



## Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2020 (Japanese GAAP)

July 30, 2019

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, 2019  
 Scheduled date of starting distributing dividends : –  
 Supplementary materials prepared for quarterly financial results : None  
 Quarterly results briefing : None

(Million yen, rounded down)

### 1. Consolidated financial results for the first quarter of the fiscal year ending March 31, 2020 (April 1 – June 30, 2019)

#### (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	
	(Million yen)	%	(Million yen)	%	(Million yen)	%	(Million yen)	%
FY2019 1Q	12,992	-1.3	744	0.7	786	4.2	500	10.4
FY2018 1Q	13,169	-1.3	739	-14.2	754	-13.8	453	-16.7

Note: Comprehensive income: FY2019 1Q JPY491 million (7.9%); FY2018 1Q JPY455 million (-19.0%)

	Net income per share	Diluted net income per share
	(Yen)	(Yen)
FY2019 1Q	16.99	-
FY2018 1Q	15.38	-

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	(Million yen)	(Million yen)	%
FY2019 1Q	40,267	28,601	70.8
FY2018	41,541	29,070	69.7

Reference: Shareholders' equity: FY2019 1Q JPY28,502 million; FY2018 JPY28,968 million

### 2. Dividends

	Annual dividends per share				
	1Q end	2Q end	3Q end	Year-end	Total
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
FY2018	-	0.00	-	30.00	30.00
FY2019	-				
FY2019 (projected)		0.00	-	30.00	30.00

Note: Revisions to most recently announced projected dividends: None

3. Forecast of Consolidated Operating Results for the fiscal year ending March 31, 2020  
(April 1, 2019 - March 31, 2020)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	(Million yen)	%	(Million yen)	%	(Million yen)	%	(Million yen)	%	(Yen)
Second Quarter (consolidated)	27,456	1.8	1,723	0.0	1,741	-1.0	1,043	-0.8	35.42
Full-year	57,077	2.3	3,877	4.1	3,913	3.7	2,280	4.7	77.43

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. : None
  - (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):	FY2019 1Q	29,859,900 shares	FY2018	29,859,900 shares
(ii) Treasury stock as of end of period:	FY2019 1Q	479,864 shares	FY2018	402,864 shares
(iii) Average number of shares issued and outstanding during period (quarterly cumulative):	FY2019 1Q	29,447,457 shares	FY2018 1Q	29,457,317 shares

\* This quarterly summary of financial statements is not subject to quarterly review procedures by a Public Certified Accountant or an Audit Firm.

\* 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. 2 of the attached document.

## 1. Qualitative Information on this Quarterly Financial Report

### (1) Operating Results

During this period, although Japan's economy continued to show a moderate recovery trend in employment and income environments, the future outlook remains uncertain due to concerns affected by the unstable global economy, including the increasing trade conflict between the U.S and China, and economic slowdown in China and Europe.

In the retail industry, we were confronted with a continued difficult management environment where consumers are more conscious about prices and becoming saving-oriented because of their strong anxiety about the rise in consumption tax and price-hikes amid stagnant real wages.

Under such conditions, the Sac's Bar Group took aggressive steps to grow its businesses, but in the first quarter of this consolidated fiscal year, the Group recorded net sales of JPY 12,992 million (down 1.3% YoY), which slightly decreased compared with the first quarter of the previous year, operating income of JPY 744 million (up 0.7% YoY), ordinary income of JPY 786 million (up 4.2% YoY), and profit attributable to owners of parent of JPY 500 million (up 10.4% 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, while we opened four new stores, we also closed four stores. As a result, the total number of stores at the end of this period became 639.

Although existing-store sales increased slightly by 1.1 % YoY, net sales of the businesses slightly decreased (down 1.8% YoY) to JPY12,218 million due to the factor of a net decrease of 21 stores as a result of 22 new stores opening and 43 stores being closed. Among wallets and accessories, while sales of wallets increased by 1.1 % YoY due mainly to the popularity of small wallets, sales of accessories fell by 1.9 % YoY. Sales of imported bags increased by 0.4 % YoY due mainly to strong sales of KIPLING, FURLA, and GUESS. In the categories of men's bags and travel bags, while sales of men's bags increased by 1.2% YoY due mainly to strong sales of sports brand products, sales of travel bags fell by 3.1% due to the sales decline in large suitcases. Sales of handbags fell by 2.7% YoY due to the slight drop in sales of purchased general products despite the steady sales of private brands and tie-up brands being handled. Sales of casual bags slumped by 18.7 % YoY due to the continued fall in sales of some products under tie-ups with popular apparel brands.

Gross profit margin increased by 0.2 percentage points YoY to 48.5%, due mainly to the improved gross margin ratio of imported bags and wallets, while the selling, general, and administrative (SG&A) expense ratio increased by 0.1 percentage points YoY to 43.2 % despite our efforts to reduce costs.

#### <Manufacturing, Wholesaling Businesses>

In the manufacturing and wholesaling businesses, sales of LOJEL brand carry-on luggage remained strong, being supported by the consecutive ten-day Golden Week holiday.

As a result, net sales in these businesses totaled JPY 907 million (up 9.5% YoY).

(2) Financial Position

(Total Assets)

Total assets at the end of the first quarter of this consolidated fiscal year were down JPY 1,274 million from the end of the previous consolidated financial year to JPY 40,267 million. This was due mainly to factors such as a decrease of JPY 964 million in cash and deposits, and a decrease of JPY 880 million in notes and accounts receivable-trade, despite an increase of JPY 681 million in merchandise and finished goods.

(Liabilities)

Total liabilities at the end of the first quarter of this consolidated fiscal year were down JPY 805 million from the end of the previous consolidated financial year to JPY 11,665 million. This was due mainly to factors such a decrease of JPY 239 million in notes and accounts payable-trade and a decrease of JPY 536 million in income taxes payable.

(Net Assets)

Net assets at the end of the first quarter of this consolidated fiscal year were down JPY 468 million from the end of the previous consolidated financial year to JPY 28,601 million. This reflected the recording of JPY 500 million in profit attributable to owners of parent, offsetting a reduction due to the payment of JPY 883 million in dividends of surplus.

(Equity Ratio)

The equity ratio stood at 70.8% as of the end of the first quarter of this consolidated fiscal year, up 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 the Second Quarter of This Consolidated Fiscal Year and Full-year Consolidated Operating Results, no revision has been made to the forecast announced on May 10, 2019.

## 2. Quarterly Consolidated Financial Statements and Main Notes

### (1) Quarterly Consolidated Balance Sheet

	Previous consolidated fiscal year (March 31, 2019)	First quarter of this consolidated fiscal year (June 30, 2019)
(Unit: JPY thousands)		
<b>Assets</b>		
Current assets		
Cash and deposits	3,513,157	2,549,056
Notes and accounts receivable-trade	4,820,640	3,940,022
Merchandise and finished goods	13,794,625	14,475,686
Raw materials and supplies	57,391	53,628
Other	309,771	394,859
Total current assets	22,495,587	21,413,253
Non-current assets		
Property, plant, and equipment		
Buildings and structures (net)	3,062,394	3,037,986
Land	2,192,609	2,192,609
Leased assets (net)	869,808	817,042
Other (net)	326,330	418,640
Total property, plant, and equipment	6,451,142	6,466,278
Intangible assets	75,121	76,691
Investments and other assets		
Investment securities	4,418,828	4,384,557
Net defined benefit asset	135,336	134,566
Deferred tax assets	860,612	700,815
Lease and guarantee deposits	6,578,802	6,574,206
Other	525,637	516,653
Total investments and other assets	12,519,217	12,310,798
Total non-current assets	19,045,481	18,853,768
Total assets	41,541,068	40,267,621
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	3,757,646	3,517,795
Current portion of bonds	100,000	100,000
Lease obligations	419,267	390,928
Income taxes payable	669,520	133,303
Provision for bonuses	356,325	179,670
Provision for directors' bonuses	52,800	13,800
Provision for shareholder benefit program	24,000	24,000
Other	2,319,592	2,634,514
Total current liabilities	7,699,152	6,994,012

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(Unit: JPY thousands)

	Previous consolidated fiscal year (March 31, 2019)	First quarter of this consolidated fiscal year (June 30, 2019)
<b>Non-current liabilities</b>		
Bonds payable	1,700,000	1,700,000
Lease obligations	667,142	608,971
Provision for directors' retirement benefits	138,012	119,931
Net defined benefit liability	1,072,556	1,078,706
Deferred tax liabilities	23,795	26,413
Asset retirement obligations	684,584	683,972
Other	485,194	453,331
<b>Total non-current liabilities</b>	<b>4,771,286</b>	<b>4,671,326</b>
<b>Total liabilities</b>	<b>12,470,438</b>	<b>11,665,338</b>
<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	21,313,148	20,929,713
Treasury stock	-110,018	-184,190
<b>Total shareholders' equity</b>	<b>28,759,127</b>	<b>28,301,520</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	198,832	191,036
Remeasurements of defined benefit plans	10,795	9,809
<b>Total accumulated other comprehensive income</b>	<b>209,628</b>	<b>200,845</b>
Subscription rights to shares	101,874	99,316
<b>Total net assets</b>	<b>29,070,630</b>	<b>28,601,682</b>
<b>Total liabilities and net assets</b>	<b>41,541,068</b>	<b>40,267,021</b>

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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

	First quarter of previous consolidated fiscal year (April 1 – June 30, 2018)	First quarter of this consolidated fiscal year (April 1 – June 30, 2019)
(Unit JPY thousands)		
Net sales	13,169,213	12,992,796
Cost of sales	6,838,503	6,727,173
Gross profit	6,330,709	6,265,623
Selling, general, and administrative expenses	5,590,802	5,520,662
Operating income	739,907	744,961
Non-operating income		
Interest income	15,906	19,600
Dividend income	1,290	1,218
Gain on sales of investment securities	–	23,452
Other	12,838	11,556
Total non-operating income	30,036	55,427
Non-operating expenses		
Interest expenses	11,690	9,340
Other	3,431	4,632
Total non-operating expenses	15,122	13,973
Ordinary income	754,821	786,414
Extraordinary income		
Gain on reversal of subscription rights to shares	451	2,558
Total extraordinary income	451	2,558
Extraordinary losses		
Loss on retirement of non-current assets	31,512	1,414
Loss on closing of stores	13,770	6,200
Impairment loss	1,748	4,461
Total extraordinary losses	47,031	12,076
Income before taxes	708,241	776,895
Income taxes-current	96,210	110,365
Income taxes-deferred	158,997	166,253
Total income taxes	255,208	276,619
Net income	453,033	500,276
Profit attributable to owners of parent	453,033	500,276

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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, 2018)	First quarter of this consolidated fiscal year (April 1 – June 30, 2019)
Net income	453,033	500,276
Other comprehensive income		
Valuation difference on available-for-sale securities	2,047	-7,796
Remeasurements of defined benefit plans	556	-986
Total other comprehensive income	2,604	-8,782
Comprehensive income	455,637	491,493
(Breakdown)		
Comprehensive income attributable to owners of parent	455,637	491,493
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.