen





2

1H Business Situation



About our strong businesses in Japan

(1) Golf, athleisure and street brand continued to drive profits.

(2) Ladies' brand business quickly shifted to an EC-centered strategy, making a big contribution to revenue.

We aim to expand the business domain with our strong business group in the future.

| Domestic strong business performance summary | | GOLF | STREET | WOMENS | |
|--|-----------------------------|---|--------------------|---------------------------------------|----------------------|
| Net Sales | 26.47 Billion yen | PEARLY GATES | STUSSY | Arpege story | E T R É T O K Y O |
| Operating Income | 3.43 Billion yen | Jack Bunny!! | UNION T O K Y O | Mystrada | Apuweiser-riche |
| Operating profit margin | 13.0% |  new balance golf | UNDEFEATED | PROPORTION B O D Y D R E S S I N G | N. |
| | | St ANDREWS S C O T L A N D | HUF | PINKY&DIANNE | MARGARET HOWELL |
| | | | | JILL by JILLSTUART | |

About our weak businesses in Japan

There are some businesses that are suffering from changing business model because they make up a significant proportion of store sales, occasion demands and purchased items.

As for the low profitable businesses, we will thoroughly review marketing, customers, design, product promotion, business structure and organizational structure.

We will focus on rapid business reform with an eye to closure.

In addition to the effect of the Olympics, we succeeded to get new fans by proposing new attractive products.

All five golf brands exceeded the plan, sales at last year and year before last as a result.



Contracted golfer Mone Inami won the Japan Women's Golf Championship Konica Minolta Cup, following her Olympic silver medal.

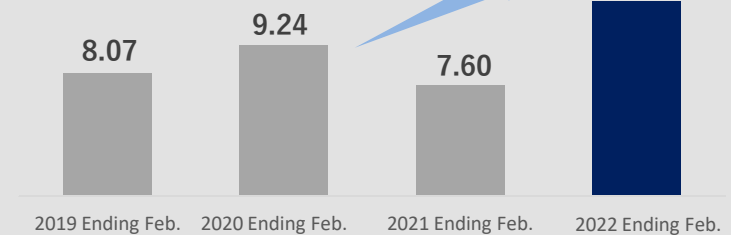


Jack Bunny!!

In addition to the release of "Doraemon" collaboration items, a golf competition was held at a golf course wrapped in the world of Doraemon.

1ST Half Net Seles in GOLF Category

Unit : Billion Yen



16 Street Category for 1H 02/FY22

Step into investments more on a brand business that drives the street boom.

HUF

After about 10 years, HUF opened a flagship shop again in San Francisco, where it was founded.



STÜSSY



“STÜSSY” opened a new flagship-shop in Shibuya. It was created as a global chapter whose interior was directed by design studio in Los Angeles.

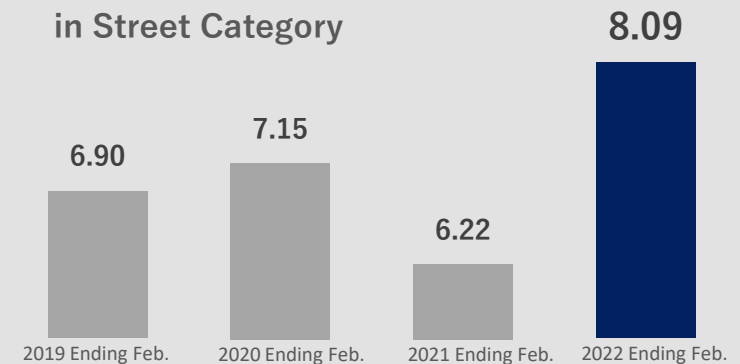
UNION **UNDEFEATED**

With UNION celebrating its 30th anniversary in its home country, products that attract attention from inside and outside the street industry are released every month from its individual brands and stores. Spurred by its popularity



1ST Half Net Seles
in Street Category

Unit : Billion Yen





3

Business Overview by Channel

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NATURAL BEAUTY BASIC

Sales Trends by Channel for 1H 02/FY22

Both composition rates of department stores and commercial facilities has decreased, but their sales has improved over 20% compared to the last year. EC channel went well. EC channels remained strong performance at **114.3%** compared to year before last and at **101.2%** compared to last year.

Meanwhile, overseas business was at **134.1%** compared to last year and shifted to a re-growth phase due to strong performance of TACTICS of the U.S.

| | 1 ST Half 2020 Ending Feb. | 1 ST Half 2021 Ending Feb. | 1 ST Half 2022 Ending Feb. | Growth by channel | |
|---------------------|--|--|--|-------------------------------------|--------------|
| | | | | compared to year before last (%) | YoY (%) |
| Domestic | 10.84 Billion yen (Composition Rate (%) : 13.2) | 5.10 Billion yen (Composition Rate (%) : 9.1) | 6.31 Billion yen (Composition Rate (%) : 9.8) | 58.2 | 123.6 |
| | 41.96 Billion yen (Composition Rate (%) : 51.3) | 22.76 Billion yen (Composition Rate (%) : 40.5) | 27.35 Billion yen (Composition Rate (%) : 42.3) | 65.2 | 120.2 |
| | 16.44 Billion yen (Domestic E-Commerce ratio(%) : 23.7) | 18.55 Billion yen (Domestic E-Commerce ratio(%) : 40.0) | 18.78 Billion yen (Domestic E-Commerce ratio(%) : 35.8) | 114.3 | 101.2 |
| Domestic Others(*2) | 9.06 Billion yen (Composition Rate (%) : 11.1) | 6.21 Billion yen (Composition Rate (%) : 11.1) | 7.43 Billion yen (Composition Rate (%) : 11.5) | 82.0 | 119.6 |
| Overseas(*3) | 3.52 Billion yen (Composition Rate (%) : 4.3) | 3.61 Billion yen (Composition Rate (%) : 6.4) | 4.85 Billion yen (Composition Rate (%) : 7.5) | 137.6 | 134.1 |

*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.

19 E-Commerce for 1H 02/FY22

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EC Business: **101.2%** year on year

TSI, which has a high ratio of EC, is at a plateau, but we will reinforce investments in systems and mechanisms for further growth.

Meanwhile, looking at the content of the revenue structure, the highly profitable in-house EC ratio is **47.9%**.

In-house EC sales grew steadily at **110.7%** year on year. Expansion of our own customer base is in good shape.

| | 1 ST Half 2020 Ending Feb. | 1 ST Half 2021 Ending Feb. | 1 ST Half 2022 Ending Feb. | compared to year before last (%) | YoY (%) |
|--|--|--|--|-------------------------------------|-------------------|
| Domestic E-Commerce (ratio(%)) ※ ¹ | 16.44 Billion yen (23.7) | 18.55 Billion yen (40.0) | 18.78 Billion yen (35.8) | 114.3 (+12.1pt) | 101.2 (▲4.2pt) |
| In-house EC (ratio(%)) | 5.17 Billion yen (31.5) | 8.12 Billion yen (43.8) | 8.99 Billion yen (47.9) | 173.8 (+16.4pt) | 110.7 (+4.1pt) |
| Overseas E-Commerce (ratio(%)) ※ ² | 0.22 Billion yen (6.3) | 1.47 Billion yen (40.9) | 1.60 Billion yen (33.0) | 720.9 (+26.7pt) | 108.5 (▲7.8pt) |
| E-Commerce TOTAL (ratio(%)) ※ ¹ | 16.66 Billion yen (22.9) | 20.03 Billion yen (40.0) | 20.38 Billion yen (35.6) | 122.4 (+12.7pt) | 101.8 (▲4.5pt) |

※¹ Domestic E-Commerce ratio excluding domestic and other sales (wholesale, company sales, etc.)

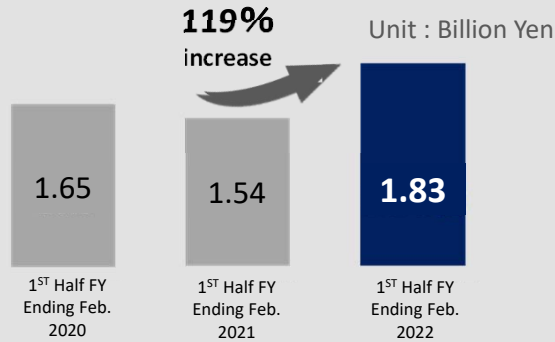
※² Results of Efuego Corp. which operates EC sites centering on Tactics.com in the U.S. is to be consolidated from the second quarter of 2021 and onward. The results are recorded in overseas sales.

**Brand action with a focus on digital communications.
Live commerce and the D2C brand have also been successful.**

Arpege story
Strengthen customer contact points through live commerce



EC sales increased 119% YoY.
In-house EC sales grew 162% YoY.



We enforced communication with customers through live commerce.

D2C brand “MECRE”
Full-scale debut this fall

MECRE



D2C brand debut directed by influencer "MAI" with some 150,000 followers. The first collection order-taking event held in July was far better than planned.

Some existing businesses has challenged new things, realizing collaboration with other brands and different types of industries.

and wander is gaining momentum, collaborating with 2 MONCLER 1952



The premium down jacket brand, Moncler, rolls out "Moncler Genius", out of the series and wander collaborates with "2 MONCLER 1952 MAN", attracting attention from home and abroad.

nano · universe high-function T-shirts Start selling products at convenience stores



nano universe, which has created popular T-shirts such as "Anti Soaked" (sweat stain prevention T-shirt) and "Jacket T" (T-shirt for jackets), has started to sell its products at convenience stores. Advance sale at Lawson

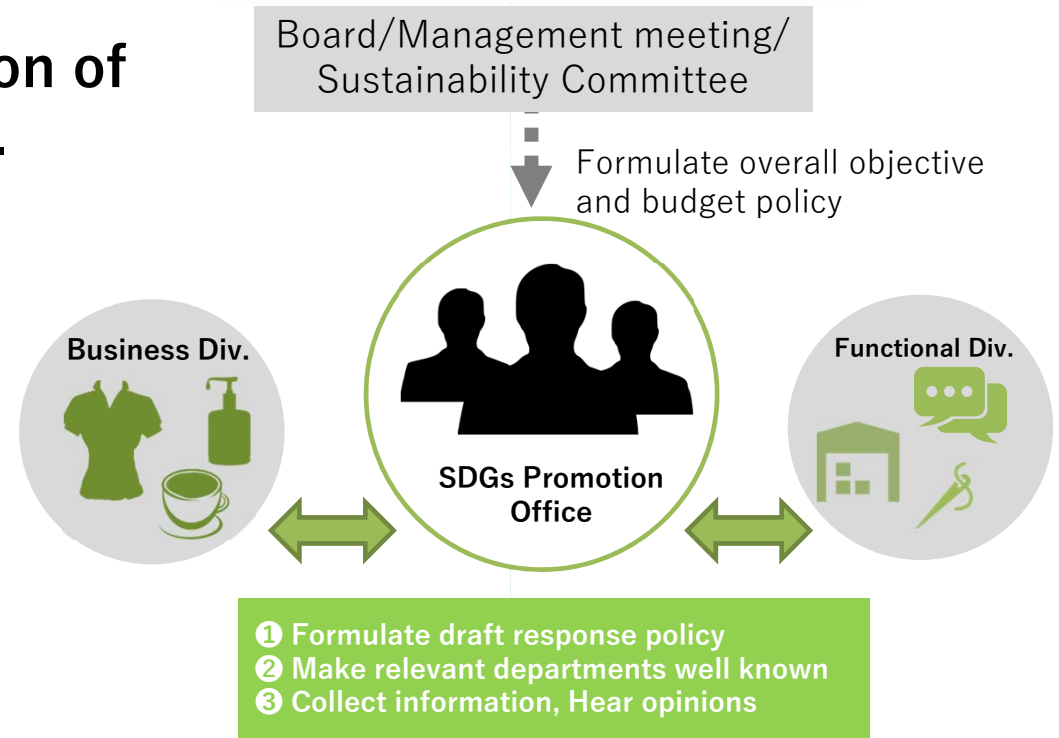
4 Action on SDGs





In order to accelerate the implementation of the SDGs, we set up a promotion office.

We have tried to realize a sustainable society with a project team. In order to work in unison, we set up a specialized office.



Environmental Initiatives expanding through Brands

Commence activities that consider the environment through business



Participation in “BRING™”, a clothing collection project



ETRÉ
TOKYO

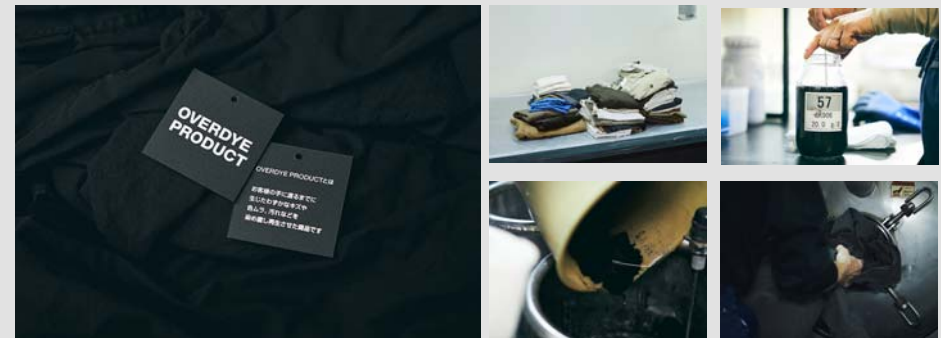
Participation in BRING™, which is produced by JEPLAN, INC., a clothing collection project to recycle unwanted clothing and textile products.

We will work together to achieve a recycling-oriented society.

Redyeing discarded products, we sell them as new products.

MHL,

Weaving flaws and uneven dyeing that occur during the manufacturing process. Things that do not interfere with daily use are reborn with new value as "OVERDYE PRODUCT". This fiscal year, the third in the series, we have expanded the initiative to five stores nationwide.



Achieve sustainable corporate growth through work style reforms

To become a company, which is selected by an excellent human resources even under the new values of the future, we pursue a comfortable work environment for employees, the driving force of the company.



Creating a safe working environment

We began distributing antigen test KITs to the entire group

We entered into a capital and business alliance (April 2021) with ICheck, a company that provides various testing services. As part of our efforts to establish a system that allows for easy testing, we began distributing antigen test KITs to the entire group in June, with all costs subsidized by us.

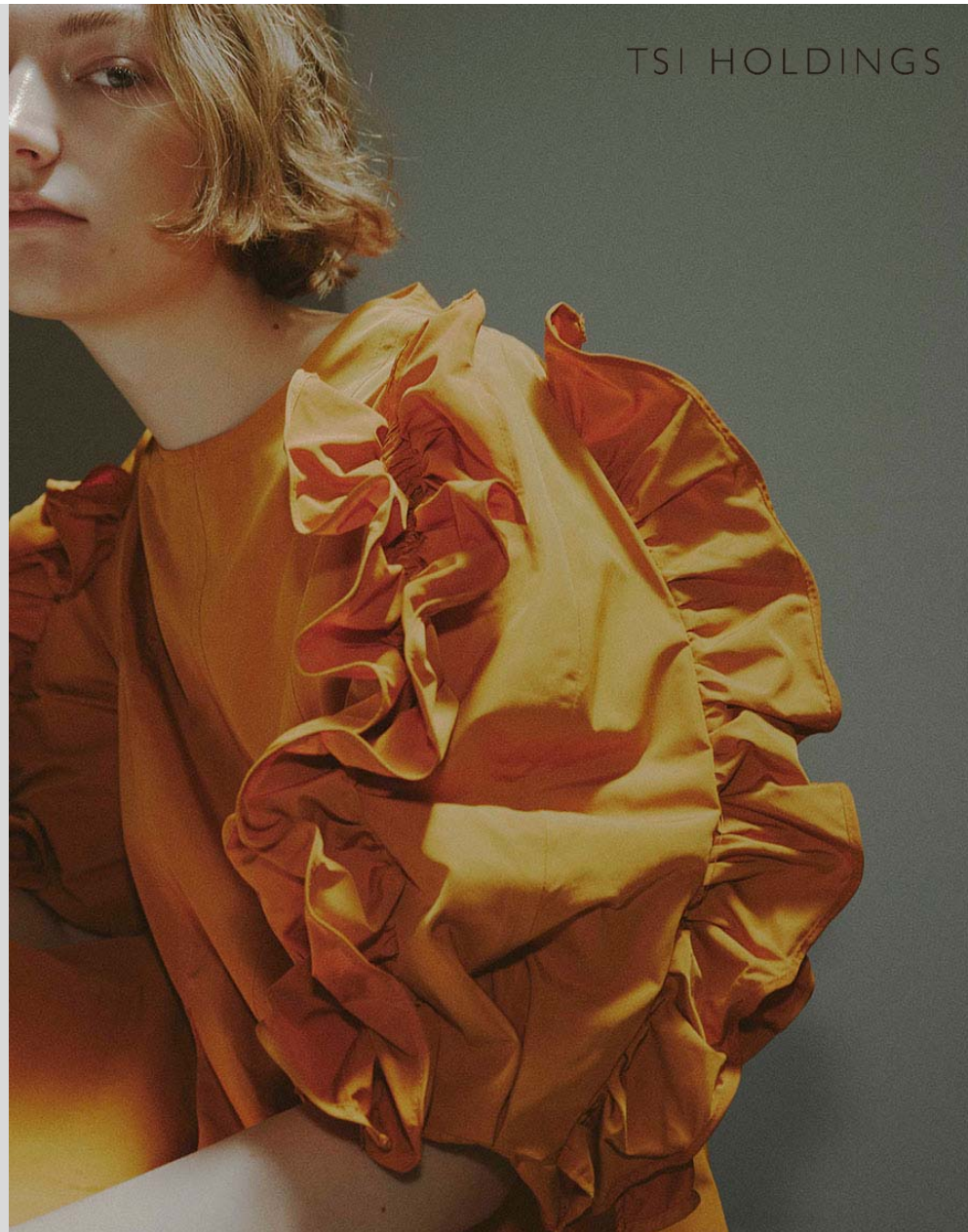


Realization of flexible working style and efficient working environment

Our work style reforms achieved working at home over 50%.

In order to support diverse and flexible work styles among employees, we encourage telework in principle in the COVID-19 pandemic (the company average attendance rate is over 50%). In addition, we started trial introduction of external share office space and paying telework allowance. We will continue to facilitate our work style reforms.





27 Balance Sheet and Future Investment Strategy

Our financial position continues to be sound.

Stimulate investment in business investments for 02/FY23.

We will continue to make effective use of funds.

Unit: Million Yen

| | 1ST Half 2021 Ending Feb. | | Cumulative Q1ST 2022 Ending Feb. | | 1ST Half 2022 Ending Feb. | | | | | |
|--|---------------------------|----------------------|----------------------------------|----------------------|---------------------------|----------------------|----------------|--------------|---------------|-------------|
| | Results | Composition Rate (%) | Results | Composition Rate (%) | Results | Composition Rate (%) | Y/Y Change | Y/Y (%) | Q1/Q4 Change | Q1/Q4 (%) |
| Current Assets | 69,048 | 44.8 | 76,430 | 51.5 | 73,439 | 50.6 | 4,391 | 106.4 | -2,992 | 96.1 |
| (of Cash and Deposits) | 31,477 | 20.4 | 42,817 | 28.9 | 40,440 | 27.9 | 8,963 | 128.5 | -2,376 | 94.4 |
| (of which, Inventory) | 21,913 | 14.2 | 18,793 | 12.7 | 18,716 | 12.9 | -3,197 | 85.4 | -77 | 99.6 |
| Non-current Assets | 85,187 | 55.2 | 71,899 | 48.5 | 71,713 | 49.4 | -13,474 | 84.2 | -186 | 99.7 |
| (of Investment Securities) | 24,583 | 15.9 | 29,440 | 19.8 | 28,865 | 19.9 | 4,282 | 117.4 | -575 | 98.0 |
| (of Investment Real estate) | 16,516 | 10.7 | 4,974 | 3.4 | 4,966 | 3.4 | -11,550 | 30.1 | -8 | 99.8 |
| Total Assets | 154,235 | 100.0 | 148,329 | 100.0 | 145,152 | 100.0 | -9,083 | 94.1 | -3,177 | 97.9 |
| Current Liabilities | 50,648 | 32.8 | 28,357 | 19.1 | 27,195 | 18.7 | -23,452 | 53.7 | -1,162 | 95.9 |
| (of Short-term borrowings) | 20,702 | 13.4 | 153 | 0.1 | 202 | 0.1 | -20,500 | 1.0 | 49 | 132.1 |
| (of Current portion of long-term borrowings) | 8,854 | 5.7 | 8,699 | 5.9 | 7,835 | 5.4 | -1,019 | 88.5 | -864 | 90.1 |
| Non-current Liabilities | 26,909 | 17.4 | 19,624 | 13.2 | 18,775 | 12.9 | -8,134 | 69.8 | -849 | 95.7 |
| (of Long-term borrowings) | 20,514 | 13.3 | 14,390 | 9.7 | 12,657 | 8.7 | -7,857 | 61.7 | -1,733 | 88.0 |
| Total Liabilities | 77,557 | 50.3 | 47,981 | 32.3 | 45,970 | 31.7 | -31,586 | 59.3 | -2,010 | 95.8 |
| Total Net Assets | 76,678 | 49.7 | 100,348 | 67.7 | 99,181 | 68.3 | 22,504 | 129.3 | -1,167 | 98.8 |
| Total Liabilities and Net Assets | 154,235 | 100.0 | 148,329 | 100.0 | 145,152 | 100.0 | -9,083 | 94.1 | -3,177 | 97.9 |

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> Cash & Deposits/Investment Securities

- Cash and deposits increased of ¥8.9 billion YoY. The main difference from the previous forecast is ¥2.3 billion in loan repayment.

- We will use cash and deposits and investment securities to strengthen DX investments and new business development. (Overseas business/new brand development /M&A)

> Inventory

- Purchasing was curtailed and inventories were significantly reduced.
- Inventories were suppressed to about 85.4% compared to the previous quarter and improved 3.1 billion yen.

> Capital adequacy ratio

- Capital adequacy ratio of 68.6%

About Global businesses-Introduction of the business in the U.S.



Based on our global strategy, we have organized growing businesses such as snowboarding, skateboarding and street. In order to show our uniqueness, we will make beneficial investment in strengthening cooperation in the United States, Japan and Asia.

1st half Net Sales 1.3 Billion Yen, OP 0.1 Billion Yen and OP ratio10.7%

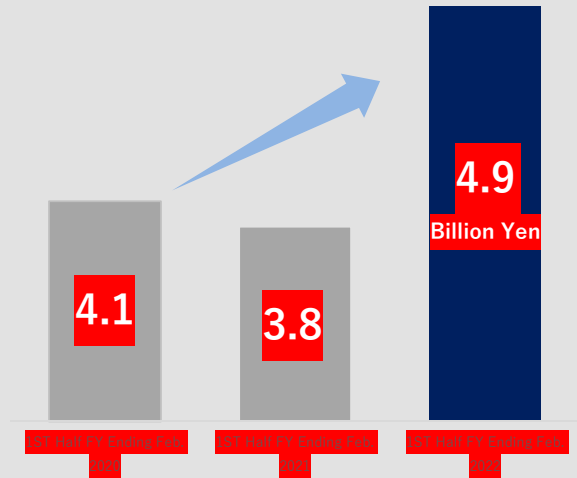


■ Store in Portland, which opened June in 2019.

Easing regulations as to covid-19 on May 2021 in the U.S, we could sell limited items on our stores, which has been sold on our website. The stores had a long line. It contributed to increase revenue in stores.

1st half Net sales in overseas

It's going well toward annual sales budget of 9.9 Billion Yen.



We will strengthen supply chain by digital transformation.

We will continue to strengthen efforts to innovate business models and systems using technology.

Started Smart Factory Custom-Made
We aim for profitability reform by small-lot production with short cycle.



TSI Sewing, which supports the Group's production, is developing custom-made production using the flexibility of the Yonezawa Smart Factory. We began production of FABRIC TOKYO's women's order brand "INCEIN" on consignment in August.

Obtained DX certification from the Ministry of Economy, Trade and Industry. We aim to improve brand power and corporate value with DX



We came to obtain the DX certification due to the following reasons: As a group-wide DX, we meet the certification standards set forth by the Ministry of Economy, Trade and Industry (METI) for the introduction of advanced technologies in Japan and abroad, such as 3D CAD systems and digital customer service tools, and for its industry-leading EC business initiatives, and appropriate information is disclosed to stakeholders.

(Reference) Regarding DX Certification System
https://www.meti.go.jp/policy/it_policy/investment/dx-nintei/dx-nintei.html



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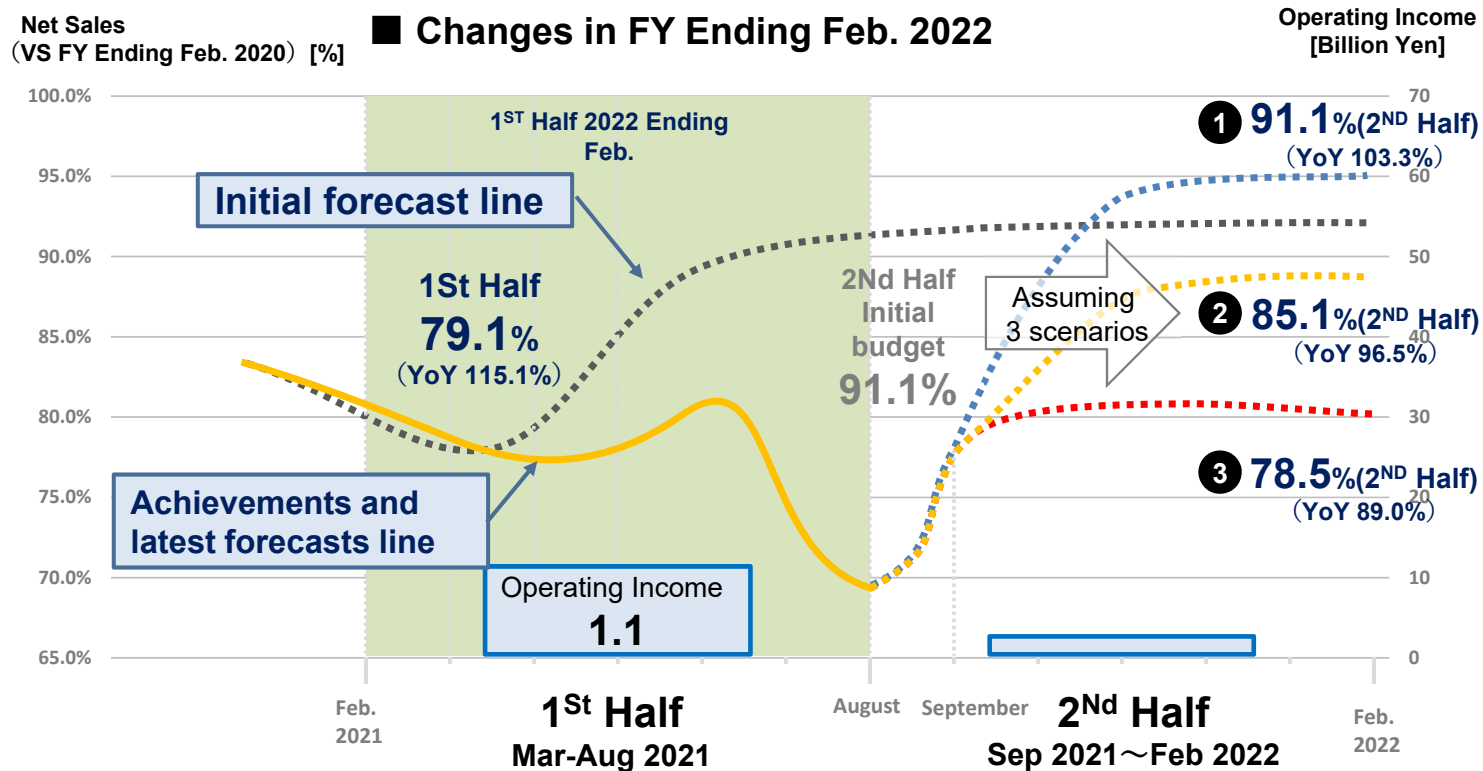
Full-year forecast



31 Sales performance and forecast

We will not change the full-year operating profit budget and net profit budget at this stage.

Although operating income in the first half was strong with a planned difference of +1.63 billion yen, business conditions on September, that is one of the most profitable months, was very tough compared to the budget. In order to improve profitability in November and December, we will take company-wide measures.



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Full-year sales budget
(compared to year before last)

89.6%

Full-year sales forecast
compared to year before last

82.2%

YoY 104.3%

Full-year operating income
budget

1.1 Billion Yen

Full-year Current Net
Income budget

1.66 Billion Yen

Reprint of the Results Briefing Q1ST of 2022 Ending Feb.

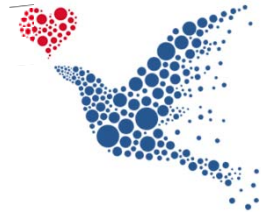


We will improve the soundness of the business with a precise management controlling.

Besides, we will achieve advanced business through supply chain reform, digital store development, new services, new content development, etc.

We will start activities to create new businesses without staying in this market.

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Striving to be the happiest fashion company in the world.

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





7

Reference Data

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Overview (June to August)

Unit: Million Yen

| | Q2ND 2021 Ending Feb. | | Q2ND 2022 Ending Feb. | | | |
|---|-----------------------|----------------------|-----------------------|----------------------|------------|---------|
| | Results | Composition Rate (%) | Results | Composition Rate (%) | Y/Y Change | Y/Y (%) |
| Net Sales | 34,588 | 100.0 | 30,536 | 100.0 | -4,052 | 88.3 |
| Gross Profit | 15,111 | 43.7 | 16,148 | 52.9 | 1,037 | 106.9 |
| SG&A Expenses | 19,134 | 55.3 | 17,288 | 56.6 | -1,846 | 90.3 |
| SG&A Expenses(excl. Goodwill Amortization, Depreciation and Amortization) | 17,961 | 51.9 | 16,288 | 53.3 | -1,673 | 90.7 |
| Goodwill Amortization | 197 | 0.6 | 194 | 0.6 | -2 | 98.6 |
| Depreciation and Amortization | 975 | 2.8 | 805 | 2.6 | -170 | 82.5 |
| Operating Income | -4,023 | -11.6 | -1,139 | -3.7 | 2,884 | - |
| Ordinary Income | -3,548 | -10.3 | -576 | -1.9 | 2,972 | - |
| Extraordinary Income | 351 | 1.0 | 928 | 3.0 | 577 | 264.2 |
| Extraordinary Loss | 693 | 2.0 | 469 | 1.5 | -224 | 67.7 |
| Profit Before Taxes | -3,891 | -11.2 | -117 | -0.4 | 3,773 | - |
| Profit Attributable to Owners of Parent | -3,979 | -11.5 | -540 | -1.8 | 3,438 | - |
| EBITDA ※ | -2,850 | -8.2 | -139 | -0.5 | 2,711 | - |

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

Overview (March to August)

Unit: Million Yen

| | 1ST Half 2021 Ending Feb. | | 1ST Half 2022 Ending Feb. | | | |
|---|---------------------------|----------------------|---------------------------|----------------------|------------|---------|
| | Results | Composition Rate (%) | Results | Composition Rate (%) | Y/Y Change | Y/Y (%) |
| Net Sales | 56,270 | 100.0 | 64,751 | 100.0 | 8,480 | 115.1 |
| Gross Profit | 24,169 | 43.0 | 35,294 | 54.5 | 11,125 | 146.0 |
| SG&A Expenses | 34,639 | 61.6 | 34,160 | 52.8 | -478 | 98.6 |
| SG&A Expenses(excl. Goodwill Amortization, Depreciation and Amortization) | 32,507 | 57.8 | 32,238 | 49.8 | -268 | 99.2 |
| Goodwill Amortization | 389 | 0.7 | 389 | 0.6 | - | 99.9 |
| Depreciation and Amortization | 1,742 | 3.1 | 1,532 | 2.4 | -209 | 88.0 |
| Operating Income | -10,469 | -18.6 | 1,134 | 1.8 | 11,603 | - |
| Ordinary Income | -9,642 | -17.1 | 2,002 | 3.1 | 11,645 | - |
| Extraordinary Income | 418 | 0.7 | 1,443 | 2.2 | 1,024 | 344.5 |
| Extraordinary Loss | 4,014 | 7.1 | 1,067 | 1.6 | -2,946 | 26.6 |
| Profit Before Taxes | -13,237 | -23.5 | 2,378 | 3.7 | 15,616 | - |
| Profit Attributable to Owners of Parent | -14,434 | -25.7 | 1,890 | 2.9 | 16,324 | - |
| EBITDA ※ | -8,337 | -14.8 | 3,056 | 4.7 | 11,393 | - |

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

Net Sales Per Channel

Unit: Million Yen

| | 1ST Half 2021 Ending Feb. | | 1ST Half 2022 Ending Feb. | | | |
|---------------------------|---------------------------|----------------------|---------------------------|----------------------|---------|-----------------------------|
| | Results (Million yen) | Composition Rate (%) | Results (Million yen) | Composition Rate (%) | Y/Y (%) | Composition Rate Y/Y Change |
| Department Stores | 5,107 | 9.1 | 6,314 | 9.8 | 123.6 | 0.7 |
| Commercial Facilities(*1) | 22,768 | 40.5 | 27,359 | 42.3 | 120.2 | 1.8 |
| In-house EC | 8,124 | 14.4 | 8,993 | 13.9 | 110.7 | -0.5 |
| 3rd Party | 10,434 | 18.5 | 9,792 | 15.1 | 93.8 | -3.4 |
| E-Commerce | 18,559 | 33.0 | 18,785 | 29.0 | 101.2 | -4.0 |
| Others(*2) | 6,218 | 11.1 | 7,438 | 11.5 | 119.6 | 0.4 |
| Domestic | 52,653 | 93.6 | 59,898 | 92.5 | 113.8 | -1.1 |
| E-Commerce | 1,508 | 2.7 | 1,603 | 2.5 | 106.3 | -0.2 |
| Overseas(*3) | 3,617 | 6.4 | 4,852 | 7.5 | 134.1 | 1.1 |
| E-Commerce TOTAL | 20,067 | 35.7 | 20,388 | 31.5 | 101.6 | -4.2 |
| TOTAL | 56,270 | 100.0 | 64,751 | 100.0 | 115.1 | - |

*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.

Unit: Million Yen

Brands Overview

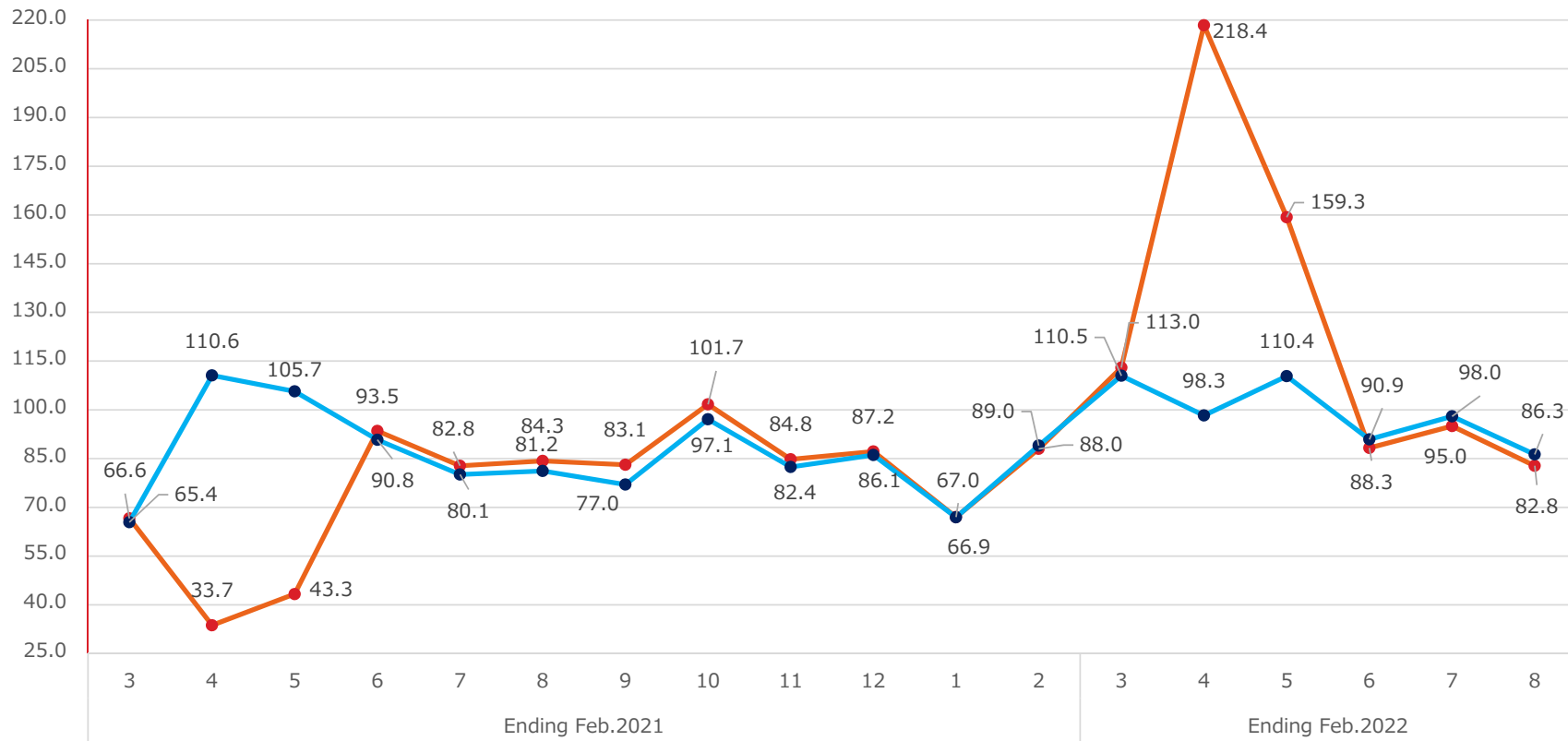
| | 1ST Half 2021 Ending Feb. | | | 1ST Half 2022 Ending Feb. | | | Y/Y | |
|-------------------------|---------------------------|----------------------|------------------------|---------------------------|----------------------|------------------------|--------------|-------------------------|
| | Sales | Composition Rate (%) | Gross Profit Ratio (%) | Sales | Composition Rate (%) | Gross Profit Ratio (%) | Sales (%) | Gross Profit Ratio (pt) |
| 1. nano · universe | 8,004 | 14.2 | 36.1 | 7,598 | 11.7 | 46.2 | 94.9 | +10.1 |
| 2. PEARLY GATES | 5,315 | 9.4 | 47.2 | 7,136 | 11.0 | 63.6 | 134.3 | +16.4 |
| 3. MARGARET HOWELL | 3,509 | 6.2 | 43.4 | 5,173 | 8.0 | 66.4 | 147.4 | +23.1 |
| 4. NATURAL BEAUTY BASIC | 5,066 | 9.0 | 43.1 | 4,978 | 7.7 | 58.8 | 98.3 | +15.6 |
| 5. HUF | 1,778 | 3.2 | 45.6 | 2,749 | 4.2 | 51.2 | 154.6 | +5.6 |
| 6. AVIREX | 2,359 | 4.2 | 55.4 | 2,535 | 3.9 | 59.4 | 107.4 | +3.9 |
| 7. UNDEFEATED | 1,887 | 3.4 | 40.6 | 2,493 | 3.9 | 41.7 | 132.1 | +1.2 |
| 8. STUSSY | 2,049 | 3.6 | 62.9 | 2,076 | 3.2 | 70.1 | 101.3 | +7.2 |
| 9. ROSE BUD | 1,839 | 3.3 | 34.5 | 1,669 | 2.6 | 45.0 | 90.8 | +10.5 |
| 10. new balance golf | 1,069 | 1.9 | 37.1 | 1,646 | 2.5 | 57.8 | 153.9 | +20.6 |
| TOP10 | 32,880 | 58.4 | 43.6 | 38,057 | 58.8 | 56.6 | 115.7 | +13.0 |
| Other Brands | 21,479 | 38.2 | 42.6 | 26,649 | 41.2 | 51.6 | 124.1 | +8.9 |
| Continuing Brands | 54,360 | 96.6 | 43.2 | 64,707 | 99.9 | 54.5 | 119.0 | +11.3 |
| Closed Brands | 1,910 | 3.4 | 35.7 | 43 | 0.1 | 114.0 | 2.3 | +78.3 |
| TOTAL | 56,270 | 100.0 | 43.0 | 64,751 | 100.0 | 54.5 | 115.1 | +11.6 |

Domestic Monthly Sales Information

1ST Half 2021 Ending Feb.
 All Stores : 66.6%
 Existing Stores : 82.0%

● All Stores ● Existing Stores

Q1ST 2022 Ending Feb.
 All Stores : 149.2%
 Existing Stores : 108.0%



The Number of Stores

| | | 1ST Half 2021 Ending Feb. | FY Ending Feb. 2021 | Store Open | Store Close | 1ST Half 2022 Ending Feb. | Y/Y Change | Q2/Q4 Change |
|--------------|--------------|------------------------------|------------------------|---------------|----------------|------------------------------|---------------|-----------------|
| Apparel | Domestic | 983 | 872 | +19 | -43 | 848 | -135 | -24 |
| | Overseas | 64 | 52 | +1 | -5 | 48 | -16 | -4 |
| | Total | 1,047 | 924 | +20 | -48 | 896 | -151 | -28 |
| Restaurant | Domestic | 11 | 9 | - | - | 9 | -2 | - |
| Cosmetics | Domestic | 27 | 33 | +4 | -5 | 32 | +5 | -1 |
| Total | | 1,085 | 966 | +24 | -53 | 937 | -148 | -29 |



TSI HOLDINGS GROUP

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.