

Translation

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Summary of Consolidated Financial Results for the Three Months Ended May 31, 2016 (Based on Japanese GAAP)

July 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 to file Quarterly Securities Report: July 14, 2016
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended May 31, 2016 (from March 1, 2016 to May 31, 2016)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended May 31, 2016	45,002	6.4	3,902	9.0	4,037	8.9	2,462	12.6
Three months ended May 31, 2015	42,290	5.0	3,581	13.2	3,707	13.8	2,187	14.2

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended May 31, 2016	77.05	–
Three months ended May 31, 2015	68.42	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of May 31, 2016	122,910	95,833	76.0	2,923.36
As of February 29, 2016	121,882	94,873	75.7	2,886.86

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 29, 2016	–	0.00	–	42.00	42.00
Year ending February 28, 2017	–				
Year ending February 28, 2017 (Forecast)		0.00	–	42.00	42.00

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		Earnings 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 three months ended May 31, 2016
(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: Yes
- 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 May 31, 2016	31,981,654 shares	As of February 29, 2016	31,981,654 shares
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Number of treasury shares at the end of the period

As of May 31, 2016	18,242 shares	As of February 29, 2016	18,242 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended May 31, 2016	31,963,412 shares	Three months ended May 31, 2015	31,963,522 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of February 29, 2016	As of May 31, 2016
Assets		
Current assets		
Cash and deposits	41,731	41,656
Accounts receivable - trade	2,288	3,297
Securities	300	—
Merchandise and finished goods	11,065	11,430
Raw materials and supplies	282	310
Other	2,346	2,767
Total current assets	58,015	59,463
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	23,155	22,856
Land	27,987	27,991
Other, net	2,532	2,605
Total property, plant and equipment	53,674	53,453
Intangible assets		
Goodwill	614	573
Other	678	668
Total intangible assets	1,292	1,241
Investments and other assets	8,899	8,751
Total non-current assets	63,866	63,447
Total assets	121,882	122,910
Liabilities		
Current liabilities		
Accounts payable - trade	8,814	9,722
Current portion of long-term loans payable	260	207
Income taxes payable	2,971	1,498
Provision for bonuses	1,003	1,859
allowance for loss on collecting gift tickets	33	34
Other	9,112	8,959
Total current liabilities	22,197	22,281
Non-current liabilities		
Long-term loans payable	125	100
Net defined benefit liability	1,460	1,500
Asset retirement obligations	424	428
Other	2,801	2,767
Total non-current liabilities	4,811	4,796
Total liabilities	27,008	27,077

	(Millions of yen)	
	As of February 29, 2016	As of May 31, 2016
Net assets		
Shareholders' equity		
Capital stock	3,723	3,723
Capital surplus	3,686	3,686
Retained earnings	84,886	86,006
Treasury shares	(26)	(26)
Total shareholders' equity	92,268	93,389
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	123	162
Remeasurements of defined benefit plans	(118)	(111)
Total accumulated other comprehensive income	4	51
Non-controlling interests	2,599	2,392
Total net assets	94,873	95,833
Total liabilities and net assets	121,882	122,910

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended May 31, 2015	Three months ended May 31, 2016
Net sales	39,932	42,410
Cost of sales	27,513	29,188
Gross profit	12,418	13,221
Operating revenue	2,358	2,592
Operating gross profit	14,776	15,814
Selling, general and administrative expenses	11,195	11,911
Operating income	3,581	3,902
Non-operating income		
Interest income	19	21
Dividend income	23	18
Gain on adjustment of account payable	44	49
Other	49	56
Total non-operating income	136	144
Non-operating expenses		
Interest expenses	2	1
allowance for loss on collecting gift tickets putting in	6	7
Other	1	1
Total non-operating expenses	10	9
Ordinary income	3,707	4,037
Extraordinary income		
Gain on sales of non-current assets	6	—
Total extraordinary income	6	—
Extraordinary losses		
Loss on retirement of non-current assets	2	26
Total extraordinary losses	2	26
Income before income taxes and minority interests	3,711	4,011
Income taxes - current	1,438	1,510
Income taxes - deferred	(8)	(88)
Total income taxes	1,429	1,421
Profit	2,281	2,589
Profit attributable to non-controlling interests	94	126
Profit attributable to owners of parent	2,187	2,462

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended May 31, 2015	Three months ended May 31, 2016
Profit	2,281	2,589
Other comprehensive income		
Valuation difference on available-for-sale securities	134	39
Remeasurements of defined benefit plans, net of tax	2	6
Total other comprehensive income	136	46
Comprehensive income	2,418	2,635
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,324	2,508
Comprehensive income attributable to non-controlling interests	94	126