

# Summary of Consolidated Financial Results for the Year Ended February 28, 2013 (Based on Japanese GAAP)

April 10, 2013

Company name ABC-MART, INC.  
 Stock exchange listing Tokyo  
 Stock Code 2670 URL <http://www.abc-mart.co.jp/ir/>  
 Representative President and Representative Director Minoru Noguchi  
 Inquiries Director, Corporate Planning Office Manager Jo Kojima TEL 03-3476-5452  
 Scheduled date of ordinary general meeting of shareholders May 29, 2013  
 Scheduled date to file Securities Report May 30, 2013  
 Scheduled date to commence dividend payments May 30, 2013  
 Preparation of supplementary material on earnings yes  
 Holding of earnings performance review 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, 2013 (from March 1, 2012 to February 28, 2013)

(1) Consolidated operating 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, 2013 | 159,418         | 13.3 | 30,375           | 11.6 | 30,747          | 8.3 | 17,297          | 10.3   |
| Year ended February 29, 2012 | 140,761         | 10.5 | 27,221           | 1.4  | 28,399          | 6.3 | 15,676          | (14.7) |

(Note) Comprehensive income:

Year ended February 2013 20,916 million yen (38.2%) Year ended February 2012 15,139 million yen ( $\Delta$ 19.1%)

|                              | 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, 2013 | 229.73               | 228.30                       | 17.2              | 20.9                         | 19.1                       |
| Year ended February 29, 2012 | 208.20               | -                            | 18.2              | 24.6                         | 19.3                       |

(Reference) Equity in earnings of affiliated companies:

Year ended February 2013 - million yen Year ended February 2012 - million yen

## (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, 2013 | 174,159         | 109,764         | 62.9         | 1,453.95             |
| As of February 29, 2012 | 120,203         | 92,236          | 76.5         | 1,221.02             |

(Reference) Shareholders' Equity:

As of February 28, 2013 109,474 million yen As of February 28, 2012 91,935 million yen

## (3) Consolidated cash flows

|                         | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Period-end cash and cash equivalents |
|-------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
|                         | Millions of yen                      | Millions of yen                      | Millions of yen                      | Millions of yen                      |
| As of February 28, 2013 | 15,395                               | (17,203)                             | 28,209                               | 68,772                               |
| As of February 29, 2012 | 18,998                               | (10,515)                             | (4,972)                              | 41,990                               |

## 2. Cash dividends

|  | Annual dividends |                 |                 |                 |       | 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 29, 2012             | -                | 19.00           | -               | 23.00           | 42.00 | 3,162                        | 20.2                                 | 3.7   |
| Year ended February 28, 2013             | -                | 22.00           | -               | 28.00           | 50.00 | 3,764                        | 21.8                                 | 3.7   |
| Year ending February 28, 2014 (Forecast) | -                | 25.00           | -               | 25.00           | 50.00 |                              | 20.3                                 |   |

## 3. Forecast of consolidated financial results for the year ending February 28, 2014 (from March 1, 2013 to February 28, 2014)

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, 2013 | 88,100          | 14.3 | 17,150           | 2.3 | 17,280          | (0.6) | 9,620           | (2.7) | 127.77               |
| Full year                         | 177,200         | 11.2 | 32,200           | 6.0 | 32,480          | 5.6   | 18,570          | 7.4   | 246.63               |

#### 4. Notes

- (1) Changes in significant subsidiaries during the year ended February 28, 2013  
(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 after error corrections  
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 after error corrections: no

#### (3) Number of issued shares

Total number of issued shares at the end of the period (including treasury stock)

|                         |                   |                         |                   |
|-------------------------|-------------------|-------------------------|-------------------|
| As of February 28, 2013 | 75,294,429 shares | As of February 29, 2012 | 75,294,429 shares |
|-------------------------|-------------------|-------------------------|-------------------|

Number of shares of treasury stock at the end of the period

|                         |            |                         |            |
|-------------------------|------------|-------------------------|------------|
| As of February 28, 2013 | 164 shares | As of February 29, 2012 | 164 shares |
|-------------------------|------------|-------------------------|------------|

Average number of shares during the period (cumulative from the beginning of the fiscal year)

|                              |                   |                              |                   |
|------------------------------|-------------------|------------------------------|-------------------|
| Year ended February 28, 2013 | 75,294,265 shares | Year ended February 29, 2012 | 75,294,265 shares |
|------------------------------|-------------------|------------------------------|-------------------|

#### (Reference) Summary of Nonconsolidated Financial Statements

##### 1. Nonconsolidated financial results for the year ended February 28, 2013 (from March 1, 2012 to February 28, 2013)

###### (1) Nonconsolidated operating 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, 2013 | 131,840         | 8.0 | 28,377           | 16.8 | 29,002          | 13.4 | 16,214          | 17.2   |
| Year ended February 29, 2012 | 122,088         | 8.5 | 24,293           | 2.6  | 25,575          | 4.0  | 13,832          | (22.1) |

|                              | Net income per share | Diluted net income per share |
|------------------------------|----------------------|------------------------------|
|                              | Yen                  | Yen                          |
| Year ended February 28, 2013 | 215.35               | 214.01                       |
| Year ended February 29, 2012 | 183.72               | -                            |

###### (2) Nonconsolidated financial position

|                         | Total assets    | Net assets      | Equity ratio | Net assets per share |
|-------------------------|-----------------|-----------------|--------------|----------------------|
|                         | Millions of yen | Millions of yen | %            | Yen                  |
| As of February 28, 2013 | 159,146         | 100,708         | 63.3         | 1,337.53             |
| As of February 29, 2012 | 113,958         | 87,862          | 77.1         | 1,166.92             |

#### (Reference) Shareholders' Equity:

As of February 28, 2013 100,708 million yen      As of February 28, 2012 87,862 million yen

##### 2. Forecast of nonconsolidated financial results for the year ending February 28, 2014 (from March 1, 2013 to February 28, 2014)

Percentages indicate year-on-year changes

|                                   | Net sales       |     | Ordinary income |       | Net income      |       | Net income per share |
|-----------------------------------|-----------------|-----|-----------------|-------|-----------------|-------|----------------------|
|                                   | Millions of yen | %   | Millions of yen | %     | Millions of yen | %     | Yen                  |
| Six months ending August 31, 2013 | 69,240          | 3.7 | 15,780          | (3.3) | 8,490           | (7.3) | 112.76               |
| Full year                         | 138,700         | 5.2 | 29,810          | 2.8   | 16,590          | 2.3   | 220.34               |

#### NOTICE REGARDING AUDIT PROCEDURES FOR THE CONSOLIDATED FINANCIAL RESULTS

This consolidated financial results statement is exempt from the audit procedures based upon the Financial Instruments and Exchange Act. At this time of disclosure of this consolidated financial results statements, the audit procedure based upon the Financial Instruments and Exchange Act has not been completed.

#### FORWARD LOOKING STATEMENTS AND OTHER SPECIAL ITEMS

The forecast for the year ending February 28, 2014 is based on ABC-MART, INC.'s hypotheses, plans and estimates at the date of publication. It is possible that some uncertain factors will cause the Company's future performance to differ significantly from the contents of forecast.

**Consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

|                                       | As of February 29, 2012 | As of February 28, 2013 |
|---------------------------------------|-------------------------|-------------------------|
| Assets                                |                         |                         |
| Current assets                        |                         |                         |
| Cash and deposits                     | 42,167,745              | 68,852,158              |
| Notes and accounts receivable-trade   | 2,563,312               | 5,064,083               |
| Merchandise and finished goods        | 23,243,775              | 32,682,063              |
| Work in process                       | -                       | 44,833                  |
| Raw materials and supplies            | 25,747                  | 485,939                 |
| Currency option                       | 1,200,314               | 1,314,421               |
| Deferred tax assets                   | 1,004,547               | 1,166,442               |
| Other                                 | 2,504,923               | 3,480,723               |
| Allowance for doubtful accounts       | (6,337)                 | (23,645)                |
| Total current assets                  | 72,704,028              | 113,067,021             |
| Noncurrent assets                     |                         |                         |
| Property, plant and equipment         |                         |                         |
| Buildings and structures              | 17,984,882              | 20,886,196              |
| Accumulated depreciation              | (7,924,210)             | (9,553,405)             |
| Buildings and structures, net         | 10,060,671              | 11,332,790              |
| Tools, furniture and fixtures         | 3,139,826               | 6,266,116               |
| Accumulated depreciation              | (1,646,696)             | (3,604,799)             |
| Tools, furniture and fixtures, net    | 1,493,130               | 2,661,316               |
| Land                                  | 17,176,451              | 17,483,893              |
| Construction in progress              | 427,108                 | 60,071                  |
| Other                                 | 457,156                 | 468,848                 |
| Accumulated depreciation              | (388,017)               | (418,561)               |
| Other, net                            | 69,138                  | 50,286                  |
| Total property, plant and equipment   | 29,226,500              | 31,588,359              |
| Intangible assets                     |                         |                         |
| Right of trademark                    | 11,264                  | 2,465,569               |
| Goodwill                              | 964,553                 | 6,821,704               |
| Other                                 | 1,036,555               | 1,506,138               |
| Total intangible assets               | 2,012,373               | 10,793,412              |
| Investments and other assets          |                         |                         |
| Investment securities                 | 94,891                  | 109,651                 |
| Stocks of subsidiaries and affiliates | 84,175                  | 84,175                  |
| Lease and guarantee deposits          | 14,331,988              | 16,494,299              |
| Other                                 | 1,759,984               | 2,022,501               |
| Allowance for doubtful accounts       | (10,000)                | -                       |
| Total investments and other assets    | 16,261,039              | 18,710,627              |
| Total noncurrent assets               | 47,499,913              | 61,092,399              |
| Total assets                          | 120,203,941             | 174,159,421             |

(Thousands of yen)

|  | As of February 29, 2012 | As of February 28, 2013 |
|--|-------------------------|-------------------------|
| <b>Liabilities</b>   |                         |                         |
| <b>Current liabilities</b>                                     |                         |                         |
| Notes and accounts payable-trade                               | 7,147,386               | 7,477,486               |
| Short-term loans payable                                       | 2,509,305               | 4,135,826               |
| Current portion of long-term loans payable                     | 2,252,800               | 1,002,800               |
| Income taxes payable   | 6,513,447               | 7,455,270               |
| Provision for bonuses  | 577,247                 | 642,716                 |
| Provision  | 17,070                  | 178,038                 |
| Asset retirement obligations                                   | 14,308                  | 17,861                  |
| Notes payable-facilities                                       | 960,493                 | 936,279                 |
| Other  | 3,690,118               | 4,114,601               |
| <b>Total current liabilities</b>                               | <b>23,682,176</b>       | <b>25,960,880</b>       |
| <b>Noncurrent liabilities</b>                                  |                         |                         |
| Convertible bond-type bonds with subscription rights to shares | -                       | 33,000,000              |
| Long-term loans payable  | 3,505,600               | 2,502,800               |
| Provision  | -                       | 798,867                 |
| Asset retirement obligations                                   | 133,454                 | 218,207                 |
| Currency option  | 257,731                 | 265,084                 |
| Other  | 388,830                 | 1,648,895               |
| <b>Total noncurrent liabilities</b>                            | <b>4,285,616</b>        | <b>38,433,856</b>       |
| <b>Total liabilities</b>                                       | <b>27,967,792</b>       | <b>64,394,736</b>       |
| <b>Net assets</b>  |                         |                         |
| <b>Shareholders' equity</b>                                    |                         |                         |
| Capital stock  | 3,482,930               | 3,482,930               |
| Capital surplus  | 7,488,686               | 7,488,686               |
| Retained earnings  | 82,402,496              | 96,311,831              |
| Treasury stock   | (522)                   | (522)                   |
| <b>Total shareholders' equity</b>                              | <b>93,373,591</b>       | <b>107,282,926</b>      |
| <b>Accumulated other comprehensive income</b>                  |                         |                         |
| Valuation difference on available-for-sale securities          | (5,746)                 | 13,432                  |
| Foreign currency translation adjustment                        | (1,432,324)             | 2,177,708               |
| <b>Total accumulated other comprehensive income</b>            | <b>(1,438,071)</b>      | <b>2,191,141</b>        |
| <b>Minority interests</b>                                      | <b>300,628</b>          | <b>290,616</b>          |
| <b>Total net assets</b>  | <b>92,236,148</b>       | <b>109,764,684</b>      |
| <b>Total liabilities and net assets</b>                        | <b>120,203,941</b>      | <b>174,159,421</b>      |

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

(Thousands of yen)

|  | Fiscal year ended<br>February 29, 2012 | Fiscal year ended<br>February 28, 2013 |
|--|--|--|
| Net sales  | 140,761,016                            | 159,418,140                            |
| Cost of sales                                      | 59,658,395                             | 68,109,105                             |
| Gross profit                                       | 81,102,620                             | 91,309,034                             |
| Selling, general and administrative expenses       |  |  |
| Packing and transportation expenses                | 1,950,419                              | 2,210,771                              |
| Advertising expenses                               | 6,476,402                              | 6,931,745                              |
| Warehousing expenses                               | 1,257,626                              | 1,293,183                              |
| Directors' compensations, salaries and allowances  | 14,948,840                             | 16,431,626                             |
| Bonuses  | 1,047,361                              | 1,083,784                              |
| Provision for bonuses                              | 578,027                                | 640,700                                |
| Legal and employee benefits expenses               | 1,879,820                              | 2,113,560                              |
| Rents  | 13,644,869                             | 15,326,723                             |
| Depreciation                                       | 2,648,130                              | 3,250,878                              |
| Utilities expenses                                 | 1,457,090                              | 1,793,573                              |
| Commission fee                                     | 2,298,221                              | 2,677,576                              |
| Taxes and dues                                     | 566,845                                | 668,623                                |
| Provision of allowance for doubtful accounts       | 11,971                                 | 1,820                                  |
| Amortization of goodwill                           | 264,003                                | 549,441                                |
| Other  | 4,851,762                              | 5,959,908                              |
| Total selling, general and administrative expenses | 53,881,392                             | 60,933,917                             |
| Operating income                                   | 27,221,227                             | 30,375,117                             |
| Non-operating income                               |  |  |
| Interest income                                    | 40,751                                 | 46,729                                 |
| Foreign exchange gains                             | -                                      | 80,501                                 |
| Gain on valuation of derivatives                   | 942,582                                | 106,753                                |
| Rent Income  | 419,285                                | 481,790                                |
| Advertising medium income                          | 60,757                                 | 57,450                                 |
| Other  | 273,225                                | 204,076                                |
| Total non-operating income                         | 1,736,602                              | 977,302                                |
| Non-operating expenses                             |  |  |
| Interest expenses                                  | 132,524                                | 74,012                                 |
| Foreign exchange losses                            | 86,052                                 | -                                      |
| Rent expenses                                      | 203,523                                | 271,275                                |
| Other  | 136,099                                | 259,858                                |
| Total non-operating expenses                       | 558,200                                | 605,146                                |
| Ordinary income                                    | 28,399,630                             | 30,747,273                             |
| Extraordinary income                               |  |  |
| Gain on sales of noncurrent assets                 | 6,435                                  | 545                                    |
| Total extraordinary income                         | 6,435                                  | 545                                    |

(Thousands of yen)

|   | Fiscal year ended<br>February 29, 2012 | Fiscal year ended<br>February 28, 2013 |
|---|--|--|
| Extraordinary loss  |  |  |
| Loss on sales of noncurrent assets  | -                                      | 343                                    |
| Loss on retirement of noncurrent assets   | 116,881                                | 114,733                                |
| Loss on liquidation of business   | -                                      | 65,595                                 |
| Loss on valuation of golf club membership   | 19,220                                 | 7,075                                  |
| Impairment loss   | 549,577                                | 408,046                                |
| Loss on abandonment of goods  | 28,450                                 | -                                      |
| Loss on adjustment for changes of accounting standard for<br>asset retirement obligations | 549,530                                | -                                      |
| Loss on disaster  | 53,518                                 | -                                      |
| Donation  | 52,957                                 | -                                      |
| Total extraordinary losses  | 1,370,135                              | 595,794                                |
| Income before income taxes and minority interests   | 27,035,930                             | 30,152,024                             |
| Income taxes-current  | 11,767,273                             | 13,126,285                             |
| Income taxes-deferred   | (429,211)                              | (220,612)                              |
| Total income taxes  | 11,338,061                             | 12,905,672                             |
| Income before minority interests  | 15,697,869                             | 17,246,351                             |
| Minority interests in income (loss)   | 21,408                                 | (51,225)                               |
| Net income  | 15,676,460                             | 17,297,577                             |

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

|   | Fiscal year ended<br>February 29, 2012 | Fiscal year ended<br>February 28, 2013 |
|---|--|--|
| Income before minority interests                          | 15,697,869                             | 17,246,351                             |
| Other comprehensive income                                |  |  |
| Valuation difference on available-for-sale securities     | (1,563)                                | 19,178                                 |
| Foreign currency translation adjustment                   | (556,430)                              | 3,651,247                              |
| Total other comprehensive income                          | (557,993)                              | 3,670,426                              |
| Comprehensive income                                      | 15,139,875                             | 20,916,777                             |
| Comprehensive income attributable to                      |  |  |
| Comprehensive income attributable to owners of the parent | 15,136,509                             | 20,926,789                             |
| Comprehensive income attributable to minority interests   | 3,365                                  | (10,012)                               |

## Consolidated statements of changes in net assets

(Thousands of yen)

|   | Fiscal year ended<br>February 29, 2012 | Fiscal year ended<br>February 28, 2013 |
|---|--|--|
| Shareholders' equity                                  |  |  |
| Capital stock   |  |  |
| Balance at the beginning of current period            | 3,482,930                              | 3,482,930                              |
| Changes of items during the period                    |  |  |
| Total changes of items during the period              | -                                      | -                                      |
| Balance at the end of current period                  | 3,482,930                              | 3,482,930                              |
| Capital surplus                                       |  |  |
| Balance at the beginning of current period            | 7,488,686                              | 7,488,686                              |
| Changes of items during the period                    |  |  |
| Total changes of items during the period              | -                                      | -                                      |
| Balance at the end of current period                  | 7,488,686                              | 7,488,686                              |
| Retained earnings                                     |  |  |
| Balance at the beginning of current period            | 70,340,159                             | 82,402,496                             |
| Changes of items during the period                    |  |  |
| Dividends from surplus                                | (3,614,124)                            | (3,388,241)                            |
| Net income  | 15,676,460                             | 17,297,577                             |
| Total changes of items during the period              | 12,062,336                             | 13,909,335                             |
| Balance at the end of current period                  | 82,402,496                             | 96,311,831                             |
| Treasury stock  |  |  |
| Balance at the beginning of current period            | (522)                                  | (522)                                  |
| Changes of items during the period                    |  |  |
| Total changes of items during the period              | -                                      | -                                      |
| Balance at the end of current period                  | (522)                                  | (522)                                  |
| Total shareholders' equity                            |  |  |
| Balance at the beginning of current period            | 81,311,254                             | 93,373,591                             |
| Changes of items during the period                    |  |  |
| Dividends from surplus                                | (3,614,124)                            | (3,388,241)                            |
| Net income  | 15,676,460                             | 17,297,577                             |
| Total changes of items during the period              | 12,062,336                             | 13,909,335                             |
| Balance at the end of current period                  | 93,373,591                             | 107,282,926                            |
| Accumulated other comprehensive income                |  |  |
| Valuation difference on available-for-sale securities |  |  |
| Balance at the beginning of current period            | (4,182)                                | (5,746)                                |
| Changes of items during the period                    |  |  |
| Net changes of items other than shareholders' equity  | (1,563)                                | 19,178                                 |
| Total changes of items during the period              | (1,563)                                | 19,178                                 |
| Balance at the end of current period                  | (5,746)                                | 13,432                                 |
| Foreign currency translation adjustment               |  |  |
| Balance at the beginning of current period            | (893,937)                              | (1,432,324)                            |
| Changes of items during the period                    |  |  |
| Net changes of items other than shareholders' equity  | (538,387)                              | 3,610,033                              |
| Total changes of items during the period              | (538,387)                              | 3,610,033                              |
| Balance at the end of current period                  | (1,432,324)                            | 2,177,708                              |



(Thousands of yen)

|  | Fiscal year ended<br>February 29, 2012 | Fiscal year ended<br>February 28, 2013 |
|--|--|--|
| Total accumulated other comprehensive income         |  |  |
| Balance at the beginning of current period           | (898,119)                              | (1,438,071)                            |
| Changes of items during the period                   |  |  |
| Net changes of items other than shareholders' equity | (539,951)                              | 3,629,212                              |
| Total changes of items during the period             | (539,951)                              | 3,629,212                              |
| Balance at the end of current period                 | (1,438,071)                            | 2,191,141                              |
| Minority interests                                   |  |  |
| Balance at the beginning of current period           | 3,015,060                              | 300,628                                |
| Changes of items during the period                   |  |  |
| Net changes of items other than shareholders' equity | (2,714,431)                            | (10,012)                               |
| Total changes of items during the period             | (2,714,431)                            | (10,012)                               |
| Balance at the end of current period                 | 300,628                                | 290,616                                |
| Total net assets                                     |  |  |
| Balance at the beginning of current period           | 83,428,195                             | 92,236,148                             |
| Changes of items during the period                   |  |  |
| Dividends from surplus                               | (3,614,124)                            | (3,388,241)                            |
| Net income   | 15,676,460                             | 17,297,577                             |
| Net changes of items other than shareholders' equity | (3,254,382)                            | 3,619,200                              |
| Total changes of items during the period             | 8,807,953                              | 17,528,535                             |
| Balance at the end of current period                 | 92,236,148                             | 109,764,684                            |

## Consolidated statements of cash flows

(Thousands of yen)

|  | Fiscal year ended<br>February 29, 2012 | Fiscal year ended<br>February 28, 2013 |
|--|--|--|
| Net cash provided by (used in) operating activities                                    |  |  |
| Income before income taxes and minority interests                                      | 27,035,930                             | 30,152,024                             |
| Depreciation and amortization  | 2,648,130                              | 3,250,878                              |
| Increase (decrease) in provision for bonuses   | 96,244                                 | 62,672                                 |
| Increase (decrease) in allowance for doubtful accounts                                 | 11,447                                 | (12,264)                               |
| Interest and dividends income  | (41,475)                               | (47,453)                               |
| Interest expenses  | 132,524                                | 74,012                                 |
| Foreign exchange losses (gains)  | 2,732                                  | (104,166)                              |
| Loss (gain) on valuation of securities   | -                                      | 16,582                                 |
| Loss (gain) on valuation of derivatives  | (942,582)                              | (106,753)                              |
| Loss (gain) on sales and retirement of noncurrent assets                               | 110,445                                | 114,531                                |
| Impairment loss  | 549,577                                | 408,046                                |
| Loss on adjustment for changes of accounting standard for asset retirement obligations | 549,530                                | -                                      |
| Decrease (increase) in notes and accounts receivable-trade                             | (298,790)                              | (620,481)                              |
| Decrease (increase) in inventories   | (860,055)                              | (5,362,064)                            |
| Increase (decrease) in notes and accounts payable-trade                                | (191,642)                              | (915,849)                              |
| Other, net   | 1,044,345                              | 723,693                                |
| Subtotal   | 29,846,360                             | 27,633,408                             |
| Interest and dividends income received   | 33,842                                 | 32,920                                 |
| Interest expenses paid   | (138,066)                              | (76,415)                               |
| Payments for loss on disaster  | (37,552)                               | -                                      |
| Payments for donation  | (52,957)                               | -                                      |
| Income taxes paid  | (10,652,922)                           | (12,193,959)                           |
| Net cash provided by (used in) operating activities                                    | 18,998,704                             | 15,395,953                             |
| Net cash provided by (used in) investing activities                                    |  |  |
| Payments into time deposits  | (5,400)                                | (5,400)                                |
| Proceeds from withdrawal of time deposits  | 5,400                                  | 120,526                                |
| Purchase of property, plant and equipment  | (5,615,864)                            | (4,093,447)                            |
| Proceeds from sales of property, plant and equipment                                   | 17,799                                 | 5,137                                  |
| Purchase of intangible assets  | (207,396)                              | (419,560)                              |
| Payments for store removal   | (78,681)                               | (55,935)                               |
| Payments of loans receivable   | (315,500)                              | (185,000)                              |
| Collection of loans receivable   | 57,696                                 | 83,062                                 |
| Purchase of investments in subsidiaries  | (3,435,971)                            | -                                      |
| Purchase of investments in subsidiaries resulting in change in scope of consolidation  | -                                      | (10,999,115)                           |
| Payments for lease and guarantee deposits  | (1,527,365)                            | (2,562,575)                            |
| Proceeds from collection of lease and guarantee deposits                               | 669,580                                | 1,011,240                              |
| Other payments   | (118,699)                              | (240,663)                              |
| Other proceeds   | 38,980                                 | 138,055                                |
| Net cash provided by (used in) investing activities                                    | (10,515,422)                           | (17,203,674)                           |

(Thousands of yen)

|  | Fiscal year ended<br>February 29, 2012 | Fiscal year ended<br>February 28, 2013 |
|--|--|--|
| Net cash provided by (used in) financing activities                |  |  |
| Net increase (decrease) in short-term loans payable                | (2,108,047)                            | 864,471                                |
| Proceeds from long-term loans payable                              | 10,000,000                             | -                                      |
| Repayment of long-term loans payable                               | (9,252,800)                            | (2,259,060)                            |
| Cash dividends paid  | (3,609,464)                            | (3,384,043)                            |
| Proceeds from issuance of bonds with subscription rights to shares | -                                      | 33,000,000                             |
| Other payments   | (2,499)                                | (11,371)                               |
| Net cash provided by (used in) financing activities                | (4,972,811)                            | 28,209,995                             |
| Effect of exchange rate change on cash and cash equivalents        | (88,091)                               | 378,867                                |
| Net increase (decrease) in cash and cash equivalents               | 3,422,379                              | 26,781,142                             |
| Cash and cash equivalents at beginning of period                   | 38,568,560                             | 41,990,939                             |
| Cash and cash equivalents at end of period                         | 41,990,939                             | 68,772,082                             |