



## Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2023 (Japanese GAAP)

August 1, 2022

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 : August 9, 2022  
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, 2023 (April 1 – June 30, 2022)

#### (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)	%
FY2022 1Q	10,381	35.4	217	–	286	–	149	–
FY2021 1Q	7,667	40.2	-642	–	-615	–	-566	–

Note: Comprehensive income: FY2022 1Q JPY146 million (–%); FY2021 1Q JPY-559 million (–%)

	Net income per share	Diluted net income per share
	(Yen)	(Yen)
FY2022 1Q	5.15	–
FY2021 1Q	-19.49	–

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	(Million yen)	(Million yen)	%
FY2022 1Q	38,057	24,797	65.2
FY2021	38,115	25,098	65.8

Reference: Shareholders' equity: FY2022 1Q JPY24,797 million; FY2021 JPY25,098 million

### 2. Dividends

	Annual dividends per share				
	1Q end	2Q end	3Q end	Year-end	Total
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
FY2021	–	0.00	–	15.00	15.00
FY2022	–	–	–	–	–
FY2022 (projected)	–	–	–	15.00	15.00

Note: Revisions to most recently announced projected dividends: None

3. Forecast of Consolidated Operating Results for the fiscal year ending March 31, 2023  
(April 1, 2022 - March 31, 2023)

(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)	23,320	48.1	800	-	821	-	473	-	16.28
Full-year	49,123	33.5	2,092	-	2,132	-	1,164	-	40.08

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 : Yes
  - (iii) Changes in accounting estimates : None
  - (iv) Revisions and restatements : None

Note: For more information, please see "Changes in the Accounting Policy" on Page 8 of the accompanying document.

(4) Number of shares issued and outstanding (common stock)

(i) Number of shares issued and outstanding as of end of period (including treasury stock):	FY2022 1Q	29,859,900 shares	FY2021	29,859,900 shares
(ii) Treasury stock as of end of period:	FY2022 1Q	803,314 shares	FY2021	803,314 shares
(iii) Average number of shares issued and outstanding during period (quarterly cumulative):	FY2022 1Q	29,056,586 shares	FY2021 1Q	29,056,640 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)

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 the current consolidated cumulative first quarter, new COVID-19 infections were somehow under control, social activities started returning to normal levels and consumer spending showed some recovery. The sharp rise in resource prices triggered by the Ukraine situation and weak yen, however, caused prices increases and the future economy continued to be uncertain.

During the same period in the previous fiscal year, the national and local governments requested people to stay at home, declared states of emergency and took pre-emergency measures. As for the retail industry, most commercial complexes were forced to shorten business hours and/or close temporarily. During the current cumulative first quarter, our sales at such commercial complexes increased significantly compared to the same period in the previous fiscal year. With measures restricting people's activities being relaxed or removed, trips, including visiting parents, and events showed a strong recovery trend, and consumption also showed some signs of recovery. At the same time, however, people became more careful in their spending due to the sharp rise in prices and uncertainty. As for the fashion industry, the business environment continued to fluctuate between better and worse..

Our net sales during the current consolidated cumulative first quarter were JPY 10,381 million, an increase of 35.4 percent from the same period in the previous fiscal year. Our operating income was JPY 217 million compared to JPY 642 million of operating loss in the same period in the previous fiscal year. Our ordinary income was JPY 286 million compared to JPY 615 million of ordinary loss in the same period in the previous fiscal year. Our quarterly net income attributable to owners of the parent company was JPY 149 million compared to JPY 566 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 four new stores and closed three. As of the end of the current consolidated first quarter, we had 624 stores in total.

Our net sales from the retail business increased significantly to JPY 9,955 million, an increase of 33.9 percent from the same period in the previous fiscal year when most commercial complexes were forced to shorten business hours and close temporarily. The relaxation and removal of the measures restricting people's activities also contributed to the sales increase. The sales level, however, remained slightly low compared to the level before the COVID-19 pandemic. While sales increased in all categories of products, the sales increase for men's bags and travel bags was particularly significant. The sales of men's bags increased by 39.9 percent from the same period in the previous fiscal year because less people worked remotely compared to the same period last year. With the significant increase in trips, including business trips and visiting parents, and for other reasons, the sales of travel bags increased by 238.0 percent compared to the same period in the previous fiscal year. We have expanded our private brand (PB) and national private brand (NPB) product lines, and the sales of these products increased by 56.3 percent compared to the same period in the previous fiscal year. As for handbags, lower-priced handbags particularly sold well, and the sales of handbags increased by 30.4 percent compared to the same period in the previous fiscal year. The sales increase of imported bags, wallets, casual bags and miscellaneous goods were slight, with 18.4 percent, 12.3 percent, 8.1 percent and 9.9 percent increases respectively.

From the current consolidated first quarter, the sales of PB and NPB products, which were included in handbags and other products until the previous period, are recorded separately. For these products, comparisons with the same period in the previous fiscal year are made in accordance with the recording method of the current consolidated first quarter.

With the increase in PB and NPB product sales, as well as our working to increase the mark-up rate for

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purchased products, the ratio of gross profit to net sales during the current consolidated first quarter increased by 0.7 percent to 49.5 percent compared to the same period in the previous fiscal year. With the sales increase, the ratio of selling, general and administrative expenses decreased by 10.6 percent to 47.4 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, increased significantly compared to the same period in the previous fiscal year. This was because trips, including business trips and visiting parents, increased significantly.

As the result of the above, the net sales of our manufacturing and wholesale business division were JPY 537 million, an increase of 94.2 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 first quarter were JPY 38,057 million, a decrease of JPY 58 million compared to the end of the previous consolidated fiscal year. *Cash and deposits* increased by JPY 471 million and *merchandise and finished goods* increased by JPY 536 million, but *notes and accounts receivable-trade* decreased by JPY 895 million and *property, plants and equipment* decreased by JPY 59 million.

(Liabilities)

The liabilities as of the end of the current consolidated first quarter were JPY 13,259 million, an increase of JPY 242 million compared to the end of the previous consolidated fiscal year. *Reserve for bonuses* decreased by JPY 66 million, but *notes and accounts payable-trade* increased by JPY 202 million.

(Net Assets)

Our net assets as of the end of the current consolidated first quarter were JPY 24,797 million, a decrease of JPY 300 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 149 million of *quarterly net income attributable to owners of the parent company*.

(Capital adequacy ratio)

Our capital adequacy ratio as of the end of the current consolidated first quarter decreased by 0.6 percent to 65.2 percent from the end of the previous consolidated fiscal year.

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

As for the Consolidated Earnings Forecast for the consolidated second quarter and full business year, nothing has been revised from the earning forecast published on May 10, 2022.

## 2. Quarterly Consolidated Financial Statements and Main Notes

### (1) Quarterly Consolidated Balance Sheet

	Previous consolidated fiscal year (March 31, 2022)	First quarter of this consolidated fiscal year (June 30, 2022)
(Unit: JPY thousands)		
<b>Assets</b>		
Current assets		
Cash and deposits	2,465,781	2,937,769
Notes and accounts receivable-trade	3,645,946	2,750,317
Merchandise and finished goods	12,183,477	12,719,576
Raw materials and supplies	20,632	22,660
Other	204,296	236,791
Total current assets	18,520,134	18,667,115
Non-current assets		
Property, plant, and equipment		
Buildings and structures (net)	2,969,570	2,962,903
Land	2,115,029	2,115,029
Leased assets (net)	498,762	502,471
Other (net)	270,106	213,235
Total property, plant, and equipment	5,853,468	5,793,639
Intangible assets	120,866	115,546
Investments and other assets		
Investment securities	4,569,614	4,556,497
Net defined benefit asset	64,075	60,268
Deferred tax assets	2,305,206	2,260,700
Lease and guarantee deposits	6,217,312	6,193,090
Other	464,647	410,415
Total investments and other assets	13,620,857	13,480,972
Total non-current assets	19,595,192	19,390,158
Total assets	38,115,327	38,057,273
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	2,683,843	2,886,105
Short-term loans payable	3,000,000	3,000,000
Current portion of bonds	200,000	200,000
Lease obligations	259,897	249,233
Income taxes payable	110,937	72,409
Provision for bonuses	211,857	145,682
Provision for directors' bonuses	31,080	9,240
Provision for shareholder benefit program	31,200	31,200
Other	1,792,774	1,939,097
Total current liabilities	8,321,589	8,532,967

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(Unit: JPY thousands)

	Previous consolidated fiscal year (March 31, 2022)	First quarter of this consolidated fiscal year (June 30, 2022)
<b>Non-current liabilities</b>		
Bonds payable	1,500,000	1,500,000
Long-term loans payable	80,000	80,000
Lease obligations	369,741	372,204
Provision for directors' retirement benefits	170,992	173,886
Net defined benefit liability	1,409,314	1,424,558
Deferred tax liabilities	700	2,175
Asset retirement obligations	788,374	790,905
Other	376,256	382,674
Total non-current liabilities	4,695,380	4,726,404
<b>Total liabilities</b>	<b>13,016,970</b>	<b>13,259,371</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	18,054,719	17,757,200
Treasury stock	-483,076	-483,076
Total shareholders' equity	25,127,640	24,830,122
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	111,277	102,267
Remeasurements of defined benefit plans	-140,561	-134,487
Total accumulated other comprehensive income	-29,283	-32,220
<b>Total net assets</b>	<b>25,098,356</b>	<b>24,797,901</b>
<b>Total liabilities and net assets</b>	<b>38,115,327</b>	<b>38,057,273</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	First quarter of this consolidated fiscal year
	(April 1 – June 30, 2021)	(April 1 – June 30, 2022)
(Unit JPY thousands)		
Net sales	7,667,825	10,381,237
Cost of sales	3,923,860	5,264,566
Gross profit	3,743,964	5,116,670
Selling, general, and administrative expenses	4,386,345	4,899,027
Operating income or Operating loss	-642,380	217,643
Non-operating income		
Interest income	20,337	20,336
Dividend income	281	50
Insurance income	-	51,719
Subsidy	8,885	4,652
Other	10,334	5,446
Total non-operating income	39,838	82,204
Non-operating expenses		
Interest expenses	8,722	8,732
Other	4,431	4,703
Total non-operating expenses	13,153	13,436
Ordinary income or Ordinary loss	-615,694	286,411
Extraordinary income		
Mandatory subsidy	80,309	-
Total extraordinary income	80,309	-
Extraordinary losses		
Loss on retirement of non-current assets	3,260	7,697
Loss on closing of stores	3,200	1,969
Impairment loss	1,298	10,903
Loss from temporary closure of stores	301,601	-
Total extraordinary losses	309,360	20,570
Net income before income taxes or Net loss before income taxes	-844,745	265,841
Income taxes-current	67,774	62,967
Income taxes-deferred	-346,246	53,334
Total income taxes	-278,471	116,301
Net income or Net loss	-566,274	149,540
Net income attributable to owners of parent or Net loss attributable to owners of parent	-566,274	149,540



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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, 2021)	First quarter of this consolidated fiscal year (April 1 – June 30, 2022)
Net income or Net loss	-566,274	149,540
Other comprehensive income		
Valuation difference on available-for-sale securities	3,114	-9,010
Remeasurements of defined benefit plans	3,668	6,073
Total other comprehensive income	6,782	-2,936
Comprehensive income	-559,491	146,603
(Breakdown)		
Comprehensive income attributable to owners of parent	-559,491	146,603
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

(Changes in the Accounting Policy)

(Changes in Inventory Valuation Method)

Whereas some consolidated subsidiaries previously used the recent purchase method (with values on the balance sheet being subject to the book value reduction method based on decreased profitability) for valuation of goods, they started using the moving-average cost method (with values on the balance sheet being subject to the book value reduction method based on decreased profitability) from the current consolidated first quarter.

This change is for more accurate calculation of periodic income and loss, taking advantage of the restructuring of our inventory management system.

Since some data required for valuating goods for the past years is unavailable, calculating the amount of cumulative impact caused by retroactively applying the moving-average cost method to the period before the beginning of the previous consolidated fiscal year is impossible. The amount of cumulative impact, therefore, was calculated based on the difference between the book values of goods as of the beginning of the current consolidated first quarter and those as of the end of the previous consolidated fiscal year; this amount is reflected in the balance as of the beginning of the current consolidated first quarter.

As above, the amount of cumulative impact is reflected in the net assets as of the beginning of the current consolidated first quarter, and the retained earnings as of the beginning of the period decreased by JPY 11 million.

This change had only minor impact on the financial statements for the consolidated quarter.

(Segment information, etc.)

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