



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

January 30, 2017

Company name: Sac's Bar Holdings Inc.      Stock exchange: Tokyo Stock Exchange  
 Code number: 9990      URL: <http://www.sacs-bar.co.jp>  
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Scheduled date of filing quarterly report : February 7, 2017  
 Scheduled date of starting distributing dividends : –  
 Supplementary materials prepared for quarterly financial results : None  
 Quarterly results briefing : None

(Million yens, rounded down)

### 1. Consolidated financial results for the third quarter of the fiscal year ending March 31, 2017 (April 1 – December 31, 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 3Q	41,765	-0.4	3,207	-6.7	3,250	-5.9	2,026	-5.5
FY2015 3Q	41,934	7.9	3,437	6.1	3,455	6.4	2,144	15.1

Note: Comprehensive income: FY2016 3Q JPY2,121 million (-2.0%); FY2015 3Q JPY2,165 million (15.1%)

	Net income per share	Diluted net income per share
	(Yen)	(Yen)
FY2016 3Q	68.80	-
FY2015 3Q	72.81	72.79

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	(Millions yen)	(Millions yen)	%
FY2016 3Q	40,007	25,577	63.7
FY2015	37,234	24,209	64.8

Reference: Shareholders' equity: FY2016 3Q JPY25,467 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	-	0.00	-		
FY2016 (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, 2017  
(April 1, 2016 - March 31, 2017)

(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	57,794	1.5	4,635	-2.7	4,686	-3.3	2,888	-3.1	98.06

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 3Q	29,859,900 shares	FY2015	29,859,900 shares
(ii) Treasury stock as of end of period:	FY2016 3Q	402,165 shares	FY2015	401,910 shares
(iii) Average number of shares issued and outstanding during period (quarterly cumulative):	FY2016 3Q	29,457,899 shares	FY2015 3Q	29,458,367 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, in Japan's economy, both volatile currency fluctuations and confusion in the stock market were seen due to a slowdown in the economies of the Asian rising nations including China, Britain's departure from the EU, and the presidential election in the U.S. A gentle growing trend in the economy then declined and the outlook of the economy remained uncertain.

In the retail industry, despite expectations for the effects of improvements in employment and income conditions, personal consumption fell overall as consumers adopted a more defensive stance toward spending and inbound tourism demand slowed.

Under such conditions, although the Sac's Bar Group took aggressive steps to grow its businesses, due to unsettled weather conditions during the summer in addition to sluggish personal consumption, in the third quarter of this consolidated fiscal year the Group recorded net sales of JPY41,765 million (down 0.4% YoY), operating income of JPY3,207 million (down 6.7% YoY), ordinary income of JPY3,250 million (down 5.9% YoY), and profit attributable to owners of parent of JPY2,026 million (down 5.5% 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 30 new stores. We closed nine stores during this period.

A look at net sales shows that existing-store sales were weak, falling by 4.6% YoY.

Sales of handbags increased by 16.1% 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 fell by 1.5% YoY, sales of accessories slightly increased by 0.1% YoY. Sales of casual bags fell by 5.2% YoY due to a big fall in sales of some products under tie-ups with popular apparel brands that had considerably pulled up the growth in sales of casual bags in the year-before quarter. In the categories of men's bags and travel bags, men's bags showed slight sales growth of 0.1% YoY, while sales of travel bags were weak and decreased by 8.3% YoY. Sales of imported bags, which had remained on a downtrend, started recovering on a monthly basis in September to show positive growth over the year-before levels, resulting in a 2.6% decline YoY for the quarter.

As a result, net sales in these businesses totaled JPY39,569 million (down 0.4% YoY). Gross profit margin improved 0.3 percentage points YoY to 48.2%, while the selling, general and administrative (SG&A) expense ratio increased by 1.2 percentage points YoY to 41.0%.

#### <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 JPY2,638 million (up 4.8% YoY).

### (2) Financial Position

#### (Total Assets)

Total assets at the end of the third quarter of this consolidated fiscal year were up JPY2,772 million from the end of the previous consolidated financial year to JPY40,007 million. This was due mainly to

factors such as an increase of JPY1,491 million in notes and accounts receivable-trade, an increase of JPY2,636 million in merchandise and finished goods, and an increase of JPY707 million in property, plant and equipment, despite a decrease of JPY1,846 million in cash and deposits.

(Liabilities)

Total liabilities at the end of the third quarter of this consolidated fiscal year were up JPY1,404 million from the end of the previous consolidated financial year to JPY14,429 million. This was due mainly to factors such as an increase of JPY2,294 in notes and accounts payable-trade, offsetting a decrease of JPY673 million in income taxes payable.

(Net Assets)

Net assets at the end of the third quarter of this consolidated fiscal year were up JPY1,367 million from the end of the previous consolidated financial year to JPY25,577 million. This reflected the recording of JPY2,026 million in profit attributable to owners of parent, offsetting a reduction due to the payment of JPY795 million in dividends.

(Equity Ratio)

The equity ratio stood at 63.7% as of the end of the third quarter of this consolidated fiscal year, down 1.1 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 Full-year Consolidated Operating Results, no revision has been made to the forecast announced on October 31, 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 third 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.

### 3. Quarterly Consolidated Financial Statements

#### (1) Quarterly Consolidated Balance Sheet

(Unit: JPY thousands)

	Previous consolidated fiscal year (March 31, 2016)	Third quarter of this consolidated fiscal year (December 31, 2016)
<b>Assets</b>		
Current assets		
Cash and deposits	3,061,859	1,214,983
Notes and accounts receivable-trade	4,019,660	5,510,921
Merchandise and finished goods	12,529,648	15,166,356
Raw materials and supplies	99,538	97,147
Deferred tax assets	296,287	132,329
Other	563,625	335,354
Total current assets	20,570,619	22,457,093
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	2,459,842	2,509,231
Land	1,269,656	1,921,930
Leased assets (net)	1,017,661	1,132,789
Other (net)	573,723	464,854
Total property, plant and equipment	5,320,884	6,028,805
Intangible assets	52,310	46,971
Investments and other assets		
Investment securities	3,165,610	3,284,368
Net defined benefit asset	76,759	88,301
Deferred tax assets	607,685	573,132
Lease and guarantee deposits	6,884,953	7,010,479
Other	555,621	518,101
Total investments and other assets	11,290,630	11,474,383
Total non-current assets	16,663,825	17,550,160
Total assets	37,234,445	40,007,254

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	Previous consolidated fiscal year (March 31, 2016)	Third quarter of this consolidated fiscal year (December 31, 2016)
(Unit: JPY thousands)		
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	4,115,297	6,409,408
Short-term loans payable	30,000	27,500
Current portion of bonds	100,000	100,000
Lease obligations	350,845	404,862
Income taxes payable	891,830	218,024
Provision for bonuses	377,890	190,927
Provision for directors' bonuses	23,000	29,650
Provision for shareholder benefit program	8,350	-
Other	2,294,720	2,155,106
Total current liabilities	8,191,934	9,535,478
Non-current liabilities		
Bonds payable	1,600,000	1,600,000
Long-term loans payable	20,000	-
Lease obligations	841,857	891,056
Provision for directors' retirement benefits	114,306	120,381
Net defined benefit liability	945,319	967,537
Deferred tax liabilities	28,918	28,718
Asset retirement obligations	666,604	687,960
Other	615,740	598,502
Total non-current liabilities	4,832,745	4,894,156
Total liabilities	13,024,679	14,429,635
Net assets		
Shareholders' equity		
Capital stock	2,986,400	2,986,400
Capital surplus	4,569,597	4,569,597
Retained earnings	16,641,740	17,873,024
Treasury stock	-108,909	-109,212
Total shareholders' equity	24,088,828	25,319,809
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	91,945	174,342
Remeasurements of defined benefit plans	-39,199	-26,671
Total accumulated other comprehensive income	52,746	147,670
Subscription rights to shares	68,190	110,138
Total net assets	24,209,765	25,577,619
Total liabilities and net assets	37,234,445	40,007,254

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

Quarterly Consolidated Income Statement  
Third quarter of this consolidated fiscal year

(Unit: JPY thousands)

	Third quarter of previous consolidated fiscal year (April 1 - December 31, 2015)	Third quarter of this consolidated fiscal year (April 1 - December 31, 2016)
Net sales	41,934,651	41,765,962
Cost of sales	22,036,910	21,659,394
Gross profit	19,897,741	20,106,568
Selling, general and administrative expenses	16,460,375	16,899,118
Operating income	3,437,365	3,207,449
Non-operating income		
Interest income	10,516	48,628
Dividend income	2,722	6,668
Insurance income	1,000	944
Commission income	12,584	11,060
Other	30,144	19,218
Total non-operating income	56,967	86,520
Non-operating expenses		
Interest expenses	32,293	35,094
Other	6,472	8,151
Total non-operating expenses	38,766	43,246
Ordinary income	3,455,566	3,250,723
Extraordinary losses		
Loss on retirement of non-current assets	8,167	18,621
Loss on closing of stores	21,402	29,151
Impairment loss	37,038	26,235
Total extraordinary losses	66,608	74,008
Income before taxes and minority interests	3,388,958	3,176,715
Income taxes-current	1,120,178	993,647
Income taxes-deferred	124,010	156,417
Total income taxes	1,244,189	1,150,065
Net income	2,144,768	2,026,649
Profit attributable to owners of parent	2,144,768	2,026,649

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

(Unit: JPY thousands)

	Third quarter of previous consolidated fiscal year (April 1 - December 31, 2015)	Third quarter of this consolidated fiscal year (April 1 - December 31, 2016)
Net income	2,144,768	2,026,649
Other comprehensive income		
Valuation difference on available-for-sale securities	12,930	82,396
Remeasurements of defined benefit plans	8,045	12,527
Total other comprehensive income	20,976	94,923
Comprehensive income	2,165,745	2,121,573
(Breakdown)		
Comprehensive income attributable to owners of parent	2,165,745	2,121,573
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.