

Translation

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Summary of Consolidated Financial Results for the Three Months Ended May 31, 2018 (Based on Japanese GAAP)

July 5, 2018

Company name: SAN-A CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 2659 URL <http://www.san-a.co.jp>
 Representative: President Tessei Uechi
 General Manager of Management Planning
 Inquiries: Taku Toyoda TEL 098(898)2230
 Dept & Finance Dept
 Scheduled date to file Quarterly Securities Report: July 13, 2018
 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, 2018 (from March 1, 2018 to May 31, 2018)

(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 | % |
| Three months ended May 31, 2018 | 46,667 | 2.6 | 3,683 | (5.9) | 3,807 | (5.9) | 2,441 | (8.2) |
| Three months ended May 31, 2017 | 45,477 | 1.1 | 3,913 | 0.3 | 4,046 | 0.2 | 2,660 | 8.0 |

| | Earnings per share | Diluted earnings per share |
|---------------------------------|--------------------|----------------------------|
| | Yen | Yen |
| Three months ended May 31, 2018 | 76.39 | – |
| Three months ended May 31, 2017 | 83.24 | – |

(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, 2018 | 149,110 | 113,425 | 74.2 | 3,462.91 |
| As of February 28, 2018 | 147,274 | 112,762 | 74.6 | 3,435.55 |

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, 2018 | – | 0.00 | – | 50.00 | 50.00 |
| Year ending February 28, 2019 | – | | | | |
| Year ending February 28, 2019 (Forecast) | | 0.00 | – | 50.00 | 50.00 |

3. Forecast of consolidated financial results for the year ending February 28, 2019 (from March 1, 2018 to February 28, 2019)

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 |
| Six months ending August 31, 2018 | 97,926 | 5.2 | 7,865 | 0.6 | 8,052 | 0.4 | 5,230 | 0.3 | 163.65 |
| Full year | 192,198 | 3.4 | 14,380 | (4.4) | 14,710 | (4.7) | 9,899 | (4.7) | 309.70 |

4. Notes

- (1) Changes in significant subsidiaries during the three months ended May 31, 2018
(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 May 31, 2018 | 31,981,654 shares | As of February 28, 2018 | 31,981,654 shares |
|--------------------|-------------------|-------------------------|-------------------|

Number of treasury shares at the end of the period

| | | | |
|--------------------|---------------|-------------------------|---------------|
| As of May 31, 2018 | 18,257 shares | As of February 28, 2018 | 18,257 shares |
|--------------------|---------------|-------------------------|---------------|

Average number of shares during the period (cumulative from the beginning of the fiscal year)

| | | | |
|---------------------------------|-------------------|---------------------------------|-------------------|
| Three months ended May 31, 2018 | 31,963,397 shares | Three months ended May 31, 2017 | 31,963,397 shares |
|---------------------------------|-------------------|---------------------------------|-------------------|

Quarterly consolidated financial statements

Consolidated balance sheets

(Millions of yen)

| | As of February 28, 2018 | As of May 31, 2018 |
|---|-------------------------|--------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 42,888 | 36,000 |
| Accounts receivable - trade | 2,922 | 4,149 |
| Merchandise and finished goods | 11,786 | 12,435 |
| Raw materials and supplies | 303 | 295 |
| Other | 2,714 | 3,023 |
| Total current assets | 60,615 | 55,904 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 23,304 | 24,886 |
| Land | 34,779 | 34,888 |
| Construction in progress | 16,207 | 20,880 |
| Other, net | 2,597 | 2,855 |
| Total property, plant and equipment | 76,888 | 83,510 |
| Intangible assets | | |
| Goodwill | 286 | 245 |
| Other | 707 | 703 |
| Total intangible assets | 993 | 948 |
| Investments and other assets | 8,775 | 8,745 |
| Total non-current assets | 86,658 | 93,205 |
| Total assets | 147,274 | 149,110 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 8,485 | 10,162 |
| Current portion of long-term loans payable | 25 | — |
| Short-term loans payable | — | 200 |
| Income taxes payable | 2,359 | 1,490 |
| Provision for bonuses | 1,134 | 2,000 |
| allowance for loss on collecting gift tickets | 56 | 59 |
| Other | 17,582 | 16,843 |
| Total current liabilities | 29,642 | 30,756 |
| Non-current liabilities | | |
| Net defined benefit liability | 1,743 | 1,769 |
| Asset retirement obligations | 490 | 506 |
| Other | 2,635 | 2,651 |
| Total non-current liabilities | 4,869 | 4,928 |
| Total liabilities | 34,511 | 35,684 |

| | (Millions of yen) | |
|---|-------------------------|--------------------|
| | As of February 28, 2018 | As of May 31, 2018 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 3,723 | 3,723 |
| Capital surplus | 3,686 | 3,686 |
| Retained earnings | 102,209 | 103,053 |
| Treasury shares | (26) | (26) |
| Total shareholders' equity | 109,592 | 110,436 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 266 | 275 |
| Remeasurements of defined benefit plans | (47) | (25) |
| Total accumulated other comprehensive income | 219 | 250 |
| Non-controlling interests | 2,950 | 2,739 |
| Total net assets | 112,762 | 113,425 |
| Total liabilities and net assets | 147,274 | 149,110 |

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, 2017 | Three months ended May 31, 2018 |
|--|------------------------------------|------------------------------------|
| Net sales | 42,732 | 43,750 |
| Cost of sales | 29,280 | 29,828 |
| Gross profit | 13,452 | 13,922 |
| Operating revenue | 2,744 | 2,917 |
| Operating gross profit | 16,197 | 16,839 |
| Selling, general and administrative expenses | 12,283 | 13,156 |
| Operating profit | 3,913 | 3,683 |
| Non-operating income | | |
| Interest income | 14 | 12 |
| Dividend income | 24 | 14 |
| Gain on adjustment of account payable | 56 | 61 |
| Other | 47 | 49 |
| Total non-operating income | 143 | 138 |
| Non-operating expenses | | |
| Interest expenses | 0 | 0 |
| allowance for loss on collecting gift tickets putting in | 9 | 11 |
| Other | 1 | 2 |
| Total non-operating expenses | 10 | 14 |
| Ordinary profit | 4,046 | 3,807 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 0 | 8 |
| Total extraordinary losses | 0 | 8 |
| Profit before income taxes | 4,046 | 3,798 |
| Income taxes - current | 1,416 | 1,458 |
| Income taxes - deferred | (167) | (253) |
| Total income taxes | 1,249 | 1,205 |
| Profit | 2,797 | 2,593 |
| Profit attributable to non-controlling interests | 136 | 151 |
| Profit attributable to owners of parent | 2,660 | 2,441 |

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

| | Three months ended May 31, 2017 | Three months ended May 31, 2018 |
|--|------------------------------------|------------------------------------|
| Profit | 2,797 | 2,593 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (4) | 8 |
| Remeasurements of defined benefit plans, net of tax | (28) | 22 |
| Total other comprehensive income | (32) | 30 |
| Comprehensive income | 2,764 | 2,624 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 2,628 | 2,472 |
| Comprehensive income attributable to non-controlling interests | 136 | 151 |