

Translation

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**Summary of Consolidated Financial Results
for the Year Ended February 28, 2015
(Based on Japanese GAAP)**

April 7, 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 of ordinary general meeting of shareholders: May 28, 2015
 Scheduled date to file Securities Report: May 29, 2015
 Scheduled date to commence dividend payments: May 29, 2015
 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, 2015 (from March 1, 2014 to February 28, 2015)

(1) Consolidated financial results

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended February 28, 2015	164,553	4.4	12,856	17.2	13,175	17.2	7,572	19.0
Year ended February 28, 2014	157,565	5.8	10,974	11.0	11,245	10.7	6,361	13.7

	Net income per share	Diluted net income per share	Net income/equity	Ordinary income/total assets	Operating income/net sales
	Yen	Yen	%	%	%
Year ended February 28, 2015	236.90	–	9.4	11.6	8.3
Year ended February 28, 2014	199.03	–	8.5	11.2	7.4

(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, 2015	122,055	86,606	69.0	2,634.85
As of February 28, 2014	104,401	79,881	74.3	2,427.32

(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, 2015	20,785	(3,018)	(1,732)	45,947
Year ended February 28, 2014	12,368	(3,125)	(1,378)	29,913

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, 2014	–	0.00	–	28.00	28.00	894	14.1	1.2
Year ended February 28, 2015	–	0.00	–	36.00	36.00	1,150	15.2	1.4
Year ending February 29, 2016 (Forecast)	–	0.00	–	36.00	36.00		14.4	

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending August 31, 2015	84,380	1.2	6,603	(1.6)	6,757	(1.6)	4,011	2.8	125.49
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 year ended February 28, 2015

(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: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements after error corrections: 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, 2015	31,981,654 shares	As of February 28, 2014	31,981,654 shares
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Number of treasury shares at the end of the period

As of February 28, 2015	18,036 shares	As of February 28, 2014	17,990 shares
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Average number of shares during the period

Year ended February 28, 2015	31,963,633 shares	Year ended February 28, 2014	31,963,680 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of February 28, 2014	As of February 28, 2015
Assets		
Current assets		
Cash and deposits	29,913	45,947
Accounts receivable - trade	1,499	1,729
Merchandise and finished goods	9,400	10,157
Raw materials and supplies	216	224
Prepaid expenses	357	366
Deferred tax assets	1,037	895
Other	911	963
Total current assets	43,337	60,284
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	22,042	20,926
Machinery, equipment and vehicles, net	467	441
Tools, furniture and fixtures, net	1,659	1,575
Land	25,913	26,490
Leased assets, net	257	139
Construction in progress	321	1,321
Total property, plant and equipment	50,660	50,895
Intangible assets		
Goodwill	942	778
Leasehold right	211	492
Software	28	41
Other	47	47
Total intangible assets	1,229	1,359
Investments and other assets		
Investment securities	972	1,102
Shares of subsidiaries and associates	21	21
Long-term prepaid expenses	251	239
Deferred tax assets	1,694	1,992
Guarantee deposits	5,050	5,106
Construction assistance fund receivables	1,155	1,027
Other	28	25
Total investments and other assets	9,174	9,516
Total non-current assets	61,064	61,770
Total assets	104,401	122,055

(Millions of yen)

	As of February 28, 2014	As of February 28, 2015
Liabilities		
Current liabilities		
Accounts payable - trade	7,331	13,442
Current portion of long-term loans payable	421	314
Lease obligations	132	79
Accounts payable - other	3,498	5,902
Accrued expenses	981	1,028
Income taxes payable	2,286	3,068
Deposits received	1,040	1,998
Provision for bonuses	934	947
allowance for loss on collecting gift tickets	25	28
Other	2,068	2,918
Total current liabilities	18,721	29,727
Non-current liabilities		
Long-term loans payable	699	385
Lease obligations	142	67
Provision for retirement benefits	1,759	–
Long-term guarantee deposited	2,396	2,376
Net defined benefit liability	–	2,077
Asset retirement obligations	373	386
Other	426	426
Total non-current liabilities	5,798	5,720
Total liabilities	24,519	35,448
Net assets		
Shareholders' equity		
Capital stock	3,723	3,723
Capital surplus	3,686	3,686
Retained earnings	70,087	76,765
Treasury shares	(25)	(25)
Total shareholders' equity	77,471	84,148
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	114	202
Remeasurements of defined benefit plans	–	(131)
Total accumulated other comprehensive income	114	70
Minority interests	2,295	2,387
Total net assets	79,881	86,606
Total liabilities and net assets	104,401	122,055

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

(Millions of yen)

	Fiscal year ended February 28, 2014	Fiscal year ended February 28, 2015
Net sales	148,991	155,363
Cost of sales	103,450	107,143
Gross profit	45,541	48,219
Operating revenue		
Rent income of real estate	3,527	3,633
Income from franchised stores	3,936	4,391
Other	1,109	1,166
Total operating revenue	8,573	9,190
Operating gross profit	54,115	57,410
Selling, general and administrative expenses		
Directors' compensations	199	215
Salaries and allowances	3,604	3,847
Provision for bonuses	934	947
Retirement benefit expenses	292	294
Other salaries	10,326	10,490
Rents	4,233	4,292
Depreciation	3,298	3,044
Amortization of goodwill	163	163
Utilities expenses	4,255	4,317
Other	15,831	16,940
Total selling, general and administrative expenses	43,140	44,553
Operating income	10,974	12,856
Non-operating income		
Interest income	58	70
Dividend income	31	25
House rent income	28	29
Gain on adjustment of account payable	58	68
Co-sponsor fee	6	38
Gain on sales of goods	43	58
Other	86	76
Total non-operating income	312	365
Non-operating expenses		
Interest expenses	20	12
allowance for loss on collecting gift tickets putting in	15	20
Other	5	14
Total non-operating expenses	41	47
Ordinary income	11,245	13,175

(Millions of yen)

	Fiscal year ended February 28, 2014	Fiscal year ended February 28, 2015
Extraordinary income		
Gain on sales of non-current assets	6	—
Total extraordinary income	6	—
Extraordinary losses		
Loss on retirement of non-current assets	33	30
Impairment loss	159	332
Total extraordinary losses	192	362
Income before income taxes and minority interests	11,059	12,812
Income taxes - current	4,230	5,004
Income taxes - deferred	78	(126)
Total income taxes	4,309	4,878
Income before minority interests	6,749	7,933
Minority interests in income	388	361
Net income	6,361	7,572

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended February 28, 2014	Fiscal year ended February 28, 2015
Income before minority interests	6,749	7,933
Other comprehensive income		
Valuation difference on available-for-sale securities	11	88
Total other comprehensive income	11	88
Comprehensive income	6,761	8,022
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,372	7,660
Comprehensive income attributable to minority interests	388	361

Consolidated statements of changes in net assets

Fiscal year ended February 28, 2014

(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	64,525	(25)	71,909
Changes of items during period					
Dividends of surplus	–	–	(799)	–	(799)
Net income	–	–	6,361	–	6,361
Purchase of treasury shares	–	–	–	(0)	(0)
Net changes of items other than shareholders' equity	–	–	–	–	–
Total changes of items during period	–	–	5,562	(0)	5,562
Balance at end of current period	3,723	3,686	70,087	(25)	77,471

	Accumulated other comprehensive income			Minority 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	102	–	102	2,181	74,194
Changes of items during period					
Dividends of surplus	–	–	–	–	(799)
Net income	–	–	–	–	6,361
Purchase of treasury shares	–	–	–	–	(0)
Net changes of items other than shareholders' equity	11	–	11	113	124
Total changes of items during period	11	–	11	113	5,687
Balance at end of current period	114	–	114	2,295	79,881

Fiscal year ended February 28, 2015

(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	70,087	(25)	77,471
Changes of items during period					
Dividends of surplus	–	–	(894)	–	(894)
Net income	–	–	7,572	–	7,572
Purchase of treasury shares	–	–	–	(0)	(0)
Net changes of items other than shareholders' equity	–	–	–	–	–
Total changes of items during period	–	–	6,677	(0)	6,677
Balance at end of current period	3,723	3,686	76,765	(25)	84,148

	Accumulated other comprehensive income			Minority 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	114	–	114	2,295	79,881
Changes of items during period					
Dividends of surplus	–	–	–	–	(894)
Net income	–	–	–	–	7,572
Purchase of treasury shares	–	–	–	–	(0)
Net changes of items other than shareholders' equity	88	(131)	(43)	92	48
Total changes of items during period	88	(131)	(43)	92	6,725
Balance at end of current period	202	(131)	70	2,387	86,606

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended February 28, 2014	Fiscal year ended February 28, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	11,059	12,812
Depreciation	3,298	3,044
Loss on retirement of non-current assets	33	30
Impairment loss	159	332
Amortization of goodwill	163	163
Increase (decrease) in provision for bonuses	20	12
Increase (decrease) in allowance for loss on collecting gift tickets	0	3
Increase (decrease) in provision for retirement benefits	130	–
Increase (decrease) in net defined benefit liability	–	318
Interest and dividend income	(89)	(95)
Interest expenses	20	12
co sponsor fee	(3)	(35)
Decrease (increase) in notes and accounts receivable - trade	(230)	(229)
Decrease (increase) in inventories	(179)	(765)
Increase (decrease) in notes and accounts payable - trade	601	6,111
Increase (decrease) in accounts payable - other	620	1,375
Increase (decrease) in accrued consumption taxes	526	823
Increase (decrease) in deposits received	(33)	958
Increase (decrease) in provision for Gift certificates	132	95
Increase (decrease) in Long-term guarantee deposited	(163)	(19)
Other, net	131	136
Subtotal	16,199	25,085
Income taxes paid	(3,830)	(4,300)
Net cash provided by (used in) operating activities	12,368	20,785
Cash flows from investing activities		
Proceeds from sales of property, plant and equipment	12	0
Purchase of property, plant and equipment	(3,115)	(2,571)
Purchase of intangible assets	(7)	(327)
Purchase of investment securities	(100)	–
Collection of loans receivable	2	2
Purchase of long-term prepaid expenses	(25)	(19)
Proceeds from collection of guarantee deposits	151	21
Payments for guarantee deposits	(113)	(208)
Payments of construction assistance fund receivables	(3)	–
Interest and dividend income received	72	82
Net cash provided by (used in) investing activities	(3,125)	(3,018)

(Millions of yen)

	Fiscal year ended February 28, 2014	Fiscal year ended February 28, 2015
Cash flows from financing activities		
Proceeds from long-term loans payable	500	–
Repayments of long-term loans payable	(609)	(421)
Repayments of lease obligations	(174)	(133)
Interest expenses paid	(22)	(13)
Cash dividends paid	(797)	(893)
Purchase of treasury shares	(0)	(0)
Cash dividends paid to minority shareholders	(274)	(269)
Net cash provided by (used in) financing activities	(1,378)	(1,732)
Net increase (decrease) in cash and cash equivalents	7,863	16,033
Cash and cash equivalents at beginning of period	22,049	29,913
Cash and cash equivalents at end of period	29,913	45,947