



October 31, 2016

To our shareholders

Company name: Sac's Bar Holdings Inc.
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Notice of Differences between Forecasts and Actual Results in the Second Quarter of Fiscal Year Ending March 31, 2017 as well as the Revision to the Forecast of Full-year Consolidated Operating Results

Sac's Bar Holdings Inc. (hereinafter referred to as "the Company") hereby notifies that its consolidated actual results in the second quarter of the fiscal year ending March 31, 2017 announced today differed from the forecasts for the same period published on July 29, 2016 in "Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2017 (Japanese GAAP)."

In addition, the Company has revised the forecast of full-year consolidated operating results for the fiscal year ending March 31, 2017 (April 1, 2016 – March 31, 2017).

1. Differences between forecasts and actual results in the second quarter of the fiscal year ending March 31, 2017 (April 1, 2016 – September 30, 2016)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
Previous forecast (A) (announced on July 29, 2016)	(Million yen) 29,029	(Million yen) 2,398	(Million yen) 2,413	(Million yen) 1,483	(Yen) 50.36
Actual results (B)	27,417	2,102	2,129	1,326	45.01
Difference (B-A)	-1,611	-295	-283	-157	—
Rate of difference (%)	-5.6	-12.3	-11.7	-10.6	—
Reference: Previous actual results (for the second quarter of the fiscal year ending March 31, 2016)	27,673	2,365	2,380	1,474	50.04

Reason for difference:

Although the manufacturing and wholesaling businesses showed slightly better-than-expected and solid performance, existing-store sales in the retail business remained at 94.7% of the previous year's level against the target of 100.7%, due to unsettled weather conditions from August onward and sluggish personal consumption. As a result, net sales in the retail and other businesses fell short of forecasts by 5.6%. Furthermore, the selling, general and administrative (SG&A) expense ratio exceeded the forecast by 0.8 percentage points, leading to operating income, ordinary income, profit attributable to owners of parent, and net income

per share all being lower than the forecasts.

2. Revised forecast of full-year consolidated operating results for the fiscal year ending March 31, 2017 (April 1, 2016 – March 31, 2017)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
Previous forecast (A) (announced on July 29, 2016)	(Million yen) 59,330	(Million yen) 4,866	(Million yen) 4,896	(Million yen) 3,008	(Yen) 102.13
Revised forecast (B)	57,794	4,635	4,686	2,888	98.06
Difference (B-A)	-1,535	-231	-209	-120	—
Rate of difference (%)	-2.6	-4.7	-4.3	-4.0	—
Reference: Previous operating results (for the fiscal year ending March 31, 2016)	56,963	4,765	4,844	2,982	101.24

Reason for revision:

In light of consolidated operating results for the second quarter of the fiscal year ending March 31, 2017, the forecast of full-year consolidated operating results for the fiscal year ending March 31, 2017 was revised. For the third quarter and the fourth quarter of the fiscal year in the retail business, existing-store sales are expected to be 100.0% YoY, and the Company plans to open 17 new stores and close eight stores.

The difference from the previous forecast of full-year consolidated operating results published on July 29, 2016 in “Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2017 (Japanese GAAP)” is also indicated.

Planned business performance for the fiscal year ending March 31, 2018 and the fiscal year ending March 31, 2019 covered by the medium-term management plan, which was announced on May 10, 2016, will be revised as necessary, considering business performance and other factors going forward, and reported promptly.

* Forecasts mentioned above are based on information currently available to the Company 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 factors.

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