



Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2024 (Japanese GAAP)

August 1, 2023

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, 2023
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, 2024 (April 1 – June 30, 2023)

(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)	%
FY2023 1Q	12,427	19.7	831	282.0	848	196.1	517	246.3
FY2022 1Q	10,381	35.4	217	–	286	–	149	–

Note: Comprehensive income: FY2023 1Q JPY527 million (259.8%); FY2022 1Q JPY146 million (–%)

	Net income per share	Diluted net income per share
	(Yen)	(Yen)
FY2023 1Q	17.82	–
FY2022 1Q	5.15	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	(Million yen)	(Million yen)	%
FY2023 1Q	37,961	25,792	67.9
FY2022	39,142	25,918	66.2

Reference: Shareholders' equity: FY2023 1Q JPY25,792 million; FY2022 JPY25,918 million

2. Dividends

	Annual dividends per share				
	1Q end	2Q end	3Q end	Year-end	Total
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
FY2022	–	0.00	–	22.50	22.50
FY2023	–				
FY2023 (projected)		0.00	–	30.00	30.00

Note: Revisions to most recently announced projected dividends: None

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

(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)	25,596	21.8	1,486	181.5	1,510	142.6	925	169.8	31.86
Full-year	53,379	13.0	3,589	44.50	3,624	35.9	2,166	67.8	74.56

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 : 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):	FY2023 1Q	29,859,900 shares	FY2022	29,859,900 shares
(ii) Treasury stock as of end of period:	FY2023 1Q	803,564 shares	FY2022	803,514 shares
(iii) Average number of shares issued and outstanding during period (quarterly cumulative):	FY2023 1Q	29,056,381 shares	FY2022 1Q	29,056,586 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, the impact of the COVID-19 pandemic gradually decreased, the Japanese Government downgraded COVID-19 to a Category V Infectious Disease as stipulated in the Infectious Diseases Control Law, and social and economic activities significantly returned to normal levels. The Japanese economy continued showing a trend of gradual recovery mainly with increases in domestic demand. The recovery of demand from inbound tourists was another factor contributing to the economic recovery. Yet, due to the continued price increases that resulted from the sharp rise in resource prices and weak yen, the future economy continued to be uncertain.

As for the retail industry, people's mobility become greater, with measures restricting people's activities being relaxed or removed, and their consumption showed some recovery. With the price increases and uncertain future economy, however, the recovery in consumer spending was not full-fledged. There is concern that consumers will be more careful in spending money.

Our net sales during the current consolidated cumulative first quarter were JPY 12,427 million, an increase of 19.7 percent from the same period in the previous fiscal year. Our operating income was JPY 831 million, an increase of 282.0 percent from the same period in the previous fiscal year. Our quarterly net income attributable to owners of the parent company was JPY 517 million, an increase of 246.3 percent from the same period in the previous fiscal year.

Since the reporting segment of our group is a single segment, the retail of bags, pouches and other goods, 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 five new stores and closed three. As of the end of the current consolidated first quarter, we had 607 stores in total.

The impact of the COVID-19 pandemic decreased. In October 2022, we acquired all shares of GEAR's JAM Co., Ltd., and the sales of twenty-two GEAR's JAM stores are now included in our sales. The sales from inbound tourists showed recovery. Thanks to these, our net sales from the retail business increased to JPY 11,426 million, an increase of 15.2 percent from the same period in the previous fiscal year. With the sales of GEAR's JAM stores being included in our men's bag sales and the recovery in business demand, the sales of men's bags increased by 22.9 percent from the same period in the previous fiscal year. With the significant increase in domestic and overseas trips, including business trips, and the recovery in demand from inbound tourists, the sales of travel bags increased significantly by 90.7 percent compared to the same period in the previous fiscal year. Concerning our private brand (PB) and national private brand (NPB) products, the sales of PB and NPB suitcases increased significantly. We have expanded our PB and NPB product lines for both men's and women's products, and also strengthened our sales work for such products. With these, the sales of these products increased by 30.6 percent compared to the same period in the previous fiscal year. For casual bags, the prices of products sold increased, and the sales increased by 11.8 percent compared to the same period in the previous fiscal year. For handbags, the sales of lower-priced products decreased, causing the sales to decrease by 5.8 percent compared to the same period in the previous fiscal year. For miscellaneous goods, we have strengthened our sales work for umbrellas. Due to the decrease in the sales of accessories, however, the sales of miscellaneous goods decreased by 3.6 percent compared to the same period in the previous fiscal year. For wallets, the number of products sold decreased, and the sales of wallets decreased by 7.2 percent compared to the same period in the previous fiscal year. For imported bags, we imported fewer products due to the weak yen, and the sales decreased by 24.1 percent compared to the same period in the previous fiscal year.

With the increase in the sales of high-margin PB and NPB products and travel bags, the ratio of gross

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profit to net sales for the current consolidated cumulative first quarter increased by 1.0 percent to 50.5 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 3.0 percent to 44.4 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. This was because trips, including business trips and visiting parents, increased significantly and the demand from inbound tourists also recovered.

As the result of the above, the net sales of our manufacturing and wholesale business division were JPY 1,162 million, an increase of 116.2 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 37,961 million, a decrease of JPY 1,180 million compared to the end of the previous consolidated fiscal year. *Merchandise and finished goods* increased by JPY 287 million, but *Cash and deposits* decreased by JPY 235 million, *Notes and accounts receivable-trade* decreased by JPY 1,028 million and *Deferred tax assets* decreased by JPY 210 million.

(Liabilities)

Our liabilities as of the end of the current consolidated first quarter were JPY 12,169 million, a decrease of JPY 1,054 million compared to the end of the previous consolidated fiscal year. *Notes and accounts payable-trade* decreased by JPY 383 million, *Accrued income taxes* decreased by JPY 518 million, and *Reserve for bonuses* decreased by JPY 158 million.

(Net Assets)

Our net assets as of the end of the current consolidated first quarter were JPY 25,792 million, a decrease of JPY 126 million compared to the end of the previous consolidated fiscal year. This includes decreases due to JPY 653 million of *dividends from surplus* and JPY 517 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 increased by 1.7 percent to 67.9 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, there have been no revisions in the earning forecast stated in the Notification concerning the Correction of the Consolidated Quarterly Report for the Quarter Ending in March 2023, which was published on June 21, 2023.

2. Quarterly Consolidated Financial Statements and Main Notes

(1) Quarterly Consolidated Balance Sheet

	Previous consolidated fiscal year (March 31, 2023)	First quarter of this consolidated fiscal year (June 30, 2023)
(Unit: JPY thousands)		
Assets		
Current assets		
Cash and deposits	2,444,594	2,208,604
Notes and accounts receivable-trade	4,296,221	3,267,894
Merchandise and finished goods	13,038,511	13,325,883
Raw materials and supplies	33,239	33,274
Other	262,474	294,666
Total current assets	20,075,041	19,130,359
Non-current assets		
Property, plant, and equipment		
Buildings and structures (net)	3,292,650	3,300,442
Land	2,112,068	2,112,068
Leased assets (net)	418,819	438,199
Other (net)	260,818	253,912
Total property, plant, and equipment	6,084,357	6,104,624
Intangible assets	254,220	238,514
Investments and other assets		
Investment securities	4,422,783	4,428,302
Net defined benefit asset	41,749	37,024
Deferred tax assets	1,938,913	1,728,797
Lease and guarantee deposits	5,886,700	5,852,078
Other	438,802	441,916
Total investments and other assets	12,728,950	12,488,118
Total non-current assets	19,067,528	18,831,257
Total assets	39,142,569	37,961,617
Liabilities		
Current liabilities		
Notes and accounts payable-trade	3,212,362	2,828,712
Short-term loans payable	1,000,000	1,000,000
Current portion of bonds	1,500,000	1,500,000
Current portion of long-term loans payable	-	3,760
Lease obligations	217,142	212,435
Income taxes payable	615,301	96,947
Provision for bonuses	344,206	185,850
Provision for directors' bonuses	36,960	14,400
Provision for shareholder benefit program	34,374	34,374
Other	2,342,079	2,339,417
Total current liabilities	9,302,427	8,215,896

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(Unit: JPY thousands)

	Previous consolidated fiscal year (March 31, 2023)	First quarter of this consolidated fiscal year (June 30, 2023)
Non-current liabilities		
Long-term loans payable	280,000	276,240
Lease obligations	309,770	320,817
Provision for directors' retirement benefits	183,017	170,961
Net defined benefit liability	1,397,365	1,403,656
Deferred tax liabilities	8,992	19,966
Asset retirement obligations	1,395,759	1,401,196
Other	346,419	360,459
Total non-current liabilities	3,921,324	3,953,297
Total liabilities	13,223,751	12,169,194
Net assets		
Shareholders' equity		
Capital stock	2,986,400	2,986,400
Capital surplus	4,569,597	4,569,597
Retained earnings	18,898,821	18,762,851
Treasury stock	-483,213	-483,262
Total shareholders' equity	25,971,605	25,835,586
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,188	13,927
Remeasurements of defined benefit plans	-62,976	-57,091
Total accumulated other comprehensive income	-52,787	-43,163
Total net assets	25,918,817	25,792,422
Total liabilities and net assets	39,142,569	37,961,617

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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 (April 1 – June 30, 2022)	First quarter of this consolidated fiscal year (April 1 – June 30, 2023)
	(Unit JPY thousands)	
Net sales	10,381,237	12,427,239
Cost of sales	5,264,566	6,205,696
Gross profit	5,116,670	6,221,542
Selling, general, and administrative expenses	4,899,027	5,390,107
Operating income or Operating loss	217,643	831,435
Non-operating income		
Interest income	20,336	20,336
Dividend income	50	220
Insurance income	51,719	-
Subsidy	4,652	-
Other	5,446	8,205
Total non-operating income	82,204	28,763
Non-operating expenses		
Interest expenses	8,732	6,449
Other	4,703	5,692
Total non-operating expenses	13,436	12,141
Ordinary income	286,411	848,057
Extraordinary losses		
Loss on retirement of non-current assets	7,697	12,426
Loss on closing of stores	1,969	2,323
Impairment loss	10,903	16,933
Total extraordinary losses	20,570	31,682
Net income before income taxes	265,841	816,374
Income taxes-current	62,967	81,864
Income taxes-deferred	53,334	216,712
Total income taxes	116,301	298,576
Net income	149,540	517,797
Net income attributable to owners of parent	149,540	517,797

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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, 2022)	First quarter of this consolidated fiscal year (April 1 – June 30, 2023)
Net income	149,540	517,797
Other comprehensive income		
Valuation difference on available-for-sale securities	-9,010	3,739
Remeasurements of defined benefit plans	6,073	5,885
Total other comprehensive income	-2,936	9,624
Comprehensive income	146,603	527,422
(Breakdown)		
Comprehensive income attributable to owners of parent	146,603	527,422
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

(Segment information, etc.)

Since the reporting segment of our group is a single segment, the retail of bags, pouches and other goods, information with respect to each segment is not provided.