

Summary of Consolidated Financial Results for the Six Months Ended August 31, 2013 (Q2FY2014) (Based on Japanese GAAP)

October 9, 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 to file Quarterly Securities Report October 10, 2013
 Scheduled date to commence dividend payments November 11, 2013
 Preparation of supplementary material on quarterly earnings yes
 Holding of quarterly earnings performance review yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended August 31, 2013 (from March 1, 2013 to August 31, 2013)

(1) Consolidated operating results (cumulative) 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	%
Six months ended August 31, 2013	93,814	21.7	18,999	13.4	19,126	10.0	10,623	7.4
Six months ended August 31, 2012	77,057	10.5	16,758	20.2	17,380	31.5	9,891	41.7

(Note) Comprehensive income:

Six months ended August 2013 13,105 million yen (29.4%) Six months ended August 2012 10,130 million yen (34.2%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Six months ended August 31, 2013	141.09		128.79	
Six months ended August 31, 2012	131.37		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of August 31, 2013	188,084	120,761	64.1	1,600.07
As of February 28, 2013	174,159	109,764	62.9	1,453.95

(Reference) Shareholders' Equity:

As of August 31, 2013 120,476 million yen As of February 28, 2013 109,474 million yen

2. Cash dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended February 28, 2013	-	22.00	-	28.00	50.00
Year ending February 28, 2014	-	25.00			
Year ending February 28, 2014 (Forecast)			-	25.00	50.00

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

3. Forecast 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
Full year	183,700	15.2	34,000	11.9	34,300	11.6	19,550	13.0	259.65

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

4. Notes

- (1) Changes in significant subsidiaries during the six months ended August 31, 2013
 (changes in specified subsidiaries resulting in the change in scope of consolidation): no
- (2) Application of special accounting for preparing quarterly consolidated financial statements: yes
- (3) 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: 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

(4) Number of issued shares

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

As of August 31, 2013	75,294,429 shares	As of February 28, 2013	75,294,429 shares
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Number of shares of treasury stock at the end of the period

As of August 31, 2013	164 shares	As of February 28, 2013	164 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended August 31, 2013	75,294,265 shares	Six months ended August 31, 2012	75,294,265 shares
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NOTICE REGARDING QUARTERLY REVIEW PROCEDURES FOR THE CONSOLIDATED FINANCIAL RESULTS

This quarterly consolidated financial results statement is exempt from the quarterly review procedures based upon the Financial Instruments and Exchange Act. At this time of disclosure of this quarterly consolidated financial results statement, the quarterly financial statement review procedures 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.

Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of February 28, 2013	As of August 31, 2013
Assets		
Current assets		
Cash and deposits	68,852,158	72,671,528
Notes and accounts receivable-trade	5,064,083	5,441,660
Merchandise and finished goods	32,682,063	37,139,058
Work in process	44,833	51,200
Raw materials and supplies	485,939	441,536
Currency option	1,314,421	474,155
Deferred tax assets	1,166,442	1,196,506
Other	3,480,723	5,217,036
Allowance for doubtful accounts	(23,645)	(22,525)
Total current assets	113,067,021	122,610,157
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	20,886,196	22,074,626
Accumulated depreciation	(9,553,405)	(10,276,178)
Buildings and structures, net	11,332,790	11,798,448
Tools, furniture and fixtures	6,266,116	7,055,352
Accumulated depreciation	(3,604,799)	(4,167,464)
Tools, furniture and fixtures, net	2,661,316	2,887,888
Land	17,483,893	17,542,117
Construction in progress	60,071	213,066
Other	468,848	555,465
Accumulated depreciation	(418,561)	(438,347)
Other, net	50,286	117,117
Total property, plant and equipment	31,588,359	32,558,638
Intangible assets		
Goodwill	6,821,704	7,192,522
Right of trademark	2,465,569	2,658,226
Other	1,506,138	1,556,100
Total intangible assets	10,793,412	11,406,849
Investments and other assets		
Investment securities	109,651	115,496
Stocks of subsidiaries and affiliates	84,175	84,175
Lease and guarantee deposits	16,494,299	17,576,604
Other	2,022,501	3,733,831
Allowance for doubtful accounts	-	(1,138)
Total investments and other assets	18,710,627	21,508,969
Total noncurrent assets	61,092,399	65,474,457
Total assets	174,159,421	188,084,615

(Thousands of yen)

	As of February 28, 2013	As of August 31, 2013
Liabilities		
Current liabilities		
Notes and accounts payable-trade	7,477,486	11,673,823
Short-term loans payable	4,135,826	1,522,744
Current portion of long-term loans payable	1,002,800	1,002,800
Income taxes payable	7,455,270	7,389,522
Provision for bonuses	642,716	643,614
Provision	178,038	212,009
Asset retirement obligations	17,861	19,676
Notes payable-facilities	936,279	1,494,804
Other	4,114,601	4,748,458
Total current liabilities	25,960,880	28,707,453
Noncurrent liabilities		
Convertible bond-type bonds with subscription rights to shares	33,000,000	33,000,000
Long-term loans payable	2,502,800	2,001,400
Asset retirement obligations	218,207	238,284
Currency option	265,084	628,791
Provision	798,867	938,127
Other	1,648,895	1,809,072
Total noncurrent liabilities	38,433,856	38,615,675
Total liabilities	64,394,736	67,323,129
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	104,826,870
Treasury stock	(522)	(522)
Total shareholders' equity	107,282,926	115,797,965
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13,432	17,056
Foreign currency translation adjustment	2,177,708	4,660,984
Total accumulated other comprehensive income	2,191,141	4,678,040
Minority interests	290,616	285,479
Total net assets	109,764,684	120,761,485
Total liabilities and net assets	174,159,421	188,084,615

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended August 31, 2012	Six months ended August 31, 2013
Net sales	77,057,497	93,814,906
Cost of sales	31,906,758	40,987,242
Gross profit	45,150,738	52,827,663
Selling, general and administrative expenses		
Packing and transportation expenses	1,038,023	1,002,329
Advertising expenses	3,197,189	3,309,028
Warehousing expenses	563,468	995,282
Directors' compensations, salaries and allowances	7,761,803	9,142,626
Bonuses	228,396	226,936
Provision for bonuses	583,086	637,153
Legal and employee benefits expenses	1,007,756	1,189,621
Rents	7,560,062	8,790,040
Depreciation	1,393,416	1,877,970
Utilities expenses	861,712	998,384
Commission fee	1,326,087	1,683,284
Taxes and dues	302,901	484,442
Provision of allowance for doubtful accounts	-	3,015
Amortization of goodwill	127,989	496,469
Other	2,440,791	2,991,243
Total selling, general and administrative expenses	28,392,686	33,827,829
Operating income	16,758,051	18,999,834
Non-operating income		
Interest income	20,943	33,978
Foreign exchange gains	16,920	8,372
Rent income	212,385	311,747
Advertising medium income	29,330	26,960
Gain on valuation of derivatives	508,124	-
Other	70,118	142,349
Total non-operating income	857,822	523,408
Non-operating expenses		
Interest expenses	32,966	29,307
Rent expenses	122,445	156,696
Loss on valuation of derivatives	-	152,923
Other	80,134	58,183
Total non-operating expenses	235,546	397,111
Ordinary income	17,380,327	19,126,131

(Thousands of yen)

	Six months ended August 31, 2012	Six months ended August 31, 2013
Extraordinary income		
Gain on sales of noncurrent assets	532	37
Total extraordinary income	532	37
Extraordinary loss		
Loss on sales of noncurrent assets	343	-
Loss on retirement of noncurrent assets	57,354	70,314
Impairment loss	172,795	107,550
Loss on abandonment of goods	-	85,725
Loss on cancellation of derivatives	-	1,051,049
Total extraordinary losses	230,492	1,314,640
Income before income taxes and minority interests	17,150,367	17,811,528
Income taxes-current	7,288,714	7,329,212
Income taxes-deferred	(16,839)	(107,781)
Total income taxes	7,271,875	7,221,431
Income before minority interests	9,878,492	10,590,097
Minority interests in loss	(12,936)	(33,180)
Net income	9,891,429	10,623,278

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended August 31, 2012	Six months ended August 31, 2013
Income before minority interests	9,878,492	10,590,097
Other comprehensive income		
Valuation difference on available-for-sale securities	6,630	3,623
Deferred gains or losses on hedges	41,303	-
Foreign currency translation adjustment	204,187	2,511,319
Total other comprehensive income	252,121	2,514,943
Comprehensive income	10,130,613	13,105,040
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	10,134,337	13,110,177
Comprehensive income attributable to minority interests	(3,724)	(5,137)

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended August 31, 2012	Six months ended August 31, 2013
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	17,150,367	17,811,528
Depreciation and amortization	1,393,416	1,877,970
Increase (decrease) in provision for bonuses	5,239	(949)
Increase (decrease) in allowance for doubtful accounts	(1,067)	(2,503)
Interest and dividends income	(21,667)	(34,702)
Interest expenses	32,966	29,307
Foreign exchange losses (gains)	(5,329)	(47,176)
Loss (gain) on valuation of securities	16,582	-
Loss (gain) on valuation of derivatives	(508,124)	152,923
Loss on cancellation of derivatives	-	1,051,049
Loss (gain) on sales and retirement of noncurrent assets	57,164	70,277
Impairment loss	172,795	107,550
Decrease (increase) in notes and accounts receivable-trade	(963,928)	(1,743,180)
Decrease (increase) in inventories	(2,728,069)	(3,708,851)
Increase (decrease) in notes and accounts payable-trade	298,121	3,641,563
Other, net	374,485	1,927,741
Subtotal	15,272,953	21,132,549
Interest and dividends income received	14,191	22,487
Interest expenses paid	(35,368)	(28,777)
Income taxes paid	(6,438,095)	(7,425,321)
Net cash provided by (used in) operating activities	8,813,680	13,700,938
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(2,209,667)	(1,836,306)
Proceeds from sales of property, plant and equipment	4,972	1,458
Purchase of intangible assets	(100,032)	(170,754)
Payments for store removal	(27,359)	(36,692)
Payments of loans receivable	(175,000)	(1,730,000)
Collection of loans receivable	40,778	42,393
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(10,999,115)	-
Payments for lease and guarantee deposits	(1,325,886)	(1,153,685)
Proceeds from collection of lease and guarantee deposits	814,675	309,689
Other payments	(152,166)	(67,248)
Other proceeds	89,581	15,588
Net cash provided by (used in) investing activities	(14,039,221)	(4,625,557)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	719,703	(2,677,164)
Repayment of long-term loans payable	(1,751,400)	(501,400)
Cash dividends paid	(1,727,465)	(2,103,694)
Other payments	(1,328)	(11,310)
Net cash provided by (used in) financing activities	(2,760,490)	(5,293,569)
Effect of exchange rate change on cash and cash equivalents	28,251	30,495
Net increase (decrease) in cash and cash equivalents	(7,957,779)	3,812,306
Cash and cash equivalents at beginning of period	41,990,939	68,772,082
Cash and cash equivalents at end of period	34,033,160	72,584,389