

Translation

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Summary of Consolidated Financial Results for the Six Months Ended August 31, 2022 (Based on Japanese GAAP)

October 5, 2022

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 Kentaro Arashiro
 Inquiries: Executive Director Taku Toyoda TEL 098(898)2230
 Scheduled date to file Quarterly Securities Report: October 14, 2022
 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, 2022 (from March 1, 2022 to August 31, 2022)

(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, 2022	106,836	3.8	5,619	29.3	5,813	21.6	3,817	19.7
Six months ended August 31, 2021	102,901	(0.1)	4,345	(12.0)	4,779	(7.6)	3,188	(5.0)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended August 31, 2022	123.54	–
Six months ended August 31, 2021	99.74	–

(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, 2022	171,710	133,478	75.8	4,213.40
As of February 28, 2022	165,551	131,712	77.6	4,160.04

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, 2022	–	0.00	–	60.00	60.00
Year ending February 28, 2023	–	0.00			
Year ending February 28, 2023 (Forecast)			–	60.00	60.00

3. Forecast of consolidated financial results for the year ending February 28, 2023 (from March 1, 2022 to February 28, 2023)

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	211,021	3.3	10,124	21.5	10,421	2.7	6,956	4.4	225.17

4. Notes

- (1) Changes in significant subsidiaries during the six months ended August 31, 2022
(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: Yes
- 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, 2022	31,981,654 shares	As of February 28, 2022	31,981,654 shares
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Number of treasury shares at the end of the period

As of August 31, 2022	1,078,059 shares	As of February 28, 2022	1,085,510 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, 2022	30,899,317 shares	Six months ended August 31, 2021	31,965,691 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of February 28, 2022	As of August 31, 2022
Assets		
Current assets		
Cash and deposits	31,595	35,968
Accounts receivable - trade	5,569	7,518
Merchandise and finished goods	12,751	13,400
Raw materials and supplies	357	334
Other	2,426	2,142
Total current assets	52,700	59,364
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	58,829	61,312
Land	35,092	35,323
Construction in progress	3,738	15
Other, net	3,314	3,585
Total property, plant and equipment	100,975	100,238
Intangible assets	817	810
Investments and other assets	11,058	11,296
Total non-current assets	112,850	112,345
Total assets	165,551	171,710
Liabilities		
Current liabilities		
Accounts payable - trade	9,460	12,289
Income taxes payable	2,365	2,333
Provision for bonuses	1,391	1,970
allowance for loss on collecting gift tickets	111	—
Other	13,414	14,774
Total current liabilities	26,742	31,367
Non-current liabilities		
Retirement benefit liability	2,258	2,336
Asset retirement obligations	583	612
Other	4,253	3,914
Total non-current liabilities	7,096	6,863
Total liabilities	33,839	38,231

	(Millions of yen)	
	As of February 28, 2022	As of August 31, 2022
Net assets		
Shareholders' equity		
Share capital	3,723	3,723
Capital surplus	3,710	3,710
Retained earnings	125,322	127,007
Treasury shares	(4,312)	(4,283)
Total shareholders' equity	128,443	130,158
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	100	66
Remeasurements of defined benefit plans	(15)	(15)
Total accumulated other comprehensive income	85	50
Non-controlling interests	3,183	3,269
Total net assets	131,712	133,478
Total liabilities and net assets	165,551	171,710

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, 2021	Six months ended August 31, 2022
Net sales	95,991	99,131
Cost of sales	66,446	68,250
Gross profit	29,545	30,880
Operating revenue	6,909	7,705
Operating gross profit	36,455	38,586
Selling, general and administrative expenses		
Salaries	10,089	10,330
Provision for bonuses	1,961	1,970
Retirement benefit expenses	203	214
Depreciation	3,683	3,537
Other	16,172	16,913
Total selling, general and administrative expenses	32,109	32,966
Operating profit	4,345	5,619
Non-operating income		
Interest income	5	4
Dividend income	10	10
Gain on adjustment of account payable	127	53
Other	371	150
Total non-operating income	515	219
Non-operating expenses		
Interest expenses	13	13
allowance for loss on collecting gift tickets putting in	28	—
Other	40	11
Total non-operating expenses	81	25
Ordinary profit	4,779	5,813
Extraordinary losses		
Loss on retirement of non-current assets	21	78
Impairment losses	—	45
Total extraordinary losses	21	124
Profit before income taxes	4,757	5,689
Income taxes - current	2,057	2,084
Income taxes - deferred	(614)	(372)
Total income taxes	1,443	1,712
Profit	3,314	3,977
Profit attributable to non-controlling interests	126	159
Profit attributable to owners of parent	3,188	3,817

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended August 31, 2021	Six months ended August 31, 2022
Profit	3,314	3,977
Other comprehensive income		
Valuation difference on available-for-sale securities	0	(33)
Remeasurements of defined benefit plans, net of tax	2	(0)
Total other comprehensive income	3	(34)
Comprehensive income	3,317	3,942
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,191	3,782
Comprehensive income attributable to non-controlling interests	126	159

Consolidated statements of cash flows

(Millions of yen)

	Six months ended August 31, 2021	Six months ended August 31, 2022
Cash flows from operating activities		
Profit before income taxes	4,757	5,689
Depreciation	3,683	3,537
Loss on retirement of non-current assets	21	78
Impairment losses	–	45
Increase (decrease) in provision for bonuses	631	579
Increase (decrease) in retirement benefit liability	58	79
Decrease (increase) in trade receivables	(1,995)	(1,948)
Decrease (increase) in inventories	(233)	(626)
Increase (decrease) in trade payables	(4,671)	2,829
Increase (decrease) in accounts payable - other	(2,110)	(543)
Increase (decrease) in deposits received	(5)	998
Other, net	(1,136)	720
Subtotal	(1,001)	11,439
Income taxes paid	(1,916)	(2,116)
Net cash provided by (used in) operating activities	(2,918)	9,322
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,308)	(2,806)
Other, net	(147)	(202)
Net cash provided by (used in) investing activities	(3,455)	(3,008)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	130	–
Dividends paid	(1,755)	(1,847)
Dividends paid to non-controlling interests	(176)	(73)
Other, net	(19)	(19)
Net cash provided by (used in) financing activities	(1,820)	(1,941)
Net increase (decrease) in cash and cash equivalents	(8,194)	4,372
Cash and cash equivalents at beginning of period	40,124	31,595
Cash and cash equivalents at end of period	31,930	35,968