

**Translation**

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**Summary of Consolidated Financial Results  
for the Year Ended February 28, 2019  
(Based on Japanese GAAP)**

April 5, 2019

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 of ordinary general meeting of shareholders: May 28, 2019  
 Scheduled date to file Securities Report: May 29, 2019  
 Scheduled date to commence dividend payments: May 29, 2019  
 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 28, 2019 (from March 1, 2018 to February 28, 2019)

(1) Consolidated operating results

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	%
Year ended February 28, 2019	189,835	2.1	14,094	(6.4)	14,413	(6.6)	9,406	(9.4)
Year ended February 28, 2018	185,906	3.1	15,050	0.3	15,438	0.2	10,382	6.1

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended February 28, 2019	294.27	–	8.3	9.7	7.9
Year ended February 28, 2018	324.84	–	9.9	11.1	8.6

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of February 28, 2019	148,590	120,700	79.1	3,678.23
As of February 28, 2018	147,274	112,762	74.6	3,435.55

(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 28, 2019	14,254	(28,473)	(1,986)	26,682
Year ended February 28, 2018	13,590	(14,837)	(1,987)	42,888

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, 2018	–	0.00	–	50.00	50.00	1,598	15.4	1.5
Year ended February 28, 2019	–	0.00	–	52.00	52.00	1,662	17.7	1.5
Year ending February 29, 2020 (Forecast)	–	0.00	–	52.00	52.00		22.8	

3. Forecast of consolidated financial results for the year ending February 29, 2020 (from March 1, 2019 to February 29, 2020)

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, 2019	100,324	4.4	5,545	(24.7)	5,739	(24.1)	3,428	(28.9)	107.27
Full year	202,133	6.5	11,248	(20.2)	11,613	(19.4)	7,304	(22.3)	228.52

4. Notes

(1) Changes in significant subsidiaries during the year ended February 28, 2019

(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: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: 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 28, 2019	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 February 28, 2019	18,257 shares	As of February 28, 2018	18,257 shares
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Average number of shares during the period

Year ended February 28, 2019	31,963,397 shares	Year ended February 28, 2018	31,963,397 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of February 28, 2018	As of February 28, 2019
Assets		
Current assets		
Cash and deposits	42,888	26,682
Accounts receivable - trade	2,922	3,348
Merchandise and finished goods	11,786	12,032
Raw materials and supplies	303	308
Prepaid expenses	441	490
Deferred tax assets	836	869
Other	1,436	1,474
Total current assets	60,615	45,207
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	23,304	23,479
Machinery, equipment and vehicles, net	873	894
Tools, furniture and fixtures, net	1,722	1,583
Land	34,779	34,922
Leased assets, net	1	0
Construction in progress	16,207	33,098
Total property, plant and equipment	76,888	93,978
Intangible assets		
Goodwill	286	122
Leasehold right	443	441
Software	84	152
Other	178	136
Total intangible assets	993	854
Investments and other assets		
Investment securities	795	599
Shares of subsidiaries and associates	21	21
Long-term prepaid expenses	278	314
Deferred tax assets	1,889	2,135
Guarantee deposits	5,061	4,871
Construction assistance fund receivables	729	608
Other	0	0
Total investments and other assets	8,775	8,550
Total non-current assets	86,658	103,383
Total assets	147,274	148,590

(Millions of yen)

	As of February 28, 2018	As of February 28, 2019
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	8,485	8,657
Current portion of long-term loans payable	25	—
Lease obligations	1	0
Accounts payable - other	12,160	4,152
Accrued expenses	1,138	1,197
Income taxes payable	2,359	2,290
Deposits received	1,949	2,347
Provision for bonuses	1,134	1,188
allowance for loss on collecting gift tickets	56	70
Other	2,332	2,900
<b>Total current liabilities</b>	<b>29,642</b>	<b>22,804</b>
<b>Non-current liabilities</b>		
Lease obligations	0	—
Long-term guarantee deposited	2,274	2,353
Net defined benefit liability	1,743	1,845
Asset retirement obligations	490	525
Other	361	361
<b>Total non-current liabilities</b>	<b>4,869</b>	<b>5,085</b>
<b>Total liabilities</b>	<b>34,511</b>	<b>27,890</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	3,723	3,723
Capital surplus	3,686	3,686
Retained earnings	102,209	110,017
Treasury shares	(26)	(26)
<b>Total shareholders' equity</b>	<b>109,592</b>	<b>117,400</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	266	196
Remeasurements of defined benefit plans	(47)	(28)
<b>Total accumulated other comprehensive income</b>	<b>219</b>	<b>168</b>
<b>Non-controlling interests</b>	<b>2,950</b>	<b>3,131</b>
<b>Total net assets</b>	<b>112,762</b>	<b>120,700</b>
<b>Total liabilities and net assets</b>	<b>147,274</b>	<b>148,590</b>

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

(Millions of yen)

	Fiscal year ended February 28, 2018	Fiscal year ended February 28, 2019
Net sales	174,526	177,938
Cost of sales	119,818	122,196
Gross profit	54,708	55,741
Operating revenue		
Rent income of real estate	3,767	3,859
Income from franchised stores	6,645	7,071
Other	966	966
Total operating revenue	11,379	11,897
Operating gross profit	66,088	67,639
Selling, general and administrative expenses		
Directors' compensations	247	251
Salaries and allowances	4,725	5,107
Provision for bonuses	1,134	1,188
Retirement benefit expenses	383	373
Other salaries	12,032	12,970
Rents	4,659	4,798
Depreciation	3,272	3,517
Amortization of goodwill	163	163
Utilities expenses	3,968	4,364
Other	20,452	20,809
Total selling, general and administrative expenses	51,038	53,544
Operating profit	15,050	14,094
Non-operating income		
Interest income	57	40
Dividend income	34	26
House rent income	26	22
Gain on adjustment of account payable	121	129
Co-sponsor fee	61	5
Gain on sales of goods	61	64
Other	78	91
Total non-operating income	441	380
Non-operating expenses		
Interest expenses	0	0
allowance for loss on collecting gift tickets putting in	36	40
consumption tax loss	2	3
Other	14	15
Total non-operating expenses	54	60
Ordinary profit	15,438	14,413
Extraordinary losses		
Loss on retirement of non-current assets	32	37
Impairment loss	51	231
Total extraordinary losses	84	269
Profit before income taxes	15,353	14,144
Income taxes - current	4,643	4,456
Income taxes - deferred	(194)	(261)
Total income taxes	4,448	4,194
Profit	10,905	9,950
Profit attributable to non-controlling interests	522	544
Profit attributable to owners of parent	10,382	9,406

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended February 28, 2018	Fiscal year ended February 28, 2019
Profit	10,905	9,950
Other comprehensive income		
Valuation difference on available-for-sale securities	29	(70)
Remeasurements of defined benefit plans, net of tax	13	19
Total other comprehensive income	43	(51)
Comprehensive income	10,948	9,898
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,426	9,354
Comprehensive income attributable to non-controlling interests	522	544

## Consolidated statements of changes in equity

Fiscal year ended February 28, 2018

(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	93,329	(26)	100,711
Changes of items during period					
Dividends of surplus	–	–	(1,502)	–	(1,502)
Profit attributable to owners of parent	–	–	10,382	–	10,382
Purchase of treasury shares	–	–	–	–	–
Net changes of items other than shareholders' equity	–	–	–	–	–
Total changes of items during period	–	–	8,880	–	8,880
Balance at end of current period	3,723	3,686	102,209	(26)	109,592

	Accumulated other comprehensive income			Non-controlling 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	237	(60)	176	2,800	103,688
Changes of items during period					
Dividends of surplus	–	–	–	–	(1,502)
Profit attributable to owners of parent	–	–	–	–	10,382
Purchase of treasury shares	–	–	–	–	–
Net changes of items other than shareholders' equity	29	13	43	149	192
Total changes of items during period	29	13	43	149	9,073
Balance at end of current period	266	(47)	219	2,950	112,762

Fiscal year ended February 28, 2019

(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	102,209	(26)	109,592
Changes of items during period					
Dividends of surplus	–	–	(1,598)	–	(1,598)
Profit attributable to owners of parent	–	–	9,406	–	9,406
Purchase of treasury shares	–	–	–	–	–
Net changes of items other than shareholders' equity	–	–	–	–	–
Total changes of items during period	–	–	7,807	–	7,807
Balance at end of current period	3,723	3,686	110,017	(26)	117,400

	Accumulated other comprehensive income			Non-controlling 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	266	(47)	219	2,950	112,762
Changes of items during period					
Dividends of surplus	–	–	–	–	(1,598)
Profit attributable to owners of parent	–	–	–	–	9,406
Purchase of treasury shares	–	–	–	–	–
Net changes of items other than shareholders' equity	(70)	19	(51)	181	130
Total changes of items during period	(70)	19	(51)	181	7,938
Balance at end of current period	196	(28)	168	3,131	120,700

## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended February 28, 2018	Fiscal year ended February 28, 2019
Cash flows from operating activities		
Profit before income taxes	15,353	14,144
Depreciation	3,272	3,517
Loss on retirement of non-current assets	32	37
Impairment loss	51	231
Amortization of goodwill	163	163
Increase (decrease) in provision for bonuses	70	54
Increase (decrease) in allowance for loss on collecting gift tickets	13	13
Increase (decrease) in net defined benefit liability	198	128
Interest and dividend income	(92)	(66)
Interest expenses	0	0
co sponsor fee	(47)	(4)
Decrease (increase) in notes and accounts receivable - trade	(327)	(426)
Decrease (increase) in inventories	(637)	(250)
Increase (decrease) in notes and accounts payable - trade	213	171
Increase (decrease) in accounts payable - other	99	(419)
Increase (decrease) in accrued consumption taxes	(437)	345
Increase (decrease) in deposits received	49	398
Increase (decrease) in provision for Gift certificates	121	181
Increase (decrease) in Long-term guarantee deposited	(16)	79
Other, net	493	383
Subtotal	18,575	18,684
Income taxes paid	(4,985)	(4,429)
Net cash provided by (used in) operating activities	13,590	14,254
Cash flows from investing activities		
Proceeds from sales of property, plant and equipment	–	2
Purchase of property, plant and equipment	(14,599)	(28,371)
Purchase of intangible assets	(85)	(100)
Collection of loans receivable	1	–
Proceeds from redemption of investment securities	–	100
Purchase of long-term prepaid expenses	(40)	(68)
Proceeds from collection of guarantee deposits	5	20
Payments for guarantee deposits	(189)	(106)
Payments of construction assistance fund receivables	(12)	(7)
Interest and dividend income received	83	57
Net cash provided by (used in) investing activities	(14,837)	(28,473)

(Millions of yen)

	Fiscal year ended February 28, 2018	Fiscal year ended February 28, 2019
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	(100)	(25)
Repayments of lease obligations	(14)	(1)
Interest expenses paid	(0)	(0)
Cash dividends paid	(1,500)	(1,596)
Dividends paid to non-controlling interests	(372)	(362)
Net cash provided by (used in) financing activities	(1,987)	(1,986)
Net increase (decrease) in cash and cash equivalents	(3,234)	(16,206)
Cash and cash equivalents at beginning of period	46,122	42,888
Cash and cash equivalents at end of period	42,888	26,682