

Summary of Consolidated Financial Results for the Three Months Ended May 31, 2019(Q1 FY2020) (Based on Japanese GAAP)

July 4, 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: July 8, 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 three months ended May 31, 2019 (from March 1, 2019 to May 31, 2019)

(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	%
Three months ended May 31, 2019	74,648	6.6	14,315	3.9	14,502	2.1	9,811	2.4
Three months ended May 31, 2018	70,029	2.2	13,775	(1.4)	14,207	(0.7)	9,577	0.8

(Note) Comprehensive income:

Three months ended May 2019 9,397 million yen (38.6%) Three months ended May 2018 6,781 million yen (Δ 32.7%)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended May 31, 2019	118.88		–	
Three months ended May 31, 2018	116.04		–	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen		Millions of yen		%		Yen	
As of May 31, 2019	303,226		260,046		85.4		3,138.22	
As of February 28, 2019	296,941		259,315		87.0		3,130.62	

(Reference) Shareholders' Equity:

As of May 31, 2019 259,003 million yen As of February 28, 2019 258,376 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, 2019	–	65.00	–	105.00	170.00
Year ending February 29, 2020	–	–	–	–	–
Year ending February 29, 2020 (Forecast)	–	85.00	–	85.00	170.00

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

3. Forecast of consolidated financial results for the year ending February 29, 2020 (from March 1, 2019 to February 29, 2020)

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
Six months ending August 31, 2019	139,500	5.0	24,400	(1.0)	24,720	(2.3)	16,750	(1.0)	202.95
Full year	278,300	4.3	45,200	2.9	45,700	1.3	30,860	1.9	373.92

(None) Revisions to financial forecasts published most recently: None

4. Notes

- (1) Changes in significant subsidiaries during the three months ended May 31, 2019
(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 May 31, 2019	82,532,416 shares	As of February 28, 2019	82,532,416 shares
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Number of treasury shares at the end of the period

As of May 31, 2019	470 shares	As of February 28, 2019	393 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended May 31, 2019	82,532,002 shares	Three months ended May 31, 2018	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 29, 2020 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, 2019	As of May 31, 2019
Assets		
Current assets		
Cash and deposits	139,914	136,379
Notes and accounts receivable - trade	10,423	12,683
Inventories	65,665	69,466
Other	4,648	8,236
Allowance for doubtful accounts	(42)	(50)
Total current assets	220,610	226,716
Non-current assets		
Property, plant and equipment		
Buildings and structures	30,266	30,658
Accumulated depreciation	(16,089)	(16,298)
Buildings and structures, net	14,176	14,360
Tools, furniture and fixtures	13,612	13,994
Accumulated depreciation	(8,818)	(8,954)
Tools, furniture and fixtures, net	4,794	5,039
Land	17,099	17,076
Construction in progress	203	191
Other	432	457
Accumulated depreciation	(378)	(385)
Other, net	54	71
Total property, plant and equipment	36,328	36,740
Intangible assets		
Trademark right	1,570	1,471
Goodwill	2,876	2,677
Other	2,392	2,433
Total intangible assets	6,840	6,583
Investments and other assets		
Investment securities	46	43
Shares of subsidiaries and associates	2,647	2,647
Long-term loans receivable	1,802	1,782
Lease and guarantee deposits	24,961	25,038
Deferred tax assets	3,087	3,061
Other	634	631
Allowance for doubtful accounts	(17)	(17)
Total investments and other assets	33,162	33,186
Total non-current assets	76,330	76,510
Total assets	296,941	303,226

(Millions of yen)

	As of February 28, 2019	As of May 31, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,877	19,839
Short-term loans payable	2,189	2,414
Income taxes payable	7,721	5,671
Provision for bonuses	915	1,544
Provision	361	263
Asset retirement obligations	23	18
Notes payable - facilities	1,227	566
Other	9,264	10,747
Total current liabilities	35,580	41,066
Non-current liabilities		
Net defined benefit liability	703	765
Asset retirement obligations	377	395
Other	964	952
Total non-current liabilities	2,045	2,113
Total liabilities	37,626	43,180
Net assets		
Shareholders' equity		
Capital stock	19,972	19,972
Capital surplus	23,979	23,979
Retained earnings	205,591	206,737
Treasury shares	(2)	(2)
Total shareholders' equity	249,542	250,687
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8	6
Foreign currency translation adjustment	8,825	8,308
Total accumulated other comprehensive income	8,833	8,315
Non-controlling interests	938	1,042
Total net assets	259,315	260,046
Total liabilities and net assets	296,941	303,226

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended May 31, 2018	Three months ended May 31, 2019
Net sales	70,029	74,648
Cost of sales	31,906	34,923
Gross profit	38,122	39,725
Selling, general and administrative expenses		
Packing and transportation expenses	837	955
Advertising expenses	1,567	1,536
Warehousing expenses	816	832
Directors' compensations, salaries and allowances	6,527	7,095
Provision for bonuses	744	665
Retirement benefit expenses	98	109
Legal and employee benefits expenses	943	984
Rents	7,271	7,174
Depreciation	1,074	1,134
Utilities expenses	515	527
Commission fee	1,504	1,779
Taxes and dues	444	453
Amortization of goodwill	208	197
Other	1,791	1,962
Total selling, general and administrative expenses	24,347	25,410
Operating profit	13,775	14,315
Non-operating income		
Interest income	39	46
Rent Income for house	286	258
Advertising medium income	11	10
Other	230	64
Total non-operating income	567	380
Non-operating expenses		
Interest expenses	2	1
Foreign exchange losses	12	60
Rent expenses	116	123
Other	3	7
Total non-operating expenses	134	192
Ordinary profit	14,207	14,502

(Millions of yen)

	Three months ended May 31, 2018	Three months ended May 31, 2019
Extraordinary income		
Gain on sales of non-current assets	53	—
Total extraordinary income	53	—
Extraordinary losses		
Loss on retirement of non-current assets	35	20
Impairment loss	3	13
Other	1	—
Total extraordinary losses	40	34
Profit before income taxes	14,220	14,467
Income taxes - current	4,628	4,555
Income taxes - deferred	(46)	(2)
Total income taxes	4,581	4,552
Profit	9,638	9,915
Profit attributable to non-controlling interests	61	103
Profit attributable to owners of parent	9,577	9,811

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended May 31, 2018	Three months ended May 31, 2019
Profit	9,638	9,915
Other comprehensive income		
Valuation difference on available-for-sale securities	(0)	(1)
Foreign currency translation adjustment	(2,856)	(516)
Total other comprehensive income	(2,856)	(517)
Comprehensive income	6,781	9,397
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,749	9,293
Comprehensive income attributable to non-controlling interests	31	103