



FACTBOOK

ABC-MART, INC.

For the fiscal year ended February 28, 2018



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**Securities Code: 2670 /
TSE 1st Section**

Corporate Profile (as of February 28, 2018)

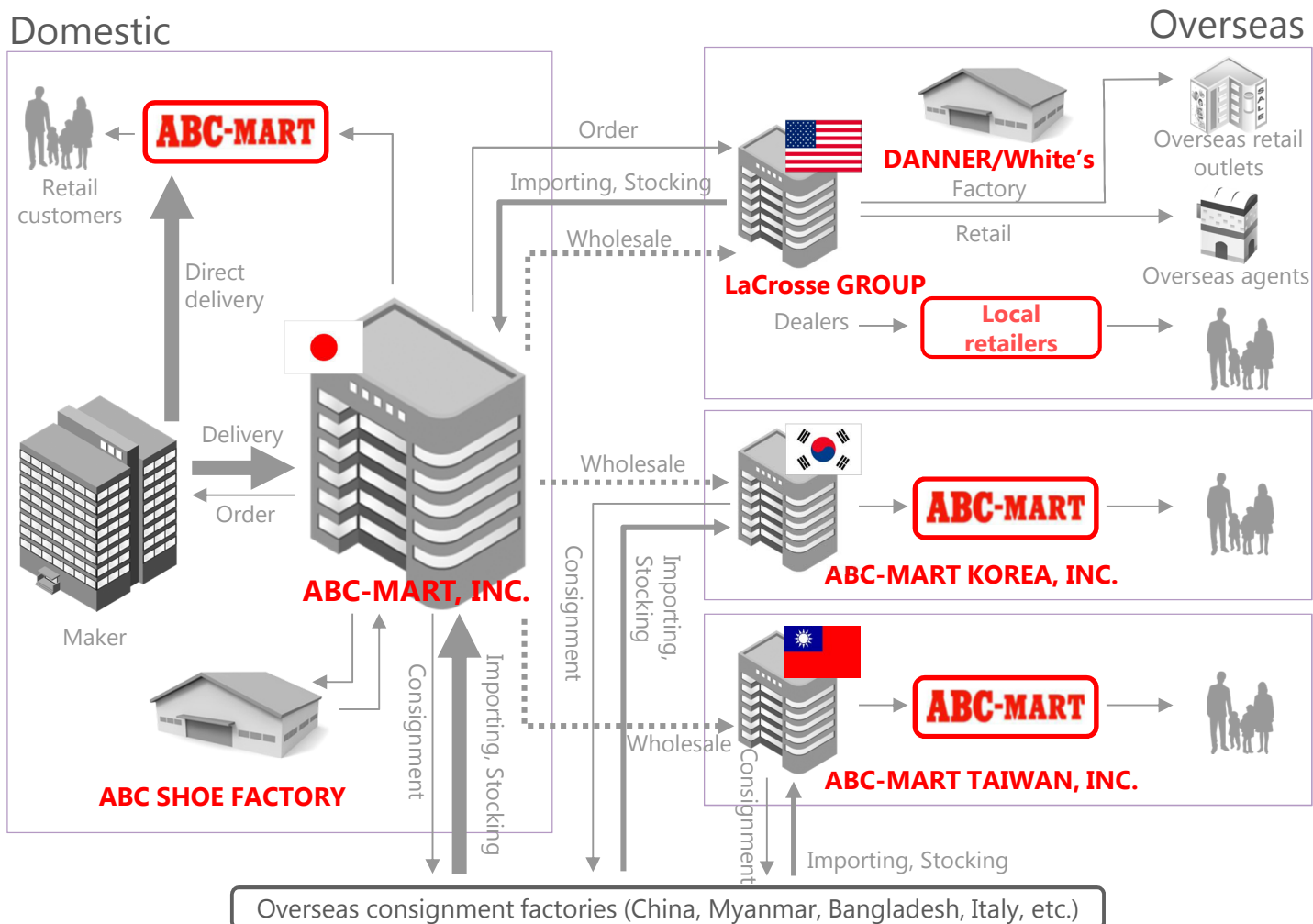
Name of Company	ABC-MART, INC.
URL	http://www.abc-mart.co.jp/
Headquarters	19F, Shibuya Mark City West 1-12-1 Dogenzaka, Shibuya-ku, Tokyo 150-0043 JAPAN (Registered address: 1-11-5 Jinnan, Shibuya-ku, Tokyo 150-0041 JAPAN)
Date of Establishment	June 6, 1985
Capital	¥19,972 million
Representative	Minoru Noguchi Representative Director, President and Executive Officer
Number of Employees	8,359 (4,828 Part-time employees included)

Business Policy

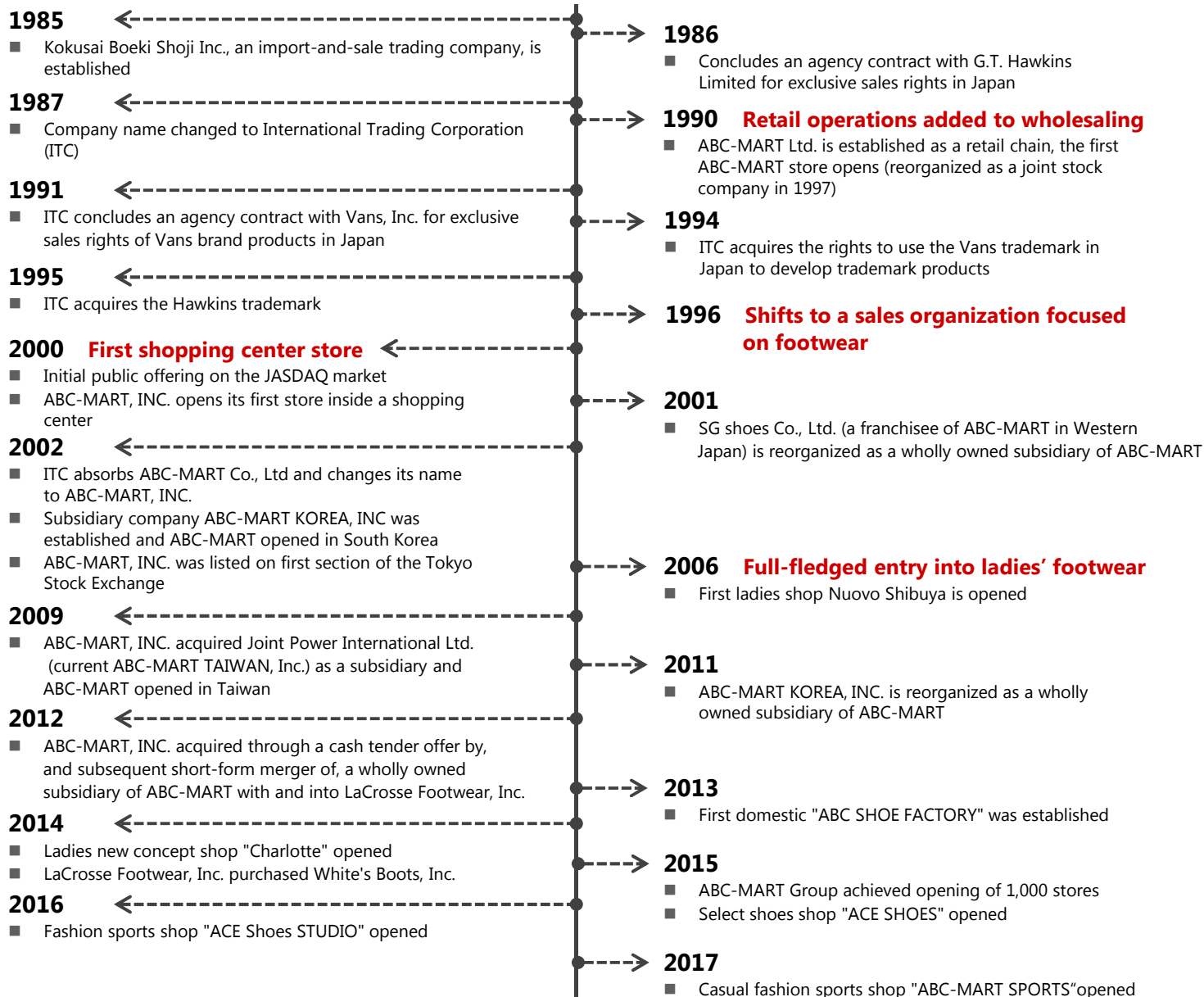
**From a lifestyle creation company
focused on shoes,
into the ABC-MART global shoe store**

New ABC-MART outlets will be opened to directly deliver shoes to our customers. Our ultimate aim is to establish a globally recognized store brand.

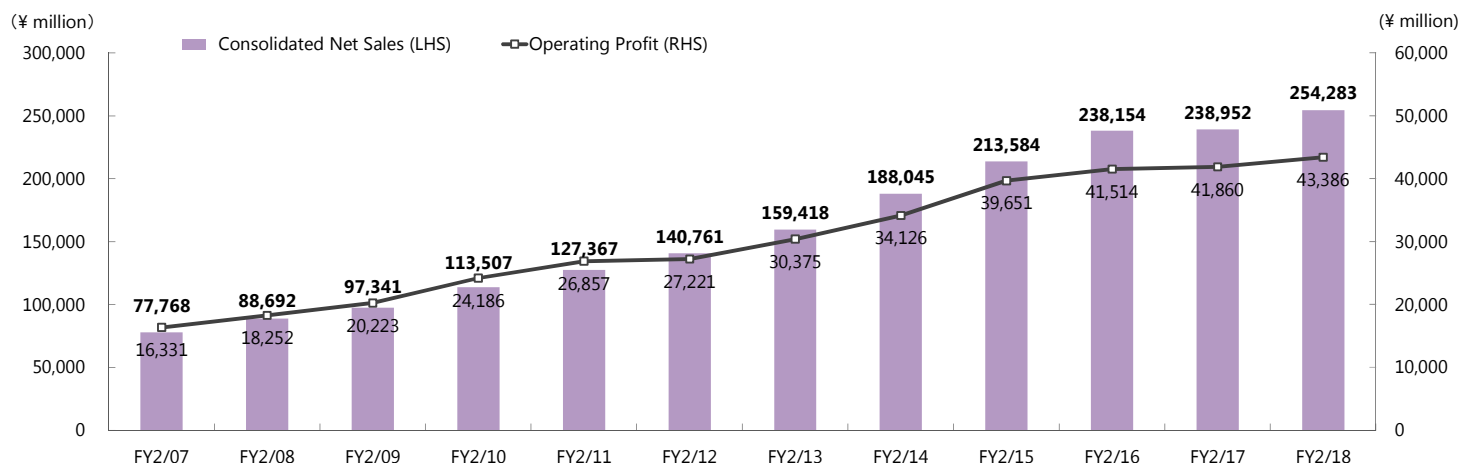
Business Content



History



Trend of Business Performance



The Strength of ABC-MART

ABC-MART is leveraging a growing product line and store network, as well as its import and sales expertise to expand share of the retail shoe market. The Company aims to establish itself as Japan's No.1 chain of dedicated shoe stores in both quality and quantity.

The accumulation of on-site excellence

Store Strategy

- Speedy store openings conforming to communities and trade areas
- Development of stores with a wide range of formats and business types
- Store renewal that responds smartly to market changes

Operation Strategy

- Boosting sales capability using POS system
- Taking the next step with high-level systems
- Responding to omni-channel

Product and Brand Strategy

- Maintenance, strengthening and development of house brands
- Development information from our overseas network
- Partnership with global brands

Human Resource Development

- Field-oriented
- Strong sales capabilities
- Strong leadership and teamwork

Product Planning and Development

Integrated Production and Sales System for House Brands

Information on trends from our overseas network

Collection of raw customer feedback

Production at cooperating factories in Italy, China, South East Asia, etc. and a domestic factory

Partnering with Global Brands

Dealing directly with makers (bulk ordering)

Enables low product prices

Promotes development of the ABC-MART original models

Enables production of appealing products at reasonable prices

In-house Product Brands

Hawkins
SINCE 1850
SPORTS FOOTWEAR

VANS
"OFF THE WALL"

NUOVO
collection by Hawkins

stefanorossi
shoes collection

saucony

Giancarlo Pirelli
collezioni uomo

Danner
- EST. 1932 -

SPERRY
Since 1935

Brands of Stores

**ABC
MART**

**ABC
MART
GRAND
STAGE**

**ABC
MART
MEGA STAGE**

ABC-MART
Premier Stage

Charlotte
by **ABC-MART**

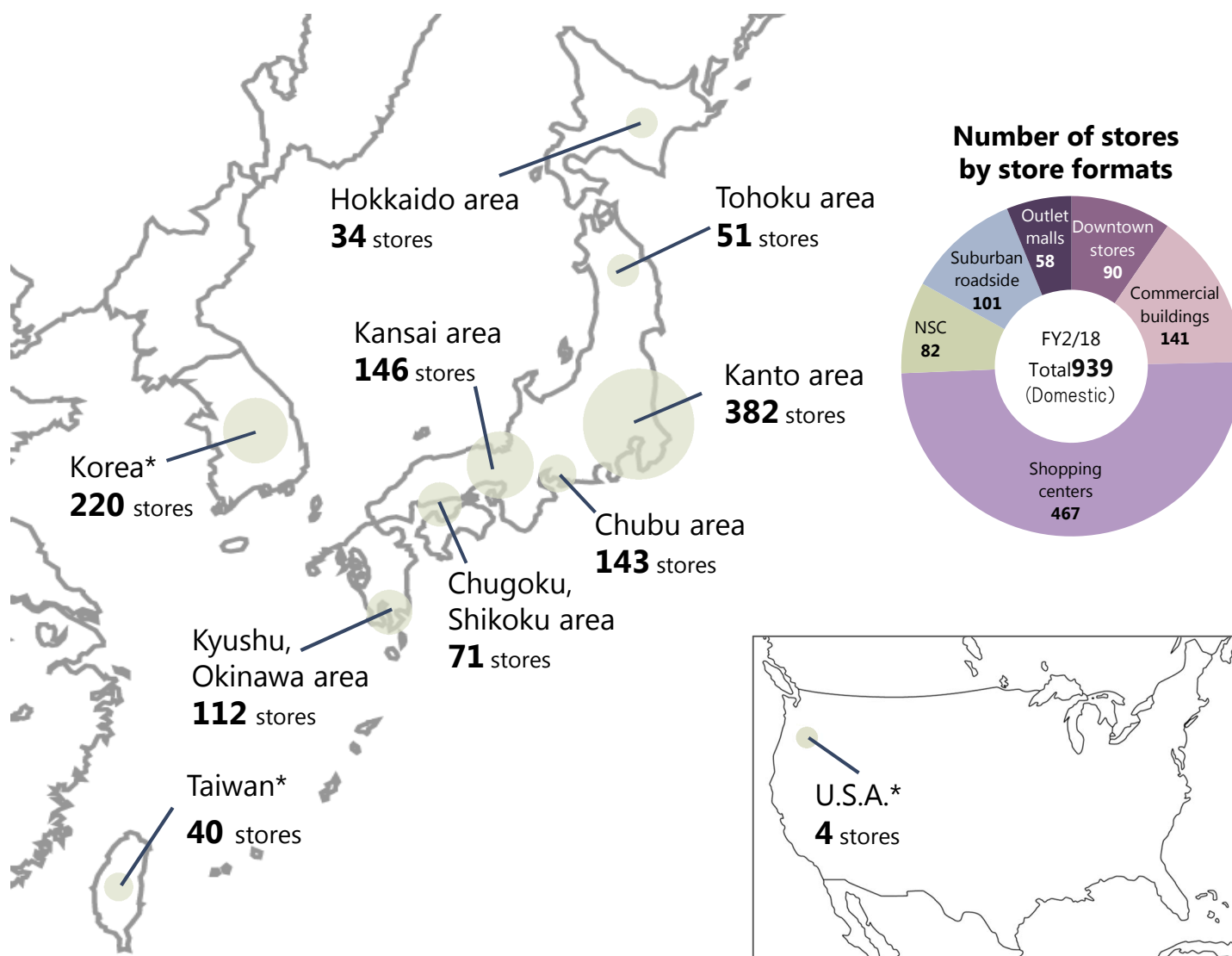
ACESHOES

**ABC-MART
SPORTS**

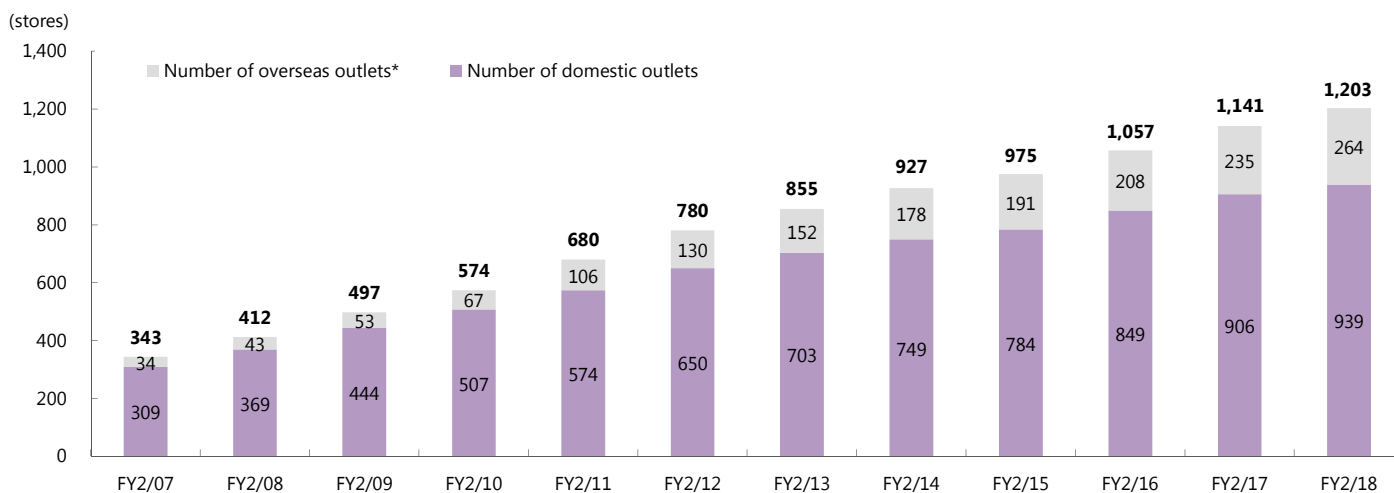


Distribution map of stores (as of February 28, 2018)

*: Number of overseas outlets (Korea, Taiwan, U.S.A.) as of end-December 2017



ABC-MART Store Network Expansion (as of February 28, 2018)



*: Number of overseas outlets (Korea, Taiwan, U.S.A.) as of end-December 2017

Consolidated Balance Sheet



(¥ million)	FY2/14	FY2/15	FY2/16	FY2/17	FY2/18
Assets					
Total assets	196,881	233,661	238,575	253,916	279,697
Current assets	129,542	160,298	169,249	187,158	207,099
Cash and deposits	78,884	96,493	100,748	117,261	126,963
Notes and accounts receivable - trade	6,463	7,873	8,147	8,333	9,386
Inventories	39,455	49,367	54,503	54,315	64,390
Deferred tax assets	1,414	2,049	1,864	1,759	1,180
Other	3,355	4,555	4,009	5,510	5,198
Allowance for doubtful accounts	(30)	(41)	(24)	(22)	(19)
Non-current assets	67,338	73,363	69,326	66,757	72,597
Property, plant and equipment	32,784	36,115	32,223	28,429	32,507
Buildings and structures	22,758	25,395	25,672	27,101	28,179
Accumulated depreciation	(10,980)	(12,512)	(12,906)	(14,214)	(15,022)
Buildings and structures, net	11,778	12,883	12,766	12,886	13,157
Tools, furniture and fixtures	8,012	9,006	9,540	10,301	12,463
Accumulated depreciation	(4,923)	(5,834)	(6,447)	(7,125)	(8,242)
Tools, furniture and fixtures, net	3,089	3,171	3,092	3,175	4,221
Land	17,696	19,629	14,728	12,157	14,111
Construction in progress	90	327	1,567	139	931
Other	593	438	438	453	474
Accumulated depreciation	(463)	(334)	(368)	(382)	(388)
Other, net	129	103	69	70	86
Intangible assets	11,649	12,543	11,139	9,445	8,075
Trademark right	2,682	2,948	2,563	2,462	1,996
Goodwill	7,195	7,511	6,236	5,129	4,109
Other	1,770	2,083	2,339	1,853	1,968
Investments and other assets	22,904	24,704	25,963	28,882	32,014
Investment securities	125	60	552	53	52
Shares of subsidiaries and associates	94	102	102	2,647	2,647
Long-term loans receivable	2,575	2,458	2,243	2,119	1,953
Lease and guarantee deposits	18,960	20,892	21,809	22,697	25,180
Net defined benefit asset	—	—	—	26	83
Other	1,150	1,208	1,272	1,354	2,114
Allowance for doubtful accounts	(1)	(18)	(16)	(17)	(19)

Consolidated Balance Sheet



(¥ million)	FY2/14	FY2/15	FY2/16	FY2/17	FY2/18
Liabilities					
Total liabilities	64,961	78,126	34,923	33,835	37,189
Current liabilities	27,362	41,070	31,975	30,875	34,924
Notes and accounts payable - trade	8,551	14,176	10,675	11,811	15,262
Short-term loans payable	3,278	6,355	3,191	1,574	2,775
Current portion of long-term loans payable	1,002	1,000	500	—	—
Income taxes payable	7,113	9,815	7,778	7,815	7,961
Provision for bonuses	654	702	831	881	906
Provision	234	291	424	363	337
Asset retirement obligations	26	14	19	10	16
Notes payable - facilities	778	722	892	1,019	883
Other	5,722	7,992	7,661	7,400	6,780
Non-current liabilities	37,599	37,056	2,947	2,959	2,264
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	799	741	682
Asset retirement obligations	243	291	312	331	370
Other	2,197	2,280	1,835	1,886	1,212
Net assets					
Total net assets	131,919	155,535	203,652	220,080	242,507
Shareholders' equity	123,281	142,384	192,125	210,588	230,399
Capital stock	3,482	3,482	19,972	19,972	19,972
Capital surplus	7,488	7,488	23,978	23,979	23,979
Retained earnings	112,310	131,413	148,175	166,637	186,448
Treasury shares	(0)	(0)	(2)	(2)	(2)
Accumulated other comprehensive income	8,265	12,697	11,006	8,886	11,306
Valuation difference on available-for-sale securities	23	14	(2)	8	13
Foreign currency translation adjustment	8,241	12,683	11,009	8,877	11,293
Non-controlling interests	372	453	520	606	801
Total liabilities and net assets	196,881	233,661	238,575	253,916	279,697

Consolidated Statement of Income



(¥ million)	FY2/14	FY2/15	FY2/16	FY2/17	FY2/18
Net sales	188,045	213,584	238,154	238,952	254,283
Cost of sales	84,317	98,523	111,161	110,068	118,631
Gross profit	103,727	115,060	126,993	128,884	135,651
Selling, general and administrative expenses	69,601	75,408	85,479	87,023	92,265
Packing and transportation expenses	2,162	2,435	2,664	2,814	3,073
Advertising expenses	7,263	6,311	6,548	6,805	6,898
Warehousing expenses	2,044	2,226	2,530	2,500	2,806
Directors' compensations, salaries and allowances	18,737	20,235	23,495	23,819	24,762
Bonuses	1,139	1,561	1,551	1,591	1,635
Provision for bonuses	647	696	832	879	904
Retirement benefit expenses	—	523	461	415	427
Legal and employee benefits expenses	2,418	2,775	3,143	3,327	3,573
Rents	17,738	19,885	23,413	24,988	26,735
Depreciation	3,885	4,019	4,314	4,065	4,214
Utilities expenses	2,050	2,189	2,179	2,083	2,136
Commission fee	3,461	4,144	4,791	4,884	5,305
Taxes and dues	873	873	1,138	1,258	1,769
Provision of allowance for doubtful accounts	0	—	—	—	—
Amortization of goodwill	1,023	1,161	1,272	845	861
Other	6,154	6,369	7,142	6,743	7,160
Operating profit	34,126	39,651	41,514	41,860	43,386
Non-operating income	1,189	1,273	1,129	1,252	1,626
Interest income	79	169	131	126	119
Foreign exchange gains	60	—	—	36	55
Rent income	664	743	744	798	1,096
Advertising medium income	62	56	68	52	53
Other	321	303	184	240	301
Non-operating expenses	501	519	448	252	511
Interest expenses	53	54	52	10	10
Foreign exchange losses	—	67	93	—	—
Rent expenses	347	230	265	196	464
Other	99	166	37	46	36
Ordinary profit	34,814	40,405	42,196	42,860	44,501

Consolidated Statement of Income



(¥ million)	FY2/14	FY2/15	FY2/16	FY2/17	FY2/18
Extraordinary income	2	4	1,524	792	100
Gain on sales of non-current assets	0	4	1,524	792	100
Gain on cancellation of derivatives	1	—	—	—	—
Extraordinary losses	1,585	425	2,719	663	834
Loss on sales of non-current assets	—	—	690	—	—
Loss on retirement of non-current assets	175	171	171	148	211
Loss on cancellation of derivatives	1,051	—	—	—	—
Impairment loss	263	253	1,761	510	623
Loss on abandonment of goods	95	—	—	—	—
Other	—	—	95	4	—
Profit before income taxes	33,231	39,985	41,001	42,989	43,767
Income taxes - current	13,598	16,100	15,088	14,615	14,730
Income taxes - deferred	(319)	(536)	(304)	(68)	(839)
Total income taxes	13,278	15,564	14,784	14,547	13,890
Profit	19,952	24,421	26,217	28,442	29,876
Profit (loss) attributable to non-controlling interests	(36)	47	86	76	161
Profit attributable to owners of parent	19,989	24,373	26,130	28,365	29,714

Overview of Business Results for FY2/18

In the fiscal year under review (from March 1, 2017 to February 28, 2018), the business environment was marked by sustained steady economic expansion centering on developed economies amid low interest rate environment. Although factors such as geopolitical risks in Asia warrant caution, the improvement in corporate earnings and expansion of capital investment continued. On the domestic consumption front, in addition to increased consumption from foreign tourists visiting Japan, we saw the rise of two trends across the many business quarters: one the heightening demand, especially in city centers, for added value in the form of services, etc. packaged with products as consumer items, and the other, a focus on capturing customers with omni-channel strategies.

In the shoes industry, demand for casual sports shoes particularly sneakers expanded as the "athleisure" trend in sports fashion caught hold. The shift to casual fashions in business contexts also gained impetus from the government's support for "sneaker commuting."

Against this backdrop, the ABC-MART Group (the "Group") strove to respond to the population shift toward city centers and increased spending by inbound tourists. Over the year, we opened 109 new stores in Japan and overseas, bringing the total number of outlets of the Group to 1,203.

As a result of the above, backed by a solid sales performance in the existing domestic stores, the Group's earnings performance was as follows. In the fiscal year under review, net sales grew 6.4% year on year to ¥254,283 million, operating profit rose 3.6% year on year to ¥43,386 million, and ordinary profit increased 3.8% year on year to ¥44,501 million. With cuts in income tax rates, profit attributable to owners of parent rose 4.8% year on year to ¥29,714 million.

Sales by Category

(%)	FY2/14	FY2/15	FY2/16	FY2/17	FY2/18
Ratio of in-house products (domestic)	48.0	46.5	40.4	37.5	35.6

(¥ million)	FY2/14	FY2/15	FY2/16	FY2/17	FY2/18
Net sales	188,045	213,584	238,154	238,952	254,283
Sports	87,441	107,860	127,955	132,764	144,331
Leather Casual	39,079	41,503	43,775	37,459	37,211
Ladies'	23,309	23,122	21,174	21,456	20,871
Kids	10,405	11,955	13,545	14,492	16,238
Business	11,163	11,121	11,431	10,795	10,679
Sandals	5,492	6,151	6,550	7,589	9,820
Others	11,151	11,869	13,721	14,394	15,130

Consolidated Statement of Cash Flows



(¥ million)	FY2/14	FY2/15	FY2/16	FY2/17	FY2/18
Cash flows from operating activities					
Net cash provided by (used in) operating activities	22,997	29,691	22,552	32,847	27,697
Profit before income taxes	33,231	39,985	41,001	42,989	43,767
Depreciation	3,885	4,019	4,314	4,275	4,417
Increase (decrease) in provision for bonuses	8	46	129	49	24
Increase (decrease) in allowance for doubtful accounts	3	24	(19)	(0)	(0)
Interest and dividend income	(80)	(170)	(132)	(127)	(121)
Interest expenses	53	54	52	10	10
Foreign exchange losses (gains)	(85)	21	112	(81)	(11)
Loss (gain) on cancellation of derivatives	1,049	—	—	—	—
Loss (gain) on sales and retirement of non-current assets	174	166	(662)	(643)	111
Impairment loss	263	253	1,761	510	623
Decrease (increase) in notes and accounts receivable - trade	(853)	(1,816)	325	(575)	(886)
Decrease (increase) in inventories	(4,455)	(7,980)	(5,678)	(560)	(9,287)
Increase (decrease) in notes and accounts payable - trade	659	4,943	(3,025)	1,548	3,463
Other, net	3,002	3,317	1,323	162	756
Subtotal	36,857	42,866	39,502	47,556	42,865
Interest and dividend income received	56	147	121	111	112
Interest expenses paid	(52)	(55)	(50)	(8)	(11)
Income taxes paid	(13,863)	(13,267)	(17,020)	(14,811)	(15,269)

Consolidated Statement of Cash Flows



(¥ million)	FY2/14	FY2/15	FY2/16	FY2/17	FY2/18
Cash flows from investing activities					
Net cash provided by (used in) investing activities	(7,573)	(9,568)	(3,726)	(4,062)	(9,877)
Payments into time deposits	—	(506)	(120)	(18)	—
Proceeds from withdrawal of time deposits	33	—	536	11	2
Purchase of property, plant and equipment	(3,862)	(6,099)	(10,985)	(4,741)	(8,887)
Proceeds from sales of property, plant and equipment	4	5	10,192	5,309	824
Purchase of intangible assets	(466)	(366)	(829)	(462)	(638)
Payments for store removal	(92)	(89)	(95)	(128)	(117)
Proceeds from redemption of investment securities	—	—	—	—	498
Purchase of investment securities	—	—	(536)	—	—
Purchase of shares of subsidiaries	—	(8)	—	—	—
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(1,314)	—	—	—
Purchase of shares of subsidiaries and associates	—	—	—	(2,544)	—
Payments of loans receivable	(1,770)	(65)	(130)	(146)	(100)
Collection of loans receivable	85	101	228	276	277
Payments for lease and guarantee deposits	(1,993)	(2,526)	(2,645)	(2,570)	(2,379)
Proceeds from collection of lease and guarantee deposits	586	1,316	840	849	767
Other payments	(114)	(144)	(247)	(136)	(135)
Other proceeds	16	128	67	241	11
Cash flows from financing activities					
Net cash provided by (used in) financing activities	(5,916)	(3,675)	(13,567)	(12,019)	(8,699)
Net increase (decrease) in short-term loans payable	(972)	2,617	(3,155)	(1,614)	1,200
Repayments of long-term loans payable	(1,002)	(1,003)	(1,000)	(500)	—
Cash dividends paid	(3,989)	(5,267)	(9,368)	(9,900)	(9,899)
Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	—	—	10	—
Proceeds from share issuance to non-controlling interests	69	—	—	—	—
Other payments	(21)	(22)	(43)	(15)	(0)
Effect of exchange rate change on cash and cash equivalents	475	604	(564)	(177)	572
Net increase (decrease) in cash and cash equivalents	9,983	17,051	4,694	16,587	9,693
Cash and cash equivalents at beginning of period	68,772	78,755	95,807	100,501	117,089
Cash and cash equivalents at end of period	78,755	95,807	100,501	117,089	126,782

Consolidated Statement of Changes in Equity



FY2/17

(¥ million)	Shareholders' equity					Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of current period	19,972	23,978	148,175	(2)	192,125	(2)	11,009	11,006	520	203,652
Changes of items during period										
Sales of shares of consolidated subsidiaries		1			1					1
Dividends of surplus			(9,903)		(9,903)					(9,903)
Profit attributable to owners of parent			28,365		28,365					28,365
Net changes of items other than shareholders' equity						11	(2,131)	(2,120)	85	(2,034)
Total changes of items during period	—	1	18,461	—	18,463	11	(2,131)	(2,120)	85	16,428
Balance at end of current period	19,972	23,979	166,637	(2)	210,588	8	8,877	8,886	606	220,080

FY2/18

(¥ million)	Shareholders' equity					Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of current period	19,972	23,979	166,637	(2)	210,588	8	8,877	8,886	606	220,080
Changes of items during period										
Dividends of surplus			(9,903)		(9,903)					(9,903)
Profit attributable to owners of parent			29,714		29,714					29,714
Net changes of items other than shareholders' equity						4	2,416	2,420	195	2,615
Total changes of items during period	—	—	19,810	—	19,810	4	2,416	2,420	195	22,426
Balance at end of current period	19,972	23,979	186,448	(2)	230,399	13	11,293	11,306	801	242,507

Results by Segment

(¥ million)	FY2/14	FY2/15	FY2/16	FY2/17	FY2/18
Net sales	188,045	213,584	238,154	238,952	254,283
Domestic	145,721	160,126	174,875	180,101	187,604
Overseas	43,091	54,366	64,264	59,759	67,657
Elimination	(768)	(908)	(984)	(908)	(979)
Operating profit	34,126	39,651	41,514	41,860	43,386
Domestic	31,358	36,124	37,160	37,843	39,298
Overseas	2,782	3,495	4,345	3,982	4,049
Elimination	(14)	31	8	34	38
Assets	196,881	233,661	238,575	253,916	279,697
Domestic	149,087	174,283	180,392	194,815	215,433
Overseas	47,903	59,558	58,433	59,359	64,514
Elimination	(110)	(180)	(249)	(258)	(251)
(%)	FY2/14	FY2/15	FY2/16	FY2/17	FY2/18
Composition ratio to net sales	100.0	100.0	100.0	100.0	100.0
Domestic	77.5	75.0	73.4	75.4	73.8
Overseas	22.9	25.4	27.0	25.0	26.6
Elimination	-0.4	-0.4	-0.4	-0.4	-0.4
Operating profit margin	18.1	18.6	17.4	17.5	17.1
Domestic	21.5	22.6	21.2	21.0	20.9
Overseas	6.5	6.4	6.8	6.7	6.0

Domestic

Our sales strategies during the fiscal year under review included strengthening our initiatives to link up TV commercials and other promotions and actual sales of casual sports shoes and fashion sneakers. Our kids' shoes and women's sports shoes businesses also performed well as we successfully attracted female customers through boosting advertising in fashion magazines and on social networking services (SNS).

We reinforced our store network by opening 63 stores centering on commercial facilities and shopping centers in prime locations. In the fiscal year under review, we opened seven stores of ABC-MART SPORTS as a new format targeting "athleisure" demand. We will continue to open new stores while emphasizing optimal merchandising to ensure a full contribution to earnings. We also actively promoted our scrap and build policy with existing stores, and closed 30 stores (including those shut on the closing of retail facilities), and remodeled 47 stores, including changing their formats or increasing floor area (of which, increasing floor area of 18 and changing the format of 11). Highlights here included the remodeling of large flagship stores in major urban centers, including Shinjuku, Ikebukuro, and Fukuoka. As a result of the above, the number of domestic outlets reached 939 stores at the end of the fiscal year.

Looking at sales growth figures at domestic stores, sales increased 4.0% year on year on an all-store basis and 3.6% year on year on an existing-store basis as we benefited from growth in numbers of both Japanese and foreign customers particularly in city centers.

These efforts resulted in domestic sales rising 4.2% year on year to ¥187,604 million and domestic operating profit increasing 3.8% year on year to ¥39,298 million.

Overseas

We expanded our overseas store network with the opening of 42 new stores in South Korea and four in Taiwan. That brought the total number of overseas outlets at the end of the fiscal year (as of December 31, 2017) to 264, comprising 220 in South Korea, 40 in Taiwan, and four in the U.S.A.

Overseas business results were affected by a slight depreciation in the yen, reflecting which net sales in South Korea increased by 14.6% year on year to ¥46,821 million, in Taiwan rose by 32.2% year on year to ¥5,111 million, and in the U.S.A. expanded by 4.6% year on year to ¥15,725 million. Overseas consolidated subsidiaries all close their accounts on December 31.

As a result of the above, overseas sales increased by 13.2% to ¥67,657 million, while overseas operating profit rose 1.7% year on year to ¥4,049 million.

Consolidated Profitability Indicators



(¥ million)	FY2/14	FY2/15	FY2/16	FY2/17	FY2/18
Net sales	188,045	213,584	238,154	238,952	254,283
Gross profit	103,727	115,060	126,993	128,884	135,651
SG&A expenses	69,601	75,408	85,479	87,023	92,265
Operating profit	34,126	39,651	41,514	41,860	43,386
Ordinary profit	34,814	40,405	42,196	42,860	44,501
Profit attributable to owners of parent	19,989	24,373	26,130	28,365	29,714

(%)	FY2/14	FY2/15	FY2/16	FY2/17	FY2/18
Gross profit on net sales	55.2	53.9	53.3	53.9	53.3
SG&A expenses ratio	37.0	35.3	35.9	36.4	36.3
Operating profit margin	18.1	18.6	17.4	17.5	17.1
Ordinary profit margin	18.5	18.9	17.7	17.9	17.5
Net profit margin	10.6	11.4	11.0	11.9	11.7

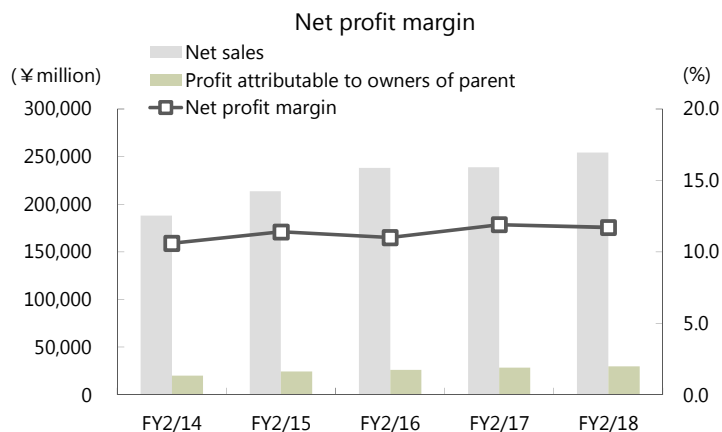
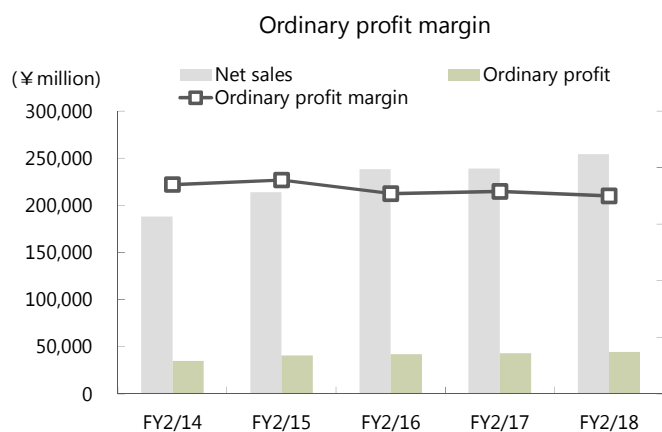
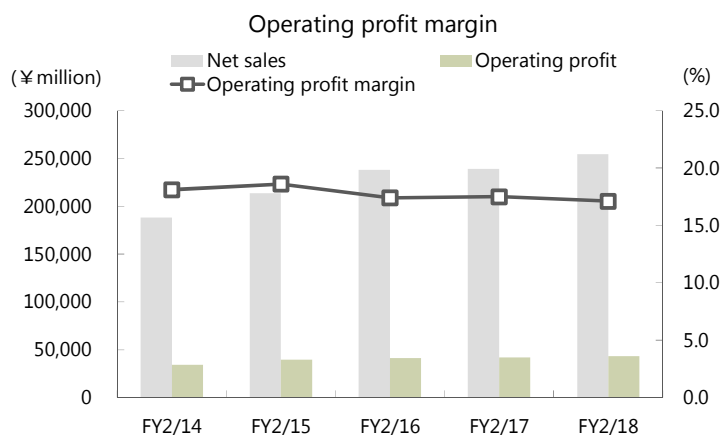
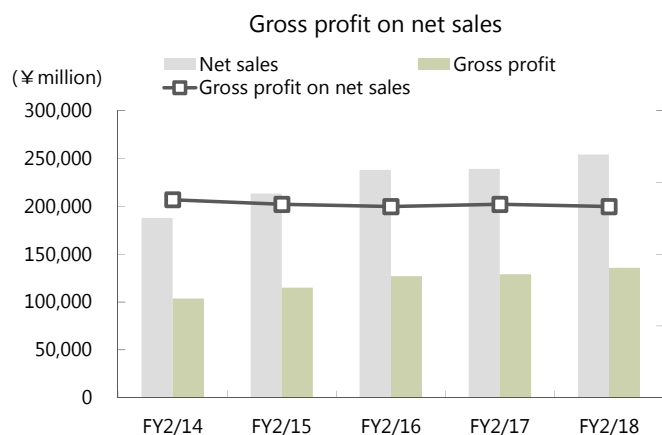
Gross profit on net sales=Gross profit/Net sales

SG&A expenses ratio=SG&A expenses/Net sales

Operating profit margin=Operating profit/Net sales

Ordinary profit margin=Ordinary profit/Net sales

Net profit margin=Profit attributable to owners of parent/Net sales



Consolidated Efficiency Indicators



(times)	FY2/14	FY2/15	FY2/16	FY2/17	FY2/18
Total assets turnover	0.96	0.91	1.00	0.94	0.91
Non-current assets turnover	2.79	2.91	3.44	3.58	3.50
Current assets turnover	1.45	1.33	1.41	1.28	1.23

(days)	FY2/14	FY2/15	FY2/16	FY2/17	FY2/18
Inventories turnover	76.58	84.36	83.53	82.97	92.43
Accounts receivable turnover	12.55	13.45	12.49	12.73	13.47
Accounts payable turnover	16.60	24.23	16.36	18.04	21.91

Total assets turnover=Net sales/Total assets

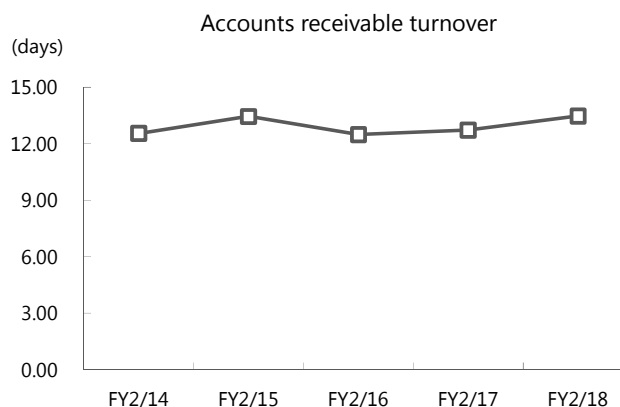
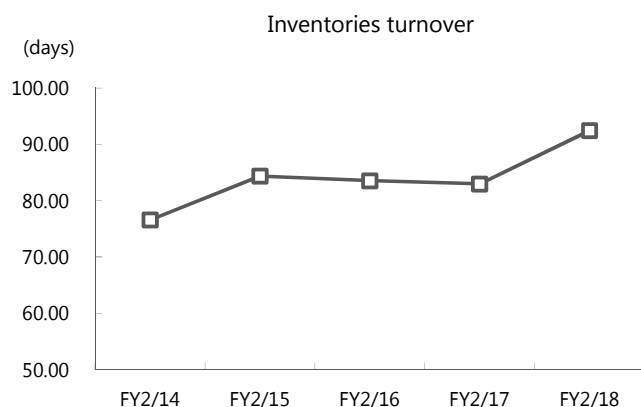
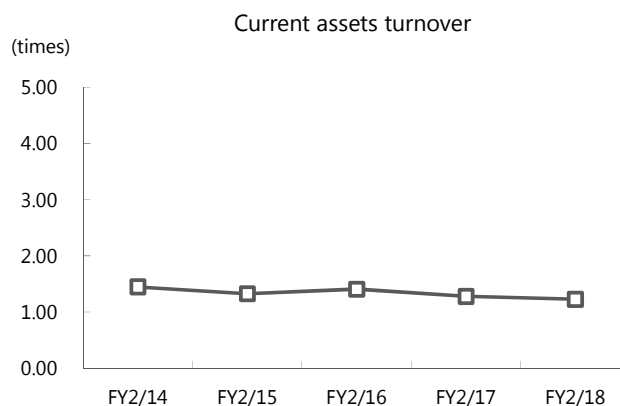
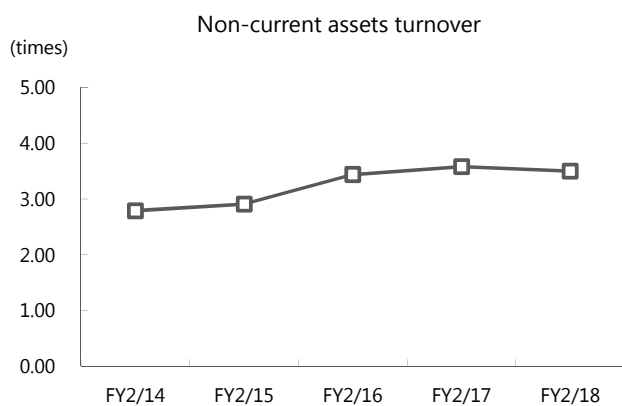
Non-current assets turnover=Net sales/Non-current assets

Current assets turnover=Net sales/Current assets

Inventories turnover=Inventories/Net salesx365

Accounts receivable turnover=Accounts receivable/Net salesx365

Accounts payable turnover=Accounts payable/Net salesx365



Consolidated Stability Indicators



(¥ million)	FY2/14	FY2/15	FY2/16	FY2/17	FY2/18
Equity	131,546	155,082	203,131	219,474	241,706
Total assets	196,881	233,661	238,575	253,916	279,697
Non-current assets	67,338	73,363	69,326	66,757	72,597
Current assets	129,542	160,298	169,249	187,158	207,099
Current liabilities	27,362	41,070	31,975	30,875	34,924
Interest-bearing debt	38,781	40,855	3,691	1,574	2,775

(%)	FY2/14	FY2/15	FY2/16	FY2/17	FY2/18
Equity ratio	66.8	66.4	85.1	86.4	86.4
D/E ratio	29.5	26.3	1.8	0.7	1.1
Fixed ratio	51.2	47.3	34.1	30.4	30.0
Current ratio	473.4	390.3	529.3	606.2	593.0
ROA	10.8	11.3	11.1	11.5	11.1
ROE	16.6	17.0	14.6	13.4	12.9

Interest-bearing debt=Short-term loans payable+Current portion of long-term loans payable+Long-term loans payable

+Convertible bond-type bonds with subscription rights to shares

Equity ratio=Equity/Total assets

Current ratio=Current assets/Current liabilities

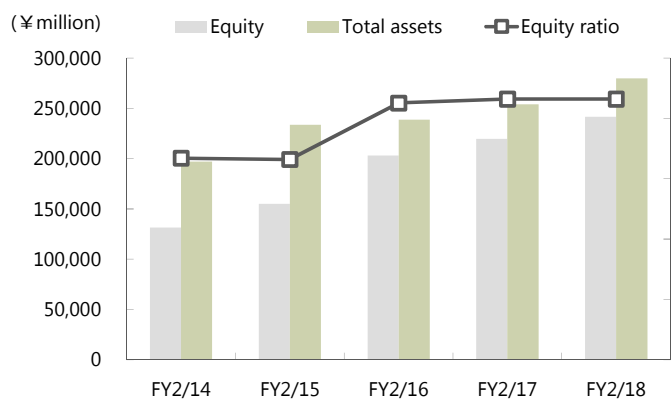
D/E ratio=Interest-bearing debt/Equity

ROA=Profit attributable to owners of parent/Average total assets

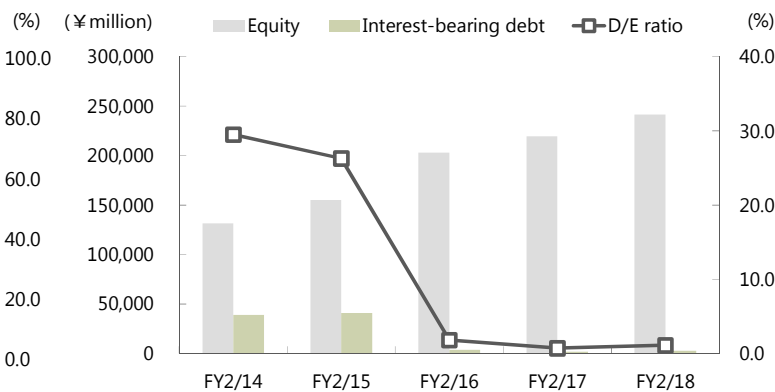
Fixed ratio=Non-current assets/Equity

ROE=Profit attributable to owners of parent/Average equity

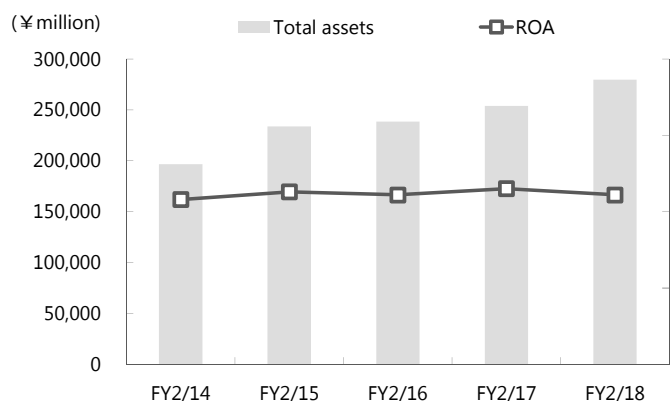
Equity ratio



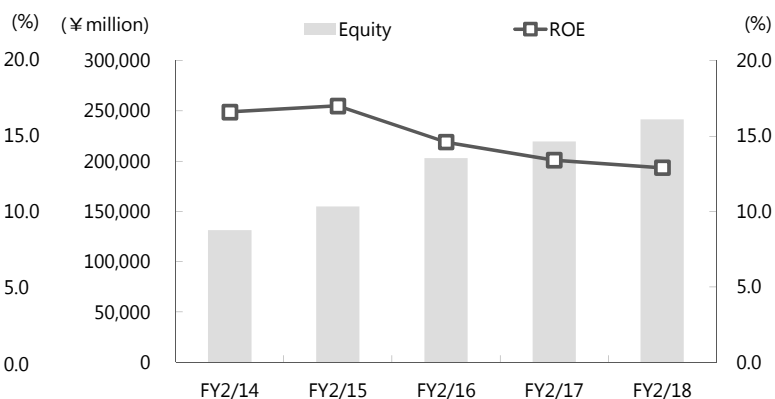
D/E ratio



ROA



ROE



Per Share Indicators

(¥)	FY2/14	FY2/15	FY2/16	FY2/17	FY2/18
Stock price at term end	4,030	6,720	6,490	6,770	6,800
Closing stock price range for the last 12 months	3,180-5,080	4,045-6,720	5,780-7,860	6,240-7,410	5,560-7,190
Earnings per share (EPS)	265.48	323.71	331.17	343.69	360.04
Diluted EPS	242.33	295.49	—	—	—
Book-value per share (BPS)	1,747.10	2,059.68	2,461.25	2,659.27	2,928.63
Dividend per share (DPS)	55.00	100.00	120.00	120.00	130.00

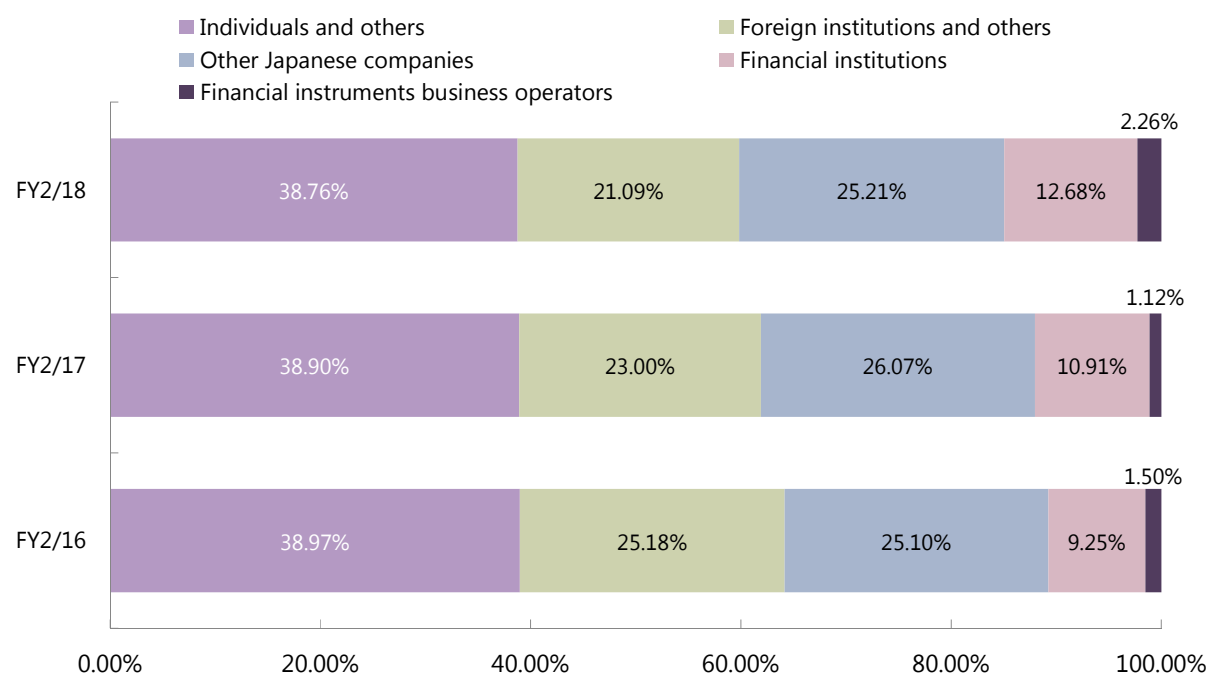
Status of Major Shareholders

As of February 28, 2018

Top 10 Shareholders	Number of Shares (thousand shares)	Shareholding Ratio (%)
Masahiro Miki	21,380	25.90
EM Planning LLC	20,666	25.03
Michiko Miki	9,484	11.49
The Master Trust Bank of Japan, Ltd. (trust account)	2,723	3.29
Japan Trustee Services Bank, Ltd. (trust account)	2,584	3.13
STATE STREET BANK WEST CLIENT-TREATY 505234	942	1.14
THE BANK OF NEW YORK MELLON SA/NV 10	823	0.99
ORBIS SICAV	818	0.99
Japan Trustee Services Bank, Ltd. (trust account 5)	685	0.83
BANQUE DE LUXEMBURG-UCITS CLIENTS	663	0.80

Note: In addition to the above, ABC-MART, INC. holds 393 shares (0.00%) in treasury shares.

Breakdown of Types of Shareholders



Reference) Non-consolidated Balance Sheet



(¥ million)	FY2/14	FY2/15	FY2/16	FY2/17	FY2/18
Assets					
Total assets	172,708	199,557	205,497	220,036	240,482
Current assets	110,138	133,116	141,307	156,314	173,894
Cash and deposits	73,988	89,536	92,744	107,431	116,298
Accounts receivable - trade	2,539	3,031	3,925	3,947	4,374
Merchandise	29,651	34,767	39,133	38,289	45,917
Deferred tax assets	1,068	1,488	1,463	1,256	1,140
Other	2,890	4,293	4,041	5,389	6,162
Non-current assets	62,569	66,440	64,189	63,722	66,587
Property, plant and equipment	26,468	29,265	25,327	21,983	24,735
Buildings and structures	10,450	11,152	10,814	11,131	11,529
Tools, furniture and fixtures	496	517	861	1,089	1,340
Land	15,403	17,218	12,106	9,651	11,476
Construction in progress	17	294	1,492	52	319
Other	101	81	52	58	69
Intangible assets	415	593	1,002	952	1,128
Investments and other assets	35,685	36,582	37,858	40,785	40,723
Investment securities	125	60	44	53	52
Shares of subsidiaries and associates	19,508	21,046	21,046	23,588	23,588
Long-term loans receivable	3,465	3,288	3,013	2,829	1,953
Lease and guarantee deposits	11,560	11,065	12,564	13,069	13,343
Other	1,025	1,119	1,189	1,243	1,784

Reference) Non-consolidated Balance Sheet



(¥ million)	FY2/14	FY2/15	FY2/16	FY2/17	FY2/18
Liabilities					
Total liabilities	57,874	67,898	27,198	25,639	28,833
Current liabilities	22,689	33,678	26,539	24,947	28,152
Notes payable - trade	4,309	8,913	5,650	5,864	7,467
Accounts payable - trade	3,039	3,323	3,353	3,540	4,716
Short-term loans payable	2,752	4,453	3,018	1,438	2,736
Current portion of long-term loans payable	1,000	1,000	500	—	—
Income taxes payable	6,472	8,934	7,216	7,040	7,194
Provision for bonuses	635	683	809	855	871
Notes payable - facilities	775	722	892	1,019	883
Other	3,704	5,646	5,097	5,188	4,282
Non-current liabilities	35,184	34,219	659	691	680
Convertible bond-type bonds with subscription rights to shares	33,000	33,000	—	—	—
Long-term loans payable	1,500	500	—	—	—
Other	684	719	659	691	680
Net assets					
Total net assets	114,833	131,658	178,299	194,397	211,649
Shareholders' equity	114,810	131,643	178,294	194,383	211,635
Capital stock	3,482	3,482	19,972	19,972	19,972
Capital surplus	7,488	7,488	23,978	23,978	23,978
Legal capital surplus	7,488	7,488	23,978	23,978	23,978
Retained earnings	103,838	120,672	134,345	150,433	167,686
Legal retained earnings	55	55	55	55	55
Other retained earnings					
Retained earnings brought forward	103,783	120,617	134,289	150,378	167,630
Treasury shares	(0)	(0)	(2)	(2)	(2)
Valuation and translation adjustments	23	14	4	13	13
Valuation difference on available-for-sale securities	23	14	4	13	13
Total liabilities and net assets	172,708	199,557	205,497	220,036	240,482

Reference) Non-consolidated Statement of Income



(¥ million)	FY2/14	FY2/15	FY2/16	FY2/17	FY2/18
Net sales	145,387	159,655	174,167	178,930	186,243
Cost of sales	60,528	68,100	74,881	76,613	80,575
Gross profit	84,859	91,554	99,286	102,317	105,668
Selling, general and administrative expenses	53,907	55,848	62,533	64,944	66,982
Operating profit	30,951	35,706	36,752	37,372	38,686
Non-operating income	1,203	1,259	1,245	1,827	2,212
Interest and dividend income	—	—	—	458	742
Interest income	67	93	85	—	—
Foreign exchange gains	—	—	—	47	20
Rent Income	818	908	895	914	1,009
Advertising medium income	62	56	68	52	53
Other	254	201	196	355	386
Non-operating expenses	247	313	265	169	178
Interest expenses	46	34	24	7	7
Foreign exchange losses	24	62	74	—	—
Rent expenses	135	143	149	143	148
Other	40	72	16	18	22
Ordinary profit	31,907	36,653	37,732	39,030	40,719
Extraordinary income	1	4	1,521	800	99
Gain on sales of non-current assets	—	4	1,521	792	99
Gain on cancellation of derivatives	1	—	—	—	—
Other	—	—	—	7	—
Extraordinary losses	1,426	335	2,637	605	682
Loss on sales of non-current assets	—	—	690	—	—
Loss on retirement of non-current assets	111	86	89	139	137
Loss on cancellation of derivatives	1,051	—	—	—	—
Impairment loss	263	249	1,761	461	545
Other	—	—	95	4	—
Profit before income taxes	30,482	36,322	36,616	39,225	40,136
Income taxes - current	12,554	14,697	13,611	13,104	13,419
Income taxes - deferred	(177)	(479)	(36)	129	(439)
Total income taxes	12,376	14,218	13,574	13,233	12,980
Profit	18,105	22,104	23,041	25,992	27,156

Reference) Non-consolidated Statement of Changes in Equity



FY2/17

(¥ million)	Shareholders' equity								Valuation and translation adjustments		Total net assets
	Capital stock	Capital surplus		Retained earnings			Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings					
					Retained earnings brought forward						
Balance at beginning of current period	19,972	23,978	23,978	55	134,289	134,345	(2)	178,294	4	4	178,299
Changes of items during period											
Dividends of surplus					(9,903)	(9,903)		(9,903)			(9,903)
Profit					25,992	25,992		25,992			25,992
Net changes of items other than shareholders' equity									9	9	9
Total changes of items during period	—	—	—	—	16,088	16,088	—	16,088	9	9	16,098
Balance at end of current period	19,972	23,978	23,978	55	150,378	150,433	(2)	194,383	13	13	194,397

FY2/18

(¥ million)	Shareholders' equity								Valuation and translation adjustments		Total net assets
	Capital stock	Capital surplus		Retained earnings			Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings					
					Retained earnings brought forward						
Balance at beginning of current period	19,972	23,978	23,978	55	150,378	150,433	(2)	194,383	13	13	194,397
Changes of items during period											
Dividends of surplus					(9,903)	(9,903)		(9,903)			(9,903)
Profit					27,156	27,156		27,156			27,156
Net changes of items other than shareholders' equity									(0)	(0)	(0)
Total changes of items during period	—	—	—	—	17,252	17,252	—	17,252	(0)	(0)	17,251
Balance at end of current period	19,972	23,978	23,978	55	167,630	167,686	(2)	211,635	13	13	211,649



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