



Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2018 (Japanese GAAP)

July 28, 2017

Company name: Sac's Bar Holdings Inc. Stock exchange: Tokyo Stock Exchange
 Code number: 9990 URL: <http://www.sacs-bar.co.jp>
 Representative: Takeshi Kiyama, President and Representative Director
 Contact: Yoh Yamada, Managing Director/General Manager, Administration Division
 Tel. +81-3-3654-5315

Scheduled date of filing quarterly report : August 8, 2017
 Scheduled date of starting distributing dividends : –
 Supplementary materials prepared for quarterly financial results : None
 Quarterly results briefing : None

(Million yen, rounded down)

1. Consolidated financial results for the first quarter of the fiscal year ending March 31, 2018 (April 1 – June 30, 2017)

(1) Consolidated operating results (year-to-date) (Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	(Million yen)	%	(Million yen)	%	(Million yen)	%	(Million yen)	%
FY2017 1Q	13,346	0.1	862	-5.4	875	-5.4	543	-7.1
FY2016 1Q	13,328	-0.1	911	-6.0	925	-5.6	584	-3.3

Note: Comprehensive income: FY2017 1Q JPY562 million (-9.4%); FY2016 1Q JPY620 million (2.2%)

	Net income per share	Diluted net income per share
	(Yen)	(Yen)
FY2017 1Q	18.45	-
FY2016 1Q	19.86	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	(Million yen)	(Million yen)	%
FY2017 1Q	38,014	25,999	68.1
FY2016	38,671	26,235	67.5

Reference: Shareholders' equity: FY2017 1Q JPY25,888 million; FY2016 JPY26,121 million

2. Dividends

	Annual dividends per share				
	1Q end	2Q end	3Q end	Year-end	Total
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
FY2016	-	0.00	-	27.00	27.00
FY2017	-				
FY2017 (projected)		0.00	-	27.00	27.00

Note: Revisions to most recently announced projected dividends: None

3. Forecast of Consolidated Operating Results for the fiscal year ending March 31, 2018
(April 1, 2017 - March 31, 2018)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net profit attributable to owners of parent		Net income per share
	(Million yen)	%	(Million yen)	%	(Million yen)	%	(Million yen)	%	(Yen)
Second Quarter (consolidated)	28,420	3.7	2,116	0.7	2,131	0.1	1,313	-0.9	44.60
Full-year	58,634	3.3	4,575	2.5	4,606	1.8	2,781	4.6	94.43

Note: Revisions to most recently announced consolidated results forecast: None

Notes:

- (1) Significant changes in consolidated subsidiaries during the period (changes in specific subsidiaries resulting in changes in the scope of consolidation) : None
- (2) Application of special accounting methods in preparation of quarterly consolidated financial statements : None
- (3) Changes in accounting policies, changes in accounting estimates, and revisions and restatements
- (i) Changes in accounting policies in accordance with changes in accounting standards, etc. : None
 - (ii) Changes in accounting policies other than the above : None
 - (iii) Changes in accounting estimates : None
 - (iv) Revisions and restatements : None

(4) Number of shares issued and outstanding (common stock)

(i) Number of shares issued and outstanding as of end of period (including treasury stock):	FY2017 1Q	29,859,900 shares	FY2016	29,859,900 shares
(ii) Treasury stock as of end of period:	FY2017 1Q	402,465 shares	FY2016	402,465 shares
(iii) Average number of shares issued and outstanding during period (quarterly cumulative):	FY2017 1Q	29,457,435 shares	FY2016 1Q	29,457,959 shares

* This quarterly summary of financial statements is not subject to quarterly review procedures.

* Explanation concerning appropriate use of forecasts of business performance and other notes: Forecasts of business performance and other forward-looking statements in this document are based on information currently available and certain assumptions that the Company considers reasonable at the time of preparation and are not intended as a promise that such forecasts will be achieved. Actual results may differ materially due to various causes. For information including the assumptions of the forecasts of business performance and notes on their use, see "(3) Forward-Looking Statements Including Forecasts of Future Consolidated Results" under "1. Qualitative Information on this Quarterly Financial Report" on p. 2 of the attached document.

1. Qualitative Information on this Quarterly Financial Report

(1) Operating Results

During this period, Japan's economy continued a moderate recovery trend due mainly to the government's economic measures and the BOJ's monetary easing measures, but the outlook of the economy remained uncertain, due mainly to concerns over policy developments in the US and the political climate in Europe, as well as a slowdown in the economies of the Asian rising nations, including China.

In the retail industry, despite expectations for the effects of improvements in employment and income conditions, deflationary trends were seen in part as consumers continued to adopt a more defensive stance toward spending and market competition was intensified, resulting in a difficult management environment.

Under such conditions, the Sac's Bar Group took aggressive steps to grow its businesses, but in the first quarter of this consolidated fiscal year, the Group recorded net sales of JPY13,346 million (up 0.1% YoY), which were almost flat compared with the first quarter of the previous year, operating income of JPY862 million (down 5.4% YoY), ordinary income of JPY875 million (down 5.4% YoY), and profit attributable to owners of parent of JPY543 million (down 7.1% YoY).

Since the Group employs only one reporting segment, it does not present results differentiated by business segment.

Conditions by business section are outlined below. Figures shown below are after elimination of transactions conducted within business sections but before elimination of transactions between business sections.

<Retail and Other Businesses>

In the retail business, we strived to enhance our store network by aggressively opening 10 new stores. We closed three stores during this period.

A look at net sales shows that existing-store sales were weak, falling by 3.2% YoY. Sales of handbags increased by 18.6% YoY due to a considerable growth in sales of items mainly under both private brands and tie-up brands. Sales of imported bags increased by 7.9% YoY due mainly to strong sales of Coach and Kipling. Among wallets and accessories, sales of wallets fell by 3.8% YoY, and sales of accessories fell by 1.2% YoY. In the categories of men's bags and travel bags, sales of men's bags fell by 2.1% YoY, while sales of travel bags, which were almost flat compared with the previous year, decreased by 0.1% YoY. Sales of casual bags slumped by 16.9% YoY due to a big fall in sales of some products under tie-ups with popular apparel brands.

As a result, net sales in these businesses totaled JPY12,631 million (down 0.2% YoY). Gross profit margin improved 0.3 percentage points YoY to 48.5%, while the selling, general, and administrative (SG&A) expense ratio increased by 0.7 percentage points YoY to 42.3%.

<Manufacturing, Wholesaling Businesses>

In the manufacturing and wholesaling businesses, we strived to grow sales by focusing on expansion of sales of existing brands along with increasing the number of stores dealing in LOJEL brand carry-on luggage, which we started to sell in January 2017.

As a result, net sales in these businesses totaled JPY867 million (up 9.2% YoY).

(2) Financial Position

(Total Assets)

Total assets at the end of the first quarter of this consolidated fiscal year were down JPY656 million from the end of the previous consolidated financial year to JPY38,014 million. This was due mainly to

factors such as a decrease of JPY533 million in cash and deposits, and a decrease of JPY634 million in notes and accounts receivable-trade, despite an increase of JPY585 million in merchandise and finished goods.

(Liabilities)

Total liabilities at the end of the first quarter of this consolidated fiscal year were down JPY421 million from the end of the previous consolidated financial year to JPY12,015 million. This was due mainly to factors such as a decrease of JPY618 million in income taxes payable and a decrease of JPY216 million in provision for bonuses, offsetting an increase of JPY177 million in notes and accounts payable-trade.

(Net Assets)

Net assets at the end of the first quarter of this consolidated fiscal year were down JPY235 million from the end of the previous consolidated financial year to JPY25,999 million. This reflected the recording of JPY543 million in profit attributable to owners of parent, offsetting a reduction due to the payment of JPY795 million in dividends of surplus.

(Equity Ratio)

The equity ratio stood at 68.1% as of the end of the first quarter of this consolidated fiscal year, up 0.6 percentage points from the end of the previous consolidated financial year.

(3) Forward-Looking Statements Including Forecasts of Future Consolidated Results

As for the Forecast of the Second Quarter of This Consolidated Fiscal Year and Full-year Consolidated Operating Results, no revision has been made to the forecast announced on May 10, 2017.

2. Quarterly Consolidated Financial Statements and Main Notes

(1) Quarterly Consolidated Balance Sheet

(Unit: JPY thousands)

	Previous consolidated fiscal year (March 31, 2017)	First quarter of this consolidated fiscal year (June 30, 2017)
Assets		
Current assets		
Cash and deposits	3,468,323	2,934,669
Notes and accounts receivable-trade	4,123,013	3,488,822
Merchandise and finished goods	13,142,771	13,727,974
Raw materials and supplies	83,413	65,712
Deferred tax assets	261,013	100,207
Other	123,768	166,063
Total current assets	21,202,305	20,483,449
Non-current assets		
Property, plant, and equipment		
Buildings and structures (net)	2,376,610	2,408,416
Land	1,921,930	1,921,930
Leased assets (net)	1,007,403	1,028,706
Other (net)	476,906	500,517
Total property, plant, and equipment	5,782,850	5,859,570
Intangible assets	49,683	47,201
Investments and other assets		
Investment securities	3,293,202	3,320,894
Net defined benefit asset	123,235	127,694
Deferred tax assets	603,091	592,553
Lease and guarantee deposits	6,969,792	6,937,920
Other	714,653	712,621
Allowance for doubtful accounts	-57,324	-57,324
Allowance for investment loss	-10,000	-10,000
Total investments and other assets	11,636,651	11,624,359
Total non-current assets	17,469,185	17,531,132
Total assets	38,671,491	38,014,581

Company name: Sac's Bar Holdings Inc. (9990)
Summary of Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2018
(Japanese GAAP)

(Unit: JPY thousands)

	Previous consolidated fiscal year (March 31, 2017)	First quarter of this consolidated fiscal year (June 30, 2017)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	3,836,271	4,014,123
Short-term loans payable	20,000	12,500
Lease obligations	408,253	421,241
Income taxes payable	791,067	172,312
Provision for bonuses	373,338	156,563
Provision for directors' bonuses	42,850	13,200
Provision for shareholder benefit program	19,000	12,350
Other	2,062,330	2,324,358
Total current liabilities	7,553,111	7,126,649
Non-current liabilities		
Bonds payable	1,700,000	1,700,000
Lease obligations	816,198	806,247
Provision for directors' retirement benefits	122,406	123,631
Net defined benefit liability	997,696	1,013,360
Deferred tax liabilities	28,651	28,592
Asset retirement obligations	678,983	686,440
Other	539,371	530,080
Total non-current liabilities	4,883,307	4,888,353
Total liabilities	12,436,419	12,015,003
Net assets		
Shareholders' equity		
Capital stock	2,986,400	2,986,400
Capital surplus	4,569,597	4,569,597
Retained earnings	18,505,036	18,253,276
Treasury stock	-109,579	-109,579
Total shareholders' equity	25,951,455	25,699,694
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	180,471	199,684
Remeasurements of defined benefit plans	-10,667	-10,804
Total accumulated other comprehensive income	169,804	188,879
Subscription rights to shares	113,813	111,004
Total net assets	26,235,072	25,999,578
Total liabilities and net assets	38,671,491	38,014,581

Company name: Sac's Bar Holdings Inc. (9990)
Summary of Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2018
(Japanese GAAP)

(2) Quarterly Consolidated Income Statement and Quarterly Consolidated Statement of Comprehensive Income

Quarterly Consolidated Income Statement
First quarter of this consolidated fiscal year

	First quarter of previous consolidated fiscal year (April 1 – June 30, 2016)	First quarter of this consolidated fiscal year (April 1 – June 30, 2017)
	(Unit: JPY thousands)	
Net sales	13,328,522	13,346,517
Cost of sales	6,942,591	6,915,152
Gross profit	6,385,930	6,431,364
Selling, general, and administrative expenses	5,474,165	5,568,523
Operating income	911,764	862,840
Non-operating income		
Interest income	16,042	16,122
Dividend income	624	1,181
Other	12,042	9,392
Total non-operating income	28,709	26,696
Non-operating expenses		
Interest expenses	11,384	10,982
Other	3,707	3,016
Total non-operating expenses	15,091	13,999
Ordinary income	925,383	875,537
Extraordinary income		
Gain on reversal of subscription rights to shares	-	2,808
Total extraordinary income	-	2,808
Extraordinary losses		
Loss on retirement of non-current assets	9,399	2,177
Loss on closing of stores	13,760	10,604
Impairment loss	537	7,386
Total extraordinary losses	23,696	20,168
Income before taxes and minority interests	901,687	858,178
Income taxes-current	121,140	151,720
Income taxes-deferred	195,655	162,867
Total income taxes	316,796	314,588
Net income	584,890	543,590
Profit attributable to owners of parent	584,890	543,590

Company name: Sac's Bar Holdings Inc. (9990)
Summary of Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2018
(Japanese GAAP)

Quarterly Consolidated Statement of Comprehensive Income
First quarter of this consolidated fiscal year

	First quarter of previous consolidated fiscal year (April 1 – June 30, 2016)	First quarter of this consolidated fiscal year (April 1 - June 30, 2017)
(Unit: JPY thousands)		
Net income	584,890	543,590
Other comprehensive income		
Valuation difference on available-for-sale securities	31,814	19,213
Remeasurements of defined benefit plans	4,175	-137
Total other comprehensive income	35,990	19,075
Comprehensive income	620,881	562,665
(Breakdown)		
Comprehensive income attributable to owners of parent	620,881	562,665
Comprehensive income attributable to non-controlling interests	-	-

(3) Notes on Consolidated Quarterly Financial Statements

(Notes on going-concern assumption)

Not applicable

(Notes on significant changes in amount of shareholders' equity)

Not applicable

(Segment information, etc.)

Since the Group employs only one reporting segment, it does not present results differentiated by business segment.