



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

February 1, 2024

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 filing quarterly report : February 9, 2024
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 third quarter of the fiscal year ending March 31, 2024 (April 1 – December 31, 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 3Q	37,983	15.1	2,615	88.5	2,677	78.6	1,698	92.8
FY2022 3Q	33,011	27.3	1,387	-	1,499	-	880	-

Note: Comprehensive income: FY2023 3Q JPY1,712 million (109.6%); FY2022 3Q JPY816 million (-%)

	Net income per share	Diluted net income per share
	(Yen)	(Yen)
FY2023 3Q	58.47	-
FY2022 3Q	30.32	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	(Million yen)	(Million yen)	%
FY2023 3Q	39,354	26,976	68.5
FY2022	39,142	25,918	66.2

Reference: Shareholders' equity: FY2023 3Q JPY26,976 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	-	0.00	-		
FY2023 (projected)				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)
Full-year	53,776	13.8	3,983	60.4	4,017	50.7	2,467	91.1	84.91

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 3Q	29,859,900 shares	FY2022	29,859,900 shares
(ii) Treasury stock as of end of period:	FY2023 3Q	803,664 shares	FY2022	803,514 shares
(iii) Average number of shares issued and outstanding during period (quarterly cumulative):	FY2023 3Q	29,056,296 shares	FY2022 3Q	29,056,528 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 Page3 of the accompanying document.

1. Qualitative Information on this Quarterly Financial Report

(1) Operating Results

In May, 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. During the current consolidated cumulative third quarter, 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 resulting from the sharp rises in resource prices and the 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. The prices of daily essentials, however, increased one after another, and such rapid price increases surpassed wage increases. With the uncertain future, consumers were more careful in spending money and the economy continued to be unpredictable.

Our net sales during the current consolidated cumulative third quarter were JPY 37,983 million, an increase of 15.1 percent from the same period in the previous fiscal year. Our operating income was JPY 2,615 million, an increase of 88.5 percent from the same period in the previous fiscal year. Our ordinary income was JPY 2,677 million, an increase of 78.6 percent from the same period in the previous fiscal year. Our quarterly net income attributable to owners of the parent company was JPY 1,698 million, an increase of 92.8 percent from 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 twelve new stores and closed sixteen. As of the end of the current consolidated third quarter, we had 601 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 all twenty-four GEAR's JAM stores are now included in our sales. The sales from inbound tourists increased. Thanks to these, our net sales from the retail business increased to JPY 34,969 million, an increase of 11.9 percent from the same period in the previous fiscal year. With the sales of all 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 21.2 percent from the same period in the previous fiscal year. With the significant increase in domestic and overseas trips, including business trips, and the increase in demand from inbound tourists, the sales of travel bags increased significantly by 47.1 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 29.1 percent compared to the same period in the previous fiscal year. For casual bags, however, the sales increase was slight, only a 4.6 percent increase 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 11.7 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 sluggish sales of cold-weather clothing items and accessories, however, the sales of miscellaneous goods decreased by 6.8 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 3.8 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 25.7 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 as well as the impact of revising and raising the prices of inventory goods, the ratio of gross profit to net sales for the current consolidated cumulative third quarter increased by 0.6 percent to 50.3 percent compared to the same

period in the previous fiscal year. With the sales increase and cost reduction, the ratio of selling, general and administrative expenses decreased by 1.6 percent to 43.9 percent compared to the same period in the previous fiscal year.

<Manufacturing, Wholesaling Businesses>

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 continued to increase.

As the result of the above, the net sales of our manufacturing and wholesale business division were JPY 3,686 million, an increase of 63.4 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 third quarter were JPY 39,354 million, an increase of JPY 211 million compared to the end of the previous consolidated fiscal year. *Property, plants and equipment* decreased by JPY 122 million, *Deferred tax assets* decreased by JPY 315 million, but *Notes and accounts receivable-trade* increased by JPY 475 million, and *Merchandise and finished goods* increased by JPY 411 million.

(Liabilities)

Our liabilities as of the end of the current consolidated third quarter were JPY 12,377 million, a decrease of JPY 846 million compared to the end of the previous consolidated fiscal year. *Notes and accounts payable-trade* increased by JPY 1,303 million, but *Short-term loans payable* decreased by JPY 1,000 million, *Current portion of bonds* decreased by JPY 1,000 million.

(Net Assets)

Our net assets as of the end of the current consolidated third quarter were JPY 26,976 million, an increase of JPY 1,058 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 1,698 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 third quarter increased by 2.3 percent to 68.5 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 full business year, nothing has been revised from the earning forecast published on November 1, 2023.

2. Quarterly Consolidated Financial Statements and Main Notes

(1) Quarterly Consolidated Balance Sheet

(Unit: JPY thousands)

	Previous consolidated fiscal year (March 31, 2023)	Third quarter of this consolidated fiscal year (December 31, 2023)
Assets		
Current assets		
Cash and deposits	2,444,594	2,498,826
Notes and accounts receivable-trade	4,296,221	4,771,670
Merchandise and finished goods	13,038,511	13,449,517
Raw materials and supplies	33,239	25,384
Other	262,474	135,116
Total current assets	20,075,041	20,880,515
Non-current assets		
Property, plant, and equipment		
Buildings and structures (net)	3,292,650	3,180,959
Land	2,112,068	2,112,068
Leased assets (net)	418,819	390,847
Other (net)	260,818	278,311
Total property, plant, and equipment	6,084,357	5,962,187
Intangible assets	254,220	207,461
Investments and other assets		
Investment securities	4,422,783	4,416,363
Net defined benefit asset	41,749	27,355
Deferred tax assets	1,938,913	1,623,234
Lease and guarantee deposits	5,886,700	5,794,908
Other	438,802	441,997
Total investments and other assets	12,728,950	12,303,859
Total non-current assets	19,067,528	18,473,507
Total assets	39,142,569	39,354,023

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(Japanese GAAP)

(Unit: JPY thousands)

	Previous consolidated fiscal year (March 31, 2023)	Third quarter of this consolidated fiscal year (December 31, 2023)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	3,212,362	4,516,342
Short-term loans payable	1,000,000	-
Current portion of bonds	1,500,000	500,000
Current portion of long-term loans payable	-	10,080
Lease obligations	217,142	193,649
Income taxes payable	615,301	236,147
Provision for bonuses	344,206	185,039
Provision for directors' bonuses	36,960	43,200
Provision for shareholder benefit program	34,374	-
Other	2,342,079	2,300,597
Total current liabilities	9,302,427	7,985,057
Non-current liabilities		
Long-term loans payable	280,000	769,920
Lease obligations	309,770	272,163
Provision for directors' retirement benefits	183,017	176,311
Net defined benefit liability	1,397,365	1,441,165
Deferred tax liabilities	8,992	17,449
Asset retirement obligations	1,395,759	1,387,961
Other	346,419	327,049
Total non-current liabilities	3,921,324	4,392,019
Total liabilities	13,223,751	12,377,077
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	19,943,911
Treasury stock	-483,213	-483,361
Total shareholders' equity	25,971,605	27,016,547
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,188	5,719
Remeasurements of defined benefit plans	-62,976	-45,320
Total accumulated other comprehensive income	-52,787	-39,601
Total net assets	25,918,817	26,976,946
Total liabilities and net assets	39,142,569	39,354,023

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

Quarterly Consolidated Income Statement
Third quarter of this consolidated fiscal year

	Third quarter of previous consolidated fiscal year	Third quarter of this consolidated fiscal year
	(April 1 – December 31, 2022)	(April 1 – December 31, 2023)
Net sales	33,011,615	37,983,251
Cost of sales	16,740,040	19,093,234
Gross profit	16,271,574	18,890,016
Selling, general, and administrative expenses	14,883,821	16,274,632
Operating income	1,387,753	2,615,384
Non-operating income		
Interest income	61,712	61,713
Dividend income	2,658	3,469
Insurance income	51,860	-
Commission income	4,744	4,434
Subsidy	6,726	651
Other	17,798	19,111
Total non-operating income	145,500	89,379
Non-operating expenses		
Interest expenses	25,738	18,015
Other	8,242	9,048
Total non-operating expenses	33,980	27,064
Ordinary income	1,499,273	2,677,699
Extraordinary losses		
Loss on retirement of non-current assets	25,463	34,887
Loss on closing of stores	4,562	3,009
Impairment loss	43,493	44,998
Loss on disaster	-	28,784
Total extraordinary losses	73,519	111,680
Net income before income taxes	1,425,754	2,566,019
Income taxes-current	357,780	548,866
Income taxes-deferred	186,988	318,295
Total income taxes	544,769	867,161
Net income	880,984	1,698,857
Net income attributable to owners of parent	880,984	1,698,857

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Quarterly Consolidated Income Statement

Third quarter of this consolidated fiscal year

(Unit JPY thousands)

	Third quarter of previous consolidated fiscal year	Third quarter of this consolidated fiscal year
	(April 1 – December 31, 2022)	(April 1 – December 31, 2023)
Net income	880,984	1,698,857
Other comprehensive income		
Valuation difference on available-for-sale securities	-82,508	-4,468
Remeasurements of defined benefit plans	18,220	17,655
Total other comprehensive income	-64,287	13,186
Comprehensive income	816,697	1,712,044
(Breakdown)		
Comprehensive income attributable to owners of parent	816,697	1,712,044
Comprehensive income attributable to non-controlling interests	-	-

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