

Translation

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Summary of Consolidated Financial Results for the Six Months Ended August 31, 2023 (Based on Japanese GAAP)

October 5, 2023

Company name: SAN-A CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 2659 URL <https://www.san-a.co.jp>
 Representative: President, Chief Executive Officer Kentaro Arashiro
 Inquiries: Executive Director Taku Toyoda TEL 098(898)2230
 Scheduled date to file Quarterly Securities Report: October 13, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended August 31, 2023 (from March 1, 2023 to August 31, 2023)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended August 31, 2023	114,850	7.5	8,446	50.3	8,634	48.5	5,608	46.9
Six months ended August 31, 2022	106,836	3.8	5,619	29.3	5,813	21.6	3,817	19.7

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended August 31, 2023	181.46	–
Six months ended August 31, 2022	123.54	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of August 31, 2023	183,553	140,880	74.8	4,443.86
As of February 28, 2023	172,304	137,403	77.8	4,336.36

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended February 28, 2023	–	0.00	–	74.00	74.00
Year ending February 29, 2024	–	0.00			
Year ending February 29, 2024 (Forecast)			–	74.00	74.00

3. Forecast of consolidated financial results for the year ending February 29, 2024 (from March 1, 2023 to February 29, 2024)

Percentages indicate year-on-year changes

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	224,090	4.9	14,140	26.4	14,470	25.2	9,480	25.2	306.70

4. Notes

- (1) Changes in significant subsidiaries during the six months ended August 31, 2023
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of August 31, 2023	31,981,654 shares	As of February 28, 2023	31,981,654 shares
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Number of treasury shares at the end of the period

As of August 31, 2023	1,069,559 shares	As of February 28, 2023	1,078,059 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended August 31, 2023	30,907,238 shares	Six months ended August 31, 2022	30,899,317 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of February 28, 2023	As of August 31, 2023
Assets		
Current assets		
Cash and deposits	39,305	47,911
Accounts receivable - trade	6,327	10,076
Merchandise and finished goods	13,901	14,417
Raw materials and supplies	447	368
Other	2,093	2,488
Total current assets	62,075	75,261
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	58,754	56,307
Land	35,296	35,296
Construction in progress	507	610
Other, net	3,643	3,622
Total property, plant and equipment	98,202	95,836
Intangible assets	771	757
Investments and other assets	11,255	11,697
Total non-current assets	110,228	108,291
Total assets	172,304	183,553
Liabilities		
Current liabilities		
Accounts payable - trade	10,114	13,698
Income taxes payable	2,181	3,423
Provision for bonuses	1,417	2,515
Other	14,301	16,067
Total current liabilities	28,015	35,704
Non-current liabilities		
Retirement benefit liability	2,342	2,404
Asset retirement obligations	621	627
Other	3,920	3,937
Total non-current liabilities	6,885	6,968
Total liabilities	34,900	42,672

(Millions of yen)

	As of February 28, 2023	As of August 31, 2023
Net assets		
Shareholders' equity		
Share capital	3,723	3,723
Capital surplus	3,710	3,715
Retained earnings	130,759	134,081
Treasury shares	(4,283)	(4,249)
Total shareholders' equity	133,910	137,271
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	86	85
Remeasurements of defined benefit plans	12	12
Total accumulated other comprehensive income	98	97
Non-controlling interests	3,394	3,510
Total net assets	137,403	140,880
Total liabilities and net assets	172,304	183,553

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended August 31, 2022	Six months ended August 31, 2023
Net sales	99,131	106,163
Cost of sales	68,250	72,659
Gross profit	30,880	33,504
Operating revenue	7,705	8,686
Operating gross profit	38,586	42,191
Selling, general and administrative expenses		
Salaries	10,330	10,659
Provision for bonuses	1,970	2,515
Retirement benefit expenses	214	211
Depreciation	3,537	3,497
Other	16,913	16,861
Total selling, general and administrative expenses	32,966	33,744
Operating profit	5,619	8,446
Non-operating income		
Interest income	4	4
Dividend income	10	8
Gain on adjustment of account payable	53	79
Other	150	116
Total non-operating income	219	208
Non-operating expenses		
Interest expenses	13	13
Other	11	5
Total non-operating expenses	25	19
Ordinary profit	5,813	8,634
Extraordinary losses		
Loss on retirement of non-current assets	78	63
Impairment losses	45	–
Total extraordinary losses	124	63
Profit before income taxes	5,689	8,571
Income taxes - current	2,084	3,211
Income taxes - deferred	(372)	(551)
Total income taxes	1,712	2,660
Profit	3,977	5,911
Profit attributable to non-controlling interests	159	302
Profit attributable to owners of parent	3,817	5,608

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended August 31, 2022	Six months ended August 31, 2023
Profit	3,977	5,911
Other comprehensive income		
Valuation difference on available-for-sale securities	(33)	(1)
Remeasurements of defined benefit plans, net of tax	(0)	0
Total other comprehensive income	(34)	(0)
Comprehensive income	3,942	5,910
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,782	5,607
Comprehensive income attributable to non-controlling interests	159	302

Consolidated statements of cash flows

(Millions of yen)

	Six months ended August 31, 2022	Six months ended August 31, 2023
Cash flows from operating activities		
Profit before income taxes	5,689	8,571
Depreciation	3,537	3,497
Loss on retirement of non-current assets	78	63
Impairment losses	45	–
Increase (decrease) in provision for bonuses	579	1,097
Increase (decrease) in retirement benefit liability	79	61
Decrease (increase) in trade receivables	(1,948)	(3,748)
Decrease (increase) in inventories	(626)	(436)
Increase (decrease) in trade payables	2,829	3,584
Increase (decrease) in accounts payable - other	(543)	(1,122)
Increase (decrease) in deposits received	998	2,475
Other, net	720	303
Subtotal	11,439	14,347
Income taxes paid	(2,116)	(1,948)
Net cash provided by (used in) operating activities	9,322	12,398
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,806)	(1,215)
Other, net	(202)	(88)
Net cash provided by (used in) investing activities	(3,008)	(1,304)
Cash flows from financing activities		
Dividends paid	(1,847)	(2,282)
Dividends paid to non-controlling interests	(73)	(186)
Other, net	(19)	(19)
Net cash provided by (used in) financing activities	(1,941)	(2,488)
Net increase (decrease) in cash and cash equivalents	4,372	8,606
Cash and cash equivalents at beginning of period	31,595	39,305
Cash and cash equivalents at end of period	35,968	47,911