

Translation

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**Summary of Consolidated Financial Results  
for the Six Months Ended August 31, 2018  
(Based on Japanese GAAP)**

October 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: Dept & Finance Dept Taku Toyoda TEL 098(898)2230  
 Scheduled date to file Quarterly Securities Report: October 15, 2018  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: No  
 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, 2018 (from March 1, 2018 to August 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	%
Six months ended August 31, 2018	96,115	3.3	7,369	(5.8)	7,561	(5.8)	4,821	(7.6)
Six months ended August 31, 2017	93,084	0.8	7,822	(3.2)	8,023	(3.1)	5,215	1.5

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended August 31, 2018	150.84		–	
Six months ended August 31, 2017	163.18		–	

(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, 2018	148,263	115,957	76.2	3,536.75
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				
Year ended February 28, 2018	–	0.00	–	50.00	50.00
Year ending February 28, 2019	–	0.00	–	–	–
Year ending February 28, 2019 (Forecast)	–	–	–	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
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 six months ended August 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 August 31, 2018	31,981,654 shares	As of February 28, 2018	31,981,654 shares
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Number of treasury shares at the end of the period

As of August 31, 2018	18,257 shares	As of February 28, 2018	18,257 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, 2018	31,963,397 shares	Six months ended August 31, 2017	31,963,397 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of February 28, 2018	As of August 31, 2018
<b>Assets</b>		
Current assets		
Cash and deposits	42,888	35,220
Accounts receivable - trade	2,922	5,091
Merchandise and finished goods	11,786	12,218
Raw materials and supplies	303	287
Other	2,714	2,793
Total current assets	60,615	55,611
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	23,304	24,515
Land	34,779	34,890
Construction in progress	16,207	20,917
Other, net	2,597	2,718
Total property, plant and equipment	76,888	83,041
Intangible assets		
Goodwill	286	204
Other	707	729
Total intangible assets	993	933
Investments and other assets	8,775	8,676
Total non-current assets	86,658	92,652
Total assets	147,274	148,263
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	8,485	11,562
Current portion of long-term loans payable	25	–
Income taxes payable	2,359	2,772
Provision for bonuses	1,134	1,591
allowance for loss on collecting gift tickets	56	61
Other	17,582	11,398
Total current liabilities	29,642	27,386
Non-current liabilities		
Net defined benefit liability	1,743	1,805
Asset retirement obligations	490	514
Other	2,635	2,600
Total non-current liabilities	4,869	4,920
Total liabilities	34,511	32,306

(Millions of yen)

	As of February 28, 2018	As of August 31, 2018
Net assets		
Shareholders' equity		
Capital stock	3,723	3,723
Capital surplus	3,686	3,686
Retained earnings	102,209	105,432
Treasury shares	(26)	(26)
Total shareholders' equity	109,592	112,815
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	266	251
Remeasurements of defined benefit plans	(47)	(21)
Total accumulated other comprehensive income	219	230
Non-controlling interests	2,950	2,910
Total net assets	112,762	115,957
Total liabilities and net assets	147,274	148,263

**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, 2017	Six months ended August 31, 2018
Net sales	87,386	90,119
Cost of sales	60,061	61,974
Gross profit	27,324	28,145
Operating revenue	5,698	5,995
Operating gross profit	33,022	34,140
Selling, general and administrative expenses		
Salaries	8,337	9,109
Provision for bonuses	1,590	1,591
Retirement benefit expenses	191	187
Depreciation	1,500	1,691
Amortization of goodwill	81	81
Other	13,498	14,109
Total selling, general and administrative expenses	25,200	26,771
Operating profit	7,822	7,369
Non-operating income		
Interest income	29	23
Dividend income	29	20
Gain on adjustment of account payable	76	82
Other	87	92
Total non-operating income	222	218
Non-operating expenses		
Interest expenses	0	0
allowance for loss on collecting gift tickets putting in	16	20
Other	3	5
Total non-operating expenses	20	26
Ordinary profit	8,023	7,561
Extraordinary losses		
Loss on retirement of non-current assets	6	24
Impairment loss	10	–
Total extraordinary losses	16	24
Profit before income taxes	8,007	7,537
Income taxes - current	2,698	2,629
Income taxes - deferred	(203)	(237)
Total income taxes	2,495	2,392
Profit	5,512	5,144
Profit attributable to non-controlling interests	296	323
Profit attributable to owners of parent	5,215	4,821

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

(Millions of yen)

	Six months ended August 31, 2017	Six months ended August 31, 2018
Profit	5,512	5,144
Other comprehensive income		
Valuation difference on available-for-sale securities	12	(15)
Remeasurements of defined benefit plans, net of tax	(17)	26
Total other comprehensive income	(4)	11
Comprehensive income	5,507	5,155
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,211	4,832
Comprehensive income attributable to non-controlling interests	296	323

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended August 31, 2017	Six months ended August 31, 2018
Cash flows from operating activities		
Profit before income taxes	8,007	7,537
Depreciation	1,500	1,691
Loss on retirement of non-current assets	6	24
Impairment loss	10	–
Amortization of goodwill	81	81
Increase (decrease) in provision for bonuses	526	457
Increase (decrease) in net defined benefit liability	107	92
Interest and dividend income	(58)	(43)
Interest expenses	0	0
Decrease (increase) in notes and accounts receivable - trade	(1,366)	(2,169)
Decrease (increase) in inventories	(1,279)	(415)
Increase (decrease) in notes and accounts payable - trade	3,200	3,076
Increase (decrease) in accounts payable - other	(751)	(621)
Increase (decrease) in deposits received	695	1,908
Other, net	(117)	561
Subtotal	10,564	12,182
Income taxes paid	(2,509)	(2,172)
Net cash provided by (used in) operating activities	8,055	10,010
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,593)	(15,685)
Interest and dividend income received	55	38
Other, net	(148)	(47)
Net cash provided by (used in) investing activities	(4,686)	(15,694)
Cash flows from financing activities		
Increase in short-term loans payable	–	200
Decrease in short-term loans payable	–	(200)
Repayments of long-term loans payable	(50)	(25)
Interest expenses paid	(0)	(0)
Repayments of lease obligations	(11)	(1)
Cash dividends paid	(1,499)	(1,595)
Dividends paid to non-controlling interests	(372)	(362)
Net cash provided by (used in) financing activities	(1,933)	(1,984)
Net increase (decrease) in cash and cash equivalents	1,434	(7,668)
Cash and cash equivalents at beginning of period	46,122	42,888
Cash and cash equivalents at end of period	47,557	35,220