



Summary of Consolidated Financial Results for
the Second Quarter of the Fiscal Year Ending March 31, 2016 (Japanese GAAP)

October 30, 2015

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
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Tel. +81-3-3654-5315
Scheduled date of filing quarterly report: November 9, 2015
Scheduled date of starting distributing dividends
Supplementary materials prepared for quarterly financial results: Yes
Quarterly results briefing held: Yes (For institutional investors and securities analysts)

(Million yens, rounded down)

1. Consolidated financial results for the second quarter of the fiscal year ending March 31, 2016
(April 1 - September 30, 2015)

(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	
	(Millions yen)	%	(Millions yen)	%	(Millions yen)	%	(Millions yen)	%
FY2015 2Q	27,673	8.4	2,365	10.5	2,380	10.6	1,474	19.6
FY2014 2Q	25,540	6.6	2,141	8.4	2,152	8.5	1,232	11.5

Note: Comprehensive income: FY2015 2Q JPY1,480 million (20.0%);
FY2014 2Q JPY1,233 million (11.3%)

	Net income per share	Diluted net income per share
	(Yen)	(Yen)
FY2015 2Q	50.06	50.04
FY2014 2Q	42.48	42.35

Note: The Company conducted a 1.5-for-1 stock split of common stock with an effective date of October 1, 2014. Accordingly, net income per share and diluted net income per share above have been calculated assuming that the stock split had been conducted at the start of the previous consolidated fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	(Millions yen)	(Millions yen)	%
FY2015 2Q	35,037	22,689	64.6
FY2014	34,377	21,915	63.7

Reference: Shareholders' equity: FY2015 2Q JPY22,651 million; FY2014 JPY21,909 million

2. Dividends

	Annual dividends per share				
	1Q end	2Q end	3Q end	Year-end	Total
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
FY2014	—	0.00	—	25.00	25.00
FY2015	—	0.00			
FY2015 (projected)			—	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, 2016 (April 1, 2015 - March 31, 2016)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	(Millions yen)	%	(Millions yen)	%	(Millions yen)	%	(Millions yen)	%	(Yen)
Full-year	56,463	5.7	5,159	9.8	5,153	9.3	3,035	9.9	103.03

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.: Yes
 - (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):
 - (ii) Treasury stock as of end of period:
 - (iii) Average number of shares issued and outstanding during period (quarterly cumulative):

FY2015 2Q	29,859,900 shares	FY2014	29,859,900 shares
FY2015 2Q	401,710 shares	FY2014	401,010 shares
FY2015 2Q	29,458,474 shares	FY2014 2Q	29,020,939 shares

Note: The Company conducted a 1.5-for-1 stock split of common stock with an effective date of October 1, 2014. Accordingly, numbers of shares above have been calculated assuming that the stock split had been conducted at the start of the previous consolidated fiscal

year.

* Statement on execution of quarterly review procedures:

This quarterly summary of financial statements is not subject to quarterly review procedures pursuant to the Financial Instruments and Exchange Act. At the time this quarterly summary was made public, the review procedures for quarterly financial statements pursuant to the Financial Instruments and Exchange Act had not been completed.

* 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. 3 of the attached document.

Wednesday, November 18, 2015 – Information meeting arranged relating to financial results for institutional investors and securities analysts.

1. Qualitative Information on this Quarterly Financial Report

(1) Operating Results

During this period Japan's economy remained on a gentle growing trend that included improved corporate earnings, driven by government economic policies and monetary easing by the Bank of Japan. Meanwhile, the outlook of the economy remains uncertain, reflecting the slowdown in China's economy.

In the retail industry, despite expectations for the effects of improvements in employment and income conditions, personal consumption fell overall as consumers became more cautious about purchases due to rising prices caused by factors including the increase in consumption tax in April of last year and the effects of the devalued yen.

Under such conditions, the Sac's Bar Group took aggressive steps to grow its businesses, as a result recording in the second quarter of this consolidated fiscal year net sales of JPY27,673 million (up 8.4% YoY), operating income of JPY2,365 million (up 10.5% YoY), ordinary income of JPY2,380 million (up 10.6% YoY), and profit attributable to owners of parent of JPY1,474 million (up 19.6% 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 28 new stores.

We closed nine stores during this period.

A look at net sales shows that existing-store sales were generally strong, rising by 101.8% YoY.

Sales of casual bags increased by 12.8% YoY thanks to enhancement of tie-ups with popular apparel brands. Sales of handbags rose significantly by 9.9% YoY due to considerable growth in sales of handbags under both private brands and tie-up brands, since. Among wallets and accessories, while sales of wallets rose by 12.1% YoY thanks to measures including enhancement of tie-ups with popular apparel brands, a lack of hit products in the accessories category meant that sales of accessories fell by 5.1% YoY. In the categories of men's and travel bags, men's bags showed strong sales growth of 11.3% YoY, while sales of travel bags were up 4.4% YoY. Sales of imported bags increased by 1.8% YoY.

As a result, net sales in these businesses totaled JPY26,186 million (up 7.7% YoY). Gross margin was 47.9%, while the selling, general and administrative (SG&A) expense ratio was 39.5%.

Manufacturing, Wholesaling Businesses

In the manufacturing and wholesaling businesses, we strived to grow sales by enhancing our marketing abilities together with focusing on product development.

As a result, net sales in these businesses totaled JPY1,693 million.

(2) Financial Position

Total Assets:

Total assets at the end of the second quarter of this consolidated fiscal year were up JPY659 million from the end of the previous consolidated financial year to JPY35,037 million. This was due mainly to

factors such as increases of JPY518 million in merchandise and finished goods, JPY301 million in investment securities and JPY289 million in property, plant and equipment, despite decreases of JPY401 million in cash and deposits, and JPY344 million in notes and accounts receivable-trade.

Liabilities:

Total liabilities at the end of the second quarter of this consolidated fiscal year were down JPY113 million from the end of the previous consolidated financial year to JPY12,348 million. This was due mainly to factors such as decreases of JPY90 million in accrued income taxes and JPY265 million in other current liabilities despite increases of JPY97 million in notes and accounts payable-trade and JPY149 million in lease obligations.

Net Assets:

Net assets at the end of the second quarter of this consolidated fiscal year were up JPY773 million from the end of the previous consolidated financial year to JPY22,689 million. This reflected the recording of JPY1,474 million in profit attributable to owners of parent after a reduction due to the payment of JPY736 million in dividends.

Equity Ratio:

The equity ratio stood at 64.6% as of the end of the second quarter of this consolidated fiscal year, up 0.9 points from the end of the previous consolidated financial year.

Cash Flows:

Cash and cash equivalents were JPY4.702 billion at the end of the second quarter of this consolidated fiscal year, down JPY401 million from the end of the previous consolidated financial year. Cash flows during the second quarter of this consolidated fiscal year will be discussed below.

Cash flow from operating activities

Net cash flow from operating activities was JPY1.23 billion for the second quarter, a decrease of JPY742 million from the corresponding period of the previous fiscal year. The operating cash flow was primarily the result of JPY2.326 billion of income before income taxes and a decrease of JPY344 million of notes and accounts receivable-trade. Meanwhile, the primary uses of cash were related to a JPY552 million increase in inventories and JPY1.102 billion of income taxes paid, etc.

Cash flow from investing activities

Use of cash for investing activities for the quarter was JPY809 million, representing a decrease of JPY370 million on a year-on-year basis. The primary uses of cash were related to JPY446 million of capital investments associated with new store openings and store renovations, and JPY306 million for the purchase of investment securities.

Cash flow from financing activities

Use for financing activities was JPY822 million, a decrease of JPY827 million compared with the corresponding period of the previous fiscal year. The primary uses of cash were JPY734 million for dividends to shareholders and JPY172 million for the repayments of lease obligations.

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

Forecasts of full-year consolidated business performance remain unchanged from the forecasts announced May 11, 2015.

2. Summary (Notes)

(1) Application of Special Accounting Procedures in Preparing the Quarterly Consolidated Financial Reports

Not applicable.

(2) Changes in Accounting Policies, Changes in Accounting Estimates, and Revisions and Restatements
Changes in Accounting Policies:

The Company has applied the Accounting Standard for Business Combinations (ASBJ Statement No. 21, September 13, 2013), the Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22, September 13, 2013), and the Accounting Standard for Business Divestitures (ASBJ Statement No. 7, September 13, 2013) beginning with the first quarter of the consolidated fiscal year. As a result, it has changed its presentation of net income and other figures and replaced the term “minority interests” with “non-controlling interests.” The quarterly consolidated financial statements for the second quarter of previous consolidated fiscal year and consolidated financial statements for the previous consolidated fiscal year have been recalculated to reflect these changes in presentation.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

(Unit: JPY thousands)

	Previous consolidated fiscal year (March 31, 2015)	Second quarter of this consolidated fiscal year (September 30, 2015)
Assets		
Current assets		
Cash and deposits	5,132,387	4,730,534
Notes and accounts receivable-trade	3,872,624	3,528,479
Merchandise and finished goods	11,162,013	11,681,006
Raw materials and supplies	52,658	86,644
Deferred tax assets	287,443	213,549
Other	174,967	364,706
Total current assets	20,682,094	20,604,921
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	2,334,954	2,456,780
Land	1,269,656	1,269,656
Leased assets (net)	807,678	938,947
Other (net)	492,528	529,197
Total property, plant and equipment	4,904,817	5,194,581
Intangible assets	33,961	41,940
Investments and other assets		
Investment securities	856,402	1,158,297
Net defined benefit asset	115,312	123,282
Deferred tax assets	561,178	565,367
Lease and guarantee deposits	6,675,892	6,784,449
Other	558,683	564,976
Allowance for doubtful accounts	-10,387	-
Total investments and other assets	8,757,082	9,196,374
Total non-current assets	13,695,861	14,432,897
Total assets	34,377,956	35,037,819

Company name: Sac's Bar Holdings Inc. (9990)
Summary of Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2016
(Japanese GAAP)

(Unit: JPY thousands)

	Previous consolidated fiscal year (March 31, 2015)	Second quarter of this consolidated fiscal year (September 30, 2015)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	4,271,381	4,368,943
Short-term loans payable	30,000	30,000
Current portion of bonds	100,000	100,000
Lease obligations	287,831	321,431
Income taxes payable	906,959	815,965
Provision for bonuses	330,804	266,155
Provision for directors' bonuses	39,600	7,000
Provision for shareholder benefit program	15,000	-
Other	2,165,154	1,899,467
Total current liabilities	8,146,731	7,808,963
Non-current liabilities		
Bonds payable	1,600,000	1,600,000
Long-term loans payable	50,000	35,000
Lease obligations	618,045	733,881
Provision for directors' retirement benefits	116,393	110,256
Net defined benefit liability	831,348	829,020
Deferred tax liabilities	29,862	29,707
Asset retirement obligations	605,269	624,913
Other	464,319	576,879
Total non-current liabilities	4,315,238	4,539,658
Total liabilities	12,461,970	12,348,621
Net assets		
Shareholders' equity		
Capital stock	2,986,400	2,986,400
Capital surplus	4,569,597	4,569,597
Retained earnings	14,395,720	15,133,795
Treasury stock	-107,061	-108,575
Total shareholders' equity	21,844,656	22,581,217
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	18,746	18,766
Remeasurements of defined benefit plans	45,658	51,303
Total accumulated other comprehensive income	64,405	70,069
Subscription rights to shares	6,925	37,909
Total net assets	21,915,986	22,689,197
Total liabilities and net assets	34,377,956	35,037,819

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

Quarterly Consolidated Income Statement
Second quarter of this consolidated fiscal year

(Unit: JPY thousands)

	Second quarter of previous consolidated fiscal year (April 1 - September 30, 2014)	Second quarter of this consolidated fiscal year (April 1 - September 30, 2015)
Net sales	25,540,067	27,673,850
Cost of sales	13,542,021	14,549,155
Gross profit	11,998,045	13,124,694
Selling, general and administrative expenses	9,856,842	10,758,973
Operating income	2,141,203	2,365,721
Non-operating income		
Interest income	3,908	4,153
Dividend income	539	1,569
Insurance income	3,126	1,072
Commissions income	6,359	8,463
Compensation income	7,047	11,130
Other	12,394	14,059
Total non-operating income	33,375	40,449
Non-operating expenses		
Interest expenses	17,171	21,103
Other	5,253	4,068
Total non-operating expenses	22,424	25,172
Ordinary income	2,152,154	2,380,998
Extraordinary losses		
Loss on retirement of non-current assets	27,107	6,401
Loss on closing of stores	25,062	14,052
Impairment loss	29,004	34,365
Total extraordinary losses	81,173	54,819
Income before taxes and minority interests	2,070,980	2,326,178
Income taxes-current	778,066	784,745
Income taxes-deferred	60,106	66,886
Total income taxes	838,172	851,631
Net income	1,232,807	1,474,547
Profit attributable to owners of parent	1,232,807	1,474,547

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

(Unit: JPY thousands)

	Second quarter of previous consolidated fiscal year (April 1 - September 30, 2014)	Second quarter of this consolidated fiscal year (April 1 - September 30, 2015)
Net income	1,232,807	1,474,547
Other comprehensive income		
Valuation difference on available-for-sale securities	-6,479	19
Remeasurements of defined benefit plans	7,380	5,645
Total other comprehensive income	900	5,664
Comprehensive income	1,233,708	1,480,212
(Breakdown)		
Comprehensive income attributable to owners of parent	1,233,708	1,480,212
Comprehensive income attributable to non-controlling interests	-	-

Company name: Sac's Bar Holdings Inc. (9990)
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(3) Quarterly Consolidated Statement of Cash Flow

	(Unit: JPY thousands)	
	Second quarter of previous consolidated fiscal year (April 1 - September 30, 2014)	Second quarter of this consolidated fiscal year (April 1 - September 30, 2015)
Cash flows from operating activities		
Income before income taxes	2,070,980	2,326,178
Depreciation	388,688	440,193
Impairment loss	29,004	34,365
Increase (decrease) in allowance for doubtful accounts	-10,825	-10,387
Increase (decrease) in provision for bonuses	16,976	-64,648
Increase (decrease) in provision for directors' bonuses	-16,200	-32,600
Increase (decrease) in provision for directors' retirement benefits	-26,921	-6,137
Increase (decrease) in net defined benefit liability	7,138	-2,328
Interest and dividend income	-4,447	-5,723
Interest expenses	17,171	21,103
Loss on retirement of non-current assets	27,107	6,401
Decrease (Increase) in notes and accounts receivable - trade	1,103,846	344,144
Decrease (Increase) in inventories	-660,920	-552,979
Increase (decrease) in notes and accounts payable - trade	291,308	97,561
Increase (decrease) in accrued consumption taxes	131,320	-184,810
Other	-294,825	-276,324
Subtotal	3,069,401	2,134,009
Interest and dividend income received	348	5,370
Interest expenses paid	-18,112	-21,110
Income taxes paid	-1,111,393	-1,102,757
Income taxes refund	32,408	214,742
Net cash provided by (used in) operating activities	1,972,652	1,230,255
Cash flows from investing activities		
Payments of loans receivable from subsidiaries and associates	-	-50,000
Purchase of property, plant and equipment and intangible assets	-325,651	-446,562
Payments for retirement of property, plant and equipment	-3,940	-6,650
Purchase of investment securities	-800,492	-306,204
Payments into time deposits	-50,000	-
Net cash provided by (used in) investing activities	-1,180,083	-809,416

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(Japanese GAAP)

(Unit: JPY thousands)

	Second quarter of previous consolidated fiscal year (April 1 - September 30, 2014)	Second quarter of this consolidated fiscal year (April 1 - September 30, 2015)
Cash flows from financing activities		
Repayments of long-term loans payable	-15,000	-15,000
Increase in accounts payable – installment purchase	154,860	212,286
Decrease in accounts payable – installment purchase	-101,176	-111,741
Repayments of lease obligations	-155,785	-172,614
Redemption of bonds	-1,000,000	-
Proceeds from exercise of share options	5,994	-
Cash dividends paid	-539,348	-734,110
Purchase of treasury shares	-	-1,513
Net cash provided by (used in) financing activities	-1,650,455	-822,692
Net increase (decrease) in cash and cash equivalents	-857,886	-401,853
Cash and cash equivalents at beginning of period	5,214,368	5,104,687
Cash and cash equivalents at end of period	4,356,482	4,702,834

(4) 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.