

Translation

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Summary of Consolidated Financial Results for the Year Ended February 28, 2022 (Based on Japanese GAAP)

April 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 Tessei Uechi
 Inquiries: Director Taku Toyoda TEL 098(898)2230
 Scheduled date of ordinary general meeting of shareholders: May 26, 2022
 Scheduled date to file Securities Report: May 27, 2022
 Scheduled date to commence dividend payments: May 27, 2022
 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, 2022 (from March 1, 2021 to February 28, 2022)

(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 28, 2022	204,355	0.8	8,329	(9.0)	10,151	6.3	6,660	9.7
Year ended February 28, 2021	202,767	1.7	9,149	(13.9)	9,554	(17.7)	6,074	(20.9)

	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 28, 2022	211.09	–	5.2	6.0	4.4
Year ended February 28, 2021	190.04	–	4.8	5.6	4.8

(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, 2022	165,551	131,712	77.6	4,160.04
As of February 28, 2021	174,574	131,138	73.3	4,001.24

(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, 2022	4,085	(6,345)	(6,268)	31,595
Year ended February 28, 2021	19,686	(6,428)	(2,133)	40,124

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, 2021	–	0.00	–	55.00	55.00	1,757	28.9	1.4
Year ended February 28, 2022	–	0.00	–	60.00	60.00	1,853	28.4	1.5
Year ending February 28, 2023 (Forecast)	–	0.00	–	60.00	60.00		26.6	

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
Six months ending August 31, 2022	106,202	3.2	5,076	16.8	5,269	10.2	3,470	8.8	112.32
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 year ended February 28, 2022

(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 28, 2022	31,981,654 shares	As of February 28, 2021	31,981,654 shares
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Number of treasury shares at the end of the period

As of February 28, 2022	1,085,510 shares	As of February 28, 2021	18,478 shares
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Average number of shares during the period

Year ended February 28, 2022	31,554,813 shares	Year ended February 28, 2021	31,963,183 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of February 28, 2021	As of February 28, 2022
Assets		
Current assets		
Cash and deposits	40,124	31,595
Accounts receivable - trade	5,046	5,569
Merchandise and finished goods	12,892	12,751
Raw materials and supplies	307	357
Prepaid expenses	567	586
Other	1,688	1,839
Total current assets	60,626	52,700
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	63,117	58,829
Machinery, equipment and vehicles, net	727	646
Tools, furniture and fixtures, net	2,619	2,352
Land	35,015	35,092
Leased assets, net	327	315
Construction in progress	1,028	3,738
Total property, plant and equipment	102,836	100,975
Intangible assets		
Leasehold interests in land	410	407
Software	313	362
Other	47	47
Total intangible assets	771	817
Investments and other assets		
Investment securities	489	469
Shares of subsidiaries and associates	21	21
Long-term prepaid expenses	267	240
Deferred tax assets	4,445	5,470
Guarantee deposits	4,619	4,373
Construction assistance fund receivables	497	483
Other	0	0
Total investments and other assets	10,340	11,058
Total non-current assets	113,948	112,850
Total assets	174,574	165,551

(Millions of yen)

	As of February 28, 2021	As of February 28, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	16,282	9,460
Lease obligations	12	12
Accounts payable - other	6,969	5,849
Accrued expenses	1,449	1,407
Income taxes payable	1,999	2,365
Deposits received	4,057	3,225
Provision for bonuses	1,330	1,391
allowance for loss on collecting gift tickets	93	111
Other	4,243	2,918
Total current liabilities	36,439	26,742
Non-current liabilities		
Lease obligations	315	302
Long-term guarantee deposits	3,739	3,672
Retirement benefit liability	2,103	2,258
Asset retirement obligations	559	583
Other	279	279
Total non-current liabilities	6,997	7,096
Total liabilities	43,436	33,839
Net assets		
Shareholders' equity		
Share capital	3,723	3,723
Capital surplus	3,686	3,710
Retained earnings	120,419	125,322
Treasury shares	(27)	(4,312)
Total shareholders' equity	127,801	128,443
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	113	100
Remeasurements of defined benefit plans	(22)	(15)
Total accumulated other comprehensive income	91	85
Non-controlling interests	3,245	3,183
Total net assets	131,138	131,712
Total liabilities and net assets	174,574	165,551

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

(Millions of yen)

	Fiscal year ended February 28, 2021	Fiscal year ended February 28, 2022
Net sales	189,116	190,506
Cost of sales	130,402	131,315
Gross profit	58,714	59,191
Operating revenue		
Real estate lease revenue	6,238	6,315
Income from franchised stores	6,383	6,421
Other	1,028	1,111
Total operating revenue	13,650	13,848
Operating gross profit	72,365	73,040
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	223	244
Salaries and allowances	5,733	5,758
Provision for bonuses	1,330	1,391
Retirement benefit expenses	402	405
Other salaries	14,134	14,303
Rent expenses on land and buildings	4,878	4,875
Depreciation	7,909	7,510
Utilities expenses	3,940	4,267
Other	24,662	25,953
Total selling, general and administrative expenses	63,215	64,711
Operating profit	9,149	8,329
Non-operating income		
Interest income	13	10
Dividend income	26	16
Rental income from buildings	25	26
Gain on adjustment of account payable	155	204
Sponsorship money income	28	17
Gain on sale of goods	13	22
Penalty income	82	34
Subsidy income	–	1,481
Other	161	161
Total non-operating income	506	1,976

(Millions of yen)

	Fiscal year ended February 28, 2021	Fiscal year ended February 28, 2022
Non-operating expenses		
Interest expenses	25	27
allowance for loss on collecting gift tickets putting in	50	60
consumption tax loss	7	3
Other	18	62
Total non-operating expenses	101	153
Ordinary profit	9,554	10,151
Extraordinary losses		
Loss on retirement of non-current assets	172	36
Impairment losses	231	340
Total extraordinary losses	403	376
Profit before income taxes	9,150	9,775
Income taxes - current	3,510	4,022
Income taxes - deferred	(703)	(1,021)
Total income taxes	2,806	3,000
Profit	6,343	6,774
Profit attributable to non-controlling interests	269	113
Profit attributable to owners of parent	6,074	6,660

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended February 28, 2021	Fiscal year ended February 28, 2022
Profit	6,343	6,774
Other comprehensive income		
Valuation difference on available-for-sale securities	(43)	(13)
Remeasurements of defined benefit plans, net of tax	21	7
Total other comprehensive income	(21)	(5)
Comprehensive income	6,321	6,768
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,052	6,654
Comprehensive income attributable to non-controlling interests	269	113

Consolidated statements of changes in equity

Fiscal year ended February 28, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,723	3,686	116,039	(27)	123,420
Changes during period					
Dividends of surplus	–	–	(1,694)	–	(1,694)
Profit attributable to owners of parent	–	–	6,074	–	6,074
Purchase of treasury shares	–	–	–	(0)	(0)
Disposal of treasury shares	–	–	–	–	–
Net changes in items other than shareholders' equity	–	–	–	–	–
Total changes during period	–	–	4,380	(0)	4,380
Balance at end of period	3,723	3,686	120,419	(27)	127,801

	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 period	157	(44)	113	3,378	126,912
Changes during period					
Dividends of surplus	–	–	–	–	(1,694)
Profit attributable to owners of parent	–	–	–	–	6,074
Purchase of treasury shares	–	–	–	–	(0)
Disposal of treasury shares	–	–	–	–	–
Net changes in items other than shareholders' equity	(43)	21	(21)	(132)	(154)
Total changes during period	(43)	21	(21)	(132)	4,225
Balance at end of period	113	(22)	91	3,245	131,138

Fiscal year ended February 28, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,723	3,686	120,419	(27)	127,801
Changes during period					
Dividends of surplus	–	–	(1,757)	–	(1,757)
Profit attributable to owners of parent	–	–	6,660	–	6,660
Purchase of treasury shares	–	–	–	(4,297)	(4,297)
Disposal of treasury shares	–	24	–	13	37
Net changes in items other than shareholders' equity	–	–	–	–	–
Total changes during period	–	24	4,902	(4,284)	642
Balance at end of period	3,723	3,710	125,322	(4,312)	128,443

	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 period	113	(22)	91	3,245	131,138
Changes during period					
Dividends of surplus	–	–	–	–	(1,757)
Profit attributable to owners of parent	–	–	–	–	6,660
Purchase of treasury shares	–	–	–	–	(4,297)
Disposal of treasury shares	–	–	–	–	37
Net changes in items other than shareholders' equity	(13)	7	(5)	(62)	(68)
Total changes during period	(13)	7	(5)	(62)	574
Balance at end of period	100	(15)	85	3,183	131,712

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended February 28, 2021	Fiscal year ended February 28, 2022
Cash flows from operating activities		
Profit before income taxes	9,150	9,775
Depreciation	7,909	7,510
Loss on retirement of non-current assets	172	36
Impairment losses	231	340
Increase (decrease) in provision for bonuses	62	61
Increase (decrease) in allowance for loss on collecting gift tickets	14	17
Increase (decrease) in retirement benefit liability	105	164
Interest and dividend income	(40)	(26)
Interest expenses	25	26
co sponsor fee	(28)	(17)
Decrease (increase) in trade receivables	(288)	(523)
Decrease (increase) in inventories	419	90
Increase (decrease) in trade payables	372	(6,822)
Increase (decrease) in accounts payable - other	223	(960)
Increase (decrease) in accrued consumption taxes	1,491	(1,284)
Increase (decrease) in deposits received	132	(832)
Increase (decrease) in provision for Gift certificates	(152)	8
Increase (decrease) in Long-term guarantee deposited	(205)	(67)
Other, net	3,502	500
Subtotal	23,097	7,997
Income taxes paid	(3,411)	(3,911)
Net cash provided by (used in) operating activities	19,686	4,085
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	–	27
Purchase of property, plant and equipment	(6,193)	(6,063)
Purchase of intangible assets	(103)	(161)
Purchase of long-term prepaid expenses	(31)	(33)
Proceeds from refund of guarantee deposits	1	25
Payments of guarantee deposits	(137)	(141)
Proceeds from collection of construction assistance fund receivables	4	–
Payments of construction assistance fund receivables	–	(25)
Interest and dividends received	30	26
Net cash provided by (used in) investing activities	(6,428)	(6,345)

(Millions of yen)

	Fiscal year ended February 28, 2021	Fiscal year ended February 28, 2022
Cash flows from financing activities		
Repayments of lease obligations	(12)	(12)
Interest paid	(25)	(26)
Purchase of treasury shares	0	(4,297)
Dividends paid	(1,692)	(1,755)
Dividends paid to non-controlling interests	(401)	(176)
Net cash provided by (used in) financing activities	(2,133)	(6,268)
Net increase (decrease) in cash and cash equivalents	11,125	(8,528)
Cash and cash equivalents at beginning of period	28,999	40,124
Cash and cash equivalents at end of period	40,124	31,595