

**Translation**

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**Summary of Consolidated Financial Results  
for the Year Ended February 29, 2016  
(Based on Japanese GAAP)**

April 5, 2016

Company name: SAN-A CO., LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 2659 URL <http://www.san-a.co.jp>  
 Representative: President Tessei Uechi  
 Inquiries: Executive Director Yasuhiro Imanaka TEL 098(898)2230  
 Scheduled date of ordinary general meeting of shareholders: May 26, 2016  
 Scheduled date to file Securities Report: May 27, 2016  
 Scheduled date to commence dividend payments: May 27, 2016  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended February 29, 2016 (from March 1, 2015 to February 29, 2016)

(1) Consolidated financial results

Percentages indicate year-on-year changes

	Operating revenue		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended February 29, 2016	173,820	5.6	14,121	9.8	14,457	9.7	8,773	15.9
Year ended February 28, 2015	164,553	4.4	12,856	17.2	13,175	17.2	7,572	19.0

	Net income per share	Diluted net income per share	Net income/equity	Ordinary income/total assets	Operating income/net sales
	Yen	Yen	%	%	%
Year ended February 29, 2016	274.49	–	9.9	11.9	8.6
Year ended February 28, 2015	236.90	–	9.4	11.6	8.3

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of February 29, 2016	121,882	94,873	75.7	2,886.86
As of February 28, 2015	122,055	86,606	69.0	2,634.85

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended February 29, 2016	4,845	(7,254)	(1,806)	41,731
Year ended February 28, 2015	20,785	(3,018)	(1,732)	45,947

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended February 28, 2015	–	0.00	–	36.00	36.00	1,150	15.2	1.4
Year ended February 29, 2016	–	0.00	–	42.00	42.00	1,342	15.3	1.5
Year ending February 28, 2017 (Forecast)	–	0.00	–	42.00	42.00		14.7	

3. Forecast of consolidated financial results for the year ending February 28, 2017 (from March 1, 2016 to February 28, 2017)

Percentages indicate year-on-year changes

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending August 31, 2016	89,836	2.5	7,309	1.4	7,479	1.1	4,642	4.8	145.23
Full year	177,683	2.2	14,168	0.3	14,473	0.1	9,111	3.8	285.05

4. Notes

(1) Changes in significant subsidiaries during the year ended February 29, 2016

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements after error corrections: No

(3) Number of issued shares (common shares)

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

As of February 29, 2016	31,981,654 shares	As of February 28, 2015	31,981,654 shares
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Number of treasury shares at the end of the period

As of February 29, 2016	18,242 shares	As of February 28, 2015	18,036 shares
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Average number of shares during the period

Year ended February 29, 2016	31,963,470 shares	Year ended February 28, 2015	31,963,633 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of February 28, 2015	As of February 29, 2016
Assets		
Current assets		
Cash and deposits	45,947	41,731
Accounts receivable - trade	1,729	2,288
Securities	–	300
Merchandise and finished goods	10,157	11,065
Raw materials and supplies	224	282
Prepaid expenses	366	399
Deferred tax assets	895	908
Other	963	1,038
Total current assets	60,284	58,015
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	20,926	23,155
Machinery, equipment and vehicles, net	441	476
Tools, furniture and fixtures, net	1,575	1,705
Land	26,490	27,987
Leased assets, net	139	64
Construction in progress	1,321	285
Total property, plant and equipment	50,895	53,674
Intangible assets		
Goodwill	778	614
Leasehold right	492	477
Software	41	109
Other	47	90
Total intangible assets	1,359	1,292
Investments and other assets		
Investment securities	1,102	679
Shares of subsidiaries and associates	21	21
Long-term prepaid expenses	239	294
Deferred tax assets	1,992	1,718
Guarantee deposits	5,106	5,254
Construction assistance fund receivables	1,027	906
Other	25	23
Total investments and other assets	9,516	8,899
Total non-current assets	61,770	63,866
Total assets	122,055	121,882

(Millions of yen)

	As of February 28, 2015	As of February 29, 2016
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	13,442	8,814
Current portion of long-term loans payable	314	260
Lease obligations	79	51
Accounts payable - other	5,902	4,117
Accrued expenses	1,028	1,134
Income taxes payable	3,068	2,971
Deposits received	1,998	1,610
Provision for bonuses	947	1,003
allowance for loss on collecting gift tickets	28	33
Other	2,918	2,198
<b>Total current liabilities</b>	<b>29,727</b>	<b>22,197</b>
<b>Non-current liabilities</b>		
Long-term loans payable	385	125
Lease obligations	67	16
Long-term guarantee deposited	2,376	2,359
Net defined benefit liability	2,077	1,460
Asset retirement obligations	386	424
Other	426	426
<b>Total non-current liabilities</b>	<b>5,720</b>	<b>4,811</b>
<b>Total liabilities</b>	<b>35,448</b>	<b>27,008</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	3,723	3,723
Capital surplus	3,686	3,686
Retained earnings	76,765	84,886
Treasury shares	(25)	(26)
<b>Total shareholders' equity</b>	<b>84,148</b>	<b>92,268</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	202	123
Remeasurements of defined benefit plans	(131)	(118)
<b>Total accumulated other comprehensive income</b>	<b>70</b>	<b>4</b>
<b>Minority interests</b>	<b>2,387</b>	<b>2,599</b>
<b>Total net assets</b>	<b>86,606</b>	<b>94,873</b>
<b>Total liabilities and net assets</b>	<b>122,055</b>	<b>121,882</b>

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended February 28, 2015	Fiscal year ended February 29, 2016
Net sales	155,363	163,844
Cost of sales	107,143	113,051
Gross profit	48,219	50,793
Operating revenue		
Rent income of real estate	3,633	3,698
Income from franchised stores	4,391	5,196
Other	1,166	1,081
Total operating revenue	9,190	9,975
Operating gross profit	57,410	60,769
Selling, general and administrative expenses		
Directors' compensations	215	231
Salaries and allowances	3,847	4,051
Provision for bonuses	947	1,003
Retirement benefit expenses	294	335
Other salaries	10,490	10,858
Rents	4,292	4,430
Depreciation	3,044	3,124
Amortization of goodwill	163	163
Utilities expenses	4,317	3,847
Other	16,940	18,601
Total selling, general and administrative expenses	44,553	46,648
Operating income	12,856	14,121
Non-operating income		
Interest income	70	78
Dividend income	25	31
House rent income	29	29
Gain on adjustment of account payable	68	87
Co-sponsor fee	38	33
Gain on sales of goods	58	56
Other	76	73
Total non-operating income	365	389
Non-operating expenses		
Interest expenses	12	7
allowance for loss on collecting gift tickets putting in	20	23
Other	14	22
Total non-operating expenses	47	53
Ordinary income	13,175	14,457

(Millions of yen)

	Fiscal year ended February 28, 2015	Fiscal year ended February 29, 2016
Extraordinary income		
Gain on sales of non-current assets	–	6
Compensation for transfer	–	65
Total extraordinary income	–	71
Extraordinary losses		
Loss on sales of non-current assets	–	0
Loss on retirement of non-current assets	30	54
Impairment loss	332	10
Total extraordinary losses	362	66
Income before income taxes and minority interests	12,812	14,463
Income taxes - current	5,004	5,169
Income taxes - deferred	(126)	53
Total income taxes	4,878	5,223
Income before minority interests	7,933	9,239
Minority interests in income	361	466
Net income	7,572	8,773

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended February 28, 2015	Fiscal year ended February 29, 2016
Income before minority interests	7,933	9,239
Other comprehensive income		
Valuation difference on available-for-sale securities	88	(78)
Remeasurements of defined benefit plans, net of tax	–	13
Total other comprehensive income	88	(65)
Comprehensive income	8,022	9,174
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,660	8,708
Comprehensive income attributable to minority interests	361	466

## Consolidated statements of changes in equity

Fiscal year ended February 28, 2015

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	3,723	3,686	70,087	(25)	77,471
Cumulative effects of changes in accounting policies	–	–	–	–	–
Restated balance	3,723	3,686	70,087	(25)	77,471
Changes of items during period					
Dividends of surplus	–	–	(894)	–	(894)
Net income	–	–	7,572	–	7,572
Purchase of treasury shares	–	–	–	(0)	(0)
Net changes of items other than shareholders' equity	–	–	–	–	–
Total changes of items during period	–	–	6,677	(0)	6,677
Balance at end of current period	3,723	3,686	76,765	(25)	84,148

	Accumulated other comprehensive income			Minority interests	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	114	–	114	2,295	79,881
Cumulative effects of changes in accounting policies	–	–	–	–	–
Restated balance	114	–	114	2,295	79,881
Changes of items during period					
Dividends of surplus	–	–	–	–	(894)
Net income	–	–	–	–	7,572
Purchase of treasury shares	–	–	–	–	(0)
Net changes of items other than shareholders' equity	88	(131)	(43)	92	48
Total changes of items during period	88	(131)	(43)	92	6,725
Balance at end of current period	202	(131)	70	2,387	86,606



Fiscal year ended February 29, 2016

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	3,723	3,686	76,765	(25)	84,148
Cumulative effects of changes in accounting policies	–	–	498	–	498
Restated balance	3,723	3,686	77,263	(25)	84,647
Changes of items during period					
Dividends of surplus	–	–	(1,150)	–	(1,150)
Net income	–	–	8,773	–	8,773
Purchase of treasury shares	–	–	–	(0)	(0)
Net changes of items other than shareholders' equity	–	–	–	–	–
Total changes of items during period	–	–	7,622	(0)	7,621
Balance at end of current period	3,723	3,686	84,886	(26)	92,268

	Accumulated other comprehensive income			Minority interests	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	202	(131)	70	2,387	86,606
Cumulative effects of changes in accounting policies	–	–	–	–	498
Restated balance	202	(131)	70	2,387	87,105
Changes of items during period					
Dividends of surplus	–	–	–	–	(1,150)
Net income	–	–	–	–	8,773
Purchase of treasury shares	–	–	–	–	(0)
Net changes of items other than shareholders' equity	(78)	13	(65)	211	146
Total changes of items during period	(78)	13	(65)	211	7,768
Balance at end of current period	123	(118)	4	2,599	94,873

## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended February 28, 2015	Fiscal year ended February 29, 2016
Cash flows from operating activities		
Income before income taxes and minority interests	12,812	14,463
Depreciation	3,044	3,124
Loss on retirement of non-current assets	30	54
Impairment loss	332	10
Amortization of goodwill	163	163
Increase (decrease) in provision for bonuses	12	56
Increase (decrease) in allowance for loss on collecting gift tickets	3	4
Increase (decrease) in net defined benefit liability	318	151
Interest and dividend income	(95)	(109)
Interest expenses	12	7
co sponsor fee	(35)	(31)
Decrease (increase) in notes and accounts receivable - trade	(229)	(559)
Decrease (increase) in inventories	(765)	(966)
Increase (decrease) in notes and accounts payable - trade	6,111	(4,628)
Increase (decrease) in accounts payable - other	1,375	(939)
Increase (decrease) in accrued consumption taxes	823	(924)
Increase (decrease) in deposits received	958	(388)
Increase (decrease) in provision for Gift certificates	95	145
Increase (decrease) in Long-term guarantee deposited	(19)	(16)
Compensation for removal	–	(65)
Other, net	136	485
Subtotal	25,085	10,040
Income taxes paid	(4,300)	(5,255)
Proceeds from compensation for removal	–	60
Net cash provided by (used in) operating activities	20,785	4,845
Cash flows from investing activities		
Proceeds from sales of property, plant and equipment	0	131
Purchase of property, plant and equipment	(2,571)	(6,891)
Purchase of intangible assets	(327)	(139)
Collection of loans receivable	2	2
Purchase of long-term prepaid expenses	(19)	(93)
Proceeds from collection of guarantee deposits	21	5
Payments for guarantee deposits	(208)	(361)
Payments of construction assistance fund receivables	–	(3)
Interest and dividend income received	82	94
Net cash provided by (used in) investing activities	(3,018)	(7,254)
Cash flows from financing activities		
Repayments of long-term loans payable	(421)	(314)
Repayments of lease obligations	(133)	(79)
Interest expenses paid	(13)	(7)
Cash dividends paid	(893)	(1,149)
Purchase of treasury shares	(0)	(0)
Cash dividends paid to minority shareholders	(269)	(254)
Net cash provided by (used in) financing activities	(1,732)	(1,806)
Net increase (decrease) in cash and cash equivalents	16,033	(4,215)
Cash and cash equivalents at beginning of period	29,913	45,947
Cash and cash equivalents at end of period	45,947	41,731