

Translation

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Summary of Consolidated Financial Results for the Year Ended February 29, 2024 (Based on Japanese GAAP)

April 5, 2024

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 28, 2024
 Scheduled date to file Securities Report: May 29, 2024
 Scheduled date to commence dividend payments: May 29, 2024
 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 29, 2024 (from March 1, 2023 to February 29, 2024)

(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 29, 2024	227,581	6.6	16,464	47.1	16,893	46.2	10,683	41.1
Year ended February 28, 2023	213,522	4.5	11,190	34.4	11,554	13.8	7,569	13.6

	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 29, 2024	345.63	–	7.7	9.4	7.8
Year ended February 28, 2023	244.95	–	5.8	6.8	5.7

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of February 29, 2024	186,703	146,151	76.3	4,606.69
As of February 28, 2023	172,304	137,403	77.8	4,336.36

(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 29, 2024	21,178	(3,126)	(2,508)	54,848
Year ended February 28, 2023	14,743	(5,072)	(1,962)	39,305

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, 2023	–	0.00	–	74.00	74.00	2,286	30.2	1.7
Year ended February 29, 2024	–	0.00	–	110.00	110.00	3,400	31.8	2.5
Year ending February 28, 2025 (Forecast)	–	0.00	–	110.00	110.00		30.4	

3. Forecast of consolidated financial results for the year ending February 28, 2025 (from March 1, 2024 to February 28, 2025)

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, 2024	119,810	4.3	8,557	1.3	8,757	1.4	5,659	0.9	183.10
Full year	236,120	3.8	16,670	1.3	17,043	0.9	11,185	4.7	361.84

4. Notes

(1) Changes in significant subsidiaries during the year ended February 29, 2024

(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 29, 2024	31,981,654 shares	As of February 28, 2023	31,981,654 shares
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Number of treasury shares at the end of the period

As of February 29, 2024	1,069,559 shares	As of February 28, 2023	1,078,059 shares
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Average number of shares during the period

Year ended February 29, 2024	30,909,480 shares	Year ended February 28, 2023	30,901,292 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of February 28, 2023	As of February 29, 2024
Assets		
Current assets		
Cash and deposits	39,305	54,848
Accounts receivable - trade	6,327	7,224
Merchandise and finished goods	13,901	14,386
Raw materials and supplies	447	420
Prepaid expenses	573	572
Other	1,520	2,127
Total current assets	62,075	79,580
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	58,754	53,703
Machinery, equipment and vehicles, net	613	643
Tools, furniture and fixtures, net	2,727	2,646
Land	35,296	35,296
Leased assets, net	302	290
Construction in progress	507	1,732
Total property, plant and equipment	98,202	94,312
Intangible assets		
Leasehold interests in land	399	389
Software	314	283
Other	56	119
Total intangible assets	771	793
Investments and other assets		
Investment securities	444	466
Shares of subsidiaries and associates	21	21
Long-term prepaid expenses	203	176
Deferred tax assets	5,868	6,787
Guarantee deposits	4,267	4,153
Construction assistance fund receivables	450	410
Other	0	0
Total investments and other assets	11,255	12,016
Total non-current assets	110,228	107,123
Total assets	172,304	186,703

(Millions of yen)

	As of February 28, 2023	As of February 29, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	10,114	11,233
Lease liabilities	12	12
Accounts payable - other	5,812	6,480
Accrued expenses	892	1,065
Income taxes payable	2,181	3,511
Deposits received	3,161	3,581
Provision for bonuses	1,417	1,550
Contract liabilities	2,951	3,107
provision for loss on cancellation of contracts	–	1,081
Other	1,471	1,866
Total current liabilities	28,015	33,491
Non-current liabilities		
Lease liabilities	290	277
Long-term guarantee deposits	3,625	3,556
Retirement benefit liability	2,342	2,587
Asset retirement obligations	621	632
Other	5	5
Total non-current liabilities	6,885	7,060
Total liabilities	34,900	40,551
Net assets		
Shareholders' equity		
Share capital	3,723	3,723
Capital surplus	3,710	3,715
Retained earnings	130,759	139,155
Treasury shares	(4,283)	(4,249)
Total shareholders' equity	133,910	142,346
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	86	102
Remeasurements of defined benefit plans	12	(46)
Total accumulated other comprehensive income	98	56
Non-controlling interests	3,394	3,748
Total net assets	137,403	146,151
Total liabilities and net assets	172,304	186,703

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

(Millions of yen)

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Net sales	197,319	210,190
Cost of sales	135,928	143,467
Gross profit	61,390	66,723
Operating revenue		
Real estate lease revenue	6,755	7,103
Income from franchised stores	7,162	7,912
Other	2,285	2,375
Total operating revenue	16,203	17,390
Operating gross profit	77,593	84,113
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	224	251
Salaries and allowances	5,965	6,182
Provision for bonuses	1,417	1,550
Retirement benefit expenses	426	422
Other salaries	14,516	15,190
Rent expenses on land and buildings	4,951	5,029
Depreciation	7,390	7,184
Utilities expenses	4,939	4,446
Other	26,570	27,392
Total selling, general and administrative expenses	66,403	67,649
Operating profit	11,190	16,464
Non-operating income		
Interest income	10	9
Dividend income	14	12
Rental income from buildings	26	34
Gain on adjustment of accounts payable	152	148
Sponsorship money income	5	17
Gain on sale of goods	35	34
Other	175	224
Total non-operating income	419	480
Non-operating expenses		
Interest expenses	27	26
consumption tax loss	4	6
Other	25	17
Total non-operating expenses	56	50
Ordinary profit	11,554	16,893
Extraordinary income		
Compensation for forced relocation	168	–
Total extraordinary income	168	–
Extraordinary losses		
Loss on retirement of non-current assets	256	113
Impairment losses	165	185
provision for loss on cancellation of contracts	–	1,081
Total extraordinary losses	422	1,380

(Millions of yen)

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Profit before income taxes	11,301	15,513
Income taxes - current	3,878	5,190
Income taxes - deferred	(431)	(901)
Total income taxes	3,446	4,289
Profit	7,854	11,223
Profit attributable to non-controlling interests	284	540
Profit attributable to owners of parent	7,569	10,683

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Profit	7,854	11,223
Other comprehensive income		
Valuation difference on available-for-sale securities	(14)	16
Remeasurements of defined benefit plans, net of tax	27	(58)
Total other comprehensive income	13	(42)
Comprehensive income	7,867	11,181
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,582	10,640
Comprehensive income attributable to non-controlling interests	284	540

Consolidated statements of changes in equity

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

Fiscal year ended February 29, 2024

(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	130,759	(4,283)	133,910
Cumulative effects of changes in accounting policies	–	–	–	–	–
Restated balance	3,723	3,710	130,759	(4,283)	133,910
Changes during period					
Dividends of surplus	–	–	(2,286)	–	(2,286)
Profit attributable to owners of parent	–	–	10,683	–	10,683
Purchase of treasury shares	–	–	–	–	–
Disposal of treasury shares	–	5	–	33	39
Net changes in items other than shareholders' equity	–	–	–	–	–
Total changes during period	–	5	8,396	33	8,435
Balance at end of period	3,723	3,715	139,155	(4,249)	142,346

	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	86	12	98	3,394	137,403
Cumulative effects of changes in accounting policies	–	–	–	–	–
Restated balance	86	12	98	3,394	137,403
Changes during period					
Dividends of surplus	–	–	–	–	(2,286)
Profit attributable to owners of parent	–	–	–	–	10,683
Purchase of treasury shares	–	–	–	–	–
Disposal of treasury shares	–	–	–	–	39
Net changes in items other than shareholders' equity	16	(58)	(42)	354	311
Total changes during period	16	(58)	(42)	354	8,747
Balance at end of period	102	(46)	56	3,748	146,151

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Cash flows from operating activities		
Profit before income taxes	11,301	15,513
Depreciation	7,390	7,184
Loss on retirement of non-current assets	256	113
Impairment losses	165	185
increase(decrease)in provision for loss on cancellation of contracts	–	1,081
Increase (decrease) in provision for bonuses	26	132
Increase (decrease) in retirement benefit liability	115	186
Decrease (increase) in trade receivables	(757)	(896)
Decrease (increase) in inventories	(1,239)	(458)
Increase (decrease) in trade payables	653	1,119
Increase (decrease) in accounts payable - other	(177)	113
Increase (decrease) in deposits received	(64)	420
Other, net	961	360
Subtotal	18,632	25,055
Income taxes paid	(4,057)	(3,877)
Proceeds from compensation for forced relocation	168	–
Net cash provided by (used in) operating activities	14,743	21,178
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,828)	(2,909)
Purchase of intangible assets	(105)	(158)
Payments of guarantee deposits	(201)	(131)
Other, net	63	72
Net cash provided by (used in) investing activities	(5,072)	(3,126)
Cash flows from financing activities		
Dividends paid	(1,848)	(2,283)
Dividends paid to non-controlling interests	(73)	(186)
Other, net	(39)	(38)
Net cash provided by (used in) financing activities	(1,962)	(2,508)
Net increase (decrease) in cash and cash equivalents	7,709	15,543
Cash and cash equivalents at beginning of period	31,595	39,305
Cash and cash equivalents at end of period	39,305	54,848