



October 30, 2020

To our shareholders

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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

Sac's Bar Holdings Inc. (hereinafter referred to as "the Company") hereby announces that its consolidated actual results in the second quarter of the fiscal year ending March 31, 2021 announced today differ from the forecasts for the same period published on July 30, 2020 in the "Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2021 (Japanese GAAP)".

In addition, in light of recent movements in business results, the Company has revised the forecast of full-year consolidated operating results for the fiscal year ending March 31, 2021 (April 1, 2020–March 31, 2021) as well as planned consolidated business performance for the medium-term management plan for the fiscal year ending March 31, 2022 in the "Notice Concerning Medium-Term Management Plan" published on May 10, 2019.

1. Differences between forecasts and actual results in the second quarter of the fiscal year ending March 31, 2021(April 1–September 30, 2020)

	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) 16,532	(Million yen) -655	(Million yen) -608	(Million yen) -662	(Yen) -22.82
Actual results (B)	14,930	-1,348	-1,253	-1,095	-37.72
Difference (B-A)	-1,602	-692	-645	-432	–
Ratio of difference (%)	-9.7	–	–	–	–
(Reference) Previous actual results (for the 2Q of the fiscal year ended March 31, 2020)	27,108	1,821	1,877	1,157	39.43

Reasons for differences:

The Sac's Bar Group developed forecasts based on assumptions that consumer trends would gradually move toward recovery as the spread of COVID-19 continued to be controlled to a certain extent after July 2020. However, an increasing number of infections of COVID-19 in July and August slowed the pace of recovery in consumer trends. Furthermore, the sales of travel bags drastically declined owing to a sharp drop in private travel, business trips, and hometown visits for the Bon holidays caused by refraining from unnecessary and non-urgent outings. As a result, net sales of the second quarter of this consolidated fiscal year fell by 14.5% below the forecast in both retail and wholesale businesses. Accordingly, the actual operating results fell minus with increased loss, whereas the forecasts of operating income, ordinary income, and profit attributable to owners of parent were plus.

2. 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

Reasons for revision:

In light of the consolidated operating results for the second quarter of the fiscal year ending March 31, 2021, revisions were made to the forecast of full-year consolidated operating results for the fiscal year ending March 31, 2021.

Although the second quarter of this consolidated fiscal year saw the spread of COVID-19, the Group announces the forecast of consolidated operating results based on assumptions that the second wave of COVID-19 will be controlled and while consumer trends gradually recover, the impact of COVID-19 remains to a certain extent during this fiscal year.

3. Revised planned consolidated business performance for the medium-term management plan for the fiscal year ending March 31, 2022 (April 1, 2021–March 31, 2022)

(Units: JPY millions, %)

	Previous forecast(A) (announced on May 10, 2019)	% sales	Revised forecast (B)	% sales	Difference (B-A)	Ratio of difference (%)
Net sales	61,703	–	55,560	–	-6,142	-10.0
Gross profit	29,893	48.4	26,528	47.7	-3,364	-11.3
Selling, general and administrative expenses	25,436	41.2	22,954	41.3	-2,482	-9.8
Operating income	4,456	7.2	3,574	6.4	-882	-19.8
Ordinary income	4,494	7.3	3,621	6.5	-872	-19.4
Profit attributable to owners of parent	2,637	4.3	2,114	3.8	-523	-19.8

Planned retail-segment store openings and closings and existing-store sales vs. previous period

	Previous forecast (A) (announced on May 10, 2019)	Revised forecast (B)	Difference (B-A)
Stores opened	35	9	-26
Stores closed	12	8	-4
Number of stores at end of period	698	650	-48
Existing-store sales vs. previous period (%)	100.9	–	–

(Note) The Company has not calculated the revised forecast for existing-store sales vs. previous period because most stores closed temporarily in April and May, and net sales dropped significantly from June to September. Therefore, the revised forecast has not been included above.

Reasons for revision:

In light of the consolidated operating results for the second quarter of the fiscal year ending March 31, 2021, revisions were made to the forecast of full-year consolidated operating results for the fiscal year ending March 31, 2022.

The forecast is based on the assumption that there will be no significant negative impact of COVID-19. In the wholesale business, the Company incorporated an approximately 20% decrease in net sales from the usual base due to a lack of a sufficient recovery in our main products, travel cases.

* 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 guarantee that such forecasts will be achieved. Actual results may differ materially owing to various causes.