

Summary of Consolidated Financial Results for the Year Ended February 28, 2015 (Based on Japanese GAAP)

April 8, 2015

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 27, 2015
 Scheduled date to file Securities Report: May 28, 2015
 Scheduled date to commence dividend payments: May 28, 2015
 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, 2015 (from March 1, 2014 to February 28, 2015)

(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, 2015	213,584	13.6	39,651	16.2	40,405	16.1	24,373	21.9
Year ended February 28, 2014	188,045	18.0	34,126	12.3	34,814	13.2	19,989	15.6

(Note) Comprehensive income:

Year ended February 2015 28,887 million yen (10.8%) Year ended February 2014 26,075 million yen (24.7%)

	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, 2015	323.71	295.49	17.0	18.8	18.6
Year ended February 28, 2014	265.48	242.33	16.6	18.8	18.1

(Reference) Equity in earnings of affiliated companies:

Year ended February 2015 - million yen Year ended February 2014 - 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, 2015	233,661	155,535	66.4	2,059.68
As of February 28, 2014	196,881	131,919	66.8	1,747.10

(Reference) Shareholders' Equity:

As of February 28, 2015 155,082 million yen As of February 28, 2014 131,546 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, 2015	29,691	(9,568)	(3,675)	95,807
Year ended February 28, 2014	22,997	(7,573)	(5,916)	78,755

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, 2014	—	25.00	—	30.00	55.00	4,141	20.7	3.4
Year ended February 28, 2015	—	40.00	—	60.00	100.00	7,529	30.9	5.3
Year ending February 29, 2016 (Forecast)	—	50.00	—	50.00	100.00		29.2	

3. Forecast of consolidated financial results for the year ending February 29, 2016 (from March 1, 2015 to February 29, 2016)

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, 2015	114,700	6.2	23,300	(0.7)	23,640	(0.7)	14,670	3.8	194.84
Full year	229,500	7.5	40,750	2.8	41,400	2.5	25,810	5.9	342.79

4. Notes

(1) Changes in significant subsidiaries during the year ended February 28, 2015
(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: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

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, 2015	75,294,429 shares	As of February 28, 2014	75,294,429 shares
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Number of treasury shares at the end of the period

As of February 28, 2015	208 shares	As of February 28, 2014	164 shares
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Average number of shares during the period

Year ended February 28, 2015	75,294,263 shares	Year ended February 28, 2014	75,294,265 shares
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(Reference) Summary of Nonconsolidated Financial Statements

1. Nonconsolidated financial results for the year ended February 28, 2015 (from March 1, 2014 to February 28, 2015)

(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, 2015	159,655	9.8	35,706	15.4	36,653	14.9	22,104	22.1
Year ended February 28, 2014	145,387	10.3	30,951	9.1	31,907	10.0	18,105	11.7

	Net income per share	Diluted net income per share
	Yen	Yen
Year ended February 28, 2015	293.57	267.97
Year ended February 28, 2014	240.47	219.50

(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, 2015	199,557	131,658	66.0	1,748.58
As of February 28, 2014	172,708	114,833	66.5	1,525.13

(Reference) Shareholders' Equity:

As of February 28, 2015 131,658 million yen As of February 28, 2014 114,833 million yen

2. Forecast of nonconsolidated financial results for the year ending February 29, 2016 (from March 1, 2015 to February 29, 2016)

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, 2015	84,800	1.5	21,330	(0.5)	13,135	4.5	174.45
Full year	164,500	3.0	36,780	0.3	22,850	3.4	303.48

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 29, 2016 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

(Millions of yen)

	As of February 28, 2014	As of February 28, 2015
Assets		
Current assets		
Cash and deposits	78,884	96,493
Notes and accounts receivable - trade	6,463	7,873
Inventories	39,455	49,367
Deferred tax assets	1,414	2,049
Other	3,355	4,555
Allowance for doubtful accounts	(30)	(41)
Total current assets	129,542	160,298
Non-current assets		
Property, plant and equipment		
Buildings and structures	22,758	25,395
Accumulated depreciation	(10,980)	(12,512)
Buildings and structures, net	11,778	12,883
Tools, furniture and fixtures	8,012	9,006
Accumulated depreciation	(4,923)	(5,834)
Tools, furniture and fixtures, net	3,089	3,171
Land	17,696	19,629
Construction in progress	90	327
Other	593	438
Accumulated depreciation	(463)	(334)
Other, net	129	103
Total property, plant and equipment	32,784	36,115
Intangible assets		
Trademark right	2,682	2,948
Goodwill	7,195	7,511
Other	1,770	2,083
Total intangible assets	11,649	12,543
Investments and other assets		
Investment securities	125	60
Shares of subsidiaries and associates	94	102
Long-term loans receivable	2,575	2,458
Lease and guarantee deposits	18,960	20,892
Other	1,150	1,208
Allowance for doubtful accounts	(1)	(18)
Total investments and other assets	22,904	24,704
Total non-current assets	67,338	73,363
Total assets	196,881	233,661

(Millions of yen)

	As of February 28, 2014	As of February 28, 2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,551	14,176
Short-term loans payable	3,278	6,355
Current portion of long-term loans payable	1,002	1,000
Income taxes payable	7,113	9,815
Provision for bonuses	654	702
Provision	234	291
Asset retirement obligations	26	14
Notes payable - facilities	778	722
Other	5,722	7,992
Total current liabilities	27,362	41,070
Non-current liabilities		
Convertible bond-type bonds with subscription rights to shares	33,000	33,000
Long-term loans payable	1,500	500
Provision	658	113
Net defined benefit liability	–	870
Asset retirement obligations	243	291
Other	2,197	2,280
Total non-current liabilities	37,599	37,056
Total liabilities	64,961	78,126
Net assets		
Shareholders' equity		
Capital stock	3,482	3,482
Capital surplus	7,488	7,488
Retained earnings	112,310	131,413
Treasury shares	(0)	(0)
Total shareholders' equity	123,281	142,384
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	23	14
Foreign currency translation adjustment	8,241	12,683
Total accumulated other comprehensive income	8,265	12,697
Minority interests	372	453
Total net assets	131,919	155,535
Total liabilities and net assets	196,881	233,661

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

(Millions of yen)

	Fiscal year ended February 28, 2014	Fiscal year ended February 28, 2015
Net sales	188,045	213,584
Cost of sales	84,317	98,523
Gross profit	103,727	115,060
Selling, general and administrative expenses		
Packing and transportation expenses	2,162	2,435
Advertising expenses	7,263	6,311
Warehousing expenses	2,044	2,226
Directors' compensations, salaries and allowances	18,737	20,235
Bonuses	1,139	1,561
Provision for bonuses	647	696
Retirement benefit expenses	–	523
Legal and employee benefits expenses	2,418	2,775
Rents	17,738	19,885
Depreciation	3,885	4,019
Utilities expenses	2,050	2,189
Commission fee	3,461	4,144
Taxes and dues	873	873
Amortization of goodwill	1,023	1,161
Other	6,155	6,369
Total selling, general and administrative expenses	69,601	75,408
Operating income	34,126	39,651
Non-operating income		
Interest income	79	169
Foreign exchange gains	60	–
Rent Income	664	743
Advertising medium income	62	56
Other	321	303
Total non-operating income	1,189	1,273
Non-operating expenses		
Interest expenses	53	54
Foreign exchange losses	–	67
Rent expenses	347	230
Other	99	166
Total non-operating expenses	501	519
Ordinary income	34,814	40,405

(Millions of yen)

	Fiscal year ended February 28, 2014	Fiscal year ended February 28, 2015
Extraordinary income		
Gain on sales of non-current assets	0	4
Gain on cancellation of derivatives	1	–
Total extraordinary income	2	4
Extraordinary losses		
Loss on retirement of non-current assets	175	171
Loss on cancellation of derivatives	1,051	–
Impairment loss	263	253
Loss on abandonment of goods	95	–
Total extraordinary losses	1,585	425
Income before income taxes and minority interests	33,231	39,985
Income taxes - current	13,598	16,100
Income taxes - deferred	(319)	(536)
Total income taxes	13,278	15,564
Income before minority interests	19,952	24,421
Minority interests in income (loss)	(36)	47
Net income	19,989	24,373

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended February 28, 2014	Fiscal year ended February 28, 2015
Income before minority interests	19,952	24,421
Other comprehensive income		
Valuation difference on available-for-sale securities	9	(8)
Foreign currency translation adjustment	6,113	4,474
Total other comprehensive income	6,122	4,466
Comprehensive income	26,075	28,887
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	26,062	28,806
Comprehensive income attributable to minority interests	12	80

Consolidated statements of changes in net assets

Fiscal year ended February 28, 2014

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	3,482	7,488	96,311	(0)	107,282
Changes of items during period					
Dividends of surplus			(3,990)		(3,990)
Net income			19,989		19,989
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	15,998	-	15,998
Balance at end of current period	3,482	7,488	112,310	(0)	123,281

	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	2,177	2,191	290	109,764
Changes of items during period					
Dividends of surplus					(3,990)
Net income					19,989
Net changes of items other than shareholders' equity	9	6,064	6,073	82	6,156
Total changes of items during period	9	6,064	6,073	82	22,154
Balance at end of current period	23	8,241	8,265	372	131,919

Fiscal year ended February 28, 2015

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	3,482	7,488	112,310	(0)	123,281
Changes of items during period					
Dividends of surplus			(5,270)		(5,270)
Net income			24,373		24,373
Net changes of items other than shareholders' equity				(0)	(0)
Total changes of items during period	-	-	19,103	(0)	19,102
Balance at end of current period	3,482	7,488	131,413	(0)	142,384

	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	23	8,241	8,265	372	131,919
Changes of items during period					
Dividends of surplus					(5,270)
Net income					24,373
Net changes of items other than shareholders' equity	(8)	4,441	4,432	80	4,513
Total changes of items during period	(8)	4,441	4,432	80	23,616
Balance at end of current period	14	12,683	12,697	453	155,535

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended February 28, 2014	Fiscal year ended February 28, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	33,231	39,985
Depreciation	3,885	4,019
Increase (decrease) in provision for bonuses	8	46
Increase (decrease) in allowance for doubtful accounts	3	24
Interest and dividend income	(80)	(170)
Interest expenses	53	54
Foreign exchange losses (gains)	(85)	21
Loss (gain) on cancellation of derivatives	1,049	–
Loss (gain) on sales and retirement of non-current assets	174	166
Impairment loss	263	253
Decrease (increase) in notes and accounts receivable - trade	(853)	(1,816)
Decrease (increase) in inventories	(4,455)	(7,980)
Increase (decrease) in notes and accounts payable - trade	659	4,943
Other, net	3,002	3,317
Subtotal	36,857	42,866
Interest and dividend income received	56	147
Interest expenses paid	(52)	(55)
Income taxes paid	(13,863)	(13,267)
Net cash provided by (used in) operating activities	22,997	29,691
Cash flows from investing activities		
Payments into time deposits	–	(506)
Proceeds from withdrawal of time deposits	33	–
Purchase of property, plant and equipment	(3,862)	(6,099)
Proceeds from sales of property, plant and equipment	4	5
Purchase of intangible assets	(466)	(366)
Payments for store removal	(92)	(89)
Payments of loans receivable	(1,770)	(65)
Collection of loans receivable	85	101
Purchase of shares of subsidiaries	–	(8)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(1,314)
Payments for lease and guarantee deposits	(1,993)	(2,526)
Proceeds from collection of lease and guarantee deposits	586	1,316
Other payments	(114)	(144)
Other proceeds	16	128
Net cash provided by (used in) investing activities	(7,573)	(9,568)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(972)	2,617
Repayments of long-term loans payable	(1,002)	(1,003)
Cash dividends paid	(3,989)	(5,267)
Proceeds from share issuance to minority shareholders	69	–
Other payments	(21)	(22)
Net cash provided by (used in) financing activities	(5,916)	(3,675)
Effect of exchange rate change on cash and cash equivalents	475	604
Net increase (decrease) in cash and cash equivalents	9,983	17,051
Cash and cash equivalents at beginning of period	68,772	78,755
Cash and cash equivalents at end of period	78,755	95,807