

# Translation

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## Summary of Consolidated Financial Results for the Six Months Ended August 31, 2016 (Based on Japanese GAAP)

October 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: October 14, 2016  
 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, 2016 (from March 1, 2016 to August 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	%
Six months ended August 31, 2016	92,377	5.4	8,079	12.1	8,279	11.9	5,138	16.0
Six months ended August 31, 2015	87,665	5.2	7,208	7.4	7,398	7.7	4,431	13.6

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended August 31, 2016	160.75	–
Six months ended August 31, 2015	138.63	–

#### (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, 2016	128,378	98,652	74.9	3,006.56
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	–	0.00			
Year ending February 28, 2017 (Forecast)			–	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
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 six months ended August 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 August 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 August 31, 2016	18,257 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)

Six months ended August 31, 2016	31,963,408 shares	Six months ended August 31, 2015	31,963,497 shares
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# Quarterly consolidated financial statements

## Consolidated balance sheets

(Millions of yen)

	As of February 29, 2016	As of August 31, 2016
Assets		
Current assets		
Cash and deposits	41,731	47,866
Accounts receivable - trade	2,288	3,283
Securities	300	—
Merchandise and finished goods	11,065	11,088
Raw materials and supplies	282	296
Other	2,346	2,636
Total current assets	58,015	65,172
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	23,155	22,666
Land	27,987	27,991
Other, net	2,532	2,650
Total property, plant and equipment	53,674	53,309
Intangible assets		
Goodwill	614	532
Other	678	682
Total intangible assets	1,292	1,215
Investments and other assets	8,899	8,681
Total non-current assets	63,866	63,206
Total assets	121,882	128,378
Liabilities		
Current liabilities		
Accounts payable - trade	8,814	10,653
Current portion of long-term loans payable	260	153
Income taxes payable	2,971	3,084
Provision for bonuses	1,003	1,736
allowance for loss on collecting gift tickets	33	35
Other	9,112	9,255
Total current liabilities	22,197	24,918
Non-current liabilities		
Long-term loans payable	125	75
Net defined benefit liability	1,460	1,536
Asset retirement obligations	424	438
Other	2,801	2,757
Total non-current liabilities	4,811	4,807
Total liabilities	27,008	29,726

	(Millions of yen)	
	As of February 29, 2016	As of August 31, 2016
Net assets		
Shareholders' equity		
Capital stock	3,723	3,723
Capital surplus	3,686	3,686
Retained earnings	84,886	88,681
Treasury shares	(26)	(26)
Total shareholders' equity	92,268	96,064
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	123	137
Remeasurements of defined benefit plans	(118)	(101)
Total accumulated other comprehensive income	4	35
Non-controlling interests	2,599	2,552
Total net assets	94,873	98,652
Total liabilities and net assets	121,882	128,378

**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, 2015	Six months ended August 31, 2016
Net sales	82,744	86,998
Cost of sales	57,123	60,061
Gross profit	25,621	26,936
Operating revenue	4,921	5,378
Operating gross profit	30,542	32,315
Selling, general and administrative expenses		
Salaries	7,496	7,899
Provision for bonuses	1,631	1,736
Retirement benefit expenses	167	192
Depreciation	1,445	1,539
Amortization of goodwill	81	81
Other	12,509	12,786
Total selling, general and administrative expenses	23,333	24,236
Operating income	7,208	8,079
Non-operating income		
Interest income	37	41
Dividend income	27	23
Gain on adjustment of account payable	53	60
Other	88	94
Total non-operating income	207	220
Non-operating expenses		
Interest expenses	4	1
allowance for loss on collecting gift tickets putting in	11	13
Other	2	4
Total non-operating expenses	18	20
Ordinary income	7,398	8,279
Extraordinary income		
Gain on sales of non-current assets	6	—
Total extraordinary income	6	—
Extraordinary losses		
Loss on retirement of non-current assets	4	26
Total extraordinary losses	4	26
Income before income taxes and minority interests	7,399	8,252
Income taxes - current	2,864	3,030
Income taxes - deferred	(116)	(202)
Total income taxes	2,747	2,828
Profit	4,652	5,424
Profit attributable to non-controlling interests	221	285
Profit attributable to owners of parent	4,431	5,138

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended August 31, 2015	Six months ended August 31, 2016
Profit	4,652	5,424
Other comprehensive income		
Valuation difference on available-for-sale securities	26	14
Remeasurements of defined benefit plans, net of tax	11	16
Total other comprehensive income	38	30
Comprehensive income	4,690	5,454
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,469	5,168
Comprehensive income attributable to non-controlling interests	221	285

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended August 31, 2015	Six months ended August 31, 2016
Cash flows from operating activities		
Income before income taxes and minority interests	7,399	8,252
Depreciation	1,445	1,539
Amortization of goodwill	81	81
Loss on retirement of non-current assets	4	26
Increase (decrease) in provision for bonuses	684	732
Increase (decrease) in net defined benefit liability	65	104
Interest and dividend income	(64)	(65)
Interest expenses	4	1
Decrease (increase) in notes and accounts receivable - trade	(1,125)	(994)
Decrease (increase) in inventories	(356)	(37)
Increase (decrease) in notes and accounts payable - trade	(2,844)	1,838
Increase (decrease) in accounts payable - other	(1,900)	(688)
Increase (decrease) in deposits received	(650)	719
Other, net	(638)	468
Subtotal	2,104	11,980
Income taxes paid	(3,051)	(2,985)
Net cash provided by (used in) operating activities	(946)	8,995
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,326)	(1,282)
Interest and dividend income received	57	55
Proceeds from redemption of securities	—	300
Other, net	(104)	(73)
Net cash provided by (used in) investing activities	(4,373)	(1,000)
Cash flows from financing activities		
Repayments of long-term loans payable	(157)	(157)
Interest expenses paid	(4)	(2)
Repayments of lease obligations	(45)	(28)
Purchase of treasury shares	(0)	(0)
Cash dividends paid	(1,148)	(1,339)
Dividends paid to non-controlling interests	(254)	(333)
Net cash provided by (used in) financing activities	(1,610)	(1,860)
Net increase (decrease) in cash and cash equivalents	(6,931)	6,134
Cash and cash equivalents at beginning of period	45,947	41,731
Cash and cash equivalents at end of period	39,016	47,866