

Summary of Consolidated Financial Results for the Nine Months Ended November 30, 2015 (Q3FY2016) (Based on Japanese GAAP)

January 6, 2016

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: January 7, 2016
 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 nine months ended November 30, 2015 (from March 1, 2015 to November 30, 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	%
Nine months ended November 30, 2015	177,547	12.3	32,803	2.3	33,378	2.7	20,273	5.1
Nine months ended November 30, 2014	158,041	14.6	32,079	23.2	32,502	22.0	19,290	28.5

(Note) Comprehensive income:

Nine months ended November 2015 17,951 million yen (Δ 13.8%) Nine months ended November 2014 20,837 million yen (13.9%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended November 30, 2015	259.95	245.68
Nine months ended November 30, 2014	256.20	233.86

(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, 2015	238,280	189,457	79.3	2,336.96
As of February 28, 2015	233,661	155,535	66.4	2,059.68

(Reference) Shareholders' Equity:

As of November 30, 2015 188,955 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	–	60.00	–	–	–
Year ending February 29, 2016 (Forecast)	–	–	–	60.00	120.00

(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
Full year	236,800	10.9	40,750	2.8	41,450	2.6	25,380	4.1	322.48

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

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended November 30, 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 November 30, 2015	80,855,699 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 November 30, 2015	393 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)

Nine months ended November 30, 2015	77,991,279 shares	Nine months ended November 30, 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 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 November 30, 2015
Assets		
Current assets		
Cash and deposits	96,493	93,726
Notes and accounts receivable - trade	7,873	11,313
Inventories	49,367	61,262
Deferred tax assets	2,049	2,026
Other	4,555	6,390
Allowance for doubtful accounts	(41)	(45)
Total current assets	160,298	174,673
Non-current assets		
Property, plant and equipment		
Buildings and structures	25,395	25,336
Accumulated depreciation	(12,512)	(12,493)
Buildings and structures, net	12,883	12,843
Tools, furniture and fixtures	9,006	9,218
Accumulated depreciation	(5,834)	(6,140)
Tools, furniture and fixtures, net	3,171	3,078
Land	19,629	10,162
Construction in progress	327	501
Other	438	433
Accumulated depreciation	(334)	(356)
Other, net	103	76
Total property, plant and equipment	36,115	26,663
Intangible assets		
Trademark right	2,948	2,645
Goodwill	7,511	6,490
Other	2,083	1,951
Total intangible assets	12,543	11,087
Investments and other assets		
Investment securities	60	547
Shares of subsidiaries and associates	102	102
Long-term loans receivable	2,458	2,294
Lease and guarantee deposits	20,892	21,700
Other	1,208	1,227
Allowance for doubtful accounts	(18)	(17)
Total investments and other assets	24,704	25,855
Total non-current assets	73,363	63,606
Total assets	233,661	238,280

(Millions of yen)

	As of February 28, 2015	As of November 30, 2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,176	15,472
Short-term loans payable	6,355	5,321
Current portion of long-term loans payable	1,000	1,000
Income taxes payable	9,815	5,244
Provision for bonuses	702	1,454
Provision	291	266
Asset retirement obligations	14	18
Notes payable - facilities	722	821
Other	7,992	8,220
Total current liabilities	41,070	37,821
Non-current liabilities		
Convertible bond-type bonds with subscription rights to shares	33,000	7,660
Long-term loans payable	500	–
Provision	113	114
Net defined benefit liability	870	916
Asset retirement obligations	291	283
Other	2,280	2,026
Total non-current liabilities	37,056	11,001
Total liabilities	78,126	48,822
Net assets		
Shareholders' equity		
Capital stock	3,482	16,152
Capital surplus	7,488	20,158
Retained earnings	131,413	142,318
Treasury shares	(0)	(2)
Total shareholders' equity	142,384	178,627
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14	2
Foreign currency translation adjustment	12,683	10,325
Total accumulated other comprehensive income	12,697	10,328
Minority interests	453	501
Total net assets	155,535	189,457
Total liabilities and net assets	233,661	238,280

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended November 30, 2014	Nine months ended November 30, 2015
Net sales	158,041	177,547
Cost of sales	70,405	80,947
Gross profit	87,635	96,599
Selling, general and administrative expenses		
Packing and transportation expenses	1,780	1,996
Advertising expenses	4,922	4,843
Warehousing expenses	1,704	1,946
Directors' compensations, salaries and allowances	14,735	17,510
Bonuses	554	390
Provision for bonuses	1,246	1,455
Retirement benefit expenses	216	271
Legal and employee benefits expenses	2,105	2,370
Rents	14,658	17,396
Depreciation	2,923	3,194
Utilities expenses	1,642	1,650
Commission fee	3,039	3,563
Taxes and dues	618	880
Amortization of goodwill	853	979
Other	4,556	5,344
Total selling, general and administrative expenses	55,556	63,795
Operating income	32,079	32,803
Non-operating income		
Interest income	119	105
Rent Income for house	552	557
Advertising medium income	43	53
Other	203	146
Total non-operating income	918	862
Non-operating expenses		
Interest expenses	35	41
Foreign exchange losses	62	33
Rent expenses	285	187
Other	112	25
Total non-operating expenses	495	287
Ordinary income	32,502	33,378

(Millions of yen)

	Nine months ended November 30, 2014	Nine months ended November 30, 2015
Extraordinary income		
Gain on sales of non-current assets	4	1,524
Total extraordinary income	4	1,524
Extraordinary losses		
Loss on sales of non-current assets	–	690
Loss on retirement of non-current assets	115	117
Impairment loss	128	1,595
Total extraordinary losses	243	2,403
Income before income taxes and minority interests	32,263	32,500
Income taxes - current	13,083	12,319
Income taxes - deferred	(141)	(164)
Total income taxes	12,941	12,154
Income before minority interests	19,321	20,345
Minority interests in income	31	72
Net income	19,290	20,273

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended November 30, 2014	Nine months ended November 30, 2015
Income before minority interests	19,321	20,345
Other comprehensive income		
Valuation difference on available-for-sale securities	(9)	(11)
Foreign currency translation adjustment	1,525	(2,382)
Total other comprehensive income	1,515	(2,393)
Comprehensive income	20,837	17,951
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	20,795	17,903
Comprehensive income attributable to minority interests	41	47