

# Summary of Consolidated Financial Results for the Nine Months Ended November 30, 2013 (Q3FY2014) (Based on Japanese GAAP)

December 27, 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 January 9, 2014  
 Scheduled date to commence dividend payments -  
 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 nine months ended November 30, 2013 (from March 1, 2013 to November 30, 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	%
Nine months ended November 30, 2013	137,906	18.7	26,034	14.4	26,639	9.7	15,014	9.1
Nine months ended November 30, 2012	116,193	13.9	22,763	14.0	24,283	24.7	13,764	31.4

(Note) Comprehensive income:

Nine months ended November 2013 18,297 million yen (30.0%) Nine months ended November 2012 14,074 million yen (43.8%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Nine months ended November 30, 2013	199.41		182.02	
Nine months ended November 30, 2012	182.81		-	

## (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, 2013	192,558	124,140	64.3	1,644.24
As of February 28, 2013	174,159	109,764	62.9	1,453.95

(Reference) Shareholders' Equity:

As of November 30, 2013 123,801 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: None

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended November 30, 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 November 30, 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 November 30, 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)

Nine months ended November 30, 2013	75,294,265 shares	Nine months ended November 30, 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 November 30, 2013
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	68,852,158	69,112,306
Notes and accounts receivable-trade	5,064,083	7,014,550
Merchandise and finished goods	32,682,063	43,525,843
Work in process	44,833	15,890
Raw materials and supplies	485,939	526,502
Currency option	1,314,421	315,856
Deferred tax assets	1,166,442	1,204,345
Other	3,480,723	4,822,979
Allowance for doubtful accounts	(23,645)	(24,464)
<b>Total current assets</b>	<b>113,067,021</b>	<b>126,513,809</b>
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	20,886,196	22,702,222
Accumulated depreciation	(9,553,405)	(10,675,531)
Buildings and structures, net	11,332,790	12,026,691
Tools, furniture and fixtures	6,266,116	7,248,070
Accumulated depreciation	(3,604,799)	(4,387,761)
Tools, furniture and fixtures, net	2,661,316	2,860,309
Land	17,483,893	17,594,743
Construction in progress	60,071	283,324
Other	468,848	564,892
Accumulated depreciation	(418,561)	(447,857)
Other, net	50,286	117,034
<b>Total property, plant and equipment</b>	<b>31,588,359</b>	<b>32,882,103</b>
<b>Intangible assets</b>		
Right of trademark	2,465,569	2,562,331
Goodwill	6,821,704	6,920,070
Other	1,506,138	1,588,538
<b>Total intangible assets</b>	<b>10,793,412</b>	<b>11,070,939</b>
<b>Investments and other assets</b>		
Investment securities	109,651	124,406
Stocks of subsidiaries and affiliates	84,175	84,175
Lease and guarantee deposits	16,494,299	18,151,071
Other	2,022,501	3,732,819
Allowance for doubtful accounts	-	(1,179)
<b>Total investments and other assets</b>	<b>18,710,627</b>	<b>22,091,292</b>
<b>Total noncurrent assets</b>	<b>61,092,399</b>	<b>66,044,335</b>
<b>Total assets</b>	<b>174,159,421</b>	<b>192,558,145</b>

(Thousands of yen)

	As of February 28, 2013	As of November 30, 2013
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	7,477,486	15,189,743
Short-term loans payable	4,135,826	2,189,900
Current portion of long-term loans payable	1,002,800	1,002,800
Income taxes payable	7,455,270	3,881,512
Provision for bonuses	642,716	1,124,209
Provision	178,038	212,202
Asset retirement obligations	17,861	21,663
Notes payable-facilities	936,279	1,086,164
Other	4,114,601	5,438,414
<b>Total current liabilities</b>	<b>25,960,880</b>	<b>30,146,611</b>
<b>Noncurrent liabilities</b>		
Convertible bond-type bonds with subscription rights to shares	33,000,000	33,000,000
Long-term loans payable	2,502,800	2,000,000
Provision	798,867	959,981
Asset retirement obligations	218,207	243,472
Currency option	265,084	181,128
Other	1,648,895	1,886,092
<b>Total noncurrent liabilities</b>	<b>38,433,856</b>	<b>38,270,673</b>
<b>Total liabilities</b>	<b>64,394,736</b>	<b>68,417,285</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	3,482,930	3,482,930
Capital surplus	7,488,686	7,488,686
Retained earnings	96,311,831	107,335,422
Treasury stock	(522)	(522)
<b>Total shareholders' equity</b>	<b>107,282,926</b>	<b>118,306,517</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	13,432	22,579
Foreign currency translation adjustment	2,177,708	5,472,445
<b>Total accumulated other comprehensive income</b>	<b>2,191,141</b>	<b>5,495,024</b>
<b>Minority interests</b>	<b>290,616</b>	<b>339,318</b>
<b>Total net assets</b>	<b>109,764,684</b>	<b>124,140,860</b>
<b>Total liabilities and net assets</b>	<b>174,159,421</b>	<b>192,558,145</b>

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

**Consolidated statements of income (cumulative)**

(Thousands of yen)

	Nine months ended November 30, 2012	Nine months ended November 30, 2013
Net sales	116,193,539	137,906,142
Cost of sales	48,680,245	60,282,091
Gross profit	67,513,294	77,624,051
Selling, general and administrative expenses		
Packing and transportation expenses	1,631,111	1,598,991
Advertising expenses	5,410,582	5,487,389
Warehousing expenses	946,589	1,556,372
Directors' compensations, salaries and allowances	11,986,710	13,772,406
Bonuses	228,888	227,472
Provision for bonuses	1,053,808	1,117,639
Legal and employee benefits expenses	1,562,080	1,807,706
Rents	11,327,552	13,156,678
Depreciation	2,289,679	2,863,837
Utilities expenses	1,319,691	1,529,155
Commission fee	1,988,166	2,513,334
Taxes and dues	465,211	674,827
Provision of allowance for doubtful accounts	-	3,429
Amortization of goodwill	332,148	753,104
Other	4,208,039	4,526,936
Total selling, general and administrative expenses	44,750,259	51,589,281
Operating income	22,763,034	26,034,769
Non-operating income		
Interest income	29,920	53,289
Foreign exchange gains	16,890	13,911
Rent income for house	336,682	486,208
Gain on valuation of derivatives	1,327,745	136,441
Advertising medium income	43,740	44,446
Other	132,179	226,902
Total non-operating income	1,887,158	961,200
Non-operating expenses		
Interest expenses	54,388	39,658
Rent expenses	193,001	252,278
Other	118,997	64,759
Total non-operating expenses	366,386	356,696
Ordinary income	24,283,805	26,639,272
Extraordinary income		
Gain on sales of noncurrent assets	532	866
Total extraordinary income	532	866
Extraordinary loss		
Loss on sales of noncurrent assets	343	-
Loss on retirement of noncurrent assets	72,575	136,334
Impairment loss	263,922	151,189
Loss on cancellation of derivatives	-	1,051,049
Loss on abandonment of goods	-	86,534
Total extraordinary losses	336,841	1,425,108

(Thousands of yen)

	Nine months ended November 30, 2012	Nine months ended November 30, 2013
Income before income taxes and minority interests	23,947,496	25,215,031
Income taxes-current	10,247,979	10,397,126
Income taxes-deferred	(41,728)	(145,990)
Total income taxes	10,206,250	10,251,135
Income before minority interests	13,741,245	14,963,895
Minority interests in loss	(23,440)	(50,290)
Net income	13,764,686	15,014,186

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Nine months ended November 30, 2012	Nine months ended November 30, 2013
Income before minority interests	13,741,245	14,963,895
Other comprehensive income		
Valuation difference on available-for-sale securities	11,145	9,146
Deferred gains or losses on hedges	17,926	-
Foreign currency translation adjustment	303,804	3,324,219
Total other comprehensive income	332,877	3,333,365
Comprehensive income	14,074,122	18,297,261
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	14,088,383	18,318,069
Comprehensive income attributable to minority interests	(14,260)	(20,808)

## Consolidated statements of cash flows

(Thousands of yen)

	Nine months ended November 30, 2012	Nine months ended November 30, 2013
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	23,947,496	25,215,031
Depreciation and amortization	2,289,679	2,863,837
Increase (decrease) in provision for bonuses	476,021	479,377
Increase (decrease) in allowance for doubtful accounts	(5,785)	(477)
Interest and dividends income	(30,644)	(54,012)
Interest expenses	54,388	39,658
Foreign exchange losses (gains)	(15,270)	(72,960)
Loss (gain) on valuation of securities	16,582	-
Loss (gain) on valuation of derivatives	(1,327,745)	(136,441)
Loss on cancellation of derivatives	-	1,051,049
Loss (gain) on sales and retirement of noncurrent assets	72,386	135,467
Impairment loss	263,922	151,189
Decrease (increase) in notes and accounts receivable-trade	(2,973,190)	(3,223,244)
Decrease (increase) in inventories	(8,254,729)	(9,825,775)
Increase (decrease) in notes and accounts payable-trade	3,727,293	7,316,819
Other, net	762,964	2,596,413
Subtotal	19,003,369	26,535,931
Interest and dividends income received	19,360	30,540
Interest expenses paid	(48,014)	(32,546)
Income taxes paid	(12,194,956)	(13,821,244)
Net cash provided by (used in) operating activities	6,779,758	12,712,681
Net cash provided by (used in) investing activities		
Proceeds from withdrawal of time deposits	51,679	-
Purchase of property, plant and equipment	(3,331,193)	(2,916,905)
Proceeds from sales of property, plant and equipment	4,669	3,218
Purchase of intangible assets	(287,770)	(292,110)
Payments for store removal	(37,005)	(77,587)
Payments of loans receivable	(185,000)	(1,740,000)
Collection of loans receivable	61,866	63,703
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(10,999,115)	-
Payments for lease and guarantee deposits	(1,753,711)	(1,601,039)
Proceeds from collection of lease and guarantee deposits	890,558	396,551
Other payments	(201,307)	(93,216)
Other proceeds	122,181	15,644
Net cash provided by (used in) investing activities	(15,664,149)	(6,241,741)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	2,304,321	(2,016,274)
Repayment of long-term loans payable	(1,758,914)	(502,800)
Cash dividends paid	(3,377,745)	(3,980,155)
Proceeds from stock issuance to minority shareholders	-	69,510
Other, net	(2,036)	(16,483)
Net cash provided by (used in) financing activities	(2,834,374)	(6,446,204)
Effect of exchange rate change on cash and cash equivalents	71,380	144,813
Net increase (decrease) in cash and cash equivalents	(11,647,384)	169,549
Cash and cash equivalents at beginning of period	41,990,939	68,772,082
Cash and cash equivalents at end of period	30,343,555	68,941,632