

Translation

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**Summary of Consolidated Financial Results
for the Six Months Ended August 31, 2015
(Based on Japanese GAAP)**

October 5, 2015

Company name: SAN-A CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 2659 URL <http://www.san-a.co.jp>
 Representative: President Tessei Uechi
 Inquiries: Executive Director Yasuhiro Imanaka TEL 098(898)2230
 Scheduled date to file Quarterly Securities Report: October 14, 2015
 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, 2015 (from March 1, 2015 to August 31, 2015)

(1) Consolidated financial results (cumulative)

Percentages indicate year-on-year changes

	Operating revenue		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended August 31, 2015	87,665	5.2	7,208	7.4	7,398	7.7	4,431	13.6
Six months ended August 31, 2014	83,367	5.0	6,712	15.4	6,868	15.2	3,901	9.4

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended August 31, 2015	138.63	–
Six months ended August 31, 2014	122.05	–

(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, 2015	118,174	90,389	74.5	2,754.26
As of February 28, 2015	122,055	86,606	69.0	2,634.85

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, 2015	–	0.00	–	36.00	36.00
Year ending February 29, 2016	–	0.00	–	–	–
Year ending February 29, 2016 (Forecast)	–	–	–	36.00	36.00

3. Forecast of consolidated financial results for the year ending February 29, 2016 (from March 1, 2015 to February 29, 2016)

Percentages indicate year-on-year changes

	Operating revenue		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	167,525	1.8	12,941	0.7	13,244	0.5	7,969	5.3	249.34

4. Notes

- (1) Changes in significant subsidiaries during the six months ended August 31, 2015
(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, 2015	31,981,654 shares	As of February 28, 2015	31,981,654 shares
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Number of treasury shares at the end of the period

As of August 31, 2015	18,190 shares	As of February 28, 2015	18,036 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, 2015	31,963,497 shares	Six months ended August 31, 2014	31,963,645 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of February 28, 2015	As of August 31, 2015
Assets		
Current assets		
Cash and deposits	45,947	39,016
Accounts receivable - trade	1,729	2,854
Merchandise and finished goods	10,157	10,506
Raw materials and supplies	224	232
Other	2,225	2,436
Total current assets	60,284	55,046
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	20,926	23,867
Land	26,490	26,398
Other, net	3,478	2,335
Total property, plant and equipment	50,895	52,601
Intangible assets		
Goodwill	778	696
Other	581	590
Total intangible assets	1,359	1,286
Investments and other assets	9,516	9,240
Total non-current assets	61,770	63,128
Total assets	122,055	118,174
Liabilities		
Current liabilities		
Accounts payable - trade	13,442	10,598
Current portion of long-term loans payable	314	314
Income taxes payable	3,068	2,880
Provision for bonuses	947	1,631
allowance for loss on collecting gift tickets	28	30
Other	11,926	7,466
Total current liabilities	29,727	22,920
Non-current liabilities		
Long-term loans payable	385	228
Net defined benefit liability	2,077	1,383
Asset retirement obligations	386	393
Other	2,870	2,858
Total non-current liabilities	5,720	4,864
Total liabilities	35,448	27,784

(Millions of yen)

	As of February 28, 2015	As of August 31, 2015
Net assets		
Shareholders' equity		
Capital stock	3,723	3,723
Capital surplus	3,686	3,686
Retained earnings	76,765	80,543
Treasury shares	(25)	(26)
Total shareholders' equity	84,148	87,926
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	202	228
Remeasurements of defined benefit plans	(131)	(119)
Total accumulated other comprehensive income	70	108
Minority interests	2,387	2,354
Total net assets	86,606	90,389
Total liabilities and net assets	122,055	118,174

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, 2014	Six months ended August 31, 2015
Net sales	78,774	82,744
Cost of sales	54,373	57,123
Gross profit	24,400	25,621
Operating revenue	4,592	4,921
Operating gross profit	28,993	30,542
Selling, general and administrative expenses		
Salaries	7,227	7,496
Provision for bonuses	1,494	1,631
Retirement benefit expenses	147	167
Depreciation	1,487	1,445
Amortization of goodwill	81	81
Other	11,843	12,509
Total selling, general and administrative expenses	22,281	23,333
Operating income	6,712	7,208
Non-operating income		
Interest income	33	37
Dividend income	21	27
Gain on adjustment of account payable	37	53
Other	84	88
Total non-operating income	177	207
Non-operating expenses		
Interest expenses	7	4
allowance for loss on collecting gift tickets putting in	7	11
Other	6	2
Total non-operating expenses	21	18
Ordinary income	6,868	7,398
Extraordinary income		
Gain on sales of non-current assets	–	6
Total extraordinary income	–	6
Extraordinary losses		
Loss on retirement of non-current assets	6	4
Impairment loss	200	–
Total extraordinary losses	206	4
Income before income taxes and minority interests	6,661	7,399
Income taxes - current	2,770	2,864
Income taxes - deferred	(200)	(116)
Total income taxes	2,570	2,747
Income before minority interests	4,090	4,652
Minority interests in income	189	221
Net income	3,901	4,431

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended August 31, 2014	Six months ended August 31, 2015
Income before minority interests	4,090	4,652
Other comprehensive income		
Valuation difference on available-for-sale securities	28	26
Remeasurements of defined benefit plans, net of tax	–	11
Total other comprehensive income	28	38
Comprehensive income	4,118	4,690
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,929	4,469
Comprehensive income attributable to minority interests	189	221

Consolidated statements of cash flows

(Millions of yen)

	Six months ended August 31, 2014	Six months ended August 31, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	6,661	7,399
Depreciation	1,487	1,445
Amortization of goodwill	81	81
Loss on retirement of non-current assets	6	4
Impairment loss	200	–
Increase (decrease) in provision for bonuses	560	684
Increase/Decrease/In/Net/Defined/Benefit/Liability/Op/CF	–	65
Interest and dividend income	(54)	(64)
Interest expenses	7	4
Decrease (increase) in notes and accounts receivable - trade	(728)	(1,125)
Decrease (increase) in inventories	313	(356)
Increase (decrease) in notes and accounts payable - trade	8,520	(2,844)
Increase (decrease) in accounts payable - other	591	(1,900)
Increase (decrease) in deposits received	1,384	(650)
Other, net	504	(638)
Subtotal	19,536	2,104
Income taxes paid	(2,275)	(3,051)
Net cash provided by (used in) operating activities	17,260	(946)
Cash flows from investing activities		
Purchase of property, plant and equipment	(903)	(4,326)
Interest and dividend income received	49	57
Other, net	(221)	(104)
Net cash provided by (used in) investing activities	(1,074)	(4,373)
Cash flows from financing activities		
Repayments of long-term loans payable	(210)	(157)
Interest expenses paid	(7)	(4)
Repayments of lease obligations	(73)	(45)
Purchase of treasury shares	(0)	(0)
Cash dividends paid	(893)	(1,148)
Cash dividends paid to minority shareholders	(269)	(254)
Net cash provided by (used in) financing activities	(1,455)	(1,610)
Net increase (decrease) in cash and cash equivalents	14,730	(6,931)
Cash and cash equivalents at beginning of period	29,913	45,947
Cash and cash equivalents at end of period	44,644	39,016