



Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2025 (Japanese GAAP)

August 1, 2024

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 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, 2025 (April 1 – June 30, 2024)

(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)	%
FY2024 1Q	12,299	-1.0	815	-1.9	827	-2.4	515	-0.4
FY2023 1Q	12,427	19.7	831	282.0	848	196.1	517	246.3

Note: Comprehensive income: FY2024 1Q JPY508 million (-3.5%); FY2023 1Q JPY527 million (259.8%)

	Net income per share	Diluted net income per share
	(Yen)	(Yen)
FY2024 1Q	17.75	–
FY2023 1Q	17.82	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	(Million yen)	(Million yen)	%
FY2024 1Q	38,288	27,463	71.7
FY2023	39,385	27,826	70.7

Reference: Shareholders' equity: FY2024 1Q JPY27,463 million; FY2023 JPY27,826 million

2. Dividends

	Annual dividends per share				
	1Q end	2Q end	3Q end	Year-end	Total
FY2023	(Yen) –	(Yen) 0.00	(Yen) –	(Yen) 30.00	(Yen) 30.00
FY2024	–				
FY2024 (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, 2025
(April 1, 2024 - March 31, 2025)

(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)	25,871	2.7	1,854	6.6	1,887	5.9	1,132	-1.6	38.96
Full-year	53,654	3.0	4,056	7.8	4,128	7.3	2,455	-1.3	84.52

Note: Revisions to most recently announced consolidated results forecast: None

Notes:

- (1) Significant changes in the scope of consolidation during the period : 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):	FY2024 1Q	29,859,900 shares	FY2023	29,859,900 shares
(ii) Treasury stock as of end of period:	FY2024 1Q	803,764 shares	FY2023	803,714 shares
(iii) Average number of shares issued and outstanding during period (quarterly cumulative):	FY2024 1Q	29,056,150 shares	FY2023 1Q	29,056,381 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by Certified Public Accountants or an Audit Firm : None

* 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 Japanese economy continued showing a trend of gradual recovery with the recovery in corporate profits as well as the employment and income environment. The recovery of demand from inbound tourists was another factor contributing to the economic recovery. Yet, due to the continued price increases, including increases in material prices and energy costs that resulted from the weak yen, the prolonged Ukraine and Middle East situations, concern over the deteriorating Chinese economy and other such factors, the future economy continued to be uncertain.

As for the retail industry, some expensive goods sold well, and the demand from inbound tourists was high. The rapid price increases, however, surpassed wage increases, and real wages decreased. Consumers were more careful in spending money, being more budget-minded and seeking lower-priced goods.

Our net sales during the current consolidated cumulative first quarter were JPY 12,299 million, a decrease of 1.0 percent from the same period in the previous fiscal year. Our operating income was JPY 815 million, a decrease of 1.9 percent from the same period in the previous fiscal year. Our ordinary income was JPY 827 million, a decrease of 2.4 percent from the same period in the previous fiscal year. Our quarterly net income attributable to owners of the parent company was JPY 515 million, a decrease of 0.4 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 four new stores and closed three. As of the end of the current consolidated first quarter, we had 587 stores in total.

By the end of the current consolidated cumulative first quarter, the number of our stores decreased by 20 compared to the end of the same period in the previous fiscal year. Our same-store sales, however, showed a steady increase of 1.1 percent compared to the previous period. The sales of stores newly opened since the consolidated cumulative second quarter in the previous fiscal year are now included in our sales, and our net sales from the retail business were JPY 11,362 million, at approximately the same level as the same period in the previous fiscal year, with a slight decrease of 0.9 percent. We have expanded our private brand (PB) and national private brand (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 16.4 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 3.9 percent compared to the same period in the previous fiscal year. For miscellaneous goods, the sales of accessories were slightly lower. We have, however, strengthened our sales work for umbrellas and products collaborating with popular characters, and the sales of miscellaneous goods increased 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 6.5 percent compared to the same period in the previous fiscal year. The sales of men's bags were at the same level as the same period in the previous fiscal year, with a very slight increase of 0.1 percent. The sales of travel bags decreased by 6.1 percent compared to the same period in the previous fiscal year due to the significant increase of travel bag sales in the same period in the previous fiscal year, when the impact of the COVID-19 pandemic decreased and the demand for travel-related goods increased significantly. For handbags, the number of products sold decreased significantly, and the sales of handbags decreased by 19.5 percent compared to the same period in the previous fiscal year. For imported bags, we imported significantly fewer products due to the weak yen, and the sales decreased by 23.0 percent compared to the same period in the previous fiscal year.

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Although the sales of high-margin PB and NPB products increased, the ratio of gross profit to net sales for the current consolidated cumulative first quarter decreased by 0.1 percent to 50.4 percent compared to the same period in the previous fiscal year. This was due to the prices of men's bags, wallets and other inventory goods having been revised and raised, resulting in the increase of the ratio of gross profit to net sales, in the same period in the previous fiscal year. With the impact of aggressively closing unprofitable stores and other factors, the ratio of selling, general and administrative expenses decreased by 0.2 percent to 44.2 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, were sluggish in reaction to the sharp increase in the same period of the previous year as a result of decrease of the COVID-19 and remained at the same level as in the previous period.

As the result of the above, the net sales of our manufacturing and wholesale business division were JPY 1,132 million, a decrease of 2.6 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 38,288 million, a decrease of JPY 1,096 million compared to the end of the previous consolidated fiscal year. *Merchandise and finished goods* increased by JPY 486 million, but *Cash and deposits* decreased by JPY 561 million, *Notes and accounts receivable-trade* decreased by JPY 928 million and *Deferred tax assets* decreased by JPY 206 million.

(Liabilities)

Our liabilities as of the end of the current consolidated first quarter were JPY 10,825 million, a decrease of JPY 733 million compared to the end of the previous consolidated fiscal year. *Notes and accounts payable-trade* decreased by JPY 45 million, *Accrued income taxes* decreased by JPY 434 million, and *Reserve for bonuses* decreased by JPY 203 million.

(Net Assets)

Our net assets as of the end of the current consolidated first quarter were JPY 27,463 million, a decrease of JPY 363 million compared to the end of the previous consolidated fiscal year. This includes decreases due to JPY 871 million of *dividends from surplus* and JPY 515 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 1.0 percent to 71.7 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 on May 10, 2024.

2. Quarterly Consolidated Financial Statements and Main Notes

(1) Quarterly Consolidated Balance Sheet

(Unit: JPY thousands)

	Previous consolidated fiscal year (March 31, 2024)	First quarter of this consolidated fiscal year (June 30, 2024)
Assets		
Current assets		
Cash and deposits	4,169,546	3,608,295
Notes and accounts receivable-trade	4,761,803	3,832,824
Merchandise and finished goods	11,993,362	12,479,655
Raw materials and supplies	22,842	20,090
Other	147,000	268,399
Total current assets	21,094,554	20,209,265
Non-current assets		
Property, plant, and equipment		
Buildings and structures (net)	2,976,206	2,834,582
Land	2,112,068	1,570,381
Leased assets (net)	327,493	361,010
Other (net)	305,369	992,882
Total property, plant, and equipment	5,721,139	5,758,856
Intangible assets	203,889	187,900
Investments and other assets		
Investment securities	4,407,873	4,396,357
Net defined benefit asset	79,005	74,326
Deferred tax assets	1,685,695	1,479,431
Lease and guarantee deposits	5,724,408	5,710,432
Other	468,561	478,686
Allowance for doubtful accounts	-	-6,453
Total investments and other assets	12,365,544	12,132,780
Total non-current assets	18,290,572	18,079,537
Total assets	39,385,127	38,288,802
Liabilities		
Current liabilities		
Notes and accounts payable-trade	3,191,187	3,146,180
Lease obligations	181,754	180,358
Income taxes payable	540,144	105,782
Provision for bonuses	391,625	188,368
Provision for directors' bonuses	48,600	12,825
Provision for shareholder benefit program	39,660	39,660
Other	2,644,358	2,588,783
Total current liabilities	7,037,330	6,261,957

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(Unit: JPY thousands)

	Previous consolidated fiscal year (March 31, 2024)	First quarter of this consolidated fiscal year (June 30, 2024)
Non-current liabilities		
Long-term loans payable	1,000,000	1,000,000
Lease obligations	241,643	267,058
Provision for directors' retirement benefits	178,986	167,361
Net defined benefit liability	1,424,178	1,423,420
Deferred tax liabilities	15,812	19,330
Asset retirement obligations	1,355,883	1,355,557
Other	305,150	330,977
Total non-current liabilities	4,521,654	4,563,706
Total liabilities	11,558,984	10,825,664
Net assets		
Shareholders' equity		
Capital stock	2,986,400	2,986,400
Capital surplus	4,569,597	4,569,597
Retained earnings	20,732,074	20,376,045
Treasury stock	-483,405	-483,447
Total shareholders' equity	27,804,666	27,448,595
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-172	-8,069
Remeasurements of defined benefit plans	21,648	22,611
Total accumulated other comprehensive income	21,475	14,542
Total net assets	27,826,142	27,463,138
Total liabilities and net assets	39,385,127	38,288,802

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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

	(Unit JPY thousands)	
	First quarter of previous consolidated fiscal year	First quarter of this consolidated fiscal year
	(April 1 – June 30, 2023)	(April 1 – June 30, 2024)
Net sales	12,427,239	12,299,692
Cost of sales	6,205,696	6,183,015
Gross profit	6,221,542	6,116,677
Selling, general, and administrative expenses	5,390,107	5,300,758
Operating income	831,435	815,919
Non-operating income		
Interest income	20,336	20,299
Dividend income	220	288
Other	8,205	6,139
Total non-operating income	28,763	26,727
Non-operating expenses		
Interest expenses	6,449	5,657
Provision of allowance for doubtful accounts	-	6,453
Other	5,692	2,986
Total non-operating expenses	12,141	15,096
Ordinary income	848,057	827,550
Extraordinary losses		
Loss on retirement of non-current assets	12,426	7,603
Loss on closing of stores	2,323	1,286
Impairment loss	16,933	2,319
Total extraordinary losses	31,682	11,210
Net income before income taxes	816,374	816,340
Income taxes-current	81,864	87,706
Income taxes-deferred	216,712	212,977
Total income taxes	298,576	300,683
Net income	517,797	515,656
Net income attributable to owners of parent	517,797	515,656

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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, 2023)	First quarter of this consolidated fiscal year (April 1 – June 30, 2024)
Net income	517,797	515,656
Other comprehensive income		
Valuation difference on available-for-sale securities	3,739	-7,896
Remeasurements of defined benefit plans	5,885	963
Total other comprehensive income	9,624	-6,933
Comprehensive income	527,422	508,723
(Breakdown)		
Comprehensive income attributable to owners of parent	527,422	508,723
Comprehensive income attributable to non-controlling interests	-	-

(3) Notes on Consolidated Quarterly Financial Statements

(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.

(Notes on significant changes in amount of shareholders' equity)

Not applicable

(Notes on going-concern assumption)

Not applicable

(Notes on Cash Flow Statement)

For the current consolidated cumulative first quarter, no Consolidated Statements of Cash Flows for the Quarter have been prepared. For the current consolidated cumulative first quarter, the Depreciation, including the depreciation of intangible fixed assets other than goodwill, and the Amortization of goodwill were as follows:

	(Unit: JPY thousands)	
	First quarter of previous consolidated fiscal year (April 1 – June 30, 2023)	First quarter of this consolidated fiscal year (April 1 – June 30, 2024)
Depreciation	160,535	144,245
Amortization of goodwill	10,692	10,692