



Summary of Consolidated Financial Results for  
the Fiscal Year Ended March 31, 2023 (Japanese GAAP)

May 10, 2023

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  
Contact: Yoh Yamada, Managing Director / General Manager, Administration Division  
Tel. +81-3-3654-5315

Scheduled date of regular general meeting of shareholders: June 27, 2023

Scheduled date of filing securities report: June 27, 2023

Scheduled date of commencement of dividend payment: June 28, 2023

Supplementary materials prepared for financial results: Yes

Results briefing held: Yes (For institutional investors and analysts)

(Millions of yen, rounded down)

1. Consolidated financial results for the fiscal year ended March 31, 2023 (April 1, 2022 – March 31, 2023)

(1) Consolidated operating results (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	47,236	28.4	2,484	-	2,666	-	1,291	-
FY2021	36,798	5.6	-903	-	-776	-	-888	-

Note: Comprehensive income: FY2022 JPY1,267 million (--%)  
FY2021 JPY-980 million (--%)

	Net income per share	Diluted net income per share	ROE	ROA	Operating Income Margin
	(Yen)	(Yen)	%	%	%
FY2022	44.44	-	5.1	6.9	5.3
FY2021	-30.56	-	-3.4	-2.1	-2.5

Reference: Equity in net income (losses) of affiliates: FY2022 JPY -- million;  
FY2021 JPY -- million;

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	(Million yen)	(Million yen)	%	(Yen)
FY2022	39,142	25,918	66.2	892.02
FY2021	38,115	25,098	65.8	863.78

Reference: Shareholders' equity: FY2022 JPY25,918 million FY2021 JPY25,098 million;

(3) Consolidated cash flow

	Cash flows from operating activities	Cash flow from investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of year
	(Million yen)	(Million yen)	(Million yen)	(Million yen)
FY2022	3,461	-484	-2,987	2,406
FY2021	713	-391	998	2,416

## 2. Dividends

	Annual dividends per share					Total dividends	Payout ratio (consolidated)	Ratio of dividends to shareholders' equity (consolidated)
	1Q end	2Q end	3Q end	Year-end	Total			
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)	(Million yen)	%	%
FY2021	-	0.00	-	15.00	15.00	435	-	1.7
FY2022	-	0.00	-	22.50	22.50	653	50.6	2.6
FY2023 (projected)	-	-	-	30.00	30.00		40.2	

## 3. Forecast of Consolidated Operating Results for the fiscal year ending March 31, 2024 (April 1, 2023 - March 31, 2024)

(Percentages indicate changes from the previous fiscal year for full-year, and year-on-year changes for quarter.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	(Million yen)	%	(Million yen)	%	(Million yen)	%	(Million yen)	%	
Through 2Q (cumulative)	24,701	17.5	1,454	175.3	1,478	137.4	898	161.8	30.92
Full-year	53,379	13.0	3,589	44.5	3,624	35.9	2,166	67.8	74.56

Notes:

- (1) Significant changes in consolidated subsidiaries during the period (changes in specific subsidiaries resulting in changes in the scope of consolidation): None
- (2) 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
- (3) Number of shares issued and outstanding (common stock)
  - (i) Number of shares issued and outstanding as of end of period (including treasury stock):
  - (ii) Treasury stock as of end of period:
  - (iii) Average number of shares issued and outstanding during period:

(i)	FY2022	29,859,900 shares	FY2021	29,859,900 shares
(ii)	FY2022	803,514shares	FY2021	803,314shares
(iii)	FY2022	29,056,493 shares	FY2021	29,056,610 shares

- \* The summary of financial results is not subject to audit performed by a certified public accountant or an auditing firm.
- \* Explanation concerning the appropriate use of operating results forecasts 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 due to various causes. For information including the assumptions of the forecasts of business performance and notes on their use, see "1. Outline of Business Performance (4) Outlook for the next fiscal year" on page 4 of the attached document.

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

We will hold a results briefing meeting for institutional investors and analysts on Tuesday, May 23, 2023. Any documents distributed at this meeting will become available on our website immediately after the meeting.

## 1. Outline of Business Performance

### (1) Outline of operating results for this consolidated fiscal year

Concerning the Japanese economy during the current consolidated fiscal year, the seventh and eighth waves of the COVID-19 pandemic hit in and after July, causing some impact on social activities. No restrictions, however, were imposed on people's behaviors, and the social and economic activities gradually recovered to a normal state. The economy clearly showed some recovery trends. Yet, due to the sharp rise in material and resource prices triggered by the Ukraine situation and weak yen, the future economy continued to be uncertain. As for the retail industry, some negative impact of the seventh and eighth waves of the COVID-19 pandemic was observed. A decrease in consumer confidence due to the price increases was also expected. With restrictions being lifted, however, people started going on trips, including personal trips for visiting parents and business trips, going out, eating out and other such outings once again. The border measures were relaxed, and overseas tourists visiting Japan have been increasing rapidly since November. With people's lifestyles recovering to normal, their consumption is gradually increasing, recovering to the pre-pandemic level.

Under these circumstances, our net sales during the current consolidated fiscal year were JPY 47,236 million, showing a significant increase of 28.4 percent from the previous fiscal year. This was because our sales in the previous fiscal year were low, being significantly affected by the restricted consumer activities and temporary closing, and shortened business hours of stores due to the declaration of states of emergency and semi-emergency measures. In addition to the significant increase in the net sales, we worked to improve the ratio of gross profit to net sales, examining and reducing expenses, and our operating income increased to JPY 2,484 million from JPY 903 million of operating loss in the previous fiscal year. Our ordinary income was JPY 2,666 million compared to JPY 776 million of ordinary loss in the previous fiscal year. Our net income attributable to owners of the parent company was JPY 1,291 million compared to JPY 888 million of net loss attributable to owners of the parent company 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 undertook steps under the theme of *Recovery and Advancement*.

For *Recovering Profitability* where consumer spending at physical stores is gradually recovering but the sales will not recover to the pre-pandemic level, we worked to increase our sales through developing more private brand (PB) products. We also negotiated with suppliers to review the buying terms and improve our gross profit margin ratio for products as well as examining and reducing expenses, aggressively closing unprofitable stores, extending and redecorating some stores and consolidating several stores within the same shopping mall into one larger store. Through these, our profits from physical stores significantly increased. We also worked to increase our sales and profits from our E-commerce (EC) mall websites, through increasing and improving PB and national private brand (NPB) products, launching new categories of products as well as collaboration products with new characters, and thoroughly examining the advertising and other expenses for our EC mall websites.

For *Strengthening the Online Merges with Offline (OMO) Schemes*, we seamlessly linked our physical (offline) stores with website (online) stores to improve customer experience. In addition to introducing our new products, such as PB, NPB and collaboration products with popular characters, in our smartphone app, the same campaign images were shown at our offline stores. Our PB products, including the HIGI series products with excellent cost effectiveness that only bag specialists, such as us, can offer, our collaboration products with popular characters like *Chiikawa*, *Doraemon* and *Moomin*, and other private brands like *SALON de RUBAN*, *kissora* and *ficce brave* were particularly popular at both offline and online stores, and attracted many customers. We also started new services in March 2023, enabling customers to first order online and then pick up and pay for products at our offline stores. The new services are available at most of our offline stores

For *Schemes for Building a Sustainable Society*, we used more recycled materials for our PB products and developed products that are more environmentally friendly. We donated part of our sales proceeds as well as our bags to NPOs and social welfare corporations and purchased materials from welfare facilities where challenged people work. As for purchased products, we worked with our suppliers to purchase more environmentally sustainable products. We also made our packages simpler and more environment friendly. As our responses to the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations, we examined climate-related risks and opportunities for the retail industry of bags and other miscellaneous goods.

On October 3, 2022, we acquired all shares of GEAR's JAM Co., Ltd., which sells men's bags, wallets and miscellaneous goods at retail. Twenty-one GEAR's JAM stores are now under our control. We opened 14 new stores, mainly in large commercial complexes. As for the districts of the new stores, one is in the Hokkaido and Tohoku Districts, four in the Kanto District, three in the Chubu District, one in the Kinki District, one in the Chugoku and Shikoku Districts and four in the Kyushu District. For the brands of the new stores, Tokyo Derica Co., Ltd. opened SAC'S BAR, GRAN SAC'S, DOUX SAC'S, Sacs de Bijoux and Amatone Accessorio stores. GEAR's JAM Co., Ltd. opened GEAR's JAM stores. As the result of our aggressively closing unprofitable stores and consolidating several stores within the same shopping mall into one larger store, which took place in seventeen shopping malls, we closed 53 underperforming and other stores. As of the end of the current consolidated fiscal year, we had 605 stores in total.

For our sales by product type, the sales of travel bags increased significantly by 172.0 percent from the previous fiscal year. This was because trips, including personal trips for visiting parents and business trips, as well as inbound tourists, increased significantly. The sales of men's bags increased by 33.8 percent from the previous fiscal year because less people worked remotely and business-related demand recovered. We have developed more PB and NPB products, expanded these product lines and sold them at more stores. Through these, the sales of PB and NPB products increased significantly by 49.1 percent from the previous fiscal year. Being impacted by the significant increase in the PB product sales, the sales increase of casual bags was slight with only a 9.0 percent increase from the previous fiscal year. For handbags, the prices of products sold decreased, causing the sales increase of handbags to be slight with only a 4.3 percent increase from the previous fiscal year. For miscellaneous goods, the prices of products sold were more expensive, but fewer products were sold. Due to this, the sales increase of miscellaneous goods was also slight with only a 6.0 percent increase from the previous fiscal year. For wallets, both the number of products sold and their prices were almost the same as the previous fiscal year. The sales increased by 0.6 percent from the previous fiscal year. For imported bags, we imported fewer products due to the weak yen, and the sales decreased by 3.1 percent from the previous fiscal year.

From the 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 in accordance with the recording method of the consolidated first quarter.

As the result of the above, the net sales of our retail business division increased significantly to JPY 44,697 million, an increase of 25.4 percent compared to the previous fiscal year.

The ratio of gross profit to net sales was 49.5 percent, 1.2 percent higher than the previous fiscal year. The ratios accounted for by high-margin PB and NPB products and travel bags in the total sales increased and the ratio accounted for by low-margin imported bags in the total sales decreased. These were the reasons for the increase in the gross profit rate.

As for GEAR's JAM Co., Ltd., the deemed acquisition date is October 31, 2022. The Income Statement includes the revenues and expenditures of GEAR's JAM Co., Ltd. recorded on and after November 1, 2022.

#### <Manufacturing, Wholesaling Businesses>

As for our manufacturing and wholesale business, the sales of suitcases, which are our main product, increased significantly because trips, including personal trips for visiting parents and business trips, increased significantly. The national travel assistant program had a good impact, and demand from inbound tourists also recovered.

As the result, the net sales of our manufacturing and wholesale business division were JPY 3,201 million, an increase of 128.2 percent compared to the previous fiscal year.

## (2) Outline of financial position for this fiscal year

### (Assets)

Our current assets were JPY 20,075 million, an increase of JPY 1,554 million from the previous consolidated fiscal year. *Cash and deposits* decreased by JPY 21 million, but *merchandise and finished goods* increased by JPY 855 million and *notes and accounts receivable-trade* increased by JPY 650 million.

Our fixed assets were JPY 19,067 million, decreased by JPY 527 million from the previous consolidated fiscal year. *Property, plants and equipment* increased by JPY 230 million, and *intangible fixed assets* increased by JPY 133 million, but *deferred tax assets* decreased by JPY 366 million and *lease and guarantee deposits* decreased by JPY 330 million.

As the result, the total assets as of the end of the current consolidated fiscal year were JPY 39,142 million, an increase of JPY 1,027 million compared to the end of the previous consolidated fiscal year.

(Liabilities)

Our current liabilities were JPY 9,302 million, increased by JPY 980 million from the previous consolidated fiscal year. *Short-term loans payable* decreased by JPY 2,000 million, but the current portion of bonds increased by JPY 1,300 million, *notes and accounts payable-trade* increased by JPY 528 million and *accrued income taxes* increased by JPY 504 million.

Our non-current liabilities were JPY 3,921 million, a decrease of JPY 774 million compared to the previous consolidated fiscal year. *Asset retirement obligation* increased by JPY 607 million and *long-term loans payable* increased by JPY 200 million. *Bonds payable* were transferred to *current portion of bonds* and decreased by JPY 1,500 million.

As the result of the above, the liabilities as of the end of the current consolidated fiscal year were JPY 13,223 million, an increase of JPY 206 million compared to the end of the previous consolidated fiscal year.

(Net Assets)

Our net assets as of the end of the current consolidated fiscal year were JPY 25,918 million, an increase of 820 million compared to the previous consolidated fiscal year. This includes a decrease due to JPY 435 million of *dividends from surplus*. The main reason for the increase is JPY 1,291 million of *net income attributable to owners of the parent company*.

(3) Outline of cash flows for this consolidated fiscal year

Our cash and cash equivalents as of the end of the current consolidated fiscal year were JPY 2,406 million, a decrease of 9 million compared to the previous consolidated fiscal year. Cash flows during the current consolidated fiscal year were as follows:

(Net cash provided by operating activities)

Our net cash provided by operating activities increased by JPY 2,748 million, with inflows increased by JPY 3,461 million compared to the previous consolidated fiscal year.

Major inflows included JPY 2,349 million of *income before income taxes* and JPY 387 million of *increase in notes and accounts payable-trade*.

Major outflows included JPY 790 million of *increase in inventories* and JPY 575 million of *increase in notes and accounts receivable-trade*.

(Net cash used in investment activities)

Our net cash used in investment activities decreased by JPY 484 million, with outflows increased by JPY 93 million compared to the previous consolidated fiscal year.

Major inflows included JPY 59 million of *proceeds from withdrawal of time deposits*.

Major outflows included JPY 366 million of business investments for opening new stores and redecorating existing stores, and JPY 148 million of *payments for retirement of property, plants and equipment*.

(Net cash used in financing activities)

Our net cash used in financing activities decreased by JPY 2,987 million, with outflows increased by JPY 3,985 million compared to the previous consolidated fiscal year.

Major inflows include JPY 200 million of *proceeds from long-term loans payable*.

Major outflows include JPY 2,000 million of *decrease in short-term loans payable* and JPY 436 million of *cash dividends paid*.

(4) Outlook for the next fiscal year

For the next fiscal year, prices are expected to rise and there is concern that consumers will be more careful in spending money. People's movement and social activities, however, are increasing as are inbound tourists. These situations are good opportunities, and we will continue to work hard to further improve our performance under the theme of *akindo damashii* (merchant spirit), which aims to satisfy our customers as well as all stakeholders through our business.

For our *OMO Schemes*, we worked to invite more people to join our smartphone app membership and have acquired, despite the difficult circumstances under the COVID-19 pandemic, 540,000 members in total as of the end of the current fiscal year. This enabled us to significantly enhance our communications with our customers. For the next fiscal year, we will continue working to acquire more members and inform all our members of new products, coupons, campaigns and other such information beneficial to them. Just before the end of the current fiscal year, we started new services enabling customers to order online and then to pick up and pay for products at our offline stores. These services will be in full operation soon. Together with the existing EC services of our physical stores, where customers select and pay for products on tablet devices at physical stores and the products will be directly delivered to their homes, these services will seamlessly link our offline and online stores and improve the customer experience.

For our *Physical Store Schemes*, we will continue working to open larger stores as well as extending and redecorating existing stores. In addition, we will launch new product lines and revise and improve the existing ones. Having many physical stores throughout Japan is one of our strengths. With our *OMO Schemes*, we attract more customers to our physical stores, where they actually see our products, are served by our store staff and experience the advantages of our physical stores. Through these, we will work to make our physical stores more efficient and active.

For our *Product Schemes*, we will work to develop more PB and NPB products with excellent quality, functionality, prices and designs. In addition, we will expand our lines of suitcases and travel bags, for which the demand is growing, increase their sales and improve the ratio of gross profit to net sales. With significantly more Chinese tourists visiting Japan, the demand from inbound tourists is expected to increase further. At our stores visited by many inbound tourists, we will expand our lines of made-in-Japan products, large suitcases and travel bags. Also at other stores, we will strengthen our sales work for made-in-Japan products, offering products with high quality and value, to assist Japan's high-quality manufacturing.

For *Schemes for Building a Sustainable Society*, we will use more recycled materials and develop and purchase products that are more environmentally friendly. Our private brands will strengthen their participation in social action programs. We will also make our packages simpler and more environment friendly. Joining in with the Japan Leather and Leather Goods Industries Association's *Leathers are sustainable* campaign, we will work to eliminate the negative images, in terms of environmental burdens and animal protection, associated with leather products and promote the environmentally sustainable quality of leather products. As our responses to the TCFD recommendations, we will calculate Scope 1 and 2 greenhouse gas (GHG) emissions and set reduction targets.

For the prospects for our retail business in the coming fiscal year, we expect to open 12 new stores and close 22 stores based on new shopping malls under construction and other project plans. Assuming that the COVID-19 pandemic will be under control and no restrictions will be imposed on people's behaviors, we expect that our same-store sales will recover to approximately 92 percent of the pre-COVID-19 level. For the forecast, factors unique to each store were also considered. The sales of the current fiscal year included GEAR's JAM Co., Ltd.'s sales for five months, from November 2022 to March 2023. For the forecast, GEAR's JAM Co., Ltd.'s sales throughout the year are included. With these, we expect that the sales will increase by 13.0 percent compared to the current fiscal year. We also expect that the ratio of gross profit to net sales will increase by 0.3 percent. For our manufacturing and wholesale business, we expect that the sales will increase by 13.5 percent compared to the current fiscal year. The ratio of gross profit to net sales will increase by 0.7 percent.

For the consolidated earnings forecast of our group, we expect that our net sales will be JPY 53,379 million, an increase of 13.0 percent from the current fiscal year. Our operating income will be JPY 3,589 million, an increase of 44.5 percent from the current fiscal year. Our ordinary income will be JPY 3,624 million, an increase of 35.9 percent from the current fiscal year; our net income attributable to owners of the parent company will be JPY 2,166 million, an increase of 67.8 percent from the current fiscal year.

(5) Basic policy on profit distribution and dividends for the current and coming fiscal year

For our company, distributing our profits to our shareholders is an important business objective. In this rapidly changing retail industry, our basic policy is to continue paying dividends, steadily and increasing the amount incrementally, with the consolidated dividend payout ratio of 30 percent or more.

During the fiscal year ending in March 2023, social and business activities gradually returned to a normal state, our business clearly recovered, and we were able to record a profit greater than we expected. Therefore, we have decided to increase year-end dividends by 7.50 yen to 22.50 yen per share.

For the coming fiscal year, we expect to pay year-end dividends of 30.00 yen per share.

The Articles of Incorporation of our company stipulate that the company may pay interim dividends to shareholders.

2. Basic concept on selection of accounting policies

The Group will apply Japanese GAAP for the time being in consideration of comparability of its consolidated financial statements, both between periods and between companies. We intend to consider applying for International Financial Reporting Standards (IFRS) in the future while taking into consideration trends in our percentage of foreign shareholders and application of IFRS standards by other companies in Japan.



### 3. Consolidated Financial Statements and Notes

#### (1) Consolidated Balance Sheet

(Unit: JPY thousands)

	Previous consolidated fiscal year (March 31, 2022)	This consolidated fiscal year (March 31, 2023)
<b>Assets</b>		
Current assets		
Cash and deposits	2,465,781	2,444,594
Notes and accounts receivable-trade	3,645,946	4,296,221
Merchandise and finished goods	12,183,477	13,038,511
Raw materials and supplies	20,632	33,239
Other	204,296	262,474
<b>Total current assets</b>	<b>18,520,134</b>	<b>20,075,041</b>
Non-current assets		
Property, plant and equipment		
Building and structures	6,233,195	6,770,282
Accumulated depreciation	-3,263,624	-3,477,632
<b>Buildings and structures (net)</b>	<b>2,969,570</b>	<b>3,292,650</b>
Land	2,115,029	2,112,068
Leased assets	3,208,515	3,099,357
Accumulated depreciation	-2,709,753	-2,680,537
<b>Leased assets (net)</b>	<b>498,762</b>	<b>418,819</b>
Other	1,592,484	1,571,597
Accumulated depreciation	-1,322,378	-1,310,778
<b>Other (net)</b>	<b>270,106</b>	<b>260,818</b>
<b>Total property, plant and equipment</b>	<b>5,853,468</b>	<b>6,084,357</b>
Intangible assets	120,866	254,220
Investments and other assets		
Investment securities	4,569,614	4,442,783
Retirement benefit asset	64,075	41,749
Deferred tax assets	2,305,206	1,938,913
Lease and guarantee deposits	6,217,312	5,886,700
Other	464,647	438,802
<b>Total investments and other assets</b>	<b>13,620,857</b>	<b>12,728,950</b>
<b>Total non-current assets</b>	<b>19,595,192</b>	<b>19,067,528</b>
<b>Total assets</b>	<b>38,115,327</b>	<b>39,142,569</b>
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	2,683,843	3,212,362
Short-term loans payable	3,000,000	1,000,000
Current portion of bonds	200,000	1,500,000
Lease obligations	259,897	217,142
Income tax payable	110,937	615,301
Provision for bonuses	211,857	344,206
Provision for directors' bonuses	31,080	36,960
Provision for shareholder benefit program	31,200	34,374
Other	1,792,774	2,342,079
<b>Total current liabilities</b>	<b>8,321,589</b>	<b>9,302,427</b>

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(Unit: JPY thousands)

	Previous consolidated fiscal year (March 31, 2022)	This consolidated fiscal year (March 31, 2023)
<b>Non-current liabilities</b>		
Bonds payable	1,500,000	-
Long-term loans payable	80,000	280,000
Lease obligations	369,741	309,770
Provision for directors' retirement benefits	170,992	183,017
Retirement benefit liability	1,409,314	1,397,365
Deferred tax liabilities	700	8,992
Asset retirement obligations	788,374	1,395,759
Other	376,256	346,419
<b>Total non-current liabilities</b>	<b>4,695,380</b>	<b>3,921,324</b>
<b>Total liabilities</b>	<b>13,016,970</b>	<b>13,223,751</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	18,898,821
Treasury stock	-483,076	-483,213
<b>Total shareholders' equity</b>	<b>25,127,640</b>	<b>25,971,605</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	111,277	10,188
Remeasurements of defined benefit plans	-140,561	-62,976
<b>Total accumulated other comprehensive income</b>	<b>-29,283</b>	<b>-52,787</b>
<b>Total net assets</b>	<b>25,098,356</b>	<b>25,918,817</b>
<b>Total liabilities and net assets</b>	<b>38,115,327</b>	<b>39,142,569</b>

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

Consolidated Income Statement

(Unit: JPY thousands)

	Previous consolidated fiscal year (April 1, 2021 - March 31, 2022)	This consolidated fiscal year (April 1, 2022- March 31, 2023)
Net sales	36,798,550	47,236,678
Cost of sales	19,072,521	24,011,977
Gross profit	17,726,029	23,224,701
Selling, general and administrative expenses	18,629,537	20,740,488
Operating income or Operating loss(-)	-903,507	2,484,212
Non-operating income		
Interest income	81,547	81,560
Dividends income	2,133	2,658
Insurance income	1,231	76,918
Commission fees	6,597	6,226
Compensation income	5,494	17,144
Subsidy income	49,772	7,509
Other	26,688	34,755
Total non-operating income	173,464	226,773
Non-operating expenses		
Interest expenses	36,951	33,450
Guarantee commission	5,449	5,138
Other	4,133	5,857
Total non-operating expenses	46,534	44,446
Ordinary profit or ordinary loss (-)	-776,577	2,666,539
Extraordinary profits		
Grant income	203,697	-
Total extraordinary profit	203,697	-
Extraordinary losses		
Loss on retirement of non-current assets	29,154	42,858
Loss on closing of stores	20,117	4,562
Impairment loss	153,899	270,093
Loss from temporary closing	458,546	-
Total extraordinary loss	661,718	317,514
Net income before tax adjustment or Net loss before tax adjustment (-)	-1,234,597	2,349,025
Income taxes-current	210,946	665,850
Income taxes-deferred	-557,432	392,013
Total income taxes	-346,485	1,057,864
Net income or Net loss(-)	-888,111	1,291,161
Net income attributable to owners of parent company or Net loss(-) attributable to owners of parent company	-888,111	1,291,161

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Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (Japanese GAAP)

Consolidated Income Statement

(Unit: JPY thousands)

	Previous consolidated fiscal year (April 1, 2021 - March 31, 2022)	This consolidated fiscal year (April 1, 2022- March 31, 2023)
Net income or Net loss(-)	-888,111	1,291,161
Other comprehensive income		
Valuation difference on available-for-sale securities	-40,338	-101,088
Remeasurements of defined benefit plans	-52,211	77,584
Total other comprehensive income	-92,549	-23,504
Comprehensive income	-980,661	1,267,656
(Breakdown)		
Comprehensive income attributable to owners of parent	-980,661	1,267,656
Comprehensive income attributable to non-controlling interests	-	-

(3) Consolidated Statement of Changes in Equity

Previous consolidated fiscal year (April 1, 2021 - March 31, 2022)

(Unit: JPY thousands)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current period	2,986,400	4,569,597	19,378,681	-483,018	26,451,660
Cumulative effect of change in accounting policy					-
Balance at beginning of period reflecting changes in accounting policies	2,986,400	4,569,597	19,378,681	-483,018	26,451,660
Changes during period					
Dividends from surplus			-435,850		-435,850
Net income attributable to owners of parent company			-888,111		-888,111
Purchase of treasury stock				-58	-58
Net changes of items other than shareholders' equity					
Total changes during period	-	-	-1,323,962	-58	-1,324,020
Balance at end of current period	2,986,400	4,569,597	18,054,719	-483,076	25,127,640

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of current period	151,615	-88,350	63,265	26,514,926
Cumulative effect of change in accounting policy				-
Balance at beginning of period reflecting changes in accounting policies	151,615	-88,350	63,265	26,514,926
Changes during period				
Dividends from surplus				-435,850
Net income attributable to owners of parent company				-888,111
Purchase of treasury stock				-58
Net changes of items other than shareholders' equity	-40,338	-52,211	-92,549	-92,549
Total changes during period	-40,338	-52,211	-92,549	-1,416,569
Balance at end of current period	111,277	-140,561	-29,283	25,098,356

Company name: Sac's Bar Holdings Inc. (9990)  
Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (Japanese GAAP)

This consolidated fiscal year (April 1, 2022 - March 31, 2023)

(Unit: JPY thousands)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current period	2,986,400	4,569,597	18,054,719	-483,076	25,127,640
Cumulative effect of change in accounting policy			-11,209		-11,209
Balance at beginning of period reflecting changes in accounting policies	2,986,400	4,569,597	18,043,509	-483,076	25,116,431
Changes during period					
Dividends from surplus			-435,848		-435,848
Net income attributable to owners of parent company			1,291,161		1,291,161
Purchase of treasury stock				-137	-137
Net changes of items other than shareholders' equity					
Total changes during period	-	-	856,312	-137	855,174
Balance at end of current period	2,986,400	4,569,597	18,898,821	-483,213	25,971,605

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of current period	111,277	-140,561	-29,283	25,098,356
Cumulative effect of change in accounting policy				-11,209
Balance at beginning of period reflecting changes in accounting policies	111,277	-140,561	-29,283	25,087,147
Changes during period				
Dividends from surplus				-435,848
Net income attributable to owners of parent company				1,291,161
Purchase of treasury stock				-137
Net changes of items other than shareholders' equity	-101,088	77,584	-23,504	-23,504
Total changes during period	-101,088	77,584	-23,504	831,670
Balance at end of current period	10,188	-62,976	-52,787	25,918,817

Company name: Sac's Bar Holdings Inc. (9990)  
Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (Japanese GAAP)

(4) Consolidated Cash Flow Statement

(Unit: JPY thousands)

	Previous consolidated fiscal year (April 1, 2021 - March 31, 2022)	This consolidated fiscal year (April 1, 2022 - March 31, 2023)
<b>Cash flows from operating activities</b>		
Income before income taxes or Loss(-) before income taxes	-1,234,597	2,349,025
Depreciation	657,496	635,011
Impairment loss	153,899	270,093
Amortization of goodwill	9,867	23,576
Increase (decrease) in provision for bonuses	-28,681	124,771
Increase (decrease) in provision for directors' bonuses	-	5,880
Increase (decrease) in provision for directors' retirement benefits	9,900	-26,969
Increase (decrease) in liability for employees' retirement benefits	115,470	-31,807
Interest and dividends income	-83,681	-84,219
Interest expenses	36,951	33,450
Loss on retirement of non-current assets	29,154	42,858
Subsidy income	-49,772	-7,509
Grant income	-203,697	-
Loss from temporary closing	458,546	-
Decrease (increase) in notes and accounts receivable-trade	-565,383	-575,192
Decrease (increase) in inventories	928,548	-790,296
Increase (decrease) in notes and accounts payable-trade	244,852	387,818
Increase (decrease) in accrued consumption taxes	185,019	148,540
Increase(decrease) in accounts payable	-1,888	286,591
Increase (decrease) in accrued expenses	10,431	88,343
Other	359,285	676,173
<b>Subtotal</b>	<b>1,031,721</b>	<b>3,556,138</b>
Interest and dividends income received	83,681	84,219
Interest expenses paid	-36,981	-33,406
Income tax paid	-277,784	-152,506
Income tax refunded	65,068	1
Proceeds from subsidies	58,810	7,509
Proceeds from grants	203,697	-
Payments for loss from temporary closures	-414,394	-
<b>Cash flows from operating activities</b>	<b>713,817</b>	<b>3,461,956</b>
<b>Cash flow from investing activities</b>		
Payments into time deposits	-28,200	-34,200
Proceeds from withdrawal of time deposits	18,000	59,007
Purchase of property, plant and equipment and intangible assets	-378,767	-366,021
Proceeds from sale of property, plant and equipment and intangible assets	103,500	-
Payments for retirement of property, plant and equipment	-105,910	-148,247
Proceeds from acquisition of subsidiary shares resulting in change in scope of consolidation	-	4,504
<b>Cash flow from investing activities</b>	<b>-391,377</b>	<b>-484,956</b>

Company name: Sac's Bar Holdings Inc. (9990)  
Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (Japanese GAAP)

(Unit: JPY thousands)

	Previous consolidated fiscal year (April 1, 2021 - March 31, 2022)	This consolidated fiscal year (April 1, 2022- March 31, 2023)
Net cash provided by (used in) financing activities		
Increase or decrease in short-term loans payable	2,000,000	-2,000,000
Proceeds from long-term loans payable	-	200,000
Repayment of long-term loans payable	-	-217,859
Increase in accounts payable-installment purchase	116,139	162,174
Decrease in accounts payable-installmentpurchase	-234,704	-210,776
Repayments of lease obligations	-346,416	-283,894
Redemption of bonds	-100,000	-200,000
Purchase of treasury stock	-58	-137
Cash dividends paid	-436,123	-436,652
Net cash provided by (used in) financing	998,836	-2,987,144
Effect of exchange rate change on cash and cash equivalents	2,137	457
Net increase /decrease in cash and cash equivalents(- decrease)	1,323,413	-9,686
Cash and cash equivalents at beginning of current period	1,092,967	-2,416,381
Cash and cash equivalents at end of current period	2,416,381	2,406,694



(5) Notes to the Consolidated Financial Statements

(Notes on going-concern assumption)

Not applicable

(Changes in Accounting Policy)

(Revision of 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 beginning of the current consolidated fiscal year.

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 consolidated fiscal year 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 consolidated fiscal year.

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

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

(Segment information)

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

(Per-share information)

	Previous consolidated fiscal year (April 1, 2021 - March 31, 2022)	This consolidated fiscal year (April 1, 2022 - March 31, 2023)
Net assets per share	JPY863.78	JPY892.02
Net Income per share or Loss per share(-)	JPY-30.56	JPY44.44

Notes

- Diluted net income per share for the previous consolidated fiscal year is net loss per share and not stated, because no dilutive shares existed. Diluted net income per share for the current consolidated fiscal year is not stated, because no dilutive shares existed.
- Net income or loss per share is calculated based on the calculation bases below.

	Previous consolidated fiscal year (April 1, 2021 - March 31, 2022)	This consolidated fiscal year (April 1, 2022 - March 31, 2023)
Net income or loss (-) attributable to owners of the parent company (thousand yen)	-888,111	1,291,161
Amount not attributable to owners of common stock (JPY thousands)	-	-
Net income or loss (-) attributable to owners of the parent company on common stock (-) (JPY thousands)	-888,111	1,291,161
Average shares of common stock outstanding during the period (shares)	29,056,610	29,056,493

- The bases for calculating net assets per share are shown below.

	Previous consolidated fiscal year (March 31, 2022)	This consolidated fiscal year (March 31, 2023)
Total net assets (JPY thousands)	25,098,356	25,918,817
Total net assets attributable to common stock at end of period (JPY thousands)	25,098,356	25,918,817
Common stock (shares) at end of period used in calculating net assets per share	29,056,586	29,056,386

(Significant subsequent events)

(Merger of consolidated subsidiaries)

At the Board of Directors meeting held on May 10, 2023, a merger by absorption between our consolidated subsidiaries, Tokyo Derica Co., Ltd. and Carnival Company, Inc., was resolved. The effective date of the merger will be July 1, 2023, and Tokyo Derica will be the surviving corporation and Carnival Company will be the expired corporation.

1. Transaction summary

(1) Names and businesses of the companies subject to the merger

Merging company: Tokyo Derica Co., Ltd.

Business description: Retailing bags, pouches, wallets and miscellaneous goods

Merged company: Carnival Company, Inc.

Business description: Retailing accessories and miscellaneous goods

(2) Effective date of merger

July 1, 2023

(3) Type of merger

Merger by absorption where Tokyo Derica Co., Ltd. will be the surviving corporation and Carnival Company, Inc. will be the expired corporation

(4) Company name after the merger

Tokyo Derica Co., Ltd.

(5) Other items concerning the transaction

The merger is for integrating the management resources of the two subsidiaries, increasing their business efficiency and thus increasing the enterprise value of the group.

2. Summary of the accounting procedures to be implemented

Accounting procedures will be implemented as a transaction under common control, in accordance with the Accounting Standard for Business Combinations (ASBJ Statement No. 21, January 16, 2019) and Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10, January 16, 2019).