

Translation

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Summary of Consolidated Financial Results for the Six Months Ended August 31, 2020 (Based on Japanese GAAP)

October 6, 2020

Company name: SAN-A CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 2659 URL <https://www.san-a.co.jp>
 Representative: President, Chief Executive Officer Tessei Uechi
 Inquiries: Director Taku Toyoda TEL 098(898)2230
 Scheduled date to file Quarterly Securities Report: October 14, 2020
 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, 2020 (from March 1, 2020 to August 31, 2020)

(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, 2020	103,024	2.8	4,937	(14.5)	5,170	(21.3)	3,355	(19.8)
Six months ended August 31, 2019	100,259	4.3	5,777	(21.6)	6,569	(13.1)	4,185	(13.2)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended August 31, 2020	104.99	–
Six months ended August 31, 2019	130.95	–

(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, 2020	165,600	128,288	75.6	3,916.43
As of February 29, 2020	168,555	126,912	73.3	3,864.88

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, 2020	–	0.00	–	53.00	53.00
Year ending February 28, 2021	–	0.00			
Year ending February 28, 2021 (Forecast)			–	53.00	53.00

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
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 six months ended August 31, 2020
 (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, 2020	31,981,654 shares	As of February 29, 2020	31,981,654 shares
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Number of treasury shares at the end of the period

As of August 31, 2020	18,478 shares	As of February 29, 2020	18,464 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, 2020	31,963,188 shares	Six months ended August 31, 2019	31,963,359 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of February 29, 2020	As of August 31, 2020
Assets		
Current assets		
Cash and deposits	28,999	26,641
Accounts receivable - trade	4,757	6,921
Merchandise and finished goods	13,289	13,251
Raw materials and supplies	329	309
Other	5,374	2,133
Total current assets	52,751	49,258
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	61,653	66,120
Land	34,962	35,015
Construction in progress	4,881	493
Other, net	3,538	3,573
Total property, plant and equipment	105,035	105,202
Intangible assets	833	807
Investments and other assets	9,934	10,332
Total non-current assets	115,803	116,341
Total assets	168,555	165,600
Liabilities		
Current liabilities		
Accounts payable - trade	15,910	12,504
Income taxes payable	1,918	2,155
Provision for bonuses	1,267	1,861
allowance for loss on collecting gift tickets	79	83
Other	15,593	13,889
Total current liabilities	34,769	30,494
Non-current liabilities		
Retirement benefit liability	2,024	2,070
Asset retirement obligations	542	551
Other	4,305	4,195
Total non-current liabilities	6,872	6,817
Total liabilities	41,642	37,311

(Millions of yen)

	As of February 29, 2020	As of August 31, 2020
Net assets		
Shareholders' equity		
Share capital	3,723	3,723
Capital surplus	3,686	3,686
Retained earnings	116,039	117,700
Treasury shares	(27)	(27)
Total shareholders' equity	123,420	125,082
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	157	137
Remeasurements of defined benefit plans	(44)	(38)
Total accumulated other comprehensive income	113	98
Non-controlling interests	3,378	3,107
Total net assets	126,912	128,288
Total liabilities and net assets	168,555	165,600

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, 2019	Six months ended August 31, 2020
Net sales	93,379	96,356
Cost of sales	63,766	66,784
Gross profit	29,612	29,571
Operating revenue	6,880	6,668
Operating gross profit	36,493	36,240
Selling, general and administrative expenses		
Salaries	9,770	9,862
Provision for bonuses	1,954	1,861
Retirement benefit expenses	193	201
Depreciation	2,840	3,727
Amortization of goodwill	81	–
Other	15,873	15,649
Total selling, general and administrative expenses	30,715	31,302
Operating profit	5,777	4,937
Non-operating income		
Interest income	10	7
Dividend income	30	20
Gain on adjustment of account payable	85	90
Subsidy income	361	–
Other	337	141
Total non-operating income	825	259
Non-operating expenses		
Interest expenses	0	–
allowance for loss on collecting gift tickets putting in	23	23
Other	11	3
Total non-operating expenses	34	27
Ordinary profit	6,569	5,170
Extraordinary losses		
Loss on retirement of non-current assets	–	119
Impairment loss	28	109
Total extraordinary losses	28	228
Profit before income taxes	6,541	4,941
Income taxes - current	2,470	2,000
Income taxes - deferred	(498)	(545)
Total income taxes	1,972	1,454
Profit	4,569	3,486
Profit attributable to non-controlling interests	383	130
Profit attributable to owners of parent	4,185	3,355

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended August 31, 2019	Six months ended August 31, 2020
Profit	4,569	3,486
Other comprehensive income		
Valuation difference on available-for-sale securities	(52)	(19)
Remeasurements of defined benefit plans, net of tax	9	5
Total other comprehensive income	(43)	(14)
Comprehensive income	4,525	3,472
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,142	3,341
Comprehensive income attributable to non-controlling interests	383	130

Consolidated statements of cash flows

(Millions of yen)

	Six months ended August 31, 2019	Six months ended August 31, 2020
Cash flows from operating activities		
Profit before income taxes	6,541	4,941
Depreciation	2,840	3,727
Loss on retirement of non-current assets	–	119
Impairment loss	28	109
Amortization of goodwill	81	–
Increase (decrease) in provision for bonuses	765	593
Increase (decrease) in retirement benefit liability	97	53
Interest and dividend income	(41)	(27)
Interest expenses	0	–
Decrease (increase) in trade receivables	(1,979)	(2,163)
Decrease (increase) in inventories	(1,597)	57
Increase (decrease) in trade payables	10,374	(3,405)
Increase (decrease) in accounts payable - other	1,895	(1,781)
Increase (decrease) in deposits received	3,110	575
Other, net	(1,957)	3,896
Subtotal	20,159	6,696
Income taxes paid	(2,183)	(1,752)
Net cash provided by (used in) operating activities	17,975	4,943
Cash flows from investing activities		
Purchase of property, plant and equipment	(14,470)	(5,084)
Interest and dividends received	36	23
Other, net	(328)	(146)
Net cash provided by (used in) investing activities	(14,762)	(5,207)
Cash flows from financing activities		
Proceeds from short-term borrowings	300	–
Repayments of short-term borrowings	(300)	–
Interest paid	(0)	–
Repayments of lease obligations	(0)	–
Purchase of treasury shares	(0)	(0)
Dividends paid	(1,658)	(1,691)
Dividends paid to non-controlling interests	(382)	(401)
Net cash provided by (used in) financing activities	(2,041)	(2,093)
Net increase (decrease) in cash and cash equivalents	1,172	(2,357)
Cash and cash equivalents at beginning of period	26,682	28,999
Cash and cash equivalents at end of period	27,855	26,641