



**ABC
MART**
www.abc-mart.com

FACTBOOK

ABC-MART, INC.

For the fiscal year ended February 28, 2014



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**Securities Code: 2670 /
TSE 1st Section**

Corporate Profile (as of February 28, 2014)

| | |
|-----------------------|--|
| Name of Company | ABC-MART, INC. |
| URL | http://www.abc-mart.com/ |
| Headquarters | 19F, Shibuya Mark City West 1-12-1 Dogenzaka, Shibuya-ku, Tokyo 150-0043 JAPAN (Registered address: 1-11-5 Jinnan, Shibuya-ku, Tokyo 150-0041 JAPAN) |
| Date of Establishment | June 6, 1985 |
| Capital | ¥3,482 million |
| Representative | Minoru Noguchi Representative Director, President and Executive Officer |
| Number of Employees | 5,422 (8 Temporary employees and 2,554 Part-time employees included) |

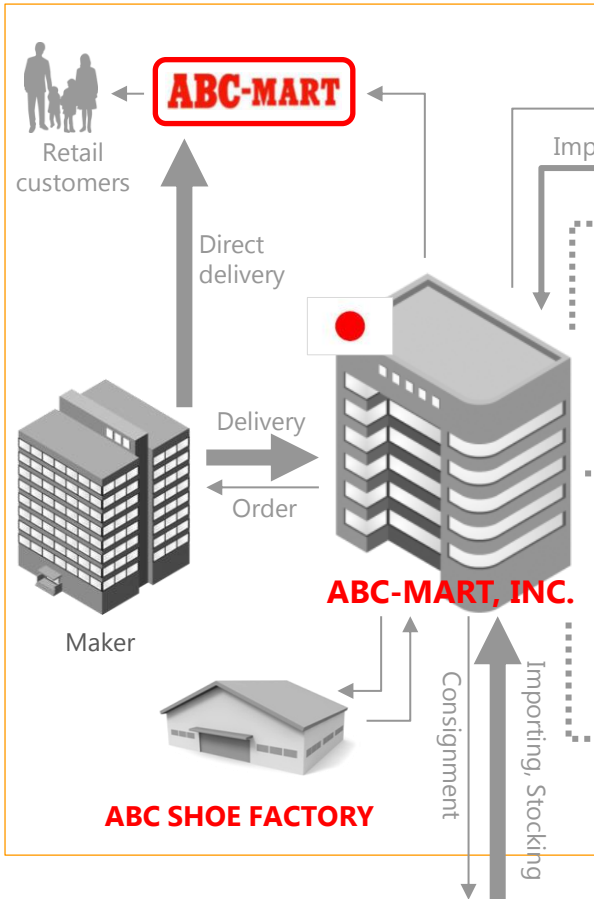
Business Policy

**From a lifestyle creation company
focused on shoes,
into the ABC-MART global shoe store**

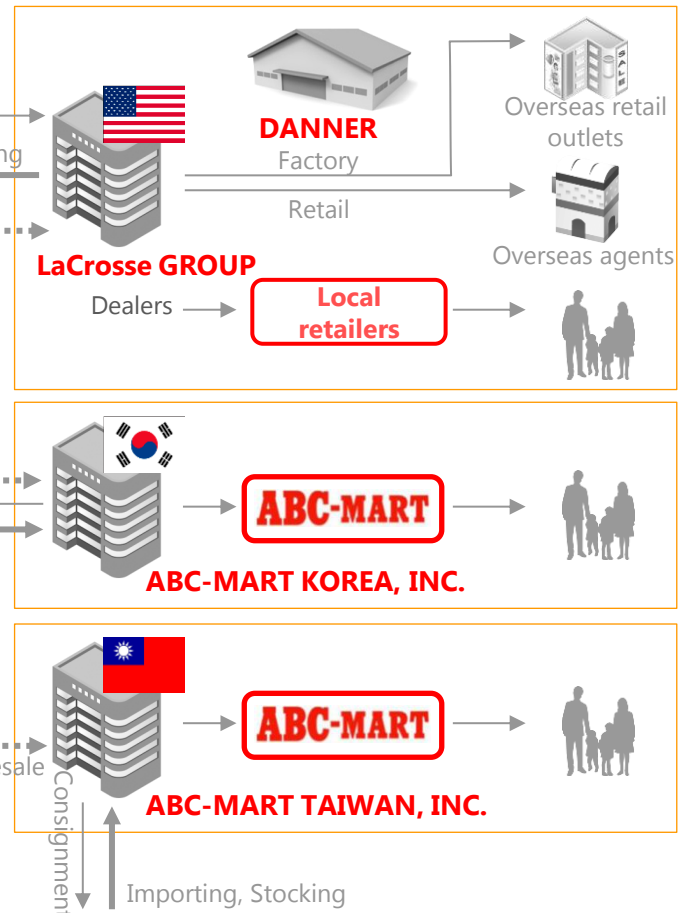
New ABC-MART outlets will be opened to directly deliver shoes to our customers. Our ultimate aim is to establish a globally recognized store brand.

Business Content

Domestic

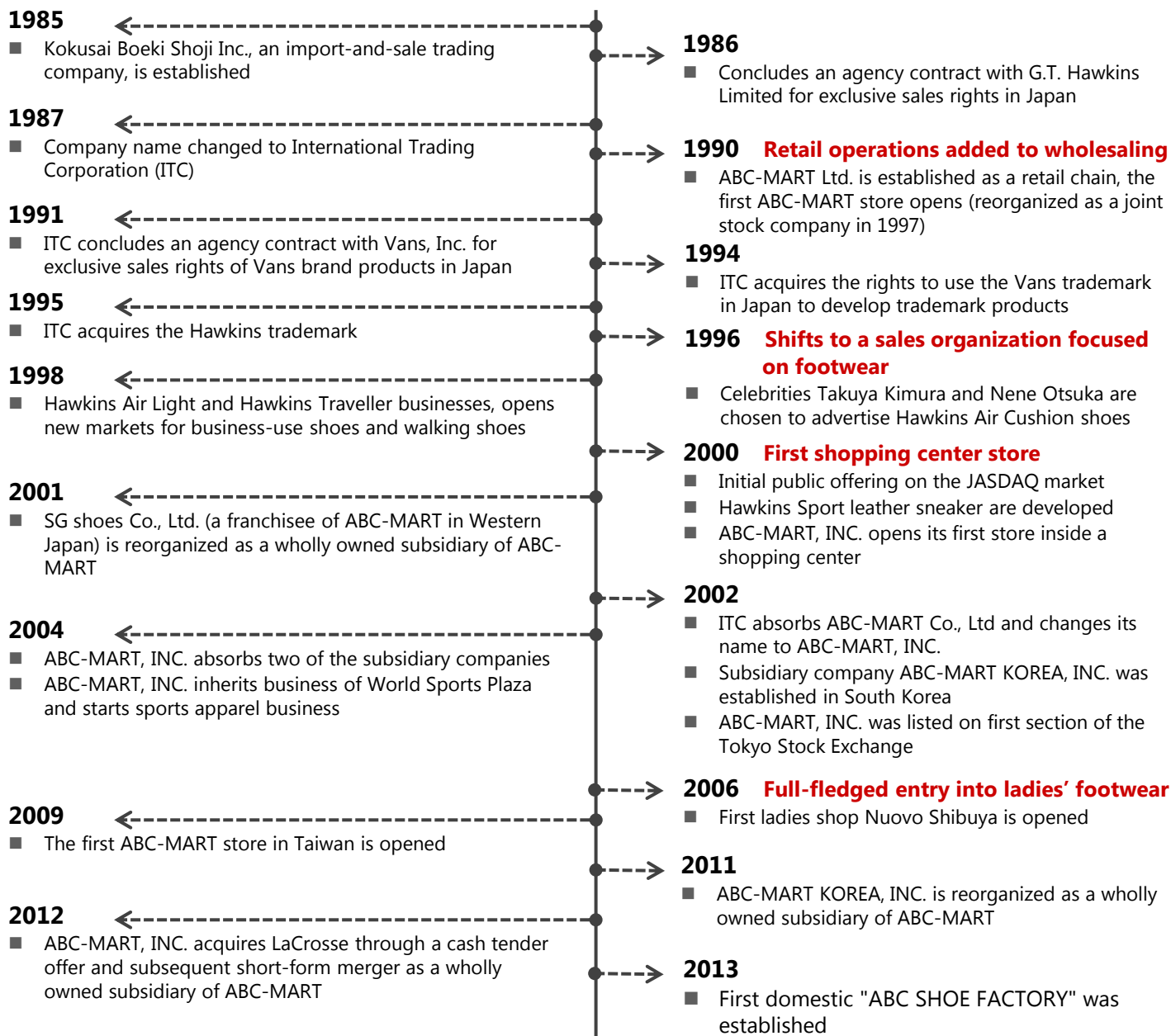


Overseas

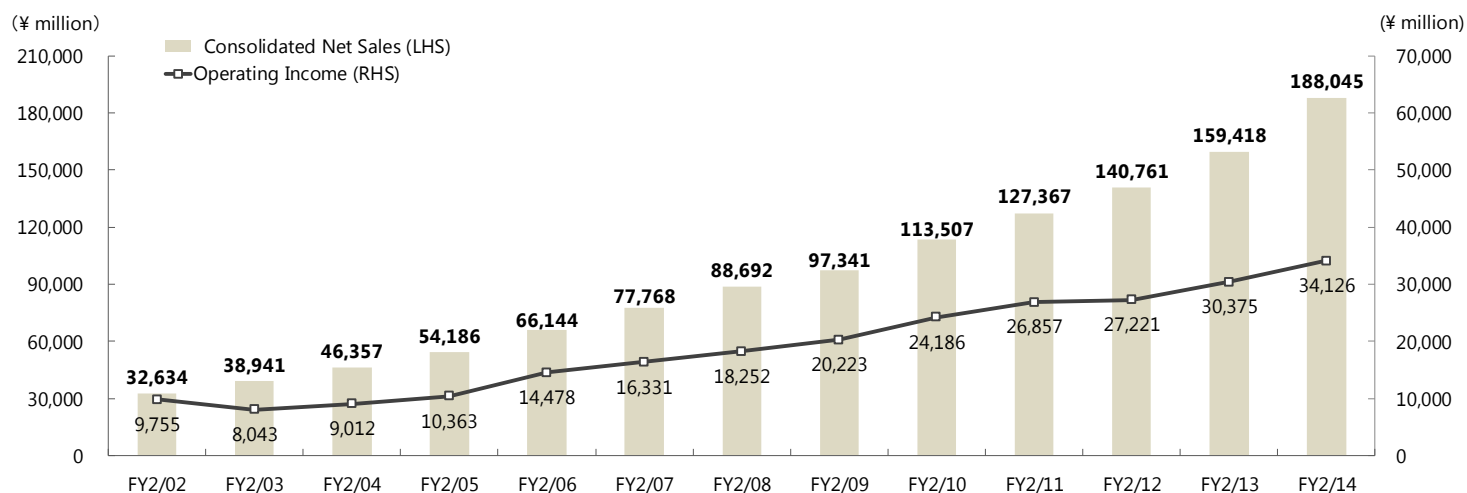


Overseas consignment factories (China, Myanmar, Bangladesh, Italy, etc.)

History



Trend of Business Performance



The Strength of ABC-MART

ABC-MART is leveraging a growing product line and store network, as well as its import and sales expertise to expand share of the retail shoe market. The Company aims to establish itself as Japan's No.1 chain of dedicated shoe stores in both quality and quantity.

The accumulation of on-site excellence

Store Strategy

- Speedy store openings conforming to communities and trade areas
- Development of stores with a wide range of formats and business types
- Store renewal that responds smartly to market changes

Operation Strategy

- Boosting sales capability using POS system
- Taking the next step with high-level systems
- Efficiency of logistic system

Product and Brand Strategy

- Maintenance, strengthening and development of house brands
- Development information from our overseas network
- Partnership with global brands

Human Resource Development

- Field-oriented
- Strong sales capabilities
- Strong leadership and teamwork

Product Planning and Development

Integrated Production and Sales System for House Brands

Information on trends from our overseas network

Collection of raw customer feedback

Production at cooperating factories in Italy, China, South East Asia, etc.

Partnering with Global Brands

Dealing directly with makers (bulk ordering)

Enables low product prices

Promotes development of the ABC-MART original models

Enables production of appealing products at reasonable prices

Major Brands

Private Brands

NUOVO
collection by Hawkins



James & North
SINCE 1858

stefanorossi
SHOE COLLECTOR



In-house Brands

Hawkins Sport



Danner
SINCE 1932



VANS "OFF THE WALL"



saucony

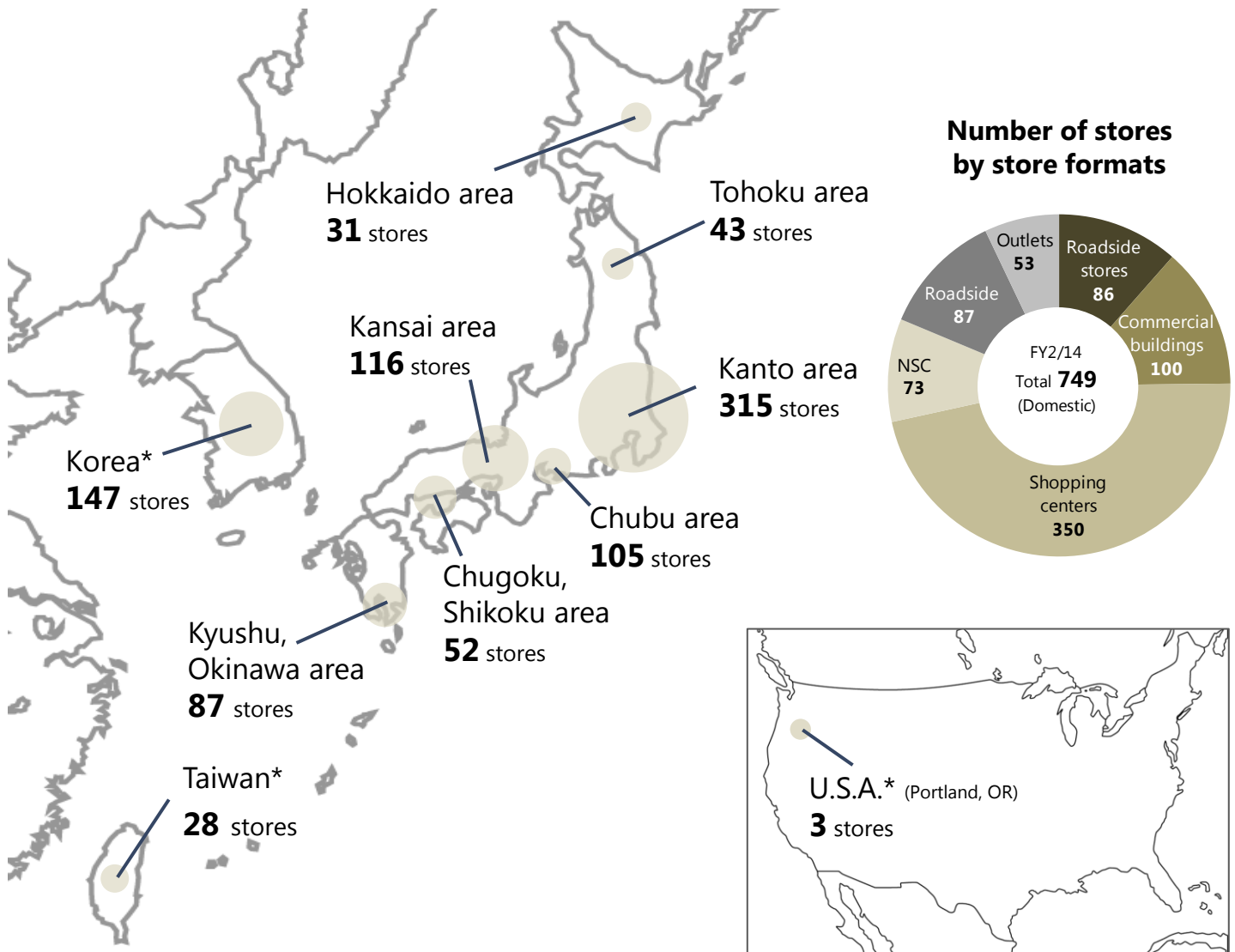


SPERRY
TOP-SIDER

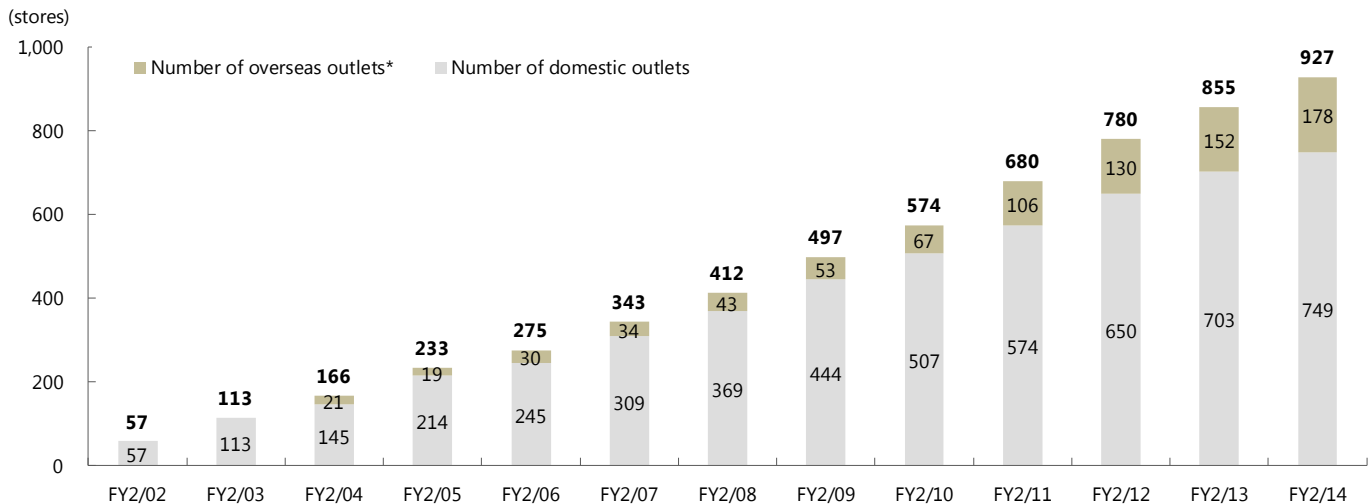


Distribution map of stores (as of February 28, 2014)

*: Number of overseas outlets (Korea, Taiwan, U.S.A.) as of end-December 2013



ABC-MART Store Network Expansion (as of February 28, 2014)



*: Number of overseas outlets (Korea, Taiwan, U.S.A.) as of end-December 2013

Consolidated Balance Sheet



| (¥ thousand) | FY2/10 | FY2/11 | FY2/12 | FY2/13 | FY2/14 |
|---------------------------------------|-------------------|--------------------|--------------------|--------------------|--------------------|
| Assets | | | | | |
| Total assets | 99,400,512 | 111,087,052 | 120,203,941 | 174,159,421 | 196,881,032 |
| Current assets | 48,131,921 | 67,041,130 | 72,704,028 | 113,067,021 | 129,542,628 |
| Cash and deposits | 24,604,206 | 38,755,377 | 42,167,745 | 68,852,158 | 78,884,221 |
| Notes and accounts receivable - trade | 1,971,321 | 2,370,937 | 2,563,312 | 5,064,083 | 6,463,290 |
| Merchandise and finished goods | 17,959,884 | 22,664,712 | 23,243,775 | 32,682,063 | 38,962,423 |
| Work in process | - | - | - | 44,833 | 13,583 |
| Raw materials and supplies | - | - | 25,747 | 485,939 | 479,689 |
| Currency options | - | - | 1,200,314 | 1,314,421 | - |
| Deferred tax assets | 938,148 | 829,175 | 1,004,547 | 1,166,442 | 1,414,815 |
| Other | 2,659,312 | 2,425,816 | 2,504,923 | 3,480,723 | 3,355,309 |
| Allowance for doubtful accounts | (951) | (4,890) | (6,337) | (23,645) | (30,704) |
| Non-current assets | 51,268,591 | 44,045,922 | 47,499,913 | 61,092,399 | 67,338,404 |
| Property, plant and equipment | 28,771,859 | 26,702,214 | 29,226,500 | 31,588,359 | 32,784,917 |
| Buildings and structures | 13,719,140 | 15,119,964 | 17,984,882 | 20,886,196 | 22,758,728 |
| Accumulated depreciation | (5,689,719) | (6,618,314) | (7,924,210) | (9,553,405) | (10,980,400) |
| Buildings and structures, net | 8,029,420 | 8,501,650 | 10,060,671 | 11,332,790 | 11,778,327 |
| Vehicles and vessels | 439,218 | 445,208 | - | - | - |
| Accumulated depreciation | (313,213) | (352,277) | - | - | - |
| Vehicles and vessels, net | 126,004 | 92,931 | - | - | - |
| Tools, furniture and fixtures | - | 2,511,735 | 3,139,826 | 6,266,116 | 8,012,820 |
| Accumulated depreciation | - | (1,260,865) | (1,646,696) | (3,604,799) | (4,923,220) |
| Tools, furniture and fixtures, net | - | 1,250,869 | 1,493,130 | 2,661,316 | 3,089,600 |
| Land | 19,443,979 | 16,827,283 | 17,176,451 | 17,483,893 | 17,696,636 |
| Construction in progress | 995 | 23,148 | 427,108 | 60,071 | 90,871 |
| Other | 2,141,449 | 8,138 | 457,156 | 468,848 | 593,253 |
| Accumulated depreciation | (969,991) | (1,808) | (388,017) | (418,561) | (463,772) |
| Other, net | 1,171,458 | 6,330 | 69,138 | 50,286 | 129,480 |
| Intangible assets | 801,516 | 1,519,463 | 2,012,373 | 10,793,412 | 11,649,099 |
| Trademark right | - | - | 11,264 | 2,465,569 | 2,682,855 |
| Goodwill | - | 442,774 | 964,553 | 6,821,704 | 7,195,840 |
| Other | 801,516 | 1,076,689 | 1,036,555 | 1,506,138 | 1,770,403 |
| Investments and other assets | 21,695,214 | 15,824,244 | 16,261,039 | 18,710,627 | 22,904,387 |
| Investment securities | 138,324 | 97,544 | 94,891 | 109,651 | 125,485 |
| Shares of subsidiaries and associates | 7,409,422 | 84,175 | 84,175 | 84,175 | 94,075 |
| Lease and guarantee deposits | 12,964,586 | 14,396,825 | 14,331,988 | 16,494,299 | 18,960,429 |
| Other | 1,182,882 | 1,245,700 | 1,759,984 | 2,022,501 | 3,725,535 |
| Allowance for doubtful accounts | - | - | (10,000) | - | (1,138) |

Consolidated Balance Sheet



| (¥ thousand) | FY2/10 | FY2/11 | FY2/12 | FY2/13 | FY2/14 |
|--|-------------------|--------------------|--------------------|--------------------|--------------------|
| Liabilities | | | | | |
| Total liabilities | 32,311,513 | 27,658,857 | 27,967,792 | 64,394,736 | 64,961,847 |
| Current liabilities | 26,869,376 | 25,958,964 | 23,682,176 | 25,960,880 | 27,362,478 |
| Notes and accounts payable - trade | 7,714,042 | 7,469,784 | 7,147,386 | 7,477,486 | 8,551,245 |
| Short-term loans payable | 8,311,548 | 4,622,515 | 2,509,305 | 4,135,826 | 3,278,312 |
| Current portion of long-term loans payable | - | 3,750,000 | 2,252,800 | 1,002,800 | 1,002,800 |
| Income taxes payable | 6,447,847 | 5,534,427 | 6,513,447 | 7,455,270 | 7,113,474 |
| Provision for bonuses | 469,903 | 481,782 | 577,247 | 642,716 | 654,690 |
| Provision | - | - | 17,070 | 178,038 | 234,480 |
| Asset retirement obligations | - | - | 14,308 | 17,861 | 26,927 |
| Notes payable - facilities | - | 832,742 | 960,493 | 936,279 | 778,252 |
| Other | 3,926,035 | 3,267,711 | 3,690,118 | 4,114,601 | 5,722,294 |
| Non-current liabilities | 5,442,137 | 1,699,893 | 4,285,616 | 38,433,856 | 37,599,368 |
| Convertible bond-type bonds with subscription rights to shares | - | - | - | 33,000,000 | 33,000,000 |
| Long-term loans payable | 5,000,000 | 1,261,200 | 3,505,600 | 2,502,800 | 1,500,000 |
| Provision | - | - | - | 798,867 | 658,157 |
| Asset retirement obligations | - | - | 133,454 | 218,207 | 243,579 |
| Currency options | - | - | 257,731 | 265,084 | - |
| Other | 442,137 | 438,693 | 388,830 | 1,648,895 | 2,197,632 |
| Net assets | | | | | |
| Total net assets | 67,088,999 | 83,428,195 | 92,236,148 | 109,764,684 | 131,919,185 |
| Shareholders' equity | 65,798,940 | 81,311,254 | 93,373,591 | 107,282,926 | 123,281,397 |
| Capital stock | 3,482,930 | 3,482,930 | 3,482,930 | 3,482,930 | 3,482,930 |
| Capital surplus | 7,488,686 | 7,488,686 | 7,488,686 | 7,488,686 | 7,488,686 |
| Retained earnings | 77,146,432 | 70,340,159 | 82,402,496 | 96,311,831 | 112,310,302 |
| Treasury shares | (22,319,109) | (522) | (522) | (522) | (522) |
| Accumulated other comprehensive income | (467,463) | (898,119) | (1,438,071) | 2,191,141 | 8,265,062 |
| Valuation difference on available-for-sale securities | 17,435 | (4,182) | (5,746) | 13,432 | 23,248 |
| Deferred gains or losses on hedges | (11,104) | - | - | - | - |
| Foreign currency translation adjustment | (473,793) | (893,937) | (1,432,324) | 2,177,708 | 8,241,814 |
| Minority interests | 1,757,522 | 3,015,060 | 300,628 | 290,616 | 372,724 |
| Total liabilities and net assets | 99,400,512 | 111,087,052 | 120,203,941 | 174,159,421 | 196,881,032 |

Consolidated Statement of Income



| (¥ thousand) | FY2/10 | FY2/11 | FY2/12 | FY2/13 | FY2/14 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| Net sales | 113,507,052 | 127,367,153 | 140,761,016 | 159,418,140 | 188,045,018 |
| Cost of sales | 49,030,500 | 53,086,659 | 59,658,395 | 68,109,105 | 84,317,067 |
| Gross profit | 64,476,552 | 74,280,493 | 81,102,620 | 91,309,034 | 103,727,951 |
| Selling, general and administrative expenses | 40,290,394 | 47,422,994 | 53,881,392 | 60,933,917 | 69,601,927 |
| Packing and transportation expenses | 1,393,218 | 1,694,272 | 1,950,419 | 2,210,771 | 2,162,656 |
| Advertising expenses | 4,870,151 | 6,051,271 | 6,476,402 | 6,931,745 | 7,263,553 |
| Warehousing expenses | 806,125 | 1,127,482 | 1,257,626 | 1,293,183 | 2,044,219 |
| Directors' compensations, salaries and allowances | 11,446,358 | 13,373,272 | 14,948,840 | 16,431,626 | 18,737,865 |
| Bonuses | 840,756 | 884,508 | 1,047,361 | 1,083,784 | 1,139,234 |
| Provision for bonuses | 469,903 | 481,782 | 578,027 | 640,700 | 647,109 |
| Legal and employee benefits expenses | 1,314,460 | 1,564,124 | 1,879,820 | 2,113,560 | 2,418,684 |
| Rents | 10,465,979 | 11,944,395 | 13,644,869 | 15,326,723 | 17,738,673 |
| Depreciation | 1,928,744 | 2,189,606 | 2,648,130 | 3,250,878 | 3,885,923 |
| Utilities expenses | 1,189,631 | 1,410,031 | 1,457,090 | 1,793,573 | 2,050,493 |
| Commission fee | 1,641,041 | 1,900,791 | 2,298,221 | 2,677,576 | 3,461,581 |
| Taxes and dues | 495,031 | 529,957 | 566,845 | 668,623 | 873,247 |
| Provision of allowance for doubtful accounts | 157 | - | 11,971 | 1,820 | 796 |
| Amortization of goodwill | - | 49,197 | 264,003 | 549,441 | 1,023,343 |
| Other | 3,428,834 | 4,222,301 | 4,851,762 | 5,959,908 | 6,154,542 |
| Operating income | 24,186,158 | 26,857,499 | 27,221,227 | 30,375,117 | 34,126,024 |
| Non-operating income | 1,793,970 | 848,252 | 1,736,602 | 977,302 | 1,189,214 |
| Interest income | 18,303 | 21,300 | 40,751 | 46,729 | 79,574 |
| Dividend income | - | 104,676 | - | - | - |
| Foreign exchange gains | 360,387 | - | - | 80,501 | 60,923 |
| Share of profit of entities accounted for using equity method | 692,270 | - | - | - | - |
| Gain on valuation of derivatives | - | - | 942,582 | 106,753 | - |
| Rent income | 376,121 | 398,074 | 419,285 | 481,790 | 664,362 |
| Advertising medium income | 81,950 | 68,360 | 60,757 | 57,450 | 62,706 |
| Other | 264,937 | 255,840 | 273,225 | 204,076 | 321,647 |
| Non-operating expenses | 411,292 | 995,275 | 558,200 | 605,146 | 501,160 |
| Interest expenses | 156,144 | 166,482 | 132,524 | 74,012 | 53,899 |
| Foreign exchange losses | - | 126,509 | 86,052 | - | - |
| Share of loss of entities accounted for using equity method | - | 391,220 | - | - | - |
| Rent expenses | 198,419 | 189,469 | 203,523 | 271,275 | 347,882 |
| Other | 56,728 | 121,593 | 136,099 | 259,858 | 99,377 |
| Ordinary income | 25,568,836 | 26,710,475 | 28,399,630 | 30,747,273 | 34,814,079 |

Consolidated Statement of Income



| (¥ thousand) | FY2/10 | FY2/11 | FY2/12 | FY2/13 | FY2/14 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Extraordinary income | 350,000 | 4,562,130 | 6,435 | 545 | 2,648 |
| Gain on sales of non-current assets | - | 924,388 | 6,435 | 545 | 935 |
| Gain on sales of investment securities | - | 150,847 | - | - | - |
| Gain on sales of shares of subsidiaries and associates | - | 3,475,693 | - | - | - |
| Income from insurance cancellation | - | 11,201 | - | - | - |
| Income from contract penalty | 350,000 | - | - | - | - |
| Gain on cancellation of derivatives | - | - | - | - | 1,713 |
| Extraordinary losses | 357,446 | 565,820 | 1,370,135 | 595,794 | 1,585,615 |
| Loss on sales of non-current assets | - | 82,552 | - | 343 | - |
| Loss on retirement of non-current assets | 34,326 | 59,528 | 116,881 | 114,733 | 175,150 |
| Loss on liquidation of business | - | - | - | 65,595 | - |
| Loss on valuation of golf club membership | - | 12,359 | 19,220 | 7,075 | - |
| Loss on cancellation of derivatives | - | - | - | - | 1,051,049 |
| Impairment loss | 323,120 | 411,379 | 549,577 | 408,046 | 263,840 |
| Loss on abandonment of goods | - | - | 28,450 | - | 95,575 |
| Loss on adjustment for changes of accounting standard for asset retirement obligations | - | - | 549,530 | - | - |
| Loss on disaster | - | - | 53,518 | - | - |
| Donation | - | - | 52,957 | - | - |
| Income before income taxes and minority interests | 25,561,389 | 30,706,786 | 27,035,930 | 30,152,024 | 33,231,112 |
| Income taxes - current | 10,619,303 | 11,273,182 | 11,767,273 | 13,126,285 | 13,598,256 |
| Income taxes - deferred | (210,786) | 312,632 | (429,211) | (220,612) | (319,740) |
| Total income taxes | 10,408,517 | 11,585,815 | 11,338,061 | 12,905,672 | 13,278,516 |
| Income before minority interests | - | - | 15,697,869 | 17,246,351 | 19,952,596 |
| Minority interests in income (loss) | 679,144 | 746,946 | 21,408 | (51,225) | (36,470) |
| Net income | 14,473,727 | 18,374,023 | 15,676,460 | 17,297,577 | 19,989,067 |

Consolidated Statement of Cash Flows



| (¥ thousand) | FY2/10 | FY2/11 | FY2/12 | FY2/13 | FY2/14 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Cash flows from operating activities | | | | | |
| Net cash provided by (used in) operating activities | 13,248,846 | 12,490,025 | 18,998,704 | 15,395,953 | 22,997,936 |
| Income before income taxes and minority interests | 25,561,389 | 30,706,786 | 27,035,930 | 30,152,024 | 33,231,112 |
| Depreciation | 1,928,744 | 2,189,606 | 2,648,130 | 3,250,878 | 3,885,923 |
| Increase (decrease) in provision for bonuses | 43,939 | 11,879 | 96,244 | 62,672 | 8,583 |
| Increase (decrease) in allowance for doubtful accounts | 157 | 3,563 | 11,447 | (12,264) | 3,636 |
| Interest and dividend income | (18,973) | (125,976) | (41,475) | (47,453) | (80,297) |
| Interest expenses | 156,144 | 166,482 | 132,524 | 74,012 | 53,899 |
| Foreign exchange losses (gains) | (300,026) | 198,971 | 2,732 | (104,166) | △85,952 |
| Loss (gain) on valuation of securities | - | - | - | 16,582 | - |
| Loss (gain) on valuation of derivatives | - | - | (942,582) | (106,753) | - |
| Loss (gain) on cancellation of derivatives | - | - | - | - | 1,049,336 |
| Loss (gain) on sales of investment securities | - | (150,847) | - | - | - |
| Loss (gain) on sales of shares of subsidiaries and associates | - | (3,475,693) | - | - | - |
| Loss (gain) on sales and retirement of non-current assets | 34,326 | (782,307) | 110,445 | 114,531 | 174,214 |
| Impairment loss | 323,120 | 411,379 | 549,577 | 408,046 | 263,840 |
| Loss on adjustment for changes of accounting standard for asset retirement obligations | - | - | 549,530 | - | - |
| Loss on valuation of golf club memberships | - | 12,359 | - | - | - |
| Dividend income and refund premiums of insurance | (59,193) | - | - | - | - |
| Income from contract penalty | (350,000) | - | - | - | - |
| Share of (profit) loss of entities accounted for using equity method | (692,270) | 391,220 | - | - | - |
| Decrease (increase) in notes and accounts receivable - trade | (581,740) | (47,768) | (298,790) | (620,481) | (853,310) |
| Decrease (increase) in inventories | (3,035,057) | (4,879,416) | (860,055) | (5,362,064) | (4,455,464) |
| Increase (decrease) in notes and accounts payable - trade | (714,209) | (331,979) | (191,642) | (915,849) | 659,116 |
| Other, net | (298,165) | 242,726 | 1,044,345 | 723,693 | 3,002,399 |
| Subtotal | 21,998,184 | 24,540,986 | 29,846,360 | 27,633,408 | 36,857,037 |
| Interest and dividend income received | 23,340 | 117,884 | 33,842 | 32,920 | 56,908 |
| Proceeds from dividend income from entities accounted for using equity method | 104,002 | 187,203 | - | - | - |
| Interest expenses paid | (146,426) | (167,167) | (138,066) | (76,415) | (52,708) |
| Payments for loss on disaster | - | - | (37,552) | - | - |
| Payments for donation | - | - | (52,957) | - | - |
| Proceeds from contract penalty | 350,000 | - | - | - | - |
| Income taxes paid | (9,080,254) | (12,188,881) | (10,652,922) | (12,193,959) | (13,863,300) |

Consolidated Statement of Cash Flows



| (¥ thousand) | FY2/10 | FY2/11 | FY2/12 | FY2/13 | FY2/14 |
|--|---------------------|--------------------|---------------------|---------------------|--------------------|
| Cash flows from investing activities | | | | | |
| Net cash provided by (used in) investing activities | (12,160,736) | 8,068,521 | (10,515,422) | (17,203,674) | (7,573,433) |
| Payments into time deposits | - | (177,110) | (5,400) | (5,400) | - |
| Proceeds from withdrawal of time deposits | 202,740 | 74,719 | 5,400 | 120,526 | 33,236 |
| Purchase of investment securities | (49,759) | - | - | - | - |
| Proceeds from sales of investment securities | - | 312,903 | - | - | - |
| Purchase of property, plant and equipment | (5,232,683) | (3,257,758) | (5,615,864) | (4,093,447) | (3,862,523) |
| Proceeds from sales of property, plant and equipment | - | 3,589,489 | 17,799 | 5,137 | 4,918 |
| Purchase of intangible assets | (99,038) | (453,351) | (207,396) | (419,560) | (466,501) |
| Proceeds from bargain cancellation of property, assets | 1,660,640 | - | - | - | - |
| Payments for store removal | (11,691) | (44,543) | (78,681) | (55,935) | (92,037) |
| Purchase of shares of subsidiaries and associates | (6,832,258) | - | - | - | - |
| Proceeds from sales of shares of subsidiaries and associates | - | 10,160,000 | - | - | - |
| Purchase of insurance funds | (1,253) | - | - | - | - |
| Proceeds from maturity and cancellation of insurance funds | 67,285 | - | - | - | - |
| Payments of loans receivable | (252,867) | (305,500) | (315,500) | (185,000) | (1,770,000) |
| Collection of loans receivable | 27,279 | 40,406 | 57,696 | 83,062 | 85,233 |
| Purchase of shares of subsidiaries | - | - | (3,435,971) | - | - |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | - | - | - | (10,999,115) | - |
| Payments for lease and guarantee deposits | (2,175,219) | (2,415,938) | (1,527,365) | (2,562,575) | (1,993,985) |
| Proceeds from collection of lease and guarantee deposits | 332,372 | 691,886 | 669,580 | 1,011,240 | 586,420 |
| Other payments | (83,340) | (210,247) | (118,699) | (240,663) | (114,890) |
| Other proceeds | 287,057 | 63,565 | 38,980 | 138,055 | 16,695 |
| Cash flows from financing activities | | | | | |
| Net cash provided by (used in) financing activities | 1,923,290 | (6,467,879) | (4,972,811) | 28,209,995 | (5,916,784) |
| Net increase (decrease) in short-term loans payable | (591,667) | (3,601,661) | (2,108,047) | 864,471 | (972,001) |
| Proceeds from long-term loans payable | 5,000,000 | - | 10,000,000 | - | - |
| Repayments of long-term loans payable | - | - | (9,252,800) | (2,259,060) | (1,002,800) |
| Cash dividends paid | (2,484,719) | (2,861,186) | (3,609,464) | (3,384,043) | (3,989,669) |
| Proceeds from share issuance to minority shareholders | - | - | - | - | 69,510 |
| Purchase of treasury shares | (322) | - | - | - | - |
| Proceeds from issuance of bonds with subscription rights to shares | - | - | - | 33,000,000 | - |
| Other payments | - | (5,031) | (2,499) | (11,371) | (21,823) |
| Effect of exchange rate change on cash and cash equivalents | 58,335 | (38,339) | (88,091) | 378,867 | 475,789 |
| Net increase (decrease) in cash and cash equivalents | 3,069,735 | 14,052,327 | 3,422,379 | 26,781,142 | 9,983,508 |
| Cash and cash equivalents at beginning of period | 21,446,497 | 24,516,232 | 38,568,560 | 41,990,939 | 68,772,082 |
| Cash and cash equivalents at end of period | 24,516,232 | 38,568,560 | 41,990,939 | 68,772,082 | 78,755,590 |

Consolidated Statement of Changes in Equity



FY2/13

| (¥ thousand) | Shareholders' equity | | | | | Accumulated other comprehensive income | | | Minority interests | Total net assets |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|---|---|--|--------------------|------------------|
| | Capital stock | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Total accumulated other comprehensive income | | |
| Balance at beginning of current period | 3,482,930 | 7,488,686 | 82,402,496 | (522) | 93,373,591 | (5,746) | (1,432,324) | (1,438,071) | 300,628 | 92,236,148 |
| Changes of items during period | | | | | | | | | | |
| Dividends of surplus | | | (3,388,241) | | (3,388,241) | | | | | (3,388,241) |
| Net income | | | 17,297,577 | | 17,297,577 | | | | | 17,297,577 |
| Net changes of items other than shareholders' equity | | | | | | 19,178 | 3,610,033 | 3,629,212 | (10,012) | 3,619,200 |
| Total changes of items during period | - | - | 13,909,335 | - | 13,909,335 | 19,178 | 3,610,033 | 3,629,212 | (10,012) | 17,528,535 |
| Balance at end of current period | 3,482,930 | 7,488,686 | 96,311,831 | (522) | 107,282,926 | 13,432 | 2,177,708 | 2,191,141 | 290,616 | 109,764,684 |

FY2/14

| (¥ thousand) | Shareholders' equity | | | | | Accumulated other comprehensive income | | | Minority interests | Total net assets |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|---|---|--|--------------------|------------------|
| | Capital stock | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Total accumulated other comprehensive income | | |
| Balance at beginning of current period | 3,482,930 | 7,488,686 | 96,311,831 | (522) | 107,282,926 | 13,432 | 2,177,708 | 2,191,141 | 290,616 | 109,764,684 |
| Changes of items during period | | | | | | | | | | |
| Dividends of surplus | | | (3,990,596) | | (3,990,596) | | | | | (3,990,596) |
| Net income | | | 19,989,067 | | 19,989,067 | | | | | 19,989,067 |
| Net changes of items other than shareholders' equity | | | | | | 9,815 | 6,064,106 | 6,073,921 | 82,108 | 6,156,029 |
| Total changes of items during period | - | - | 15,998,471 | - | 15,998,471 | 9,815 | 6,064,106 | 6,073,921 | 82,108 | 22,154,500 |
| Balance at end of current period | 3,482,930 | 7,488,686 | 112,310,302 | (522) | 123,281,397 | 23,248 | 8,241,814 | 8,265,062 | 372,724 | 131,919,185 |

Results by Segment

| (¥ thousand) | FY2/10 | FY2/11 | FY2/12 | FY2/13 | FY2/14 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| Net sales | 113,507,052 | 127,367,153 | 140,761,016 | 159,418,140 | 188,045,018 |
| Domestic | 103,026,996 | 112,442,646 | 121,856,243 | 131,773,827 | 145,187,331 |
| Overseas | 10,480,056 | 14,924,506 | 18,904,773 | 27,644,313 | 42,857,687 |
| Operating income | 24,186,158 | 26,857,499 | 27,221,227 | 30,375,117 | 34,126,024 |
| Domestic | 22,526,414 | 23,926,382 | 24,617,520 | 28,759,548 | 31,358,352 |
| Overseas | 1,700,792 | 2,863,410 | 2,612,929 | 1,611,556 | 2,782,149 |
| Elimination | (41,047) | 67,706 | (9,222) | 4,012 | (14,477) |
| Assets | 99,400,512 | 111,087,052 | 120,203,941 | 174,159,421 | 196,881,032 |
| Domestic | 88,133,778 | 95,411,837 | 101,607,412 | 135,687,435 | 149,087,596 |
| Overseas | 14,247,929 | 15,718,519 | 18,655,296 | 39,097,224 | 47,903,934 |
| Elimination | (2,981,196) | (43,303) | (58,767) | (625,238) | (110,498) |
| (%) | FY2/10 | FY2/11 | FY2/12 | FY2/13 | FY2/14 |
| Composition ratio to net sales | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Domestic | 90.8 | 88.3 | 86.6 | 82.7 | 77.2 |
| Overseas | 9.2 | 11.7 | 13.4 | 17.3 | 22.8 |
| Operating income margin | 21.3 | 21.1 | 19.3 | 19.1 | 18.1 |
| Domestic | 21.9 | 21.3 | 20.2 | 21.8 | 21.6 |
| Overseas | 16.2 | 19.2 | 13.8 | 5.8 | 6.5 |

Note: Reporting segment names were changed from FY2/13.

As a result, segment results prior to FY2/12 have been restated to conform to the new segment names.

Sales by Category

| (%) | FY2/10 | FY2/11 | FY2/12 | FY2/13 | FY2/14 |
|--|-------------|-------------|-------------|-------------|-------------|
| Ratio of in-house products (domestic)* | 45.7 | 45.9 | 44.7 | 46.5 | 48.0 |
| (¥ thousand) | FY2/10 | FY2/11 | FY2/12 | FY2/13 | FY2/14 |
| Net sales | 113,507,052 | 127,367,153 | 140,761,016 | 159,418,140 | 188,045,018 |
| Sports | 56,419,808 | 61,613,476 | 68,909,762 | 73,942,556 | 87,441,766 |
| Leather Casual | 18,442,962 | 21,627,609 | 23,200,585 | 30,058,924 | 39,079,910 |
| Ladies' | 15,302,255 | 17,296,974 | 18,232,412 | 21,833,829 | 23,309,639 |
| Business | 8,478,108 | 9,386,321 | 10,467,999 | 10,626,973 | 11,163,759 |
| Kids | 6,283,202 | 6,925,666 | 7,496,787 | 8,547,085 | 10,405,627 |
| Sandals | 2,998,426 | 3,232,967 | 4,319,874 | 4,702,643 | 5,492,363 |
| Others | 5,582,288 | 7,284,138 | 8,133,594 | 9,706,127 | 11,151,952 |

*Note: In-house products = Private brands + In-house brands

Consolidated Profitability Indicators



| (¥ million) | FY2/10 | FY2/11 | FY2/12 | FY2/13 | FY2/14 |
|------------------|---------|---------|---------|---------|---------|
| Net sales | 113,507 | 127,367 | 140,761 | 159,418 | 188,045 |
| Gross profit | 64,476 | 74,280 | 81,102 | 91,309 | 103,727 |
| SG&A expenses | 40,290 | 47,422 | 53,881 | 60,933 | 69,601 |
| Operating income | 24,186 | 26,857 | 27,221 | 30,375 | 34,126 |
| Ordinary income | 25,568 | 26,710 | 28,399 | 30,747 | 34,814 |
| Net income | 14,473 | 18,374 | 15,676 | 17,297 | 19,989 |

| (%) | FY2/10 | FY2/11 | FY2/12 | FY2/13 | FY2/14 |
|---------------------------|--------|--------|--------|--------|--------|
| Gross profit on net sales | 56.8 | 58.3 | 57.6 | 57.3 | 55.2 |
| SG&A expenses ratio | 35.5 | 37.2 | 38.3 | 38.2 | 37.0 |
| Operating income margin | 21.3 | 21.1 | 19.3 | 19.1 | 18.1 |
| Ordinary income margin | 22.5 | 21.0 | 20.2 | 19.3 | 18.5 |
| Net income margin | 12.8 | 14.4 | 11.1 | 10.9 | 10.6 |

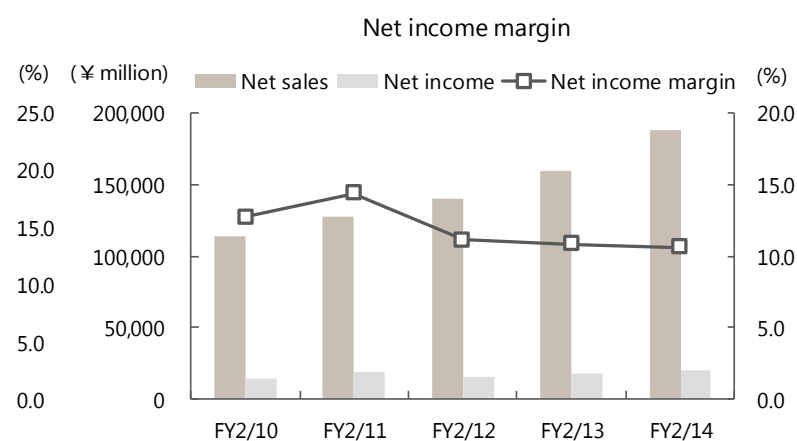
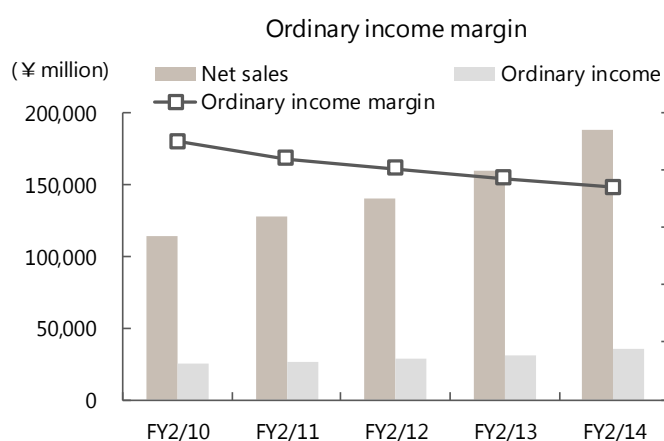
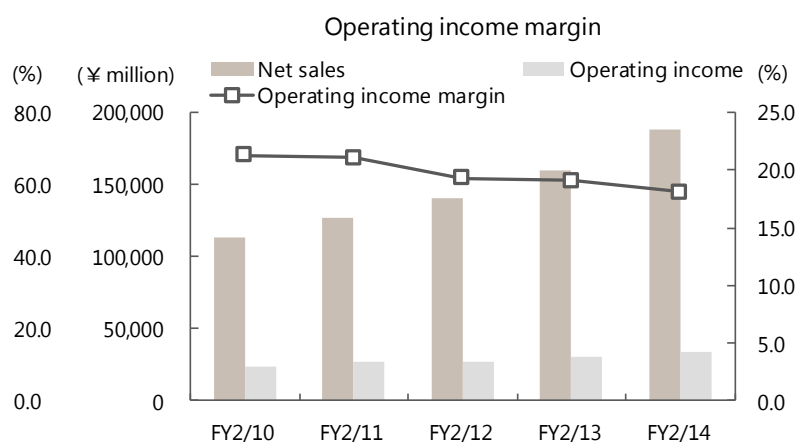
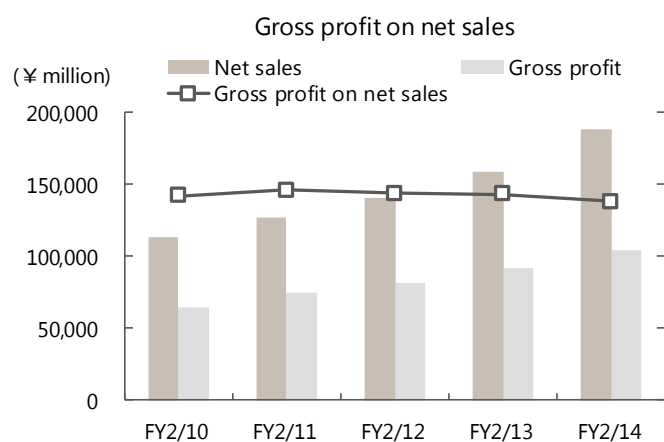
Gross profit on net sales=Gross profit/Net sales

SG&A expenses ratio=SG&A expenses/Net sales

Operating income margin=Operating income/Net sales

Ordinary income margin=Ordinary income/Net sales

Net income margin=Net income/Net sales



Consolidated Efficiency Indicators



| (times) | FY2/10 | FY2/11 | FY2/12 | FY2/13 | FY2/14 |
|-----------------------------|--------|--------|--------|--------|--------|
| Total assets turnover | 1.14 | 1.15 | 1.17 | 0.92 | 0.96 |
| Non-current assets turnover | 2.21 | 2.89 | 2.96 | 2.61 | 2.79 |
| Current assets turnover | 2.36 | 1.90 | 1.94 | 1.41 | 1.45 |

| (days) | FY2/10 | FY2/11 | FY2/12 | FY2/13 | FY2/14 |
|------------------------------|--------|--------|--------|--------|--------|
| Inventories turnover | 57.75 | 64.95 | 60.27 | 76.04 | 76.58 |
| Accounts receivable turnover | 6.34 | 6.79 | 6.65 | 11.59 | 12.55 |
| Accounts payable turnover | 24.81 | 21.41 | 18.53 | 17.12 | 16.60 |

Total assets turnover=Net sales/Total assets

Non-current assets turnover=Net sales/Non-current assets

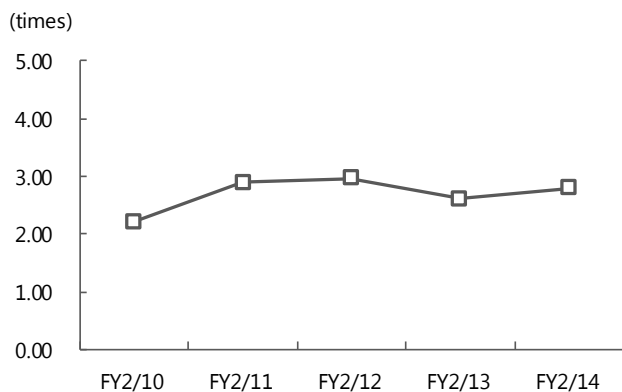
Current assets turnover=Net sales/Current assets

Inventories turnover=Inventories/Net salesx365

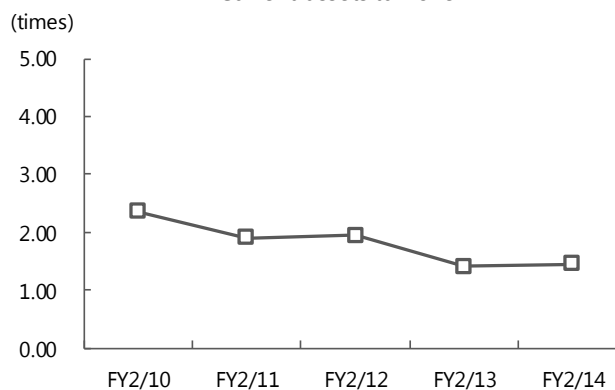
Accounts receivable turnover=Accounts receivable/Net salesx365

Accounts payable turnover=Accounts payable/Net salesx365

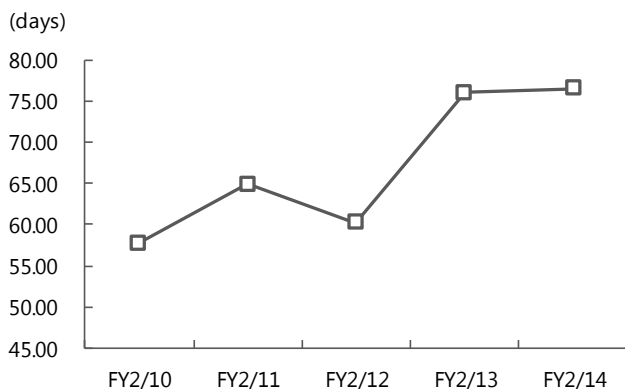
Non-current assets turnover



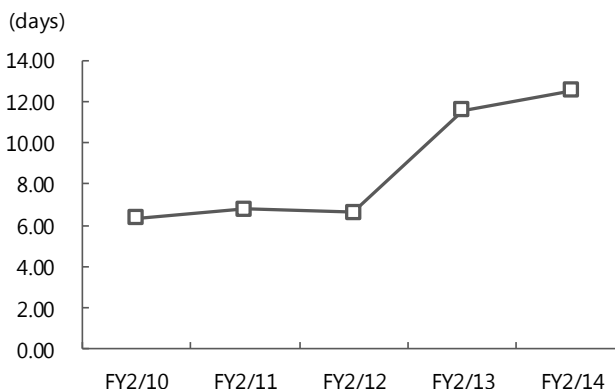
Current assets turnover



Inventories turnover



Accounts receivable turnover



Consolidated Stability Indicators



| (¥ million) | FY2/10 | FY2/11 | FY2/12 | FY2/13 | FY2/14 |
|-----------------------|--------|---------|---------|---------|---------|
| Equity | 65,331 | 80,413 | 91,935 | 109,474 | 131,546 |
| Total assets | 99,400 | 111,087 | 120,203 | 174,159 | 196,881 |
| Non-current assets | 51,268 | 44,045 | 47,499 | 61,092 | 67,338 |
| Current assets | 48,131 | 67,041 | 72,704 | 113,067 | 129,542 |
| Current liabilities | 26,869 | 25,958 | 23,682 | 25,960 | 27,362 |
| Interest-bearing debt | 13,311 | 9,633 | 8,267 | 40,641 | 38,781 |

| (%) | FY2/10 | FY2/11 | FY2/12 | FY2/13 | FY2/14 |
|---------------|--------|--------|--------|--------|--------|
| Equity ratio | 65.7 | 72.4 | 76.5 | 62.9 | 66.8 |
| D/E ratio | 20.4 | 12.0 | 9.0 | 37.1 | 29.5 |
| Fixed ratio | 78.5 | 54.8 | 51.7 | 55.8 | 51.2 |
| Current ratio | 179.1 | 258.3 | 307.0 | 435.5 | 473.4 |
| ROA | 16.0 | 17.5 | 13.6 | 11.8 | 10.8 |
| ROE | 24.4 | 25.2 | 18.2 | 17.2 | 16.6 |

Interest-bearing debt=Short-term loans payable+Current portion of long-term loans payable+Long-term loans payable

+Convertible bond-type bonds with subscription rights to shares

Equity ratio=Equity/Total assets

Current ratio=Current assets/Current liabilities

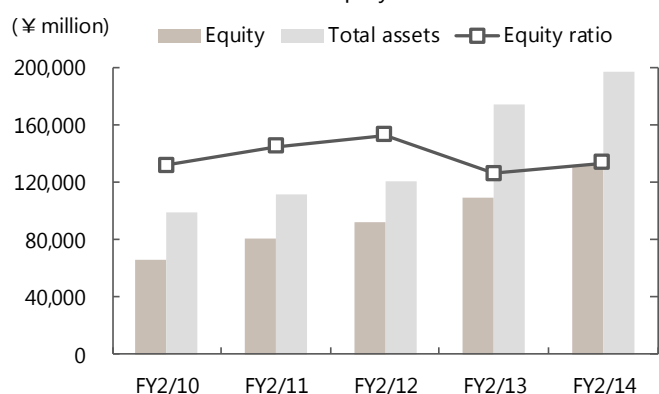
D/E ratio=Interest-bearing debt/Equity

ROA=Net income/Average total assets

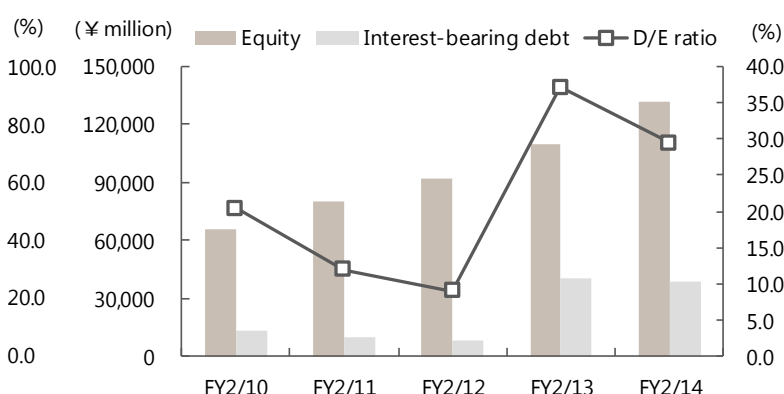
Fixed ratio=Non-current assets/Equity

ROE=Net income/Average equity

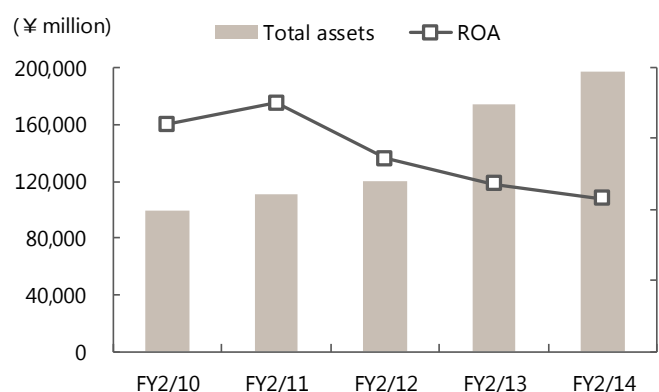
Equity ratio



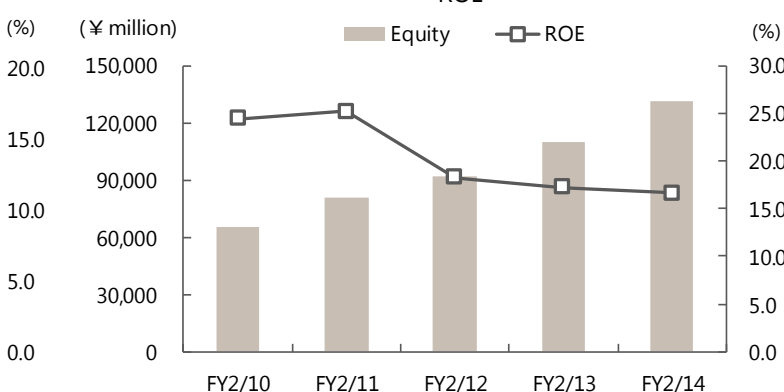
D/E ratio



ROA



ROE



Per Share Indicators

| (¥) | FY2/10 | FY2/11 | FY2/12 | FY2/13 | FY2/14 |
|--|-------------|-------------|-------------|-------------|-------------|
| Stock price at term end | 2,935 | 3,255 | 2,863 | 3,235 | 4,030 |
| Closing stock price range for the last 12 months | 1,738-3,015 | 2,386-3,645 | 2,667-3,375 | 2,727-3,785 | 3,180-5,080 |
| Earnings per share (EPS) | 192.23 | 244.03 | 208.20 | 229.73 | 265.48 |
| Diluted EPS | - | - | - | 228.30 | 242.33 |
| Book-value per share (BPS) | 867.68 | 1,067.98 | 1,221.02 | 1,453.95 | 1,747.10 |
| Dividend per share (DPS) | 35.00 | (*) 48.00 | 42.00 | 50.00 | 55.00 |

Note: * Inclusive of 10 year commemorative listing dividend of ¥10

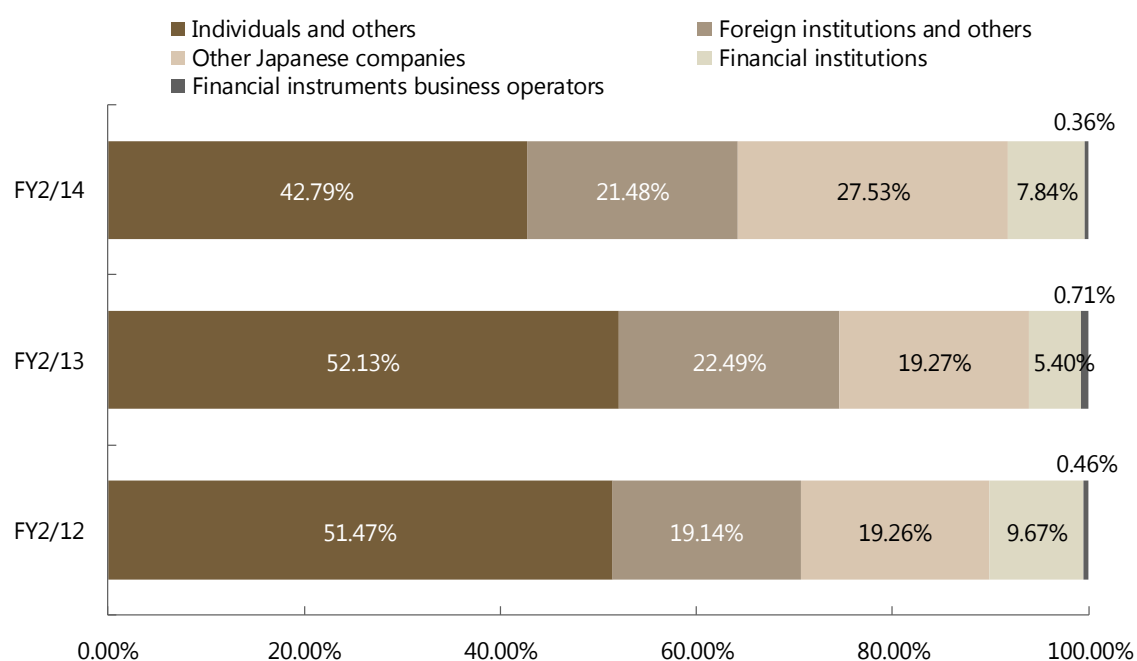
Status of Major Shareholders

As of February 28, 2014

| Top 10 Shareholders | Number of Shares (thousand shares) | Shareholding Ratio (%) |
|---|---------------------------------------|---------------------------|
| Masahiro Miki | 21,380 | 28.39 |
| EM Planning LLC | 20,628 | 27.39 |
| Michiko Miki | 9,484 | 12.59 |
| Northern Trust Company (AVFC) Sub Account Non Treaty | 1,520 | 2.01 |
| The Master Trust Bank of Japan, Ltd. (trust account) | 1,378 | 1.83 |
| Japan Trustee Services Bank, Ltd. (trust account) | 1,369 | 1.81 |
| JP Morgan Chase Bank 385047 | 865 | 1.14 |
| Northern Trust Company AVFC Re Fidelity Funds | 829 | 1.10 |
| The Chase Manhattan Bank N.A. London Secs Lending Omnibus Account | 770 | 1.02 |
| National Mutual Insurance Federation of Agricultural Cooperatives | 683 | 0.90 |

Note: In addition to the above, ABC-MART, INC. holds 164 shares (0.00%) in treasury shares.

Breakdown of Types of Shareholders





Contact

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Investor Relations

Phone: +81-3-3476-5452

<http://www.abc-mart.co.jp/ir/>