

Translation

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**Summary of Consolidated Financial Results
for the Year Ended February 29, 2020
(Based on Japanese GAAP)**

April 7, 2020

Company name: SAN-A CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 2659 URL <https://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 26, 2020
 Scheduled date to file Securities Report: May 27, 2020
 Scheduled date to commence dividend payments: May 27, 2020
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended February 29, 2020 (from March 1, 2019 to February 29, 2020)

(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 29, 2020	199,292	5.0	10,622	(24.6)	11,609	(19.5)	7,683	(18.3)
Year ended February 28, 2019	189,835	2.1	14,094	(6.4)	14,413	(6.6)	9,406	(9.4)

	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 29, 2020	240.38	–	6.4	7.3	5.7
Year ended February 28, 2019	294.27	–	8.3	9.7	7.9

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of February 29, 2020	168,555	126,912	73.3	3,864.88
As of February 28, 2019	148,590	120,700	79.1	3,678.23

(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 29, 2020	21,434	(17,075)	(2,042)	28,999
Year ended February 28, 2019	14,254	(28,473)	(1,986)	26,682

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, 2019	–	0.00	–	52.00	52.00	1,662	17.7	1.5
Year ended February 29, 2020	–	0.00	–	53.00	53.00	1,694	22.0	1.4
Year ending February 28, 2021 (Forecast)	–	0.00	–	53.00	53.00		25.7	

3. Forecast of consolidated financial results for the year ending February 28, 2021 (from March 1, 2020 to February 28, 2021)

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, 2020	103,317	3.0	5,476	(5.2)	5,627	(14.3)	3,469	(17.1)	108.55
Full year	204,267	2.5	9,859	(7.2)	10,160	(12.5)	6,586	(14.3)	206.06

4. Notes

(1) Changes in significant subsidiaries during the year ended February 29, 2020

(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 29, 2020	31,981,654 shares	As of February 28, 2019	31,981,654 shares
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Number of treasury shares at the end of the period

As of February 29, 2020	18,464 shares	As of February 28, 2019	18,257 shares
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Average number of shares during the period

Year ended February 29, 2020	31,963,293 shares	Year ended February 28, 2019	31,963,397 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of February 28, 2019	As of February 29, 2020
Assets		
Current assets		
Cash and deposits	26,682	28,999
Accounts receivable - trade	3,348	4,757
Merchandise and finished goods	12,032	13,289
Raw materials and supplies	308	329
Prepaid expenses	490	523
Other	1,474	4,851
Total current assets	44,337	52,751
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	23,479	61,653
Machinery, equipment and vehicles, net	894	847
Tools, furniture and fixtures, net	1,583	2,690
Land	34,922	34,962
Leased assets, net	0	–
Construction in progress	33,098	4,881
Total property, plant and equipment	93,978	105,035
Intangible assets		
Goodwill	122	–
Leasehold right	441	423
Software	152	361
Other	136	47
Total intangible assets	854	833
Investments and other assets		
Investment securities	599	547
Shares of subsidiaries and associates	21	21
Long-term prepaid expenses	314	305
Deferred tax assets	3,005	3,736
Guarantee deposits	4,871	4,791
Construction assistance fund receivables	608	531
Other	0	0
Total investments and other assets	9,420	9,934
Total non-current assets	104,252	115,803
Total assets	148,590	168,555

(Millions of yen)

	As of February 28, 2019	As of February 29, 2020
Liabilities		
Current liabilities		
Accounts payable - trade	8,657	15,910
Lease obligations	0	—
Accounts payable - other	4,152	7,363
Accrued expenses	1,197	1,420
Income taxes payable	2,290	1,918
Deposits received	2,347	3,925
Provision for bonuses	1,188	1,267
allowance for loss on collecting gift tickets	70	79
Other	2,900	2,884
Total current liabilities	22,804	34,769
Non-current liabilities		
Long-term guarantee deposited	2,353	3,944
Retirement benefit liability	1,845	2,024
Asset retirement obligations	525	542
Other	361	361
Total non-current liabilities	5,085	6,872
Total liabilities	27,890	41,642
Net assets		
Shareholders' equity		
Capital stock	3,723	3,723
Capital surplus	3,686	3,686
Retained earnings	110,017	116,039
Treasury shares	(26)	(27)
Total shareholders' equity	117,400	123,420
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	196	157
Remeasurements of defined benefit plans	(28)	(44)
Total accumulated other comprehensive income	168	113
Non-controlling interests	3,131	3,378
Total net assets	120,700	126,912
Total liabilities and net assets	148,590	168,555

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

(Millions of yen)

	Fiscal year ended February 28, 2019	Fiscal year ended February 29, 2020
Net sales	177,938	184,832
Cost of sales	122,196	126,426
Gross profit	55,741	58,406
Operating revenue		
Rent income of real estate	3,859	6,126
Income from franchised stores	7,071	7,340
Other	966	991
Total operating revenue	11,897	14,459
Operating gross profit	67,639	72,865
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	251	233
Salaries and allowances	5,107	5,512
Provision for bonuses	1,188	1,267
Retirement benefit expenses	373	387
Other salaries	12,970	14,009
Rents	4,798	4,881
Depreciation	3,517	7,017
Amortization of goodwill	163	122
Utilities expenses	4,364	4,529
Other	20,809	24,280
Total selling, general and administrative expenses	53,544	62,243
Operating profit	14,094	10,622
Non-operating income		
Interest income	40	19
Dividend income	26	36
House rent income	22	24
Gain on adjustment of account payable	129	139
Co-sponsor fee	5	198
Gain on sales of goods	64	45
Subsidy income	–	361
Other	91	231
Total non-operating income	380	1,056
Non-operating expenses		
Interest expenses	0	0
allowance for loss on collecting gift tickets putting in	40	43
consumption tax loss	3	5
Other	15	19
Total non-operating expenses	60	69
Ordinary profit	14,413	11,609

(Millions of yen)

	Fiscal year ended February 28, 2019	Fiscal year ended February 29, 2020
Extraordinary losses		
Loss on retirement of non-current assets	37	8
Impairment loss	231	67
Total extraordinary losses	269	75
Profit before income taxes	14,144	11,533
Income taxes - current	4,456	3,932
Income taxes - deferred	(261)	(711)
Total income taxes	4,194	3,220
Profit	9,950	8,312
Profit attributable to non-controlling interests	544	629
Profit attributable to owners of parent	9,406	7,683

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended February 28, 2019	Fiscal year ended February 29, 2020
Profit	9,950	8,312
Other comprehensive income		
Valuation difference on available-for-sale securities	(70)	(39)
Remeasurements of defined benefit plans, net of tax	19	(15)
Total other comprehensive income	(51)	(55)
Comprehensive income	9,898	8,257
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,354	7,628
Comprehensive income attributable to non-controlling interests	544	629

Consolidated statements of changes in equity

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

Fiscal year ended February 29, 2020

(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	110,017	(26)	117,400
Changes of items during period					
Dividends of surplus	–	–	(1,662)	–	(1,662)
Profit attributable to owners of parent	–	–	7,683	–	7,683
Purchase of treasury shares	–	–	–	(0)	(0)
Net changes of items other than shareholders' equity	–	–	–	–	–
Total changes of items during period	–	–	6,021	(0)	6,020
Balance at end of current period	3,723	3,686	116,039	(27)	123,420

	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	196	(28)	168	3,131	120,700
Changes of items during period					
Dividends of surplus	–	–	–	–	(1,662)
Profit attributable to owners of parent	–	–	–	–	7,683
Purchase of treasury shares	–	–	–	–	(0)
Net changes of items other than shareholders' equity	(39)	(15)	(55)	247	191
Total changes of items during period	(39)	(15)	(55)	247	6,212
Balance at end of current period	157	(44)	113	3,378	126,912

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended February 28, 2019	Fiscal year ended February 29, 2020
Cash flows from operating activities		
Profit before income taxes	14,144	11,533
Depreciation	3,517	7,017
Loss on retirement of non-current assets	37	6
Impairment loss	231	67
Amortization of goodwill	163	122
Increase (decrease) in provision for bonuses	54	79
Increase (decrease) in allowance for loss on collecting gift tickets	13	9
Increase (decrease) in retirement benefit liability	128	171
Interest and dividend income	(66)	(56)
Interest expenses	0	0
co sponsor fee	(4)	(94)
Decrease (increase) in notes and accounts receivable - trade	(426)	(1,409)
Decrease (increase) in inventories	(250)	(1,278)
Increase (decrease) in notes and accounts payable - trade	171	7,252
Increase (decrease) in accounts payable - other	(419)	1,863
Increase (decrease) in accrued consumption taxes	345	(393)
Increase (decrease) in deposits received	398	1,578
Increase (decrease) in provision for Gift certificates	181	146
Increase (decrease) in Long-term guarantee deposited	79	1,591
Other, net	383	(2,389)
Subtotal	18,684	25,819
Income taxes paid	(4,429)	(4,384)
Net cash provided by (used in) operating activities	14,254	21,434
Cash flows from investing activities		
Proceeds from sales of property, plant and equipment	2	40
Purchase of property, plant and equipment	(28,371)	(16,687)
Purchase of intangible assets	(100)	(166)
Proceeds from redemption of investment securities	100	-
Purchase of long-term prepaid expenses	(68)	(66)
Proceeds from collection of guarantee deposits	20	4
Payments for guarantee deposits	(106)	(238)
Payments of construction assistance fund receivables	(7)	(8)
Interest and dividend income received	57	46
Net cash provided by (used in) investing activities	(28,473)	(17,075)

(Millions of yen)

	Fiscal year ended February 28, 2019	Fiscal year ended February 29, 2020
Cash flows from financing activities		
Increase in short-term loans payable	200	300
Decrease in short-term loans payable	(200)	(300)
Repayments of long-term loans payable	(25)	–
Repayments of lease obligations	(1)	(0)
Interest expenses paid	(0)	(0)
Purchase of treasury shares	–	(0)
Cash dividends paid	(1,596)	(1,659)
Dividends paid to non-controlling interests	(362)	(382)
Net cash provided by (used in) financing activities	(1,986)	(2,042)
Net increase (decrease) in cash and cash equivalents	(16,206)	2,316
Cash and cash equivalents at beginning of period	42,888	26,682
Cash and cash equivalents at end of period	26,682	28,999