



**Summary of Consolidated Financial Results for  
the Second Quarter of the Fiscal Year Ending March 31, 2022  
(Japanese GAAP)**

November 1, 2021

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 : November 9, 2021  
Scheduled date of starting 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, 2022 (April 1 – September 30, 2021)

(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)	%
FY2021 2Q	15,744	5.5	-1,323	-	-1,259	-	-1,101	-
FY2020 2Q	14,930	-44.9	-1,348	-	-1,253	-	-1,095	-

Note: Comprehensive income: FY2021 2Q JPY-1,102 million (-%); FY2020 2Q JPY-1,099 million (-%)

	Net income per share	Diluted net income per share
	(Yen)	(Yen)
FY2021 2Q	-37.91	-
FY2020 2Q	-37.72	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	(Million yen)	(Million yen)	%
FY2021 2Q	36,517	24,976	68.4
FY2020	37,505	26,514	70.7

Reference: Shareholders' equity: FY2021 2Q JPY24,976 million; FY2020 JPY26,514million

2. Dividends

	Annual dividends per share				
	1Q end	2Q end	3Q end	Year-end	Total
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
FY2020	-	0.00	-	15.00	15.00
FY2021	-	0.00	-	-	-
FY2021 (projected)	-	-	-	15.00	15.00

Note: Revisions to most recently announced projected dividends: Yes

3. Forecast of Consolidated Operating Results for the fiscal year ending March 31, 2022  
(April 1, 2021 - March 31, 2022)

(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)
Full-year	39,347	12.9	-591	-	-492	-	-756	-	-26.02

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. : 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):	FY2021 2Q	29,859,900 shares	FY2020	29,859,900 shares
(ii) Treasury stock as of end of period:	FY2021 2Q	803,314 shares	FY2020	803,214 shares
(iii) Average number of shares issued and outstanding during period (quarterly cumulative):	FY2021 2Q	29,056,633 shares	FY2020 2Q	29,056,736 shares

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

\* Explanations concerning the appropriate usage of the earnings forecast and other notes (Notes to statements concerning future events)

The earnings forecast and other statements concerning future events contained in this document are estimates based on information and data currently available to us and assumptions considered to be reasonable. We, however, cannot assure that such forecast and statements will be achieved. The actual earnings and other results may differ significantly due to several reasons. For more information concerning the assumptions on which the earnings forecast was based, as well as appropriate usage of the earnings forecast, please see "1. Qualitative Information concerning the Quarterly Results for the Current Quarter, (3) Explanations concerning the Consolidated Earnings Forecast and other Forecast Information" on Page 4 of the accompanying document.

(Availability of the additional explanatory documents for the financial statements and results briefing documents)

We will hold a results briefing meeting for institutional investors and analysts on Wednesday, November 17, 2021. Any documents distributed at this meeting will become available on our website immediately after the meeting.

## 1. Qualitative Information on this Quarterly Financial Report

The Accounting Standards for Revenue Recognition (Corporate Accounting Standards No. 29, March 31, 2020), as well as other such standards, have been applied since the beginning of the current consolidated first quarter. In accordance with the transitional measures, however, the said standards were not applied retroactively to the previous consolidated cumulative second quarter.

For more information, please see “2. Quarterly Consolidated Financial Statements and Notes, (4) Notes to the Quarterly Consolidated Financial Statements (Changes in Accounting Policy).”

### (1) Operating Results

During the current consolidated cumulative second quarter, the Japanese economy continued to stagnate due to the COVID-19 pandemic. With the fourth and fifth waves of the COVID-19 pandemic, the states of emergency were declared and extended several times, and the semi-emergency COVID-19 measures were taken as well. The fifth wave in Japan was the largest pandemic wave ever. Corporate earnings and consumer spending failed to recover. Although it was hoped that the pandemic would end soon when more people are vaccinated, there was also concern that infection might spread again due to new variants. The future economy continued to be uncertain.

The national and local governments requested people to stay at home, declared and extended states of emergency and took semi-emergency measures. As for the retail industry, most commercial complexes were forced to shorten business hours, as well as temporarily closing, for many weeks including the Golden Week holiday period. Many trips, including visiting parents, and events had to be cancelled; restaurants had to shorten their business hours. With these measures, consumer activities were significantly restricted. As for the fashion industry, consumption remained stagnant, and the business climate continued to be harsh.

Our net sales during the current consolidated cumulative second quarter were JPY 15,744 million, an increase of 5.5 percent from the same period in the previous fiscal year. Our operating loss was JPY 1,323 million compared to JPY 1,348 million of operating loss in the same period in the previous fiscal year. Our ordinary loss was JPY 1,259 million compared to JPY 1,253 million of ordinary loss in the same period in the previous fiscal year. Our quarterly net loss attributable to owners of the parent company was JPY 1,101 million compared to JPY 1,095 million of quarterly net loss attributable to owners of the parent company in the same period in the previous fiscal year.

Since the reporting segment of our group is a single segment, information with respect to each segment is not provided. Our performance with respect to each business division is stated below. Figures after deleting transactions within each division, but before deleting transactions between divisions, are stated.

#### <Retail and Other Businesses>

As for our retail business, we opened nine new stores and closed sixteen. As of the end of the current consolidated second quarter, we had 638 stores in total.

In April and May, our net sales were significantly affected by the temporary closures and shortened business hours of commercial complexes. Compared to the same period in the previous fiscal year, however, the period of closures was shorter and the number of closed stores decreased. Our net sales from the retail business increased significantly. In June, however, our sales decreased. This was due to the states of emergency being declared and semi-emergency measures being taken, unlike the same period in the previous fiscal year. Consumer confidence continued to be low due to the pandemic.

Our net sales from the retail business increased to JPY 15,258 million, an increase of 4.7 percent from the same period in the previous fiscal year. The sales of miscellaneous goods increased by 25.8 percent from the same period in the previous fiscal year. This was because we, focusing on the stay-at-home demand, worked to introduce more new products, as well as increasing stores selling them. The sales of wallets, however, decreased by 3.3 percent from the same period in the previous fiscal year.

The sales of handbags, mainly private brand and national private brand handbags, also increased by 13.5 percent from the same period in the previous fiscal year. The sales of men's bags increased by 12.1 percent from the same period in the previous fiscal year, because less people worked remotely compared to the same period last year. As for travel bags, the sales increased by 23.3 percent compared to the same

period in the previous fiscal year, when the sales were devastated. The sales level, however, is still low. The sales of casual bags and imported bags decreased by 11.3 percent and 18.1 percent compared to the same period last year due to less products being for sale.

Due to the sales opportunity loss caused by the long temporary closures, as well as selling products at discount prices in order to fuel consumer confidence, the ratio of gross profit to net sales decreased in the same period in the previous fiscal year. In the current consolidated second quarter, however, sales at discount prices significantly decreased and the ratio of gross profit to net sales increased by 2.1 percent to 48.6 percent compared to the same period in the previous fiscal year. With the decreased sales in June, the ratio of selling, general and administrative expenses increased by 1.9 percent to 57.3 percent compared to the same period in the previous fiscal year

<Manufacturing, Wholesaling Businesses>

As for our manufacturing and wholesale business, the sales of suitcases, which are our main product, continued to be sluggish due to the impact of the COVID-19 pandemic. The net sales, however, increased because more people went on business and other trips compared to the same period in the previous fiscal year.

As the result of the above, the net sales of our manufacturing and wholesale business division were JPY 578 million, an increase of 41.1 percent compared to the same period in the previous fiscal year.

(2) Financial Position

(Total Assets)

Our total assets as of the end of the current consolidated second quarter were JPY 36,517 million, a decrease of JPY 987 million compared to the end of the previous consolidated fiscal year. *Deferred tax assets* increased by JPY 684 million, but *notes and accounts receivable-trade* decreased by JPY 1,096 million, *merchandise and finished goods* decreased by JPY 212 million, *property, plants and equipment* decreased by JPY 176 million, and *lease and guarantee deposits* decreased by JPY 127 million.

(Liabilities)

The liabilities as of the end of the current consolidated second quarter were JPY 11,541 million, an increase of JPY 550 million compared to the end of the previous consolidated fiscal year. *Notes and accounts payable-trade* decreased by JPY 612 million, but *short-term loans payable* increased by JPY 1,500 million.

(Net Assets)

Our net assets as of the end of the current consolidated second quarter were JPY 24,976 million, a decrease of JPY 1,538 million compared to the end of the previous consolidated fiscal year. This includes decreases due to JPY 435 million of *dividends from surplus* and JPY 1,101 million of *quarterly net loss attributable to owners of the parent company*.

(Capital adequacy ratio)

Our capital adequacy ratio as of the end of the current consolidated second quarter decreased by 2.3 percent to 68.4 percent from the end of the previous consolidated fiscal year.

(Cash flows during the current fiscal year)

Our cash and cash equivalents as of the end of the current consolidated second quarter were JPY 1,145 million, an increase of JPY 52 million compared to the previous consolidated fiscal year. Cash flows during the current consolidated second quarter were as follows.

(Cash flows from operating activities)

As for cash flows from operating activities, our net cash decreased by JPY 578 million, with outflows increased by JPY 303 million, compared to the same period in the previous fiscal year.

Major inflows included JPY 1,096 million of *decrease in notes and accounts receivable-trade* and JPY 228 million of *decrease in inventories*.

Major outflows included JPY 1,642 million of *loss before income taxes*, JPY 612 million of *decrease in notes and accounts payable-trade*.

(Cash flows from investment activities)

As for cash flows from investment activities, our net cash decreased by JPY 211 million, with outflows decreased by JPY 105 million, compared to the same period in the previous fiscal year.

Major outflows included JPY 166 million of business investment for opening new stores and redecorating existing stores.

(Cash flows from financing activities)

As for cash flows from financing activities, our net cash increased by JPY 842 million, with inflows increased by JPY 889 million, compared to the same period in the previous fiscal year.

Major inflows include JPY 1,500 million of *increase in short-term loans payable*.

Major outflows include JPY 435 million *cash dividends paid* and JPY 181 million of *repayments of lease obligations*.

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

Concerning our consolidated earnings forecast and dividend distribution forecast for the quarter ending March 31, 2022, we delayed our decision because reasonably assessing the impact of the COVID-19 pandemic was difficult. We, however, decided to assess such impact on our group companies, based on the information and data available to us at present, and publish such forecast information.

For more information, please see “Announcement concerning the consolidated earnings forecast and dividend distribution forecast” published on November 1, 2021.

## 2. Quarterly Consolidated Financial Statements and Main Notes

### (1) Quarterly Consolidated Balance Sheet

(Unit: JPY thousands)

	Previous consolidated fiscal year (March 31, 2021)	Second quarter of this consolidated fiscal year (September 30, 2021)
<b>Assets</b>		
Current assets		
Cash and deposits	1,132,167	1,190,213
Notes and accounts receivable-trade	3,080,562	1,983,910
Merchandise and finished goods	13,091,855	12,879,072
Raw materials and supplies	41,918	26,077
Other	199,203	142,812
Total current assets	17,545,707	16,222,087
Non-current assets		
Property, plant, and equipment		
Buildings and structures (net)	3,203,724	3,162,478
Land	2,232,822	2,218,529
Leased assets (net)	666,453	623,431
Other (net)	290,569	212,425
Total property, plant, and equipment	6,393,571	6,216,865
Intangible assets	142,640	125,758
Investments and other assets		
Investment securities	4,627,857	4,616,176
Net defined benefit asset	97,431	93,488
Deferred tax assets	1,706,918	2,391,217
Lease and guarantee deposits	6,510,323	6,382,843
Other	480,660	469,149
Total investments and other assets	13,423,191	13,952,874
Total non-current assets	19,959,404	20,295,498
Total assets	37,505,111	36,517,585
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	2,438,991	1,826,278
Short-term loans payable	1,000,000	2,500,000
Current portion of bonds	100,000	200,000
Lease obligations	322,813	300,408
Income taxes payable	154,803	161,191
Provision for bonuses	240,538	193,997
Provision for directors' bonuses	31,080	12,390
Provision for shareholder benefit program	35,400	-
Other	1,627,650	1,496,337
Total current liabilities	5,951,278	6,690,603

Company name: Sac's Bar Holdings Inc. (9990)  
Summary of Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2022  
(Japanese GAAP)

(Unit: JPY thousands)

	Previous consolidated fiscal year (March 31, 2021)	Second quarter of this consolidated fiscal year (September 30, 2021)
<b>Non-current liabilities</b>		
Bonds payable	1,700,000	1,600,000
Long-term loans payable	80,000	80,000
Lease obligations	517,032	456,034
Provision for directors' retirement benefits	161,092	165,205
Net defined benefit liability	1,293,844	1,303,358
Deferred tax liabilities	792	-
Asset retirement obligations	818,808	808,440
Other	467,335	437,482
Total non-current liabilities	5,038,906	4,850,521
<b>Total liabilities</b>	<b>10,990,185</b>	<b>11,541,124</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	19,378,681	17,841,186
Treasury stock	-483,018	-483,076
Total shareholders' equity	26,451,660	24,914,107
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	151,615	143,367
Remeasurements of defined benefit plans	-88,350	-81,013
Total accumulated other comprehensive income	63,265	62,354
<b>Total net assets</b>	<b>26,514,926</b>	<b>24,976,461</b>
<b>Total liabilities and net assets</b>	<b>37,505,111</b>	<b>36,517,585</b>



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

Quarterly Consolidated Income Statement  
Second quarter of this consolidated fiscal year

	Second quarter of previous consolidated fiscal year	Second quarter of this consolidated fiscal year
	(April 1 – September 30, 2020)	(April 1 – September 30, 2021)
(Unit JPY thousands)		
Net sales	14,930,336	15,744,222
Cost of sales	8,011,279	8,113,985
Gross profit	6,919,057	7,630,237
Selling, general, and administrative expenses	8,267,450	8,953,517
Operating loss	-1,348,392	-1,323,279
Non-operating income		
Interest income	40,968	41,182
Dividend income	1,797	1,641
Commission income	3,189	3,329
Subsidy	54,556	23,537
Other	21,576	18,371
Total non-operating income	122,087	88,062
Non-operating expenses		
Interest expenses	18,541	18,216
Other	8,874	6,164
Total non-operating expenses	27,416	24,381
Ordinary loss	-1,253,721	-1,259,598
Extraordinary income		
Mandatory subsidy	557,303	140,917
Total extraordinary income	557,303	140,917
Extraordinary losses		
Loss on retirement of non-current assets	16,776	13,151
Loss on closing of stores	1,020	20,117
Impairment loss	27,070	31,820
Loss from temporary closure of stores	878,405	458,546
Loss on disaster	2,423	-
Total extraordinary losses	925,695	523,636
Net loss before income taxes	-1,622,114	-1,642,318
Income taxes-current	145,656	144,223
Income taxes-deferred	-671,869	-684,897
Total income taxes	-526,212	-540,673
Net loss	-1,095,901	-1,101,644
Net loss attributable to owners of parent	-1,095,901	-1,101,644

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Quarterly Consolidated Income Statement

Second quarter of this consolidated fiscal year

(Unit JPY thousands)

	Second quarter of previous consolidated fiscal year	Second quarter of this consolidated fiscal year
	(April 1 – September 30, 2020)	(April 1 – September 30, 2021)
Net loss	-1,095,901	-1,101,644
Other comprehensive income		
Valuation difference on available-for-sale securities	-7,471	-8,248
Remeasurements of defined benefit plans	3,484	7,336
Total other comprehensive income	-3,986	-911
Comprehensive income	-1,099,888	-1,102,556
(Breakdown)		
Comprehensive income attributable to owners of parent	-1,099,888	-1,102,556
Comprehensive income attributable to non-controlling interests	-	-

Company name: Sac's Bar Holdings Inc. (9990)  
Summary of Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2022  
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(3) Quarterly Consolidated Cash Flow Statement

	Second quarter of previous consolidated fiscal year  (April 1-September 30, 2020)	(Unit: JPY thousands) Second quarter of this consolidated fiscal year  (April 1-September 30, 2021)
<b>Cash flows from operating activities</b>		
Net loss before income taxes	-1,622,114	-1,642,318
Depreciation	340,973	348,894
Impairment loss	27,070	31,820
Increase (decrease) in provision for bonuses	-15,522	-46,540
Increase (decrease) in provision for bonuses for directors (and other officers)	-21,700	-18,690
Increase (decrease) in provision for retirement benefits for directors (and other officers)	5,637	4,112
Increase (decrease) in retirement benefit liability	20,542	9,514
Interest and dividend income	-42,765	-42,823
Interest expenses	18,541	18,216
Loss on retirement of non-current assets	16,776	13,151
Subsidy income	-54,556	-23,537
Subsidy income	-557,303	-140,917
Loss from temporary closure of stores	878,405	458,546
Decrease (increase) in trade receivables	243,828	1,096,651
Decrease (increase) in inventories	1,591,449	228,294
Increase (decrease) in trade payable	-800,614	-612,713
Increase (decrease) in accrued consumption taxes	-91,821	1,632
Increase (decrease) in accrued expenses	13,289	-40,513
Other	137,169	108,070
<b>Subtotal</b>	<b>87,287</b>	<b>-249,148</b>
Interest and dividends received	42,897	42,414
Interest paid	-18,545	-18,245
Income taxes paid	-236,410	-166,637
Income taxes refund	14,477	65,000
Subsidies received	43,221	21,329
Proceeds from subsidy income	557,303	140,917
Payments for loss from temporary closure of stores	-765,561	-414,394
<b>Cash flows from operating activities</b>	<b>-275,330</b>	<b>-578,763</b>
<b>Cash flows from investing activities</b>		
Payments into time deposits	-3,000	-11,100
Proceeds from withdrawal of time deposits	-	6,000
Purchase of property, plant and equipment and intangible assets	-289,305	-166,083
Payments for retirement of property, plant and equipment	-24,789	-40,669
<b>Cash flows from investing activities</b>	<b>-317,094</b>	<b>-211,852</b>

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 Summary of Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2022  
 (Japanese GAAP)

	(Unit: JPY thousands)	
	Second quarter of previous consolidated fiscal year	Second quarter of this consolidated fiscal year
	(April 1-September 30, 2020)	(April 1-September 30, 2021)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	1,000,000	1,500,000
Increase in accounts payable - installment purchase	154,160	81,669
Decrease in accounts payable - installment purchase	-125,435	-121,800
Repayments of lease obligations	-205,301	-181,403
Dividends paid	-870,162	-435,408
Purchase of treasury shares	-	-58
Cash flows from financing activities	-46,739	842,998
Effect of exchange rate change on cash and cash equivalents	519	564
Net increase (decrease) in cash and cash equivalents	-638,646	52,946
Cash and cash equivalents at beginning of current period	3,216,698	1,092,967
Cash and cash equivalents at end of current period	2,578,052	1,145,913

(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

(Changes in the Accounting Policy)

(Application of the Accounting Standards for Revenue Recognition)

The Accounting Standards for Revenue Recognition (Corporate Accounting Standards No. 29, March 31, 2020) (hereinafter referred to as the Revenue Recognition Standards), as well as other such standards, have been applied since the beginning of the current consolidated first quarter. When the promised goods or services are transferred to the customer, the relevant revenue is recognized at the amount expected to be received in exchange for the said goods or services.

For consignment sales transactions at department stores and other such commercial complexes, revenues were traditionally recognized at the net amount after deducting the store's commission charges from the amount paid by customers. After the changes, however, revenues are recognized at the total amount before deductions, since our company is the principal for such transactions.

The Revenue Recognition Standards and other such standards are applied in accordance with the transitional measures stipulated in the Exceptional Clause, Article 84 of the Revenue Recognition Standards. The amount of the cumulative impact caused by retroactively applying the new accounting policy to the period before the beginning of the current consolidated first quarter is added to or subtracted from the retained earnings as of the beginning of the current consolidated first quarter, and the new accounting policy was applied to the balance as of the beginning of the said quarter. This, however, had no impact on the balance as of the beginning of the said quarter.

Applying the Revenue Recognition Standards and other such standards had only minor impact on the amounts of net sales and selling, general and administrative expenses during the current consolidated cumulative second quarter, and no impact on the amounts of the operating loss, ordinary loss and quarterly net loss before income taxes.

(Application of the Accounting Standards for Market Price Calculation)

The Accounting Standards for Market Price Calculation (Corporate Accounting Standards No. 30, July 4, 2019) (hereinafter referred to as the Market Price Calculation Standards), as well as other such standards, have been applied since the beginning of the current consolidated first quarter. In accordance with the transitional measures stipulated in Article 19 of the Market Price Calculation Standards and Article 44-2 of the Accounting Standards concerning Financial Products (Corporate Accounting Standards No. 10, July 4, 2019), the new accounting policy stipulated in the Market Price Calculation Standards and other such standards will be applied from now on. This had no impact on the Quarterly Consolidated Financial Statements.

(Segment information, etc.)

Since the Group employs only one reporting segment, it does not present results differentiated by business segment.