

Summary of Consolidated Financial Results for the Nine Months Ended November 30, 2018 (Q3 FY2019) (Based on Japanese GAAP)

January 9, 2019

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
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 Scheduled date to file Quarterly Securities Report: January 10, 2019
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended November 30, 2018 (from March 1, 2018 to November 30, 2018)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended November 30, 2018	196,158	4.0	33,274	1.7	34,298	2.2	22,961	3.3
Nine months ended November 30, 2017	188,637	5.4	32,704	2.1	33,559	2.6	22,229	0.3

(Note) Comprehensive income:

Nine months ended November 2018 21,948 million yen (Δ 2.6%) Nine months ended November 2017 22,542 million yen (36.8%)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended November 30, 2018	278.21		–	
Nine months ended November 30, 2017	269.34		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of November 30, 2018	292,342	253,314	86.3	3,058.18
As of February 28, 2018	279,697	242,507	86.4	2,928.63

(Reference) Shareholders' Equity:

As of November 30, 2018 252,397 million yen As of February 28, 2018 241,706 million yen

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended February 28, 2018	–	60.00	–	70.00	130.00
Year ending February 28, 2019	–	65.00	–	–	–
Year ending February 28, 2019 (Forecast)	–	–	–	105.00	170.00

(None) Revisions to dividend forecasts published most recently: Yes

3. Forecast of consolidated financial results for the year ending February 28, 2019 (from March 1, 2018 to February 28, 2019)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	263,400	3.6	43,900	1.2	44,600	0.2	29,740	0.1	360.34

(None) Revisions to financial forecasts published most recently: No

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended November 30, 2018
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of November 30, 2018	82,532,416 shares	As of February 28, 2018	82,532,416 shares
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Number of treasury shares at the end of the period

As of November 30, 2018	393 shares	As of February 28, 2018	393 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended November 30, 2018	82,532,023 shares	Nine months ended November 30, 2017	82,532,023 shares
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THIS QUARTERLY CONSOLIDATED FINANCIAL RESULTS STATEMENT IS EXEMPT FROM THE QUARTERLY REVIEW PROCEDURES.

FORWARD LOOKING STATEMENTS AND OTHER SPECIAL ITEMS

The forecast for the year ending February 28, 2019 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.

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of February 28, 2018	As of November 30, 2018
Assets		
Current assets		
Cash and deposits	126,963	126,215
Notes and accounts receivable - trade	9,386	13,544
Inventories	64,390	73,155
Deferred tax assets	1,180	1,213
Other	5,198	5,472
Allowance for doubtful accounts	(19)	(36)
Total current assets	207,099	219,564
Non-current assets		
Property, plant and equipment		
Buildings and structures	28,179	30,142
Accumulated depreciation	(15,022)	(15,750)
Buildings and structures, net	13,157	14,391
Tools, furniture and fixtures	12,463	13,592
Accumulated depreciation	(8,242)	(8,662)
Tools, furniture and fixtures, net	4,221	4,930
Land	14,111	13,874
Construction in progress	931	262
Other	474	438
Accumulated depreciation	(388)	(380)
Other, net	86	57
Total property, plant and equipment	32,507	33,516
Intangible assets		
Trademark right	1,996	1,701
Goodwill	4,109	3,477
Other	1,968	2,323
Total intangible assets	8,075	7,502
Investments and other assets		
Investment securities	52	52
Shares of subsidiaries and associates	2,647	2,647
Long-term loans receivable	1,953	1,862
Lease and guarantee deposits	25,180	24,942
Net defined benefit asset	83	–
Other	2,114	2,272
Allowance for doubtful accounts	(19)	(18)
Total investments and other assets	32,014	31,758
Total non-current assets	72,597	72,777
Total assets	279,697	292,342

(Millions of yen)

	As of February 28, 2018	As of November 30, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	15,262	16,701
Short-term loans payable	2,775	2,751
Income taxes payable	7,961	4,548
Provision for bonuses	906	1,662
Provision	337	294
Asset retirement obligations	16	17
Notes payable - facilities	883	797
Other	6,780	10,115
Total current liabilities	34,924	36,889
Non-current liabilities		
Net defined benefit liability	682	731
Asset retirement obligations	370	377
Other	1,212	1,029
Total non-current liabilities	2,264	2,139
Total liabilities	37,189	39,028
Net assets		
Shareholders' equity		
Capital stock	19,972	19,972
Capital surplus	23,979	23,979
Retained earnings	186,448	198,267
Treasury shares	(2)	(2)
Total shareholders' equity	230,399	242,218
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13	12
Foreign currency translation adjustment	11,293	10,165
Total accumulated other comprehensive income	11,306	10,178
Non-controlling interests	801	916
Total net assets	242,507	253,314
Total liabilities and net assets	279,697	292,342

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended November 30, 2017	Nine months ended November 30, 2018
Net sales	188,637	196,158
Cost of sales	87,178	91,403
Gross profit	101,458	104,755
Selling, general and administrative expenses		
Packing and transportation expenses	2,291	2,510
Advertising expenses	5,146	4,496
Warehousing expenses	2,145	2,389
Directors' compensations, salaries and allowances	18,416	19,198
Bonuses	371	400
Provision for bonuses	1,583	1,659
Retirement benefit expenses	322	297
Legal and employee benefits expenses	2,653	2,904
Rents	19,888	20,967
Depreciation	3,121	3,326
Utilities expenses	1,607	1,655
Commission fee	3,987	4,166
Taxes and dues	1,261	1,307
Amortization of goodwill	645	632
Other	5,310	5,567
Total selling, general and administrative expenses	68,753	71,481
Operating profit	32,704	33,274
Non-operating income		
Interest income	100	110
Foreign exchange gains	65	-
Rent Income for house	809	842
Advertising medium income	34	29
Other	227	534
Total non-operating income	1,236	1,517
Non-operating expenses		
Interest expenses	8	7
Foreign exchange losses	-	37
Rent expenses	344	372
Other	29	75
Total non-operating expenses	381	492
Ordinary profit	33,559	34,298

(Millions of yen)

	Nine months ended November 30, 2017	Nine months ended November 30, 2018
Extraordinary income		
Gain on sales of non-current assets	97	53
Total extraordinary income	97	53
Extraordinary losses		
Loss on retirement of non-current assets	171	145
Impairment loss	247	194
Other	–	1
Total extraordinary losses	419	341
Profit before income taxes	33,237	34,010
Income taxes - current	11,130	11,096
Income taxes - deferred	(232)	(177)
Total income taxes	10,898	10,919
Profit	22,339	23,091
Profit attributable to non-controlling interests	110	130
Profit attributable to owners of parent	22,229	22,961

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended November 30, 2017	Nine months ended November 30, 2018
Profit	22,339	23,091
Other comprehensive income		
Valuation difference on available-for-sale securities	3	(0)
Foreign currency translation adjustment	199	(1,143)
Total other comprehensive income	203	(1,143)
Comprehensive income	22,542	21,948
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	22,415	21,833
Comprehensive income attributable to non-controlling interests	127	115