



## Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2017 (Japanese GAAP)

July 29, 2016

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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Scheduled date of filing quarterly report : August 8, 2016  
Scheduled date of starting distributing dividends : -  
Supplementary materials prepared for quarterly financial results : None  
Quarterly results briefing held : None

(Million yens, rounded down)

### 1. Consolidated financial results for the first quarter of the fiscal year ending March 31, 2017 (April 1 – June 30, 2016)

#### (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)	%
FY2016 1Q	13,328	-0.1	911	-6.0	925	-5.6	584	-3.3
FY2015 1Q	13,336	8.0	970	6.9	979	7.3	604	15.3

Note: Comprehensive income: FY2016 1Q JPY620 million (2.2%); FY2015 1Q JPY607 million (14.9%)

	Net income per share	Diluted net income per share
	(Yen)	(Yen)
FY2016 1Q	19.86	-
FY2015 1Q	20.53	20.53

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	(Millions yen)	(Millions yen)	%
FY2016 1Q	36,661	24,049	65.4
FY2015	37,234	24,209	64.8

Reference: Shareholders' equity: FY2016 1Q JPY23,967 million; FY2015 JPY24,141 million

### 2. Dividends

	Annual dividends per share				
	1Q end	2Q end	3Q end	Year-end	Total
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
FY2015	-	0.00	-	27.00	27.00
FY2016	-				
FY2016 (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, 2017  
(April 1, 2016 - March 31, 2017)

(Percentages indicate year-on-year changes for full year and quarter)

	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)
2Q (cumulative)	29,029	4.9	2,398	1.4	2,413	1.4	1,483	0.6	50.36
Full-year	59,330	4.2	4,866	2.1	4,896	1.1	3,008	0.9	102.13

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):	FY2016 1Q	29,859,900 shares	FY2015	29,859,900 shares
(ii) Treasury stock as of end of period:	FY2016 1Q	401,960 shares	FY2015	401,910 shares
(iii) Average number of shares issued and outstanding during period (quarterly cumulative):	FY2016 1Q	29,457,959 shares	FY2015 1Q	29,458,634 shares

\* 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.

## 1. Qualitative Information on this Quarterly Financial Report

### (1) Operating Results

During this period, Japan's economy has remained on a gentle growing trend, driven by government economic policies. Meanwhile, the outlook of the economy became uncertain, reflecting the progress of the strong yen and low stock prices due to a slowdown in the economies of Asian rising nations including China and Britain's departure from the EU.

In the retail industry, despite expectations for the effects of improvements in employment and income conditions, personal consumption fell overall as consumer sentiment became dull due to a fall in stock prices and the uncertain outlook of the economy.

Under such conditions, although the Sac's Bar Group took aggressive steps to grow its businesses, in the first quarter of this consolidated fiscal year the Group recorded net sales of JPY13,328 million (down 0.1% YoY), operating income of JPY911 million (down 6.0% YoY), ordinary income of JPY925 million (down 5.6% YoY), and profit attributable to owners of parent of JPY584 million (down 3.3% 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 14 new stores. We closed three stores during this period.

A look at net sales shows that existing-store sales were weak, falling by 5.0% YoY. Sales of handbags increased by 13.6% YoY due to considerable growth in sales of items mainly under both private brands and tie-up brands. Among wallets and accessories, while sales of wallets slightly rose by 0.3% YoY, sales of accessories fell by 2.3% YoY. In the categories of men's and travel bags, men's bags showed sales growth of 2.2% YoY, while sales of travel bags were down 5.1% YoY. Sales of casual bags fell by 4.2% YoY due to a big fall in sales of some products under tie-ups with popular apparel brands that had pulled up the growth in sales of casual bags. Sales of imported bags were weak and decreased by 10.4 % YoY due to a lack of hit products.

As a result, net sales in these businesses totaled JPY12,655 million (down 0.1% YoY). Gross profit margin improved 0.1 percentage points YoY to 48.2%, while the selling, general and administrative (SG&A) expense ratio increased by 0.9 percentage points YoY to 41.6%.

#### <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 JPY794 million (up 5.0% YoY).

### (2) Financial Position

#### (Total Assets)

Total assets at the end of the first quarter of this consolidated fiscal year were down JPY572 million from the end of the previous consolidated financial year to JPY36,661 million. This was due mainly to factors such as decreases of JPY1,250 million in cash and deposits and JPY618 million in notes and accounts receivable-trade, despite increases of JPY900 million in merchandise and finished goods and

JPY718 million in property, plant and equipment.

(Liabilities)

Total liabilities at the end of the first quarter of this consolidated fiscal year were down JPY412 million from the end of the previous consolidated financial year to JPY12,612 million. This was due mainly to factors such as decreases of JPY780 million in income taxes payable and JPY212 million in provision for bonuses despite an increase of JPY700 million in short-term loans payable.

(Net Assets)

Net assets at the end of the first quarter of this consolidated fiscal year were down JPY160 million from the end of the previous consolidated financial year to JPY24,049 million. This reflected the recording of JPY584 million in profit attributable to owners of parent after a reduction due to the payment of JPY795 million in dividends.

(Equity Ratio)

The equity ratio stood at 65.4% as of the end of the first quarter of this consolidated fiscal year, up 0.6 points from the end of the previous consolidated financial year.

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

Forecasts of full-year consolidated business performance remain unchanged from the forecasts announced May 10, 2016.

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)

In response to the amendment to the Corporation Tax Act, the Company has applied the Practical Accounting Affairs for Change of Depreciation Method according to Revision of Taxation System in Fiscal 2016 (Practical Business Report No. 32 dated June 17, 2016) to the first quarter of this consolidated fiscal year. As a result, it has changed the method of depreciating equipment and structures attached to buildings that were acquired on and after April 1, 2016, to the straight line method from the fixed percentage method.

In this respect, in the first quarter of this consolidated fiscal year, the amounts stated in the quarterly consolidated financial statements were slightly influenced.

(Additional Information)

The Company has applied the Application Guidelines on Recoverability of Deferred Tax Assets (ASBJ Application Guidelines No. 26 dated March 28, 2016) beginning with the first quarter of this consolidated fiscal year.

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### 3. Quarterly Consolidated Financial Statements

#### (1) Quarterly Consolidated Balance Sheet

(Unit: JPY thousands)

	Previous consolidated fiscal year (March 31, 2016)	First quarter of this consolidated fiscal year (June 30, 2016)
<b>Assets</b>		
Current assets		
Cash and deposits	3,061,859	1,811,771
Notes and accounts receivable-trade	4,019,660	3,400,921
Merchandise and finished goods	12,529,648	13,429,768
Raw materials and supplies	99,538	115,127
Deferred tax assets	296,287	96,691
Other	563,625	326,414
<b>Total current assets</b>	<b>20,570,619</b>	<b>19,180,696</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	2,459,842	2,498,898
Land	1,269,656	1,921,930
Leased assets (net)	1,017,661	1,093,097
Other (net)	573,723	525,860
<b>Total property, plant and equipment</b>	<b>5,320,884</b>	<b>6,039,786</b>
Intangible assets	52,310	48,922
Investments and other assets		
Investment securities	3,165,610	3,211,465
Net defined benefit asset	76,759	80,877
Deferred tax assets	607,685	595,674
Lease and guarantee deposits	6,884,953	6,982,055
Other	555,621	522,335
<b>Total investments and other assets</b>	<b>11,290,630</b>	<b>11,392,409</b>
<b>Total non-current assets</b>	<b>16,663,825</b>	<b>17,481,118</b>
<b>Total assets</b>	<b>37,234,445</b>	<b>36,661,814</b>
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	4,115,297	3,970,026
Short-term loans payable	30,000	730,000
Current portion of bonds	100,000	100,000
Lease obligations	350,845	368,098
Income taxes payable	891,830	111,026
Provision for bonuses	377,890	165,665
Provision for directors' bonuses	23,000	9,000
Provision for shareholder benefit program	8,350	8,350
Other	2,294,720	2,246,147
<b>Total current liabilities</b>	<b>8,191,934</b>	<b>7,708,314</b>

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(Unit: JPY thousands)

	Previous consolidated fiscal year (March 31, 2016)	First quarter of this consolidated fiscal year (June 30, 2016)
<b>Non-current liabilities</b>		
Bonds payable	1,600,000	1,600,000
Long-term loans payable	20,000	12,500
Lease obligations	841,857	895,382
Provision for directors' retirement benefits	114,306	116,331
Net defined benefit liability	945,319	960,091
Deferred tax liabilities	28,918	28,851
Asset retirement obligations	666,604	665,885
Other	615,740	624,828
Total non-current liabilities	4,832,745	4,903,870
Total liabilities	13,024,679	12,612,185
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	2,986,400	2,986,400
Capital surplus	4,569,597	4,569,597
Retained earnings	16,641,740	16,431,265
Treasury stock	-108,909	-108,981
Total shareholders' equity	24,088,828	23,878,282
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	91,945	123,760
Remeasurements of defined benefit plans	-39,199	-35,023
Total accumulated other comprehensive income	52,746	88,736
Subscription rights to shares	68,190	82,610
Total net assets	24,209,765	24,049,629
Total liabilities and net assets	37,234,445	36,661,814

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

Quarterly Consolidated Income Statement  
First quarter of this consolidated fiscal year

(Unit: JPY thousands)

	First quarter of previous consolidated fiscal year (April 1 - June 30, 2015)	First quarter of this consolidated fiscal year (April 1 - June 30, 2016)
Net sales	13,336,365	13,328,522
Cost of sales	7,004,054	6,942,591
Gross profit	6,332,310	6,385,930
Selling, general and administrative expenses	5,361,907	5,474,165
Operating income	970,403	911,764
Non-operating income		
Interest income	1,584	16,042
Dividend income	599	624
Compensation income	9,887	-
Other	8,895	12,042
Total non-operating income	20,967	28,709
Non-operating expenses		
Interest expenses	9,477	11,384
Other	1,959	3,707
Total non-operating expenses	11,436	15,091
Ordinary income	979,933	925,383
Extraordinary losses		
Loss on retirement of non-current assets	700	9,399
Loss on closing of stores	11,502	13,760
Impairment loss	14,274	537
Total extraordinary losses	26,477	23,696
Income before taxes and minority interests	953,455	901,687
Income taxes-current	135,399	121,140
Income taxes-deferred	213,317	195,655
Total income taxes	348,717	316,796
Net income	604,738	584,890
Profit attributable to owners of parent	604,738	584,890

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

(Unit: JPY thousands)

	First quarter of previous consolidated fiscal year (April 1 - June 30, 2015)	First quarter of this consolidated fiscal year (April 1 - June 30, 2016)
Net income	604,738	584,890
Other comprehensive income		
Valuation difference on available-for-sale securities	-23	31,814
Remeasurements of defined benefit plans	2,821	4,175
Total other comprehensive income	2,797	35,990
Comprehensive income	607,536	620,881
(Breakdown)		
Comprehensive income attributable to owners of parent	607,536	620,881
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.