May 10, 2016

Company name:
Sac's Bar Holdings Inc.
(First Section, Tokyo Stock Exchange; Code Number: 9990)
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Notice Concerning Medium-term Management Plan

Sac's Bar Holdings Inc. has established a medium-term management plan for the period from the fiscal year ending March 31, 2017 through the fiscal year ending March 31, 2019. It is outlined below together with a review of the previous medium-term management plan (covering the fiscal year ending March 31, 2014 through the fiscal year ending March 31, 2016).

1. Review of the previous medium-term management plan (covering the fiscal year ending March 31, 2014 through the fiscal year ending March 31, 2016)

   Effective October 1, 2014, the Company changed its name to Sac's Bar Holdings Inc. and shifted to a structure under which it serves as the holding company for the three Group operating companies Tokyo Derica Co., Ltd., which handles retail sales of bags, pouches, accessories, and wallets, Aishin Tsusho Co., Ltd., which manufacturers men's bags and travel bags, and Lojel Japan Co., Ltd., which handles the wholesale business. As such, only consolidated business performance is summarized below.

   Planned and actual consolidated business performance for the three periods covered by the plan (the fiscal year ending March 31, 2014 through the fiscal year ending March 31, 2016) are summarized below.

(1) Planned

(Units: JPY millions, %)

	FY ended March 2014	% sales	FY ended March 2015	% sales	FY ended March 2016	% sales
Net sales	49,247	–	52,102	–	54,772	–
Gross margin	23,118	46.9	24,609	47.2	26,027	47.5
Selling, general and administrative expenses	18,872	38.3	19,915	38.2	20,875	38.1
Operating income	4,246	8.6	4,694	9.0	5,152	9.4
Ordinary income	4,208	8.5	4,654	8.9	5,109	9.3
Net income	2,175	4.4	2,410	4.6	2,764	5.0

Reference: Non-consolidated store opening and closing plans

	FY ended March 2014	FY ended March 2015	FY ended March 2016
Stores opened	37	37	37
Stores closed	8	8	8
Number of stores at end of period	574	603	632

(2) Actual

(Units: JPY millions, %)

	FY ended March 2014	% sales	FY ended March 2015	% sales	FY ended March 2016	% sales
Net sales	50,397	–	53,434	–	56,963	–
Gross margin	23,440	46.5	25,163	47.1	27,028	47.4
Selling, general and administrative expenses	19,126	38.0	20,463	38.3	22,263	39.1
Operating income	4,314	8.6	4,700	8.8	4,765	8.4
Ordinary income	4,295	8.5	4,716	8.8	4,844	8.5
Net income	2,340	4.6	2,762	5.2	2,982	5.2

Reference: Actual non-consolidated or retail-segment stores opened and closed

	FY ended March 2014	FY ended March 2015	FY ended March 2016
Stores opened	51	39	58
Stores closed	20	11	20
Number of stores at end of period	576	604	642

(3) Differences between planned and actual performance

(Units: JPY millions, %)

	FY ended March 2014	vs. planned	FY ended March 2015	vs. planned	FY ended March 2016	vs. planned
Net sales	+1,150	+2.3	+1,332	+2.6	+2,191	+4.0
Gross margin	+322	+1.4	+554	+2.3	+1,001	+3.8
Selling, general and administrative expenses	+254	+1.3	+548	+2.8	+1,388	+6.6
Operating income	+68	+1.6	+6	+0.1	-387	-7.5
Ordinary income	+87	+2.1	+62	+1.3	-265	-5.2
Net income	+165	+7.6	+352	+14.6	+218	+7.9

Reference: Differences between planned and actual non-consolidated or retail-segment stores opened and closed

	FY ended March 2014	FY ended March 2015	FY ended March 2016
Stores opened	+14	+2	+21
Stores closed	+12	+3	+12
Number of stores at end of period	+2	+1	+10

In the fiscal years ended March 2014 and March 2015, existing-store sales grew steadily to 102.4% and 101.7% the previous years' levels, respectively, proceeding largely according to plan.

In the fiscal year ended March 2016, the number of stores opened greatly exceeded plans, resulting in growth in net sales, but since existing-store sales remained at 100.0% of the level from the previous year, they were unable to absorb rising costs associated with new store openings and remodeling stores and rising sales-promotion costs. This resulted in an increase in the share of selling, general and administrative expenses so that earnings were somewhat lower than planned.

2. New medium-term management plan (for the fiscal year ending March 31, 2017 through the fiscal year ending March 31, 2019)

Planned consolidated business performance for the three periods covered by the plan is summarized below.

(Units: JPY millions, %)

	FY ended March 2017	% sales	FY ended March 2018	% sales	FY ended March 2019	% sales
Net sales	59,330	–	62,766	–	65,597	–
Gross margin	28,410	47.9	30,124	48.0	31,610	48.2
Selling, general and administrative expenses	23,543	39.7	24,917	39.7	26,033	39.7
Operating income	4,867	8.2	5,207	8.3	5,577	8.5
Ordinary income	4,896	8.3	5,235	8.3	5,569	8.5
Net income	3,009	5.1	3,219	5.1	3,426	5.2

Retail-segment store opening and closing plans

	FY ended March 2017	FY ended March 2018	FY ended March 2019
Stores opened	38	40	40
Stores closed	12	15	15
Number of stores at end of period	668	393	718
Existing-store sales vs. previous period (%)	100.8	100.5	100.6

Note: The above figures do not take into account the effect of the increase in the consumption tax rate planned for April 2017.

This medium-term management plan is based on information available to the Company at this time and on certain assumptions considered reasonable. It does not constitute a guarantee of future performance. Also, note that plans could change due to various factors.