

Translation

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## Summary of Consolidated Financial Results for the Year Ended February 28, 2023 (Based on Japanese GAAP)

April 5, 2023

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 of ordinary general meeting of shareholders: May 25, 2023  
 Scheduled date to file Securities Report: May 26, 2023  
 Scheduled date to commence dividend payments: May 26, 2023  
 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, 2023 (from March 1, 2022 to February 28, 2023)

#### (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, 2023	213,522	4.5	11,190	34.4	11,554	13.8	7,569	13.6
Year ended February 28, 2022	204,355	0.8	8,329	(9.0)	10,151	6.3	6,660	9.7

	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, 2023	244.95	–	5.8	6.8	5.7
Year ended February 28, 2022	211.09	–	5.2	6.0	4.4

#### (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, 2023	172,304	137,403	77.8	4,336.36
As of February 28, 2022	165,551	131,712	77.6	4,160.04

#### (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, 2023	14,743	(5,072)	(1,962)	39,305
Year ended February 28, 2022	4,085	(6,345)	(6,268)	31,595

### 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, 2022	–	0.00	–	60.00	60.00	1,853	28.4	1.5
Year ended February 28, 2023	–	0.00	–	74.00	74.00	2,286	30.2	1.7
Year ending February 29, 2024 (Forecast)	–	0.00	–	74.00	74.00		29.0	

3. Forecast of consolidated financial results for the year ending February 29, 2024 (from March 1, 2023 to February 29, 2024)

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, 2023	112,962	5.7	6,271	11.6	6,442	10.8	4,208	10.2	138.54
Full year	222,202	4.1	11,683	4.4	12,000	3.9	7,898	4.4	255.58

4. Notes

(1) Changes in significant subsidiaries during the year ended February 28, 2023

(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: 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, 2023	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 February 28, 2023	1,078,059 shares	As of February 28, 2022	1,085,510 shares
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Average number of shares during the period

Year ended February 28, 2023	30,901,292 shares	Year ended February 28, 2022	31,554,813 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of February 28, 2022	As of February 28, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	31,595	39,305
Accounts receivable - trade	5,569	6,327
Merchandise and finished goods	12,751	13,901
Raw materials and supplies	357	447
Prepaid expenses	586	573
Other	1,839	1,520
<b>Total current assets</b>	<b>52,700</b>	<b>62,075</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	58,829	58,754
Machinery, equipment and vehicles, net	646	613
Tools, furniture and fixtures, net	2,352	2,727
Land	35,092	35,296
Leased assets, net	315	302
Construction in progress	3,738	507
<b>Total property, plant and equipment</b>	<b>100,975</b>	<b>98,202</b>
<b>Intangible assets</b>		
Leasehold interests in land	407	399
Software	362	314
Other	47	56
<b>Total intangible assets</b>	<b>817</b>	<b>771</b>
<b>Investments and other assets</b>		
Investment securities	469	444
Shares of subsidiaries and associates	21	21
Long-term prepaid expenses	240	203
Deferred tax assets	5,470	5,868
Guarantee deposits	4,373	4,267
Construction assistance fund receivables	483	450
Other	0	0
<b>Total investments and other assets</b>	<b>11,058</b>	<b>11,255</b>
<b>Total non-current assets</b>	<b>112,850</b>	<b>110,228</b>
<b>Total assets</b>	<b>165,551</b>	<b>172,304</b>

(Millions of yen)

	As of February 28, 2022	As of February 28, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	9,460	10,114
Lease liabilities	12	12
Accounts payable - other	5,849	5,812
Accrued expenses	1,407	892
Income taxes payable	2,365	2,181
Deposits received	3,225	3,161
Provision for bonuses	1,391	1,417
allowance for loss on collecting gift tickets	111	–
Contract liabilities	–	2,951
Other	2,918	1,471
<b>Total current liabilities</b>	<b>26,742</b>	<b>28,015</b>
<b>Non-current liabilities</b>		
Lease liabilities	302	290
Long-term guarantee deposits	3,672	3,625
Retirement benefit liability	2,258	2,342
Asset retirement obligations	583	621
Other	279	5
<b>Total non-current liabilities</b>	<b>7,096</b>	<b>6,885</b>
<b>Total liabilities</b>	<b>33,839</b>	<b>34,900</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	3,723	3,723
Capital surplus	3,710	3,710
Retained earnings	125,322	130,759
Treasury shares	(4,312)	(4,283)
<b>Total shareholders' equity</b>	<b>128,443</b>	<b>133,910</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	100	86
Remeasurements of defined benefit plans	(15)	12
<b>Total accumulated other comprehensive income</b>	<b>85</b>	<b>98</b>
<b>Non-controlling interests</b>	<b>3,183</b>	<b>3,394</b>
<b>Total net assets</b>	<b>131,712</b>	<b>137,403</b>
<b>Total liabilities and net assets</b>	<b>165,551</b>	<b>172,304</b>

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

(Millions of yen)

	Fiscal year ended February 28, 2022	Fiscal year ended February 28, 2023
Net sales	190,506	197,319
Cost of sales	131,315	135,928
Gross profit	59,191	61,390
Operating revenue		
Real estate lease revenue	6,315	6,755
Income from franchised stores	6,421	7,162
Other	1,111	2,285
Total operating revenue	13,848	16,203
Operating gross profit	73,040	77,593
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	244	224
Salaries and allowances	5,758	5,965
Provision for bonuses	1,391	1,417
Retirement benefit expenses	405	426
Other salaries	14,303	14,516
Rent expenses on land and buildings	4,875	4,951
Depreciation	7,510	7,390
Utilities expenses	4,267	4,939
Other	25,953	26,570
Total selling, general and administrative expenses	64,711	66,403
Operating profit	8,329	11,190
Non-operating income		
Interest income	10	10
Dividend income	16	14
Rental income from buildings	26	26
Gain on adjustment of account payable	204	152
Sponsorship money income	17	5
Gain on sale of goods	22	35
Penalty income	34	–
Subsidy income	1,481	–
Other	161	175
Total non-operating income	1,976	419

(Millions of yen)

	Fiscal year ended February 28, 2022	Fiscal year ended February 28, 2023
Non-operating expenses		
Interest expenses	27	27
allowance for loss on collecting gift tickets putting in	60	–
consumption tax loss	3	4
Other	62	25
Total non-operating expenses	153	56
Ordinary profit	10,151	11,554
Extraordinary income		
Compensation for forced relocation	–	168
Total extraordinary income	–	168
Extraordinary losses		
Loss on retirement of non-current assets	36	256
Impairment losses	340	165
Total extraordinary losses	376	422
Profit before income taxes	9,775	11,301
Income taxes - current	4,022	3,878
Income taxes - deferred	(1,021)	(431)
Total income taxes	3,000	3,446
Profit	6,774	7,854
Profit attributable to non-controlling interests	113	284
Profit attributable to owners of parent	6,660	7,569

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended February 28, 2022	Fiscal year ended February 28, 2023
Profit	6,774	7,854
Other comprehensive income		
Valuation difference on available-for-sale securities	(13)	(14)
Remeasurements of defined benefit plans, net of tax	7	27
Total other comprehensive income	(5)	13
Comprehensive income	6,768	7,867
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,654	7,582
Comprehensive income attributable to non-controlling interests	113	284

## Consolidated statements of changes in equity

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
Cumulative effects of changes in accounting policies	–	–	–	–	–
Restated balance	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
Cumulative effects of changes in accounting policies	–	–	–	–	–
Restated balance	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



Fiscal year ended February 28, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,723	3,710	125,322	(4,312)	128,443
Cumulative effects of changes in accounting policies	–	–	(278)	–	(278)
Restated balance	3,723	3,710	125,044	(4,312)	128,165
Changes during period					
Dividends of surplus	–	–	(1,853)	–	(1,853)
Profit attributable to owners of parent	–	–	7,569	–	7,569
Purchase of treasury shares	–	–	–	(0)	(0)
Disposal of treasury shares	–	(0)	–	29	29
Net changes in items other than shareholders' equity	–	–	–	–	–
Total changes during period	–	(0)	5,715	29	5,744
Balance at end of period	3,723	3,710	130,759	(4,283)	133,910

	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	100	(15)	85	3,183	131,712
Cumulative effects of changes in accounting policies	–	–	–	–	(278)
Restated balance	100	(15)	85	3,183	131,434
Changes during period					
Dividends of surplus	–	–	–	–	(1,853)
Profit attributable to owners of parent	–	–	–	–	7,569
Purchase of treasury shares	–	–	–	–	(0)
Disposal of treasury shares	–	–	–	–	29
Net changes in items other than shareholders' equity	(14)	27	13	210	224
Total changes during period	(14)	27	13	210	5,969
Balance at end of period	86	12	98	3,394	137,403

## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended February 28, 2022	Fiscal year ended February 28, 2023
Cash flows from operating activities		
Profit before income taxes	9,775	11,301
Depreciation	7,510	7,390
Loss on retirement of non-current assets	36	256
Impairment losses	340	165
Increase (decrease) in provision for bonuses	61	26
Increase (decrease) in allowance for loss on collecting gift tickets	17	–
Increase (decrease) in retirement benefit liability	164	115
Decrease (increase) in trade receivables	(523)	(757)
Decrease (increase) in inventories	90	(1,239)
Increase (decrease) in trade payables	(6,822)	653
Increase (decrease) in accounts payable - other	(960)	(177)
Increase (decrease) in deposits received	(832)	(64)
Other, net	(860)	961
Subtotal	7,997	18,632
Income taxes paid	(3,911)	(4,057)
Proceeds from compensation for forced relocation	–	168
Net cash provided by (used in) operating activities	4,085	14,743
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,063)	(4,828)
Purchase of intangible assets	(161)	(105)
Payments of guarantee deposits	(141)	(201)
Other, net	21	63
Net cash provided by (used in) investing activities	(6,345)	(5,072)
Cash flows from financing activities		
Purchase of treasury shares	(4,297)	(0)
Dividends paid	(1,755)	(1,848)
Dividends paid to non-controlling interests	(176)	(73)
Other, net	(38)	(39)
Net cash provided by (used in) financing activities	(6,268)	(1,962)
Net increase (decrease) in cash and cash equivalents	(8,528)	7,709
Cash and cash equivalents at beginning of period	40,124	31,595
Cash and cash equivalents at end of period	31,595	39,305