

SAN-A CO., LTD.

(Securities Code: 2659)

Fiscal Year Ending
February 28, 2025

Second Quarter Financial Results

*This is an English translation of the original document in Japanese. In the event of any discrepancy between the translation and the Japanese original, the original shall prevail.

Company Overview



Trade name	SAN-A CO., LTD.
Established	January 5, 1950
Incorporated	May 28, 1970
Capital stock	3.7 billion yen
Representatives	Taku Toyoda, President, Chief Executive Officer Masahito Tasaki, Representative Director and Senior Managing Director
Head office location	7-2-10 Oyama, Ginowan, Okinawa 901-2733
Business	Retail of food, clothing, and household goods such as home appliances and household sundries
No. of employees	1,782 *As of February 29, 2024, including outside employees seconded to the Group
Consolidated subsidiaries	Lawson Okinawa, Inc., SAN-A Urasoe West Coast Development Co., Ltd., SAN-A PARCO, Inc.

History



The Company's predecessor was "Orita Shoten," a privately owned general merchandise store established in Hirara City (now Miyakojima City), Okinawa Prefecture, in January 1950 by the late Kisaku Orita, the founder of the Company.

- May. 1970 Established SAN-A CO., LTD. in Asato, Naha City, Okinawa Prefecture (capitalized at \$50 thousand)
- Jul. 1970 Opened first store, Naha Store, in Asato, Naha City, Okinawa Prefecture
- May. 1972 Capital stock becomes 24,400 thousand yen due to the currency changeover upon return to the mainland.
- Jun. 1977 Established Food Department
- Sep. 1982 Established SAN-A TRANSPORTATION Co., LTD. as a non-consolidated subsidiary
- Nov. 1984 Established "Oyama Distribution Center" and started operation of DC
- May 1985 Head office relocated to Oyama, Ginowan City, Okinawa
- Jun. 1985 Established the Fresh Food Processing Center (now the Food Processing Center)
- Nov. 1985 Opened suburban shopping center "Machinato Shopping Center" (now "Machinato City") in Urasoe City, Okinawa
- Sep. 1989 Joined the Nichiryu (Nihon Ryutsu Sangyo Co., Ltd.) Group
- Sep. 1992 Started operation of food workshop in the Food Processing Center
- Apr. 1995 Entered into a franchise agreement with DAIICHI Corporation (now the EDION Corporation) and began selling home appliances
- Oct. 1998 Introduced the "SAN-A Card" (points card)
- Sep. 2000 Registered as over-the-counter stock with Japan Securities Dealers Association
- Jan. 2002 Entered into a franchise agreement with Joyfull Co., Ltd. and opened the first Joyfull restaurant (franchise)
- Oct. 2002 Opened the "Naha Main Place" store
- Feb. 2005 Listed on the Second Section of the Tokyo Stock Exchange
- Jul. 2005 Opened the first NSC store "Oyama City" in Ginowan City, Okinawa
- Feb. 2006 Listed on the First Section of the Tokyo Stock Exchange
- Jul. 2006 Acquired ISO 22000 certification (Food Processing Center)
- Oct. 2006 Opened the first Matsumotokiyoshi drugstore (franchise)
- Dec. 2009 Started operation by "Lawson Okinawa, Inc." (consolidated subsidiary), a joint venture with Lawson, Inc.
- Jul. 2012 Opened the first "Tokyu Hands (now Hands)" store (franchise)
- Aug. 2013 Entered into a basic agreement with Ryohin Keikaku Co., Ltd. to license MUJI stores, and opened the first store in October of the same year
- Nov. 2015 Established "SAN-A Urasoe West Coast Development Co., Ltd" (consolidated subsidiary)
- Dec. 2016 Established "SAN-A PARCO, Inc." (consolidated subsidiary) as a joint venture with PARCO CO., LTD.
- Jun. 2019 Opened "Urasoe West Coast PARCO CITY," the first "akachan honpo" (package license) and "LITTLE MERMAID" (franchise) stores.
- Apr. 2022 Moved to the Tokyo Stock Exchange Prime Market

Stores

*As of August 31, 2024



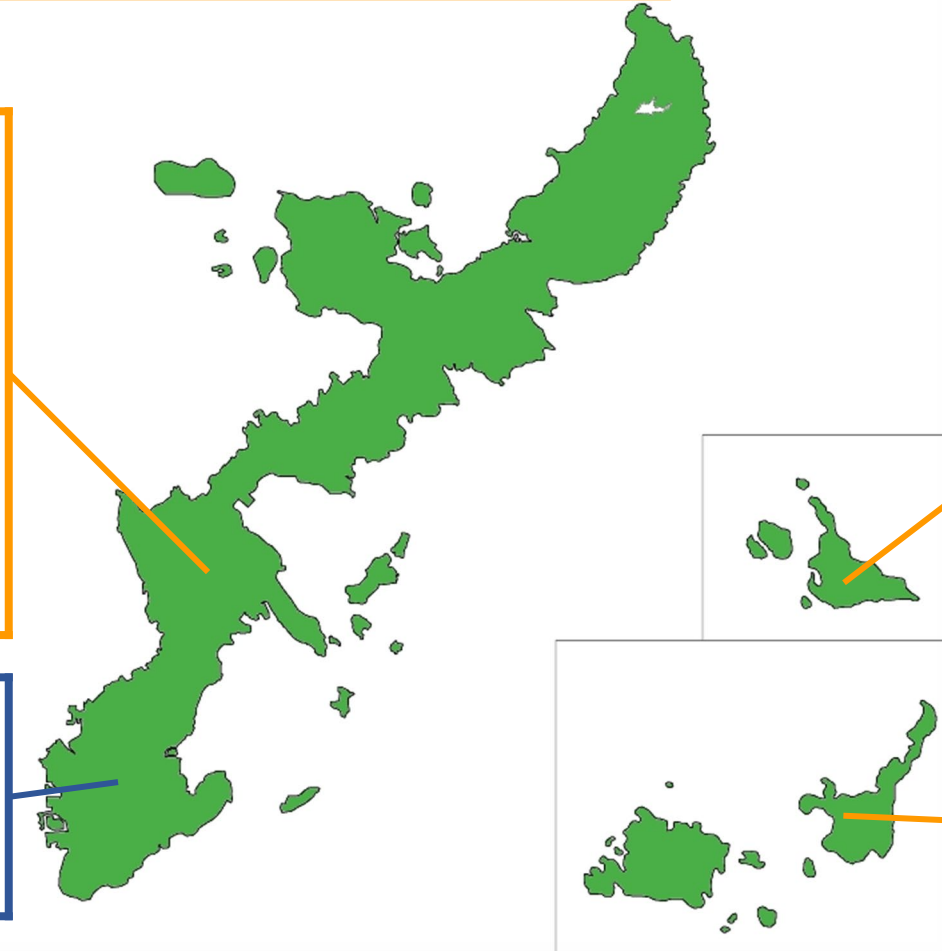
Total number of stores: 78 (Non-consolidated)

Mainland Okinawa

General Stores	:	21
Clothing and Household Goods Stores	:	1
Food Stores	:	42
Restaurants	:	7
Drugstores	:	2

Mainland Okinawa

Convenience Stores	Directly managed	:	1
	Franchise stores	:	262



Miyako Island

General Stores	:	2
Food Stores	:	1
Restaurants	:	1

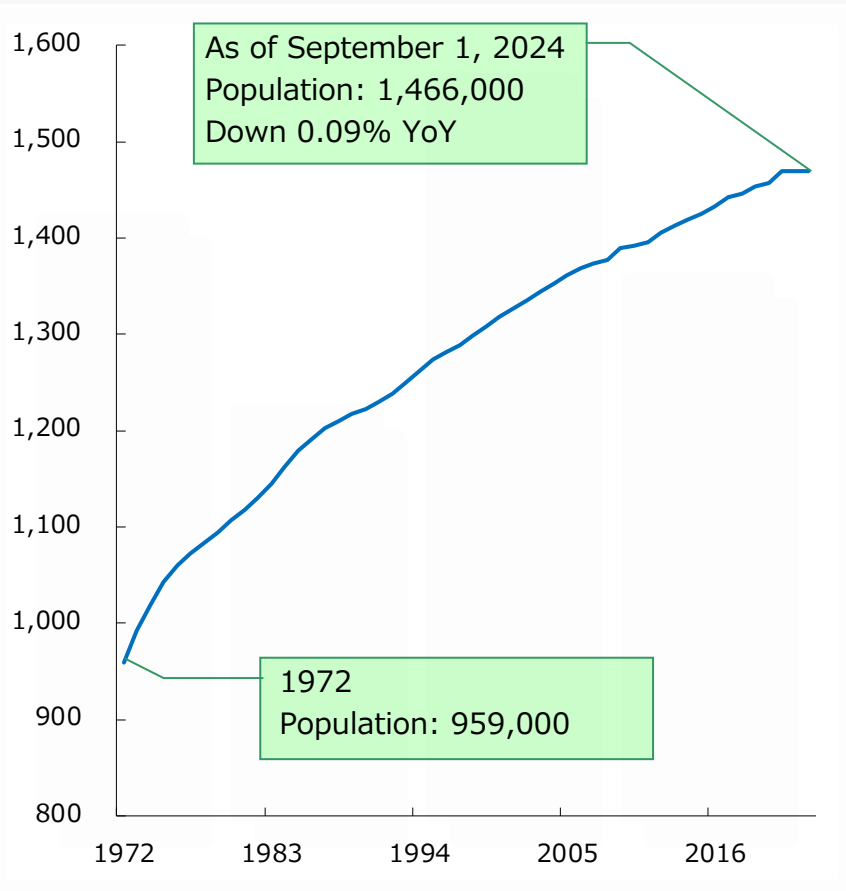
Ishigaki Island

General Stores	:	1
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Economic Conditions in Okinawa Prefecture

Okinawa Prefecture has the nation's highest birth rate and youngest population.

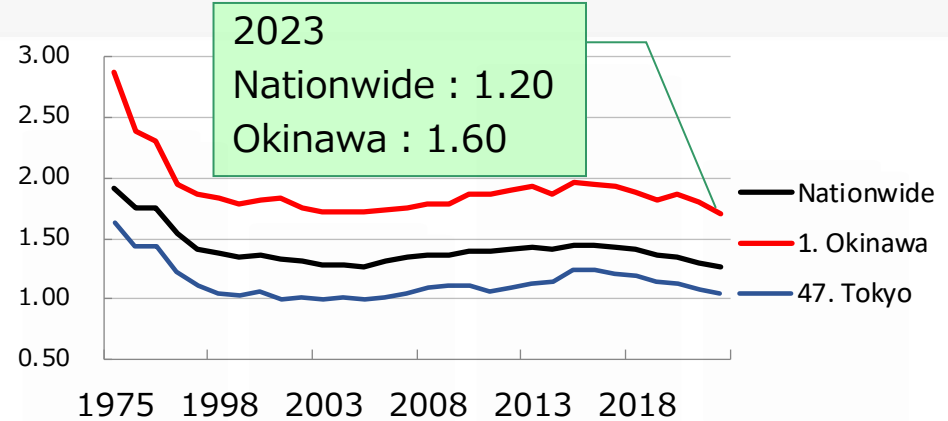
Population Trends (1972 - August 2024)



(Source: "Estimated Population of Okinawa Prefecture," Statistics Division, Department of Planning of the Okinawa Prefectural Government)

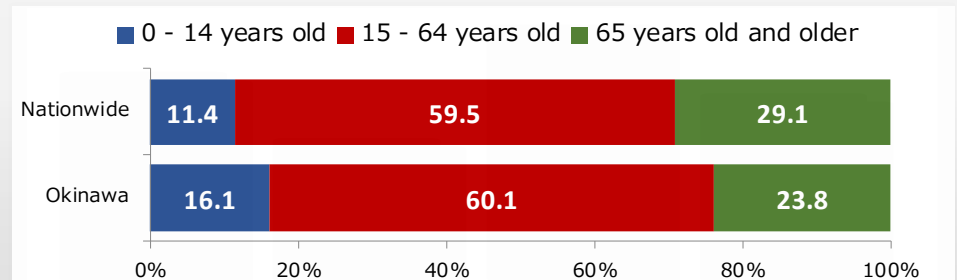
Total Fertility Rate (1975-2023)

*Total fertility rate: Average number of children a woman has in her lifetime



(Source: "Vital Statistics," Ministry of Health, Labor and Welfare)

Population Composition (October 2023)

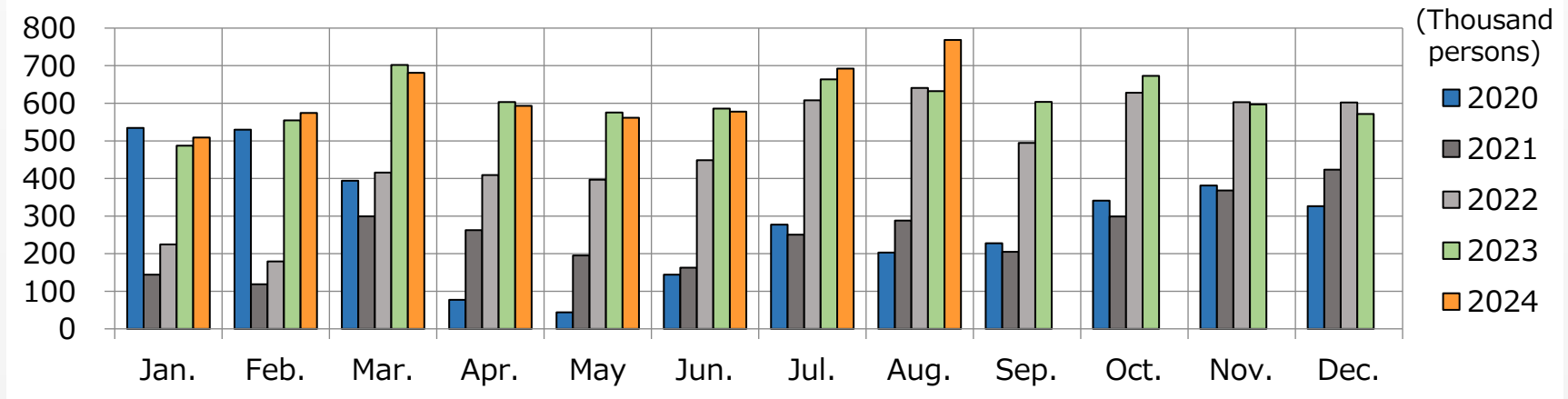


(Source: "Percentage of Population by Prefecture and Three Age Groups," Statistics Bureau, Ministry of Internal Affairs and Communications)

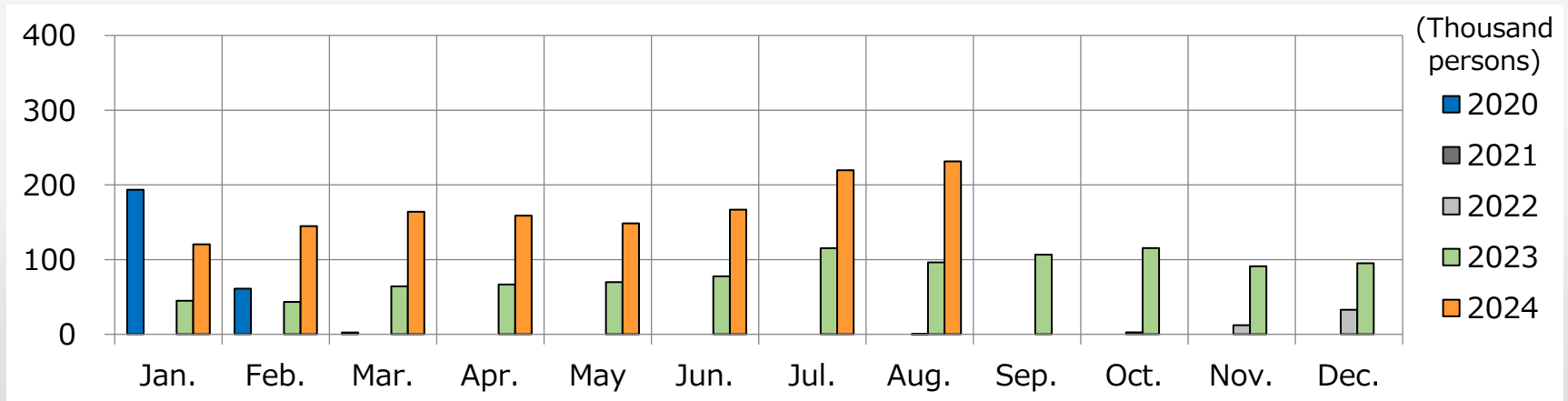
Economic Conditions in Okinawa Prefecture

Total domestic and foreign tourists increased YoY for the 33rd consecutive month

Monthly change in the number of inbound tourists (domestic)



Monthly change in the number of inbound tourists (foreign)



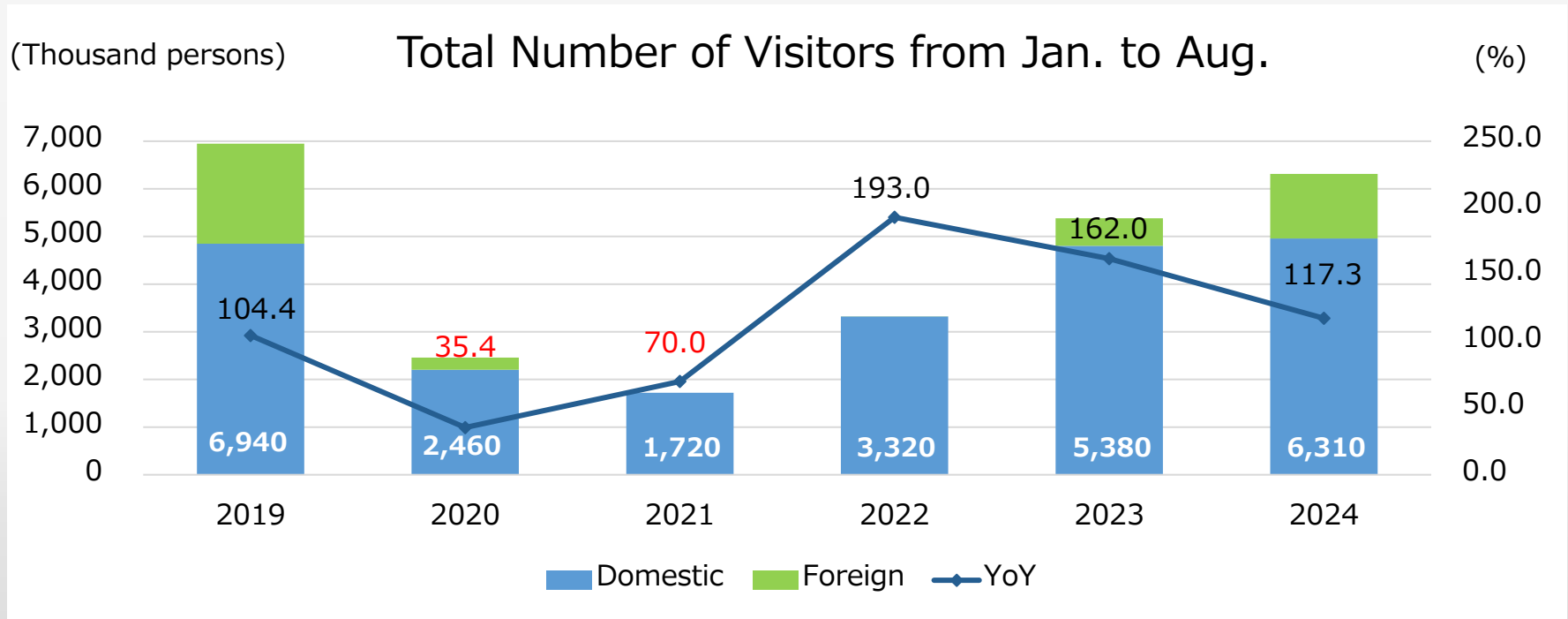
(Source: Tourism Policy Division of the Okinawa Prefectural Government)

Economic Conditions in Okinawa Prefecture



Domestic Tourists... The number of domestic tourists in August set a new record (approx. 760,000)
 Foreign tourists... Increase in new air routes and cruise ships, mainly from Taiwan and China

	Jan-Aug Total	YoY	Vs. 2019
Total No.	6.31 million	117.3%	90.8%
Domestic	4.95 million	103.2%	102.2%
Foreign	1.35 million	234.3%	64.5%



Economic Conditions in Okinawa Prefecture

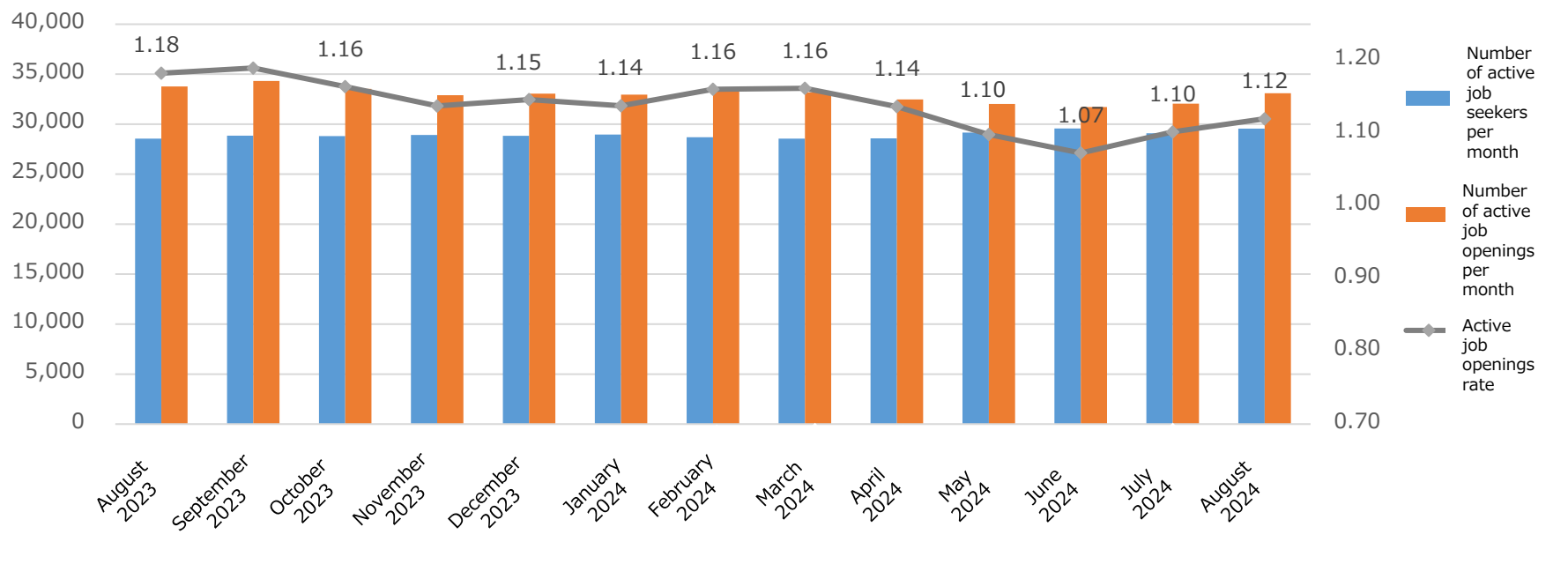


Employment conditions are improving, and there continues to be a sense of manpower shortages in all industries.

	2024	2023	Change
Unemployment rate (%)	3.1	4.2	(1.1)
Active job openings rate (Times)	1.12	1.18	(0.06)
No. of workers (Thousands)	759	732	+27

*As of August 2024

Number of job seekers and job openings, and active job openings rate (August 2023 - August 2024)



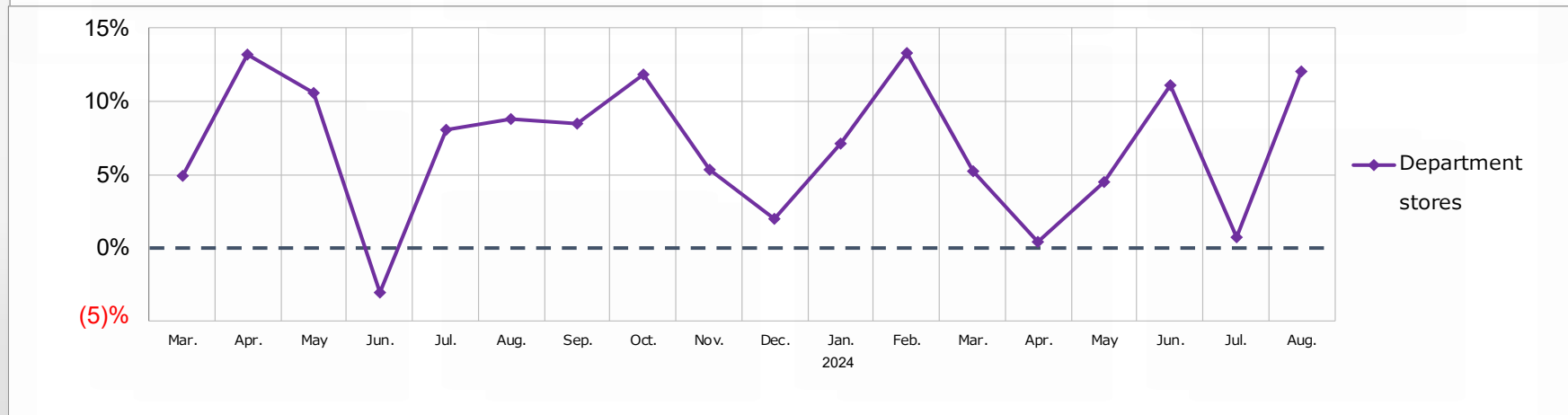
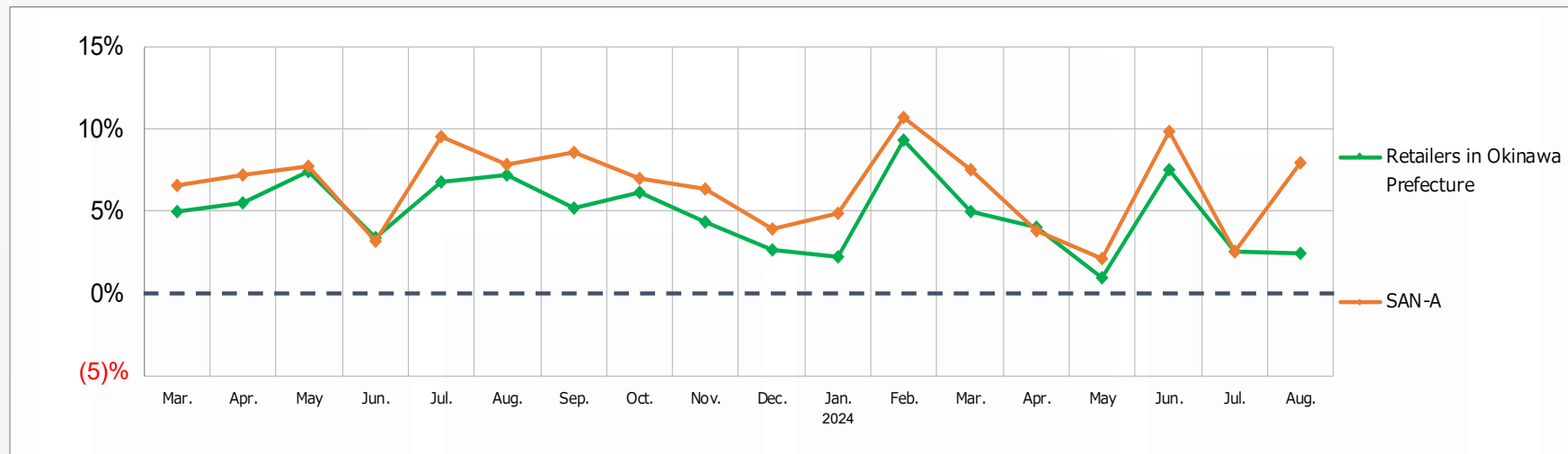
(Source: "Labor Force Survey," Statistics Division, Department of Planning of the Okinawa Prefectural Government; "Job Seeking and Labor Market Trends (by Place of Employment)," Okinawa Labor Bureau)

Economic Conditions in Okinawa Prefecture



Net sales at major retailers in Okinawa Prefecture remain strong

Percentage change in net sales at comparable stores of major retailers in Okinawa Prefecture (March 2022-August 2024)



*Retailers in Okinawa Prefecture excludes SAN-A. (Source: "Economic Trends in Okinawa Prefecture", Ryugin Research Institute Ltd.)

Overview of 2nd Quarter Financial Results



Comparison with previous fiscal year and budget (Consolidated)

(Million yen, %)

	Fiscal year ending February 28, 2025						Fiscal year ended February 29, 2024	
	Actual				Forecast		Actual	
	Amount	Sales ratio	YoY	Achievement rate	Amount	Sales ratio	Amount	Sales ratio
Operating revenue	120,655	-	105.1	100.7	119,810	-	114,850	-
Net sales	111,339	-	104.9	100.4	110,846	-	106,163	-
Gross profit	35,369	31.8	105.6	101.1	34,978	31.6	33,504	31.6
Operating revenue	9,316	8.4	107.2	103.9	8,964	8.1	8,686	8.2
Selling, general and administrative expenses	35,514	31.9	105.2	100.4	35,384	31.9	33,744	31.8
Operating profit	9,170	8.2	108.6	107.2	8,557	7.7	8,446	8.0
Ordinary profit	9,432	8.5	109.2	107.7	8,757	7.9	8,634	8.1
Profit*	5,934	5.3	105.8	104.9	5,659	5.1	5,608	5.3

*Profit attributable to owners of parent

Overview of 2nd Quarter Financial Results



Net Sales by Department

(Million yen, %)

Department Name		Amount	Composition ratio	Total YoY	Comparable store sales YoY
Retail Department	Clothing	16,472	14.4	108.4	109.3
	Food	75,084	65.7	103.4	103.6
	Household Goods	17,648	15.5	112.3	112.3
	Restaurants	4,845	4.2	108.0	108.0
	Sub-total	114,051	99.9	105.6	105.7
CVS		162	0.1	86.0	112.0
Net sales total		114,213	100.0	105.5	105.7

*CVS is sales at directly managed stores

*Net sales and year-on-year change if the "Accounting Standard for Revenue Recognition" etc. has not been applied

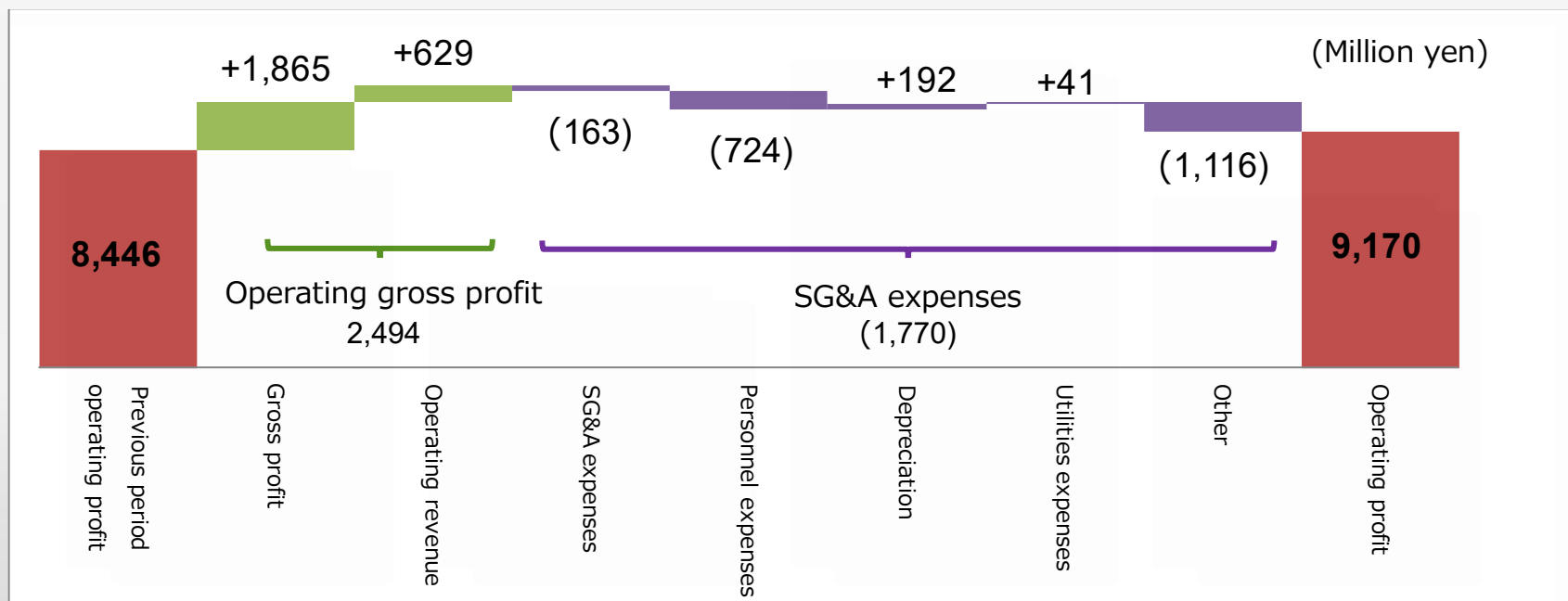
Key Points of the Second Quarter Results



Consolidated operating profit: 9,170 million yen (108.6% YoY; up 724 million yen)

- Gross profit: 104.9% of net sales YoY; gross profit margin: 31.8% (31.6% in the previous fiscal year)
- Duty-free sales YoY: 259.7% (76.2% against 2019)
- Unit price increases due to continued high prices under inflation
- SG&A expenses: Personnel expenses increased, but utilities expenses decreased due to fuel adjustment costs

Operating Profit Changes



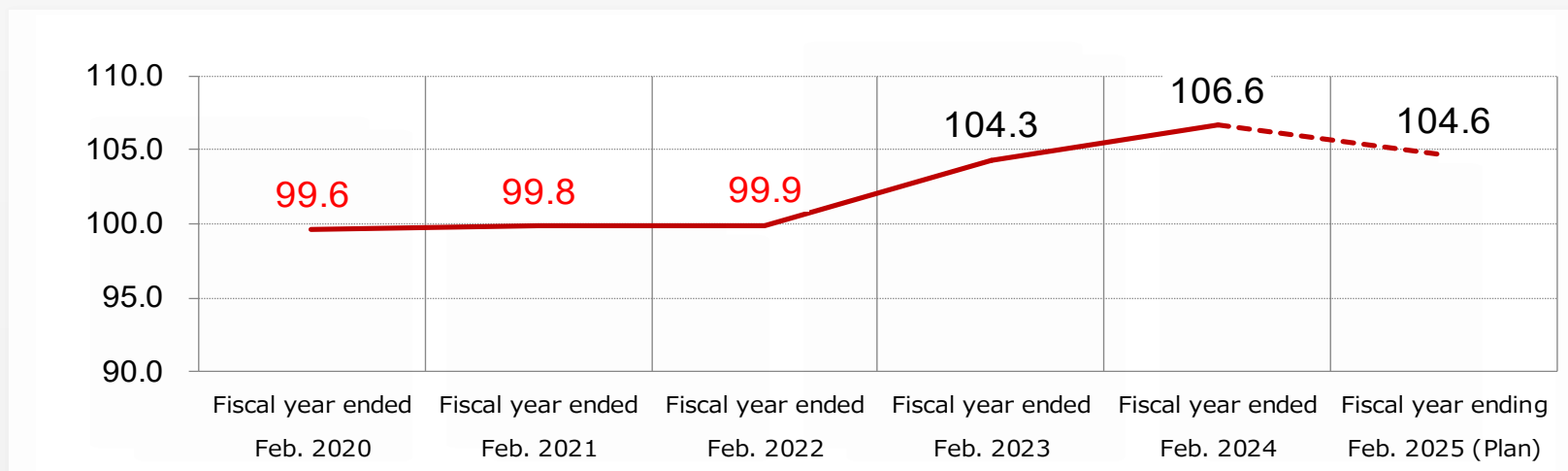
Plan for the Fiscal Year Ending February 28, 2025 (No change)



Comparable Store Net Sales YoY

	1st half	2nd half	Full year
Plan	105.0%	104.3%	104.6%
Actual	105.7%	-	-

*Net sales and year-on-year change if the "Accounting Standard for Revenue Recognition" etc. has not been applied



No revision to the plan for the fiscal year ending February 28, 2025 due to continued trend of cost increases, although unit price increases are expected due to higher prices

Plan for the Fiscal Year Ending February 28, 2025 (No change)



Consolidated Forecast

(Million yen, %)

	Fiscal year ending February 28, 2025			Fiscal year ended February 29, 2024	
	Amount	Sales ratio	YoY	Amount	Sales ratio
Operating revenue	236,120	-	103.8	227,581	-
Net sales	218,385	-	103.9	210,190	-
Gross profit	69,328	31.7	103.9	66,723	31.7
Operating revenue	17,734	8.1	102.0	17,390	8.3
Selling, general and administrative expenses	70,392	32.2	104.1	67,649	32.2
Operating profit	16,670	7.6	101.3	16,464	7.8
Ordinary profit	17,043	7.8	100.9	16,893	8.0
Profit *1	11,185	5.1	104.7	10,683	5.1
EBITDA *2	23,384	10.7	98.9	23,648	11.3

*1: Profit attributable to owners of parent

*2: EBITDA = Operating profit + depreciation (declining-balance method)

Net Sales for the Current Fiscal Year

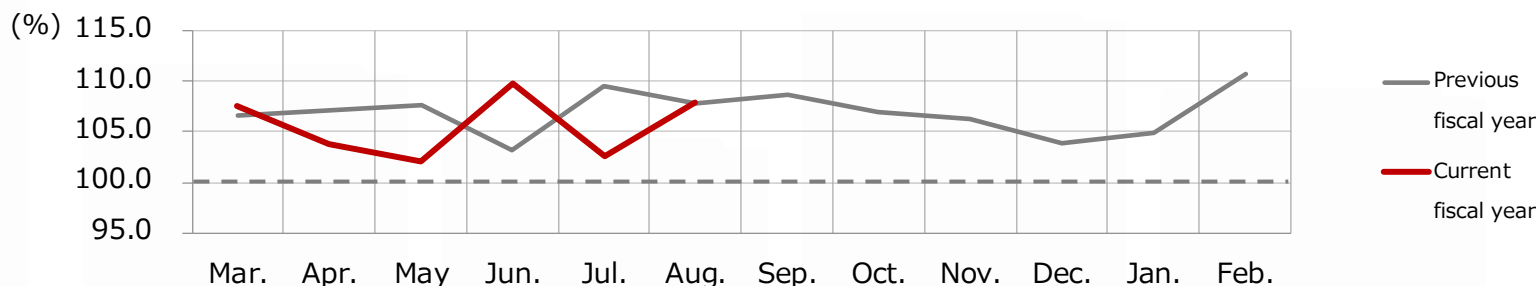


55th fiscal year (From March 1,2024 to August 31,2024)

		Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Total
Whole Company	General stores	107.5	103.7	102.3	109.8	102.5	107.7							105.6
	Comparable stores	107.5	103.8	102.1	109.8	102.5	107.9							105.7
Clothing	General stores	104.5	104.5	103.6	111.2	107.2	121.4							108.4
	Comparable stores	104.5	105.0	104.0	111.9	107.9	122.2							109.3
Food	General stores	106.2	101.8	100.4	108.8	100.2	103.4							103.4
	Comparable stores	106.2	101.8	100.4	108.8	100.2	103.8							103.6
Household goods	General stores	116.6	111.0	109.7	112.1	107.9	117.3							112.3
	Comparable stores	116.6	111.9	108.5	112.3	107.9	117.9							112.3
Restaurants	General stores	108.4	105.7	104.0	112.5	105.1	112.2							108.0
	Comparable stores	108.4	105.7	104.0	112.5	105.1	112.2							108.0

*Net sales year-on-year change if the “Accounting Standard for Revenue Recognition” etc. has not been applied

Year-on-year change in comparable store net sales



The Company's Major Initiatives

Signed new franchise contract with Soup Stock Tokyo Co., Ltd. and due to open a store in summer 2025

- Opening of first “Soup Stock Tokyo” store in Okinawa
- Plan to open a store in the SAN-A Urasoe West Coast PARCO CITY building
- A restaurant specializing in soup. In addition to soup, curry and dessert menus are also offered



The Company's Major Initiatives

Opening of "SHOETELIER" store

- Opened on October 11, 2024 on the 2nd floor of PARCO CITY
- A high-end footwear store that offers a selection of highly sensitive and high-quality items from Japan and abroad, with a focus on brands debuting in Okinawa for the first time



Attachments



Okinawa Prefecture Company Sales Ranking (FY2023)

(Million yen, %)

	Listed	Company	Net Sales	Industry Type	YoY
1	○	The Okinawa Electric Power Company	225,609	Electricity	5.7
2	○	SAN-A	218,582	Supermarket	6.2
3		AEON RYUKYU	99,711	Supermarket	8.3
4		Ryuseki	86,379	Petroleum products wholesale	(0.6)
5		Okinawa-FamilyMart	80,574	Convenience store management	6.3
6	○	Okinawa Cellular Telephone Company	74,140	Mobile phone services	0.9
7		Kanehide Shoji	62,996	Supermarket	4.3
8		OKINAWA TOYOTA	51,976	Automobile retailing	23.3

(Source: Okinawa Branch of TOKYO SHOKO RESEARCH (excluding banks and other financial institutions and non-life insurance companies))



IR Website

<https://www.san-a.co.jp/ir/>

<Contact>

Management Planning Dept, SAN-A CO., LTD.

TEL: 098 (898) 2237

FAX: 098 (897) 2533

The purpose of this document is to provide information on our business performance for the second quarter of the fiscal year ending February 28, 2025, and is not intended as a solicitation to invest in securities issued by the Company.

With some exceptions, this document is based on data as of August 31, 2024.

The opinions and forecasts given in this document are based on our judgment at the time of preparation, and we do not guarantee or promise the accuracy or safety of the information. The information contained in this document is subject to change without notice.