

# Summary of Consolidated Financial Results for the Three Months Ended May 31, 2015 (Q1 FY2016) (Based on Japanese GAAP)

July 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  
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 Scheduled date to file Quarterly Securities Report: July 9, 2015  
 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, 2015 (from March 1, 2015 to May 31, 2015)

### (1) Consolidated financial 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	%
Three months ended May 31, 2015	63,496	12.0	13,295	1.0	13,508	1.5	7,920	1.0
Three months ended May 31, 2014	56,712	17.7	13,161	30.4	13,313	29.3	7,845	45.9

(Note) Comprehensive income:

Three months ended May 2015 7,693 million yen (12.2%)      Three months ended May 2014 6,854 million yen ( $\Delta$ 3.2%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended May 31, 2015	105.12	96.02
Three months ended May 31, 2014	104.19	95.11

### (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, 2015	235,536	159,150	67.4	2,104.43
As of February 28, 2015	233,661	155,535	66.4	2,059.68

(Reference) Shareholders' Equity:

As of May 31, 2015 158,654 million yen      As of February 28, 2015 155,082 million yen

## 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended February 28, 2015	–	40.00	–	60.00	100.00
Year ending February 29, 2016	–				
Year ending February 29, 2016 (Forecast)		50.00	–	50.00	100.00

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

## 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

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

#### 4. Notes

- (1) Changes in significant subsidiaries during the three months ended May 31, 2015  
(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, 2015	75,390,993 shares	As of February 28, 2015	75,294,429 shares
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Number of treasury shares at the end of the period

As of May 31, 2015	300 shares	As of February 28, 2015	208 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, 2015	75,343,187 shares	Three months ended May 31, 2014	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 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.

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of February 28, 2015	As of May 31, 2015
Assets		
Current assets		
Cash and deposits	96,493	98,703
Notes and accounts receivable - trade	7,873	10,075
Inventories	49,367	55,496
Deferred tax assets	2,049	2,069
Other	4,555	6,194
Allowance for doubtful accounts	(41)	(45)
Total current assets	160,298	172,494
Non-current assets		
Property, plant and equipment		
Buildings and structures	25,395	24,118
Accumulated depreciation	(12,512)	(11,781)
Buildings and structures, net	12,883	12,336
Tools, furniture and fixtures	9,006	9,184
Accumulated depreciation	(5,834)	(6,051)
Tools, furniture and fixtures, net	3,171	3,132
Land	19,629	10,248
Construction in progress	327	327
Other	438	437
Accumulated depreciation	(334)	(345)
Other, net	103	92
Total property, plant and equipment	36,115	26,136
Intangible assets		
Trademark right	2,948	2,843
Goodwill	7,511	7,154
Other	2,083	1,995
Total intangible assets	12,543	11,993
Investments and other assets		
Investment securities	60	63
Shares of subsidiaries and associates	102	102
Long-term loans receivable	2,458	2,357
Lease and guarantee deposits	20,892	21,185
Other	1,208	1,219
Allowance for doubtful accounts	(18)	(18)
Total investments and other assets	24,704	24,910
Total non-current assets	73,363	63,041
Total assets	233,661	235,536

(Millions of yen)

	As of February 28, 2015	As of May 31, 2015
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	14,176	17,395
Short-term loans payable	6,355	5,437
Current portion of long-term loans payable	1,000	1,000
Income taxes payable	9,815	5,270
Provision for bonuses	702	1,260
Provision	291	268
Asset retirement obligations	14	18
Notes payable - facilities	722	1,041
Other	7,992	8,124
<b>Total current liabilities</b>	<b>41,070</b>	<b>39,818</b>
<b>Non-current liabilities</b>		
Convertible bond-type bonds with subscription rights to shares	33,000	32,560
Long-term loans payable	500	500
Provision	113	112
Net defined benefit liability	870	910
Asset retirement obligations	291	286
Other	2,280	2,197
<b>Total non-current liabilities</b>	<b>37,056</b>	<b>36,566</b>
<b>Total liabilities</b>	<b>78,126</b>	<b>76,385</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	3,482	3,702
Capital surplus	7,488	7,708
Retained earnings	131,413	134,816
Treasury shares	(0)	(1)
<b>Total shareholders' equity</b>	<b>142,384</b>	<b>146,226</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	14	16
Foreign currency translation adjustment	12,683	12,411
<b>Total accumulated other comprehensive income</b>	<b>12,697</b>	<b>12,428</b>
<b>Minority interests</b>	<b>453</b>	<b>496</b>
<b>Total net assets</b>	<b>155,535</b>	<b>159,150</b>
<b>Total liabilities and net assets</b>	<b>233,661</b>	<b>235,536</b>

**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, 2014	Three months ended May 31, 2015
Net sales	56,712	63,496
Cost of sales	24,346	28,553
Gross profit	32,366	34,942
Selling, general and administrative expenses		
Packing and transportation expenses	597	674
Advertising expenses	2,113	2,077
Warehousing expenses	634	664
Directors' compensations, salaries and allowances	5,074	5,866
Provision for bonuses	504	577
Retirement benefit expenses	66	91
Legal and employee benefits expenses	632	746
Rents	5,074	5,754
Depreciation	949	1,041
Utilities expenses	509	531
Commission fee	1,027	1,251
Taxes and dues	204	258
Amortization of goodwill	274	329
Other	1,542	1,781
Total selling, general and administrative expenses	19,204	21,646
Operating income	13,161	13,295
Non-operating income		
Interest income	30	40
Foreign exchange gains	4	–
Rent Income for house	179	204
Advertising medium income	16	13
Other	62	34
Total non-operating income	293	292
Non-operating expenses		
Interest expenses	10	14
Foreign exchange losses	–	3
Rent expenses	86	55
Other	44	4
Total non-operating expenses	142	79
Ordinary income	13,313	13,508

(Millions of yen)

	Three months ended May 31, 2014	Three months ended May 31, 2015
Extraordinary income		
Gain on sales of non-current assets	–	1,361
Total extraordinary income	–	1,361
Extraordinary losses		
Loss on sales of non-current assets	–	690
Loss on retirement of non-current assets	49	38
Impairment loss	51	1,488
Total extraordinary losses	100	2,217
Income before income taxes and minority interests	13,212	12,653
Income taxes - current	5,379	4,753
Income taxes - deferred	(27)	(58)
Total income taxes	5,351	4,694
Income before minority interests	7,860	7,958
Minority interests in income	15	37
Net income	7,845	7,920

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

(Millions of yen)

	Three months ended May 31, 2014	Three months ended May 31, 2015
Income before minority interests	7,860	7,958
Other comprehensive income		
Valuation difference on available-for-sale securities	2	2
Foreign currency translation adjustment	(1,008)	(266)
Total other comprehensive income	(1,006)	(264)
Comprehensive income	6,854	7,693
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,853	7,650
Comprehensive income attributable to minority interests	1	42