

Summary of Consolidated Financial Results for the Year Ended February 28, 2014 (Based on Japanese GAAP)

April 9, 2014

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 28, 2014
 Scheduled date to file Securities Report: May 29, 2014
 Scheduled date to commence dividend payments: May 29, 2014
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended February 28, 2014 (from March 1, 2013 to February 28, 2014)

(1) Consolidated financial 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, 2014	188,045	18.0	34,126	12.3	34,814	13.2	19,989	15.6
Year ended February 28, 2013	159,418	13.3	30,375	11.6	30,747	8.3	17,297	10.3

(Note) Comprehensive income:

Year ended February 2014 26,075 million yen (24.7%) Year ended February 2013 20,916 million yen (38.2%)

	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, 2014	265.48	242.33	16.6	18.8	18.1
Year ended February 28, 2013	229.73	228.30	17.2	20.9	19.1

(Reference) Equity in earnings of affiliated companies:

Year ended February 2014 - million yen Year ended February 2013 - 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, 2014	196,881	131,919	66.8	1,747.10
As of February 28, 2013	174,159	109,764	62.9	1,453.95

(Reference) Shareholders' Equity:

As of February 28, 2014 131,546 million yen As of February 28, 2013 109,474 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended February 28, 2014	22,997	(7,573)	(5,916)	78,755
Year ended February 28, 2013	15,395	(17,203)	28,209	68,772

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended February 28, 2013	—	22.00	—	28.00	50.00	3,764	21.8	3.7
Year ended February 28, 2014	—	25.00	—	30.00	55.00	4,141	20.7	3.4
Year ending February 28, 2015 (Forecast)	—	30.00	—	30.00	60.00		21.0	

3. Forecast of consolidated financial results for the year ending February 28, 2015 (from March 1, 2014 to February 28, 2015)

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, 2014	100,800	7.4	18,900	(0.5)	19,150	0.1	11,320	6.6	150.34
Full year	203,000	8.0	35,800	4.9	36,300	4.3	21,500	7.6	285.55

4. Notes

(1) Changes in significant subsidiaries during the year ended February 28, 2014

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: Yes

Restatement of prior period financial statements after error corrections: No

(3) Number of issued shares (common shares)

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

As of February 28, 2014	75,294,429 shares	As of February 28, 2013	75,294,429 shares
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Number of treasury shares at the end of the period

As of February 28, 2014	164 shares	As of February 28, 2013	164 shares
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Average number of shares during the period

Year ended February 28, 2014	75,294,265 shares	Year ended February 28, 2013	75,294,265 shares
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(Reference) Summary of Nonconsolidated Financial Statements

1. Nonconsolidated financial results for the year ended February 28, 2014 (from March 1, 2013 to February 28, 2014)

(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, 2014	145,387	10.3	30,951	9.1	31,907	10.0	18,105	11.7
Year ended February 28, 2013	131,840	8.0	28,377	16.8	29,002	13.4	16,214	17.2

	Net income per share	Diluted net income per share
	Yen	Yen
Year ended February 28, 2014	240.47	219.50
Year ended February 28, 2013	215.35	214.01

(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, 2014	172,708	114,833	66.5	1,525.13
As of February 28, 2013	159,146	100,708	63.3	1,337.53

(Reference) Shareholders' Equity:

As of February 28, 2014 114,833 million yen As of February 28, 2013 100,708 million yen

2. Forecast of nonconsolidated financial results for the year ending February 28, 2015 (from March 1, 2014 to February 28, 2015)

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, 2014	78,140	5.8	17,770	(0.1)	10,220	4.5	135.73
Full year	153,300	5.4	32,550	2.0	18,800	3.8	249.69

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, 2015 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 28, 2013	As of February 28, 2014
Assets		
Current assets		
Cash and deposits	68,852,158	78,884,221
Notes and accounts receivable - trade	5,064,083	6,463,290
Merchandise and finished goods	32,682,063	38,962,423
Work in process	44,833	13,583
Raw materials and supplies	485,939	479,689
Currency options	1,314,421	-
Deferred tax assets	1,166,442	1,414,815
Other	3,480,723	3,355,309
Allowance for doubtful accounts	(23,645)	(30,704)
Total current assets	113,067,021	129,542,628
Non-current assets		
Property, plant and equipment		
Buildings and structures	20,886,196	22,758,728
Accumulated depreciation	(9,553,405)	(10,980,400)
Buildings and structures, net	11,332,790	11,778,327
Tools, furniture and fixtures	6,266,116	8,012,820
Accumulated depreciation	(3,604,799)	(4,923,220)
Tools, furniture and fixtures, net	2,661,316	3,089,600
Land	17,483,893	17,696,636
Construction in progress	60,071	90,871
Other	468,848	593,253
Accumulated depreciation	(418,561)	(463,772)
Other, net	50,286	129,480
Total property, plant and equipment	31,588,359	32,784,917
Intangible assets		
Trademark right	2,465,569	2,682,855
Goodwill	6,821,704	7,195,840
Other	1,506,138	1,770,403
Total intangible assets	10,793,412	11,649,099
Investments and other assets		
Investment securities	109,651	125,485
Shares of subsidiaries and associates	84,175	94,075
Lease and guarantee deposits	16,494,299	18,960,429
Other	2,022,501	3,725,535
Allowance for doubtful accounts	-	(1,138)
Total investments and other assets	18,710,627	22,904,387
Total non-current assets	61,092,399	67,338,404
Total assets	174,159,421	196,881,032

(Thousands of yen)

	As of February 28, 2013	As of February 28, 2014
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,477,486	8,551,245
Short-term loans payable	4,135,826	3,278,312
Current portion of long-term loans payable	1,002,800	1,002,800
Income taxes payable	7,455,270	7,113,474
Provision for bonuses	642,716	654,690
Provision	178,038	234,480
Asset retirement obligations	17,861	26,927
Notes payable - facilities	936,279	778,252
Other	4,114,601	5,722,294
Total current liabilities	25,960,880	27,362,478
Non-current liabilities		
Convertible bond-type bonds with subscription rights to shares	33,000,000	33,000,000
Long-term loans payable	2,502,800	1,500,000
Provision	798,867	658,157
Asset retirement obligations	218,207	243,579
Currency options	265,084	-
Other	1,648,895	2,197,632
Total non-current liabilities	38,433,856	37,599,368
Total liabilities	64,394,736	64,961,847
Net assets		
Shareholders' equity		
Capital stock	3,482,930	3,482,930
Capital surplus	7,488,686	7,488,686
Retained earnings	96,311,831	112,310,302
Treasury shares	(522)	(522)
Total shareholders' equity	107,282,926	123,281,397
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13,432	23,248
Foreign currency translation adjustment	2,177,708	8,241,814
Total accumulated other comprehensive income	2,191,141	8,265,062
Minority interests	290,616	372,724
Total net assets	109,764,684	131,919,185
Total liabilities and net assets	174,159,421	196,881,032

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

(Thousands of yen)

	Fiscal year ended February 28, 2013	Fiscal year ended February 28, 2014
Net sales	159,418,140	188,045,018
Cost of sales	68,109,105	84,317,067
Gross profit	91,309,034	103,727,951
Selling, general and administrative expenses		
Packing and transportation expenses	2,210,771	2,162,656
Advertising expenses	6,931,745	7,263,553
Warehousing expenses	1,293,183	2,044,219
Directors' compensations, salaries and allowances	16,431,626	18,737,865
Bonuses	1,083,784	1,139,234
Provision for bonuses	640,700	647,109
Legal and employee benefits expenses	2,113,560	2,418,684
Rents	15,326,723	17,738,673
Depreciation	3,250,878	3,885,923
Utilities expenses	1,793,573	2,050,493
Commission fee	2,677,576	3,461,581
Taxes and dues	668,623	873,247
Provision of allowance for doubtful accounts	1,820	796
Amortization of goodwill	549,441	1,023,343
Other	5,959,908	6,154,542
Total selling, general and administrative expenses	60,933,917	69,601,927
Operating income	30,375,117	34,126,024
Non-operating income		
Interest income	46,729	79,574
Foreign exchange gains	80,501	60,923
Gain on valuation of derivatives	106,753	-
Rent income	481,790	664,362
Advertising medium income	57,450	62,706
Other	204,076	321,647
Total non-operating income	977,302	1,189,214
Non-operating expenses		
Interest expenses	74,012	53,899
Rent expenses	271,275	347,882
Other	259,858	99,377
Total non-operating expenses	605,146	501,160
Ordinary income	30,747,273	34,814,079

(Thousands of yen)

	Fiscal year ended February 28, 2013	Fiscal year ended February 28, 2014
Extraordinary income		
Gain on sales of non-current assets	545	935
Gain on cancellation of derivatives	-	1,713
Total extraordinary income	545	2,648
Extraordinary losses		
Loss on sales of non-current assets	343	-
Loss on retirement of non-current assets	114,733	175,150
Loss on liquidation of business	65,595	-
Loss on valuation of golf club membership	7,075	-
Loss on cancellation of derivatives	-	1,051,049
Impairment loss	408,046	263,840
Loss on abandonment of goods	-	95,575
Total extraordinary losses	595,794	1,585,615
Income before income taxes and minority interests	30,152,024	33,231,112
Income taxes - current	13,126,285	13,598,256
Income taxes - deferred	(220,612)	(319,740)
Total income taxes	12,905,672	13,278,516
Income before minority interests	17,246,351	19,952,596
Minority interests in loss	(51,225)	(36,470)
Net income	17,297,577	19,989,067

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Fiscal year ended February 28, 2013	Fiscal year ended February 28, 2014
Income before minority interests	17,246,351	19,952,596
Other comprehensive income		
Valuation difference on available-for-sale securities	19,178	9,815
Foreign currency translation adjustment	3,651,247	6,113,174
Total other comprehensive income	3,670,426	6,122,990
Comprehensive income	20,916,777	26,075,586
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	20,926,789	26,062,988
Comprehensive income attributable to minority interests	(10,012)	12,598

Consolidated statements of changes in net assets
Fiscal year ended February 28, 2013

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	3,482,930	7,488,686	82,402,496	(522)	93,373,591
Changes of items during period					
Dividends of surplus			(3,388,241)		(3,388,241)
Net income			17,297,577		17,297,577
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	13,909,335	-	13,909,335
Balance at end of current period	3,482,930	7,488,686	96,311,831	(522)	107,282,926

	Accumulated other comprehensive income			Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of current period	(5,746)	(1,432,324)	(1,438,071)	300,628	92,236,148
Changes of items during period					
Dividends of surplus					(3,388,241)
Net income					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	19,178	3,610,033	3,629,212	(10,012)	17,528,535
Balance at end of current period	13,432	2,177,708	2,191,141	290,616	109,764,684

Fiscal year ended February 28, 2014

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	3,482,930	7,488,686	96,311,831	(522)	107,282,926
Changes of items during period					
Dividends of surplus			(3,990,596)		(3,990,596)
Net income			19,989,067		19,989,067
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	15,998,471	-	15,998,471
Balance at end of current period	3,482,930	7,488,686	112,310,302	(522)	123,281,397

	Accumulated other comprehensive income			Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of current period	13,432	2,177,708	2,191,141	290,616	109,764,684
Changes of items during period					
Dividends of surplus					(3,990,596)
Net income					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	9,815	6,064,106	6,073,921	82,108	22,154,500
Balance at end of current period	23,248	8,241,814	8,265,062	372,724	131,919,185

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended February 28, 2013	Fiscal year ended February 28, 2014
Cash flows from operating activities		
Income before income taxes and minority interests	30,152,024	33,231,112
Depreciation	3,250,878	3,885,923
Increase (decrease) in provision for bonuses	62,672	8,583
Increase (decrease) in allowance for doubtful accounts	(12,264)	3,636
Interest and dividend income	(47,453)	(80,297)
Interest expenses	74,012	53,899
Foreign exchange losses (gains)	(104,166)	(85,952)
Loss (gain) on valuation of securities	16,582	-
Loss (gain) on valuation of derivatives	(106,753)	-
Loss (gain) on cancellation of derivatives	-	1,049,336
Loss (gain) on sales and retirement of non-current assets	114,531	174,214
Impairment loss	408,046	263,840
Decrease (increase) in notes and accounts receivable - trade	(620,481)	(853,310)
Decrease (increase) in inventories	(5,362,064)	(4,455,464)
Increase (decrease) in notes and accounts payable - trade	(915,849)	659,116
Other, net	723,693	3,002,399
Subtotal	27,633,408	36,857,037
Interest and dividend income received	32,920	56,908
Interest expenses paid	(76,415)	(52,708)
Income taxes paid	(12,193,959)	(13,863,300)
Net cash provided by (used in) operating activities	15,395,953	22,997,936
Cash flows from investing activities		
Payments into time deposits	(5,400)	-
Proceeds from withdrawal of time deposits	120,526	33,236
Purchase of property, plant and equipment	(4,093,447)	(3,862,523)
Proceeds from sales of property, plant and equipment	5,137	4,918
Purchase of intangible assets	(419,560)	(466,501)
Payments for store removal	(55,935)	(92,037)
Payments of loans receivable	(185,000)	(1,770,000)
Collection of loans receivable	83,062	85,233
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(10,999,115)	-
Payments for lease and guarantee deposits	(2,562,575)	(1,993,985)
Proceeds from collection of lease and guarantee deposits	1,011,240	586,420
Other payments	(240,663)	(114,890)
Other proceeds	138,055	16,695
Net cash provided by (used in) investing activities	(17,203,674)	(7,573,433)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	864,471	(972,001)
Repayments of long-term loans payable	(2,259,060)	(1,002,800)
Cash dividends paid	(3,384,043)	(3,989,669)
Proceeds from share issuance to minority shareholders	-	69,510
Proceeds from issuance of bonds with subscription rights to shares	33,000,000	-
Other payments	(11,371)	(21,823)
Net cash provided by (used in) financing activities	28,209,995	(5,916,784)

(Thousands of yen)

	Fiscal year ended February 28, 2013	Fiscal year ended February 28, 2014
Effect of exchange rate change on cash and cash equivalents	378,867	475,789
Net increase (decrease) in cash and cash equivalents	26,781,142	9,983,508
Cash and cash equivalents at beginning of period	41,990,939	68,772,082
Cash and cash equivalents at end of period	68,772,082	78,755,590