

Summary of Consolidated Financial Results for the Nine Months Ended November 30, 2016 (Q3FY2017) (Based on Japanese GAAP)

January 10, 2017

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 11, 2017
 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, 2016 (from March 1, 2016 to November 30, 2016)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended November 30, 2016	178,933	0.8	32,044	(2.3)	32,721	(2.0)	22,155	9.3
Nine months ended November 30, 2015	177,547	12.3	32,803	2.3	33,378	2.7	20,273	5.1

(Note) Comprehensive income:

Nine months ended November 2016 16,481 million yen (Δ 8.2%) Nine months ended November 2015 17,951 million yen (Δ 13.8%)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended November 30, 2016	268.45		–	
Nine months ended November 30, 2015	259.95		245.68	

(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, 2016	244,365	210,241	85.8	2,540.93
As of February 29, 2016	238,575	203,652	85.1	2,461.25

(Reference) Shareholders' Equity:

As of November 30, 2016 209,708 million yen As of February 29, 2016 203,131 million yen

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended February 29, 2016	–	60.00	–	60.00	120.00
Year ending February 28, 2017	–	60.00	–		
Year ending February 28, 2017 (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 28, 2017 (from March 1, 2016 to February 28, 2017)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	240,500	1.0	42,060	1.3	42,860	1.6	27,880	6.7	337.81

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

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended November 30, 2016
(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: Yes
- 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, 2016	82,532,416 shares	As of February 29, 2016	82,532,416 shares
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Number of treasury shares at the end of the period

As of November 30, 2016	393 shares	As of February 29, 2016	393 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, 2016	82,532,023 shares	Nine months ended November 30, 2015	77,991,279 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, 2017 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 29, 2016	As of November 30, 2016
Assets		
Current assets		
Cash and deposits	100,748	104,918
Notes and accounts receivable - trade	8,147	9,864
Inventories	54,503	56,944
Deferred tax assets	1,864	1,875
Other	4,009	5,845
Allowance for doubtful accounts	(24)	(18)
Total current assets	169,249	179,429
Non-current assets		
Property, plant and equipment		
Buildings and structures	25,672	27,059
Accumulated depreciation	(12,906)	(13,810)
Buildings and structures, net	12,766	13,248
Tools, furniture and fixtures	9,540	9,397
Accumulated depreciation	(6,447)	(6,386)
Tools, furniture and fixtures, net	3,092	3,011
Land	14,728	12,065
Construction in progress	1,567	117
Other	438	443
Accumulated depreciation	(368)	(378)
Other, net	69	65
Total property, plant and equipment	32,223	28,508
Intangible assets		
Trademark right	2,563	2,277
Goodwill	6,236	4,646
Other	2,339	1,702
Total intangible assets	11,139	8,626
Investments and other assets		
Investment securities	552	48
Shares of subsidiaries and associates	102	2,647
Long-term loans receivable	2,243	2,173
Lease and guarantee deposits	21,809	21,658
Other	1,272	1,324
Allowance for doubtful accounts	(16)	(52)
Total investments and other assets	25,963	27,800
Total non-current assets	69,326	64,935
Total assets	238,575	244,365

(Millions of yen)

	As of February 29, 2016	As of November 30, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,675	14,607
Short-term loans payable	3,191	1,710
Current portion of long-term loans payable	500	–
Income taxes payable	7,778	4,274
Provision for bonuses	831	1,507
Provision	424	264
Asset retirement obligations	19	5
Notes payable - facilities	892	803
Other	7,661	8,351
Total current liabilities	31,975	31,525
Non-current liabilities		
Net defined benefit liability	799	815
Asset retirement obligations	312	316
Other	1,835	1,467
Total non-current liabilities	2,947	2,599
Total liabilities	34,923	34,124
Net assets		
Shareholders' equity		
Capital stock	19,972	19,972
Capital surplus	23,978	23,979
Retained earnings	148,175	160,427
Treasury shares	(2)	(2)
Total shareholders' equity	192,125	204,378
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(2)	6
Foreign currency translation adjustment	11,009	5,323
Total accumulated other comprehensive income	11,006	5,330
Non-controlling interests	520	532
Total net assets	203,652	210,241
Total liabilities and net assets	238,575	244,365

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, 2015	Nine months ended November 30, 2016
Net sales	177,547	178,933
Cost of sales	80,947	81,791
Gross profit	96,599	97,141
Selling, general and administrative expenses		
Packing and transportation expenses	1,996	2,106
Advertising expenses	4,843	5,346
Warehousing expenses	1,946	1,927
Directors' compensations, salaries and allowances	17,510	17,866
Bonuses	390	362
Provision for bonuses	1,455	1,507
Retirement benefit expenses	271	304
Legal and employee benefits expenses	2,370	2,477
Rents	17,396	18,642
Depreciation	3,194	3,032
Utilities expenses	1,650	1,581
Commission fee	3,563	3,654
Taxes and dues	880	762
Amortization of goodwill	979	632
Other	5,344	4,891
Total selling, general and administrative expenses	63,795	65,097
Operating income	32,803	32,044
Non-operating income		
Interest income	105	97
Foreign exchange gains	–	24
Rent Income for house	557	560
Advertising medium income	53	37
Other	146	183
Total non-operating income	862	903
Non-operating expenses		
Interest expenses	41	6
Foreign exchange losses	33	–
Rent expenses	187	141
Other	25	77
Total non-operating expenses	287	226
Ordinary income	33,378	32,721

(Millions of yen)

	Nine months ended November 30, 2015	Nine months ended November 30, 2016
Extraordinary income		
Gain on sales of non-current assets	1,524	791
Total extraordinary income	1,524	791
Extraordinary losses		
Loss on sales of non-current assets	690	–
Loss on retirement of non-current assets	117	68
Impairment loss	1,595	236
Other	–	4
Total extraordinary losses	2,403	309
Income before income taxes and minority interests	32,500	33,203
Income taxes - current	12,319	11,176
Income taxes - deferred	(164)	(193)
Total income taxes	12,154	10,983
Profit	20,345	22,220
Profit attributable to non-controlling interests	72	64
Profit attributable to owners of parent	20,273	22,155

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended November 30, 2015	Nine months ended November 30, 2016
Profit	20,345	22,220
Other comprehensive income		
Valuation difference on available-for-sale securities	(11)	8
Foreign currency translation adjustment	(2,382)	(5,747)
Total other comprehensive income	(2,393)	(5,739)
Comprehensive income	17,951	16,481
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	17,903	16,478
Comprehensive income attributable to non-controlling interests	47	2