



## Summary of Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2021 (Japanese GAAP)

October 30, 2020

Company name: Sac's Bar Holdings Inc. Stock exchange: Tokyo Stock Exchange  
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Scheduled date of filing quarterly report : November 9, 2020  
 Scheduled date of start of distributing dividends : –  
 Supplementary materials prepared for quarterly financial results : Yes  
 Quarterly results briefing : Yes  
(for institutional investors and analysts)

(Million yen, rounded down)

### 1. Consolidated financial results for the second quarter of the fiscal year ending March 31, 2021 (April 1–September 30, 2020)

#### (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)	%
FY2020 2Q	14,930	-44.9	-1,348	-	-1,253	-	-1,095	-
FY2019 2Q	27,108	0.5	1,821	5.7	1,877	6.7	1,157	10.1

Note: Comprehensive income: FY2020 2Q JPY-1,099 million (-%); FY2019 2Q JPY1,027 million (-0.3%)

	Net income per share	Diluted net income per share
	(Yen)	(Yen)
FY2020 2Q	-37.72	–
FY2019 2Q	39.43	–

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	(Million yen)	(Million yen)	%
FY2020 2Q	38,251	27,269	71.3
FY2019	40,108	29,240	72.9

Reference: Shareholders' equity: FY2020 2Q JPY27,269 million; FY2019 JPY29,240 million

## 2. Dividends

	Annual dividends per share				
	1Q end	2Q end	3Q end	Year-end	Total
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
FY2019	-	0.00	-	30.00	30.00
FY2020	-	0.00			
FY2020 (projected)			-	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, 2021  
(April 1, 2020 – March 31, 2021)

(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)	%	
Full-year	41,136	-21.7	-108	-	14	-99.5	-356	-	(Yen) -12.27

Note: Revisions to most recently announced consolidated results forecast: Revised

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 shares):	FY2020 2Q	29,859,900 shares	FY2019	29,859,900 shares
(ii) Treasury shares as of end of period:	FY2020 2Q	803,164 shares	FY2019	803,164 shares
(iii) Average number of shares issued and outstanding during period (quarterly cumulative):	FY2020 2Q	29,056,736 shares	FY2019 2Q	29,353,328 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:  
(Caution concerning forward-looking statements)  
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 owing 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. 4 of the attached document.

(Methods of obtaining supplementary materials for financial results and contents of the financial results briefing session)

The Company will have the briefing session on financial results for institutional investors and analysts on Tuesday, November 17, 2020. Supplementary materials for financial results will be made available on the Company’s website promptly after the briefing session.

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1. Qualitative Information on this Quarterly Financial Report

(1) Operating Results

During this period, Japan's economy has been in an extremely severe situation owing to the prolonged spread of COVID-19 at home and abroad. Following the lifting of the state-of-emergency declaration, the economy restarted and was expected to recover to a certain degree. However, as the number of infections increased again in July and August, there is strong concern about a second wave of COVID-19, and uncertainty over the economy still remains.

In retail, the fashion industry was confronted with a continued difficult management environment where stores were forced to shorten operating hours or to close in most commercial facilities for a long period, especially during April and May, owing to the state-of-emergency declaration and requests to refrain from unnecessary and non-urgent outings by the national and local governments. Although a moderate recovery in consumer consumption was expected after the reopening of stores, people continued to refrain from unnecessary and non-urgent outings such as summer vacation trips and hometown visits for the Bon holidays owing to the increasing number of infections in July and August, causing the demand for goods other than the bare necessities of life to have remained extremely low.

Under such conditions, being strongly affected by temporary closures of commercial facilities, self-quarantine, and falling consumer consumption, the Sac's Bar Group's net sales in the second quarter of this consolidated fiscal year were JPY14,930 million (down 44.9% YoY), a significant decrease compared with the second quarter of the previous year. Accordingly, the Group recorded an operating loss of JPY1,348 million (operating profit of JPY1,821 million for the second quarter of the previous year), an ordinary loss of JPY1,253 million (ordinary profit of JPY1,877 million for the second quarter of the previous year), and loss attributable to owners of parent of JPY1,095 million (profit attributable to owners of parent of JPY1,157 million for the second quarter of the previous year).

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 opened seventeen new stores, we also closed ten stores. As a result, the total number of stores at the end of this period stood at 647. Seven of the above new stores are NAUGHTIAM stores, which took over operations of FeelGood, inc. on September 1, 2020.

Net sales drastically decreased owing to long-term temporary closures of commercial facilities and shortened operating hours in April and May. A gradual recovery was expected after June, but net sales in the second quarter of this consolidated fiscal year were lower than those in the single month of June owing to refraining from unnecessary outings and a drop in consumer sentiment as a result of an increasing number of infections in July and August. As a result, net sales in these businesses drastically decreased to JPY14,571 million (down 42.7% YoY). While sales of all products recorded a considerable drop, the sales of travel bags drastically fell by 84.3% YoY because outbound and inbound demand nearly disappeared and domestic demands such as private travel, business trips, and hometown visits for the Bon holidays seriously diminished. On the other hand, small-sized wallets sold relatively well, with sales showing a smaller decline of 23.6% YoY as well as the sales of imported bags with a decrease of 20.7% YoY thanks to the promotion of discounted products and expansion of products. The sales of other products decreased by approximately 40%.

Gross profit margin decreased by 1.7 percentage points YoY to 46.5% as the Company has promoted sales of seasonal products, private-brand bags, and imported bags at discount prices to make up the opportunity loss due to the long-term temporary closure of stores and to stimulate consumer demand. On the other hand, the selling, general and administrative expenses ratio increased by 13.3 percentage points YoY to 55.4% because of the significant drop in sales.

<Manufacturing, Wholesaling Businesses>

In the manufacturing and wholesaling businesses, sales of carry-on luggage bags, which are our main products, were devastated owing to a serious drop in travel demand caused by the spread of COVID-19.

As a result, net sales in these businesses totaled JPY409 million (down 79.8% YoY).

(2) Financial Position

(Total Assets)

Total assets at the end of the second quarter of this consolidated fiscal year were down JPY1,856 million from the end of the previous consolidated financial year to JPY38,251 million. This was due mainly to factors such as a decrease of JPY635 million in cash and deposits, a decrease of JPY243 million in notes and accounts receivable - trade, and a decrease of JPY1,595 million in merchandise and finished goods, despite an increase of JPY659 million in deferred tax assets.

(Liabilities)

Total liabilities at the end of the second quarter of this consolidated fiscal year were up JPY114 million from the end of the previous consolidated financial year to JPY10,981 million. This was due mainly to factors such as a decrease of JPY800 million in notes and accounts payable - trade and an increase of JPY1,000 million in short-term borrowings.

(Net Assets)

Net assets at the end of the second quarter of this consolidated fiscal year were down JPY1,971 million from the end of the previous consolidated financial year to JPY27,269 million. This reflected the recording of JPY1,095 million in loss attributable to owners of parent and dividend payment of JPY871 million from dividends of surplus.

(Equity Ratio)

The equity ratio stood at 71.3% as of the end of the second quarter of this consolidated fiscal year, down 1.6 percentage points from the end of the previous consolidated financial year.

(Cash Flow)

Cash and cash equivalents at the end of the second quarter of this consolidated fiscal year were down JPY638 million from the end of the previous consolidated financial year to JPY2,578 million. Cash flows for the following activities in the second quarter of this consolidated fiscal year were as follows:

(Cash Flows from Operating Activities)

Net cash in operating activities recorded minus JPY275 million due to income being down JPY2,396 million from the year-before quarter. Major factors in income were a decrease of JPY1,591 million of inventories and a decrease of JPY243 million in notes and trade receivables. Meanwhile, major factors in expenditure were the recording of JPY1,622 million in loss before income taxes and a decrease of JPY800 million in trade payables.

(Cash Flows from Investing Activities)

Net cash in investing activities recorded minus JPY317 million due to expenditure being up JPY53 million from the year-before quarter. The major factor in expenditure was the recording of JPY289 million in investment in plant and equipment, which resulted from the opening of new stores and the remodeling of stores.

(Cash Flows from Financing Activities)

Net cash in financing activities recorded minus JPY46 million due to expenditure being down JPY1,354 million from the year-before quarter. The major factor in income was the net increase of JPY1,000 million in short-term borrowings. Meanwhile, major factors in expenditure were the payment of JPY870 million in dividends and the repayments of JPY205 million in lease obligations.

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

The Company has revised the forecasts of full-year consolidated operating results for the year ending March 31, 2021 published on July 30, 2020 as follows: For details, please see the “Notice of Differences Between Forecasts and Actual Results in the Second Quarter of Fiscal Year Ending March 31, 2021 as well as the Revision to the Forecast of Full-Year Consolidated Operating Results and Medium-Term Management Plan” announced on October 30, 2020.

Revised forecast of full-year consolidated operating results for the fiscal year ending March 31, 2021  
 (April 1, 2020–March 31, 2021)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
Previous forecast (A) (announced on July 30, 2020)	(Million yen) 44,763	(Million yen) 1,181	(Million yen) 1,255	(Million yen) 410	(Yen) 14.14
Revised forecast (B)	41,136	-108	14	-356	-12.27
Difference (B-A)	-3,627	-1,290	-1,240	-767	–
Ratio of difference (%)	-8.1	–	-98.8	–	–
(Reference) Previous actual results (for the fiscal year ended March 31, 2020)	52,523	2,670	2,762	1,668	57.05

2. Quarterly Consolidated Financial Statements and Main Notes

(1) Quarterly Consolidated Balance sheet

(Unit: JPY thousands)

	Previous consolidated fiscal year (March 31, 2020)	Second quarter of this consolidated fiscal year (September 30, 2020)
<b>Assets</b>		
Current assets		
Cash and deposits	3,247,398	2,611,752
Notes and accounts receivable - trade	2,625,081	2,381,252
Merchandise and finished goods	14,687,579	13,092,374
Raw materials and supplies	53,973	60,243
Other	217,134	212,142
Total current assets	20,831,166	18,357,765
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	3,129,067	3,156,994
Land	2,228,522	2,228,522
Leased assets (net)	740,671	756,021
Other (net)	368,379	272,201
Total property, plant and equipment	6,466,641	6,413,740
Intangible assets	105,394	122,228
Investments and other assets		
Investment securities	4,633,632	4,622,803
Retirement benefit asset	117,711	115,218
Deferred tax assets	853,411	1,512,973
Leasehold and guarantee deposits	6,578,644	6,595,628
Other	521,525	510,802
Total investments and other assets	12,704,925	13,357,426
Total non-current assets	19,276,961	19,893,396
Total assets	40,108,128	38,251,162

Company name: Sac's Bar Holdings Inc. (9990)  
Summary of Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2021  
(Japanese GAAP)

(Unit: JPY thousands)

	Previous consolidated fiscal year (March 31, 2020)	Second quarter of this consolidated fiscal year (September 30, 2020)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	3,042,717	2,242,102
Short-term borrowings	-	1,000,000
Lease obligations	358,975	345,003
Income taxes payable	256,316	173,043
Provision for bonuses	264,082	248,559
Provision for bonuses for directors (and other officers)	37,800	16,100
Provision for shareholder benefit program	32,700	-
Other	1,822,771	1,864,157
<b>Total current liabilities</b>	<b>5,815,361</b>	<b>5,888,966</b>
Non-current liabilities		
Bonds payable	1,800,000	1,800,000
Lease obligations	565,553	565,237
Provision for retirement benefits for directors (and other officers)	149,817	155,455
Retirement benefit liability	1,248,707	1,269,249
Deferred tax liabilities	18,239	4,111
Asset retirement obligations	816,832	821,219
Other	452,854	477,749
<b>Total non-current liabilities</b>	<b>5,052,004</b>	<b>5,093,024</b>
<b>Total liabilities</b>	<b>10,867,366</b>	<b>10,981,990</b>
Net assets		
Shareholders' equity		
Share capital	2,986,400	2,986,400
Capital surplus	4,569,597	4,569,597
Retained earnings	22,097,446	20,129,842
Treasury shares	-482,992	-482,992
<b>Total shareholders' equity</b>	<b>29,170,451</b>	<b>27,202,847</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	155,701	148,230
Remeasurements of defined benefit plans	-85,390	-81,906
<b>Total accumulated other comprehensive income</b>	<b>70,310</b>	<b>66,323</b>
<b>Total net assets</b>	<b>29,240,761</b>	<b>27,269,171</b>
<b>Total liabilities and net assets</b>	<b>40,108,128</b>	<b>38,251,162</b>



(2) Quarterly Consolidated Income Statement and Quarterly Consolidated Statement of Comprehensive Income  
Quarterly Consolidated Income Statement  
Second quarter of this consolidated fiscal year

(Unit: JPY thousands)

	Second quarter of previous consolidated fiscal year (April 1–September 30, 2019)	Second quarter of this consolidated fiscal year (April 1–September 30, 2020)
Net sales	27,108,463	14,930,336
Cost of sales	14,067,757	8,011,279
Gross profit	13,040,706	6,919,057
Selling, general and administrative expenses	11,219,080	8,267,450
Operating income (loss)	1,821,626	-1,348,392
Non-operating income		
Interest income	39,706	40,968
Dividend income	2,082	1,797
Commission income	3,176	3,189
Gain on sales of investment securities	23,452	–
Subsidy income	–	54,556
Other	13,991	21,576
Total non-operating income	82,407	122,087
Non-operating expenses		
Interest expenses	19,139	18,541
Other	7,770	8,874
Total non-operating expenses	26,910	27,416
Ordinary income (loss)	1,877,123	-1,253,721
Extraordinary income		
Subsidy income	–	557,303
Gain on reversal of share acquisition rights	3,160	–
Total extraordinary income	3,160	557,303
Extraordinary losses		
Loss on retirement of non-current assets	14,938	16,776
Loss on store closings	17,470	1,020
Impairment loss	42,398	27,070
Loss from temporary closure of stores	–	878,405
Loss on disaster	–	2,423
Total extraordinary losses	74,807	925,695
Income (loss) before income taxes	1,805,476	-1,622,114
Income taxes - current	622,245	145,656
Income taxes - deferred	25,973	-671,869
Total income taxes	648,218	-526,212
Net income (loss)	1,157,257	-1,095,901
Profit (loss) attributable to owners of parent	1,157,257	-1,095,901

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

(Unit: JPY thousands)

	Second quarter of previous consolidated fiscal year (April 1–September 30, 2019)	Second quarter of this consolidated fiscal year (April 1–September 30, 2020)
Net income (loss)	1,157,257	-1,095,901
Other comprehensive income		
Valuation difference on available-for-sale securities	-3,551	-7,471
Remeasurements of defined benefit plans, net of tax	-126,062	3,484
Total other comprehensive income	-129,614	-3,986
Comprehensive income	1,027,643	-1,099,888
(Breakdown)		
Comprehensive income attributable to owners of parent	1,027,643	-1,099,888
Comprehensive income attributable to non-controlling interests	-	-

(3) Quarterly Consolidated Cash Flow Statement

	Second quarter of previous consolidated fiscal year (April 1–September 30, 2019)	Second quarter of this consolidated fiscal year (April 1–September 30, 2020)
(Unit: JPY thousands)		
<b>Cash flows from operating activities</b>		
Income (loss) before income taxes	1,805,476	-1,622,114
Depreciation	429,746	340,973
Impairment loss	42,398	27,070
Increase (decrease) in provision for bonuses	26,646	-15,522
Increase (decrease) in provision for bonuses for directors (and other officers)	-25,200	-21,700
Increase (decrease) in provision for retirement benefits for directors (and other officers)	-16,362	5,637
Increase (decrease) in retirement benefit liability	183,503	20,542
Interest and dividend income	-41,788	-42,765
Interest expenses	19,139	18,541
Loss on retirement of non-current assets	14,938	16,776
Subsidy income	–	-54,556
Subsidy income	–	-557,303
Loss from temporary closure of stores	–	878,405
Decrease (increase) in trade receivables	951,720	243,828
Decrease (increase) in inventories	-247,440	1,591,449
Increase (decrease) in trade payables	230,752	-800,614
Increase (decrease) in accrued consumption taxes	-24,268	-91,821
Increase (decrease) in accrued expenses	-322,753	13,289
Other	-297,035	137,169
<b>Subtotal</b>	<b>2,729,474</b>	<b>87,287</b>
Interest and dividends received	41,492	42,897
Interest paid	-19,138	-18,545
Income taxes paid	-631,379	-236,410
Income taxes refund	273	14,477
Subsidies received	–	43,221
Proceeds from subsidy income	–	557,303
Payments for loss from temporary closure of stores	–	-765,561
<b>Cash flows from operating activities</b>	<b>2,120,723</b>	<b>-275,330</b>
<b>Cash flows from investing activities</b>		
Payments into time deposits	-1,500	-3,000
Proceeds from withdrawal of time deposits	6,000	–
Purchase of property, plant and equipment and intangible assets	-209,569	-289,305
Payments for retirement of property, plant and equipment	-28,641	-24,789
Proceeds from sales of investment securities	46,523	–
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-76,840	–
<b>Cash flows from investing activities</b>	<b>-264,028</b>	<b>-317,094</b>
<b>Cash flows from financing activities</b>		
Increase (decrease) in short-term borrowings	–	1,000,000
Increase in accounts payable - installment purchase	103,050	154,160
Decrease in accounts payable - installment purchase	-141,106	-125,435

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 (Japanese GAAP)

(Unit: JPY thousands)

	Second quarter of previous consolidated fiscal year (April 1–September 30, 2019)	Second quarter of this consolidated fiscal year (April 1–September 30, 2020)
Repayments of lease obligations	-237,212	-205,301
Dividends paid	-883,124	-870,162
Purchase of treasury shares	-242,990	-
Cash flows from financing activities	-1,401,383	-46,739
Effect of exchange rate change on cash and cash equivalents	121	519
Net increase (decrease) in cash and cash equivalents	455,432	-638,646
Cash and cash equivalents at beginning of current period	3,485,457	3,216,698
Cash and cash equivalents at end of current period	3,940,890	2,578,052

(4) 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.