

Summary of Consolidated Financial Results for the Three Months Ended May 31, 2017 (Q1 FY2018) (Based on Japanese GAAP)

July 5, 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
 Inquiries: Director, Corporate Planning Office Manager Jo Kojima TEL 03-3476-5452
 Scheduled date to file Quarterly Securities Report: July 6, 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 three months ended May 31, 2017 (from March 1, 2017 to May 31, 2017)

(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	%
Three months ended May 31, 2017	68,546	3.3	13,974	(2.6)	14,304	(2.1)	9,498	(1.5)
Three months ended May 31, 2016	66,354	4.5	14,350	7.9	14,611	8.2	9,640	21.7

(Note) Comprehensive income:

Three months ended May 2017 10,079 million yen (36.9%) Three months ended May 2016 7,363 million yen (△4.3%)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended May 31, 2017	115.09	–
Three months ended May 31, 2016	116.81	–

(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, 2017	266,418	225,208	84.3	2,720.50
As of February 28, 2017	253,916	220,080	86.4	2,659.27

(Reference) Shareholders' Equity:

As of May 31, 2017 224,528 million yen As of February 28, 2017 219,474 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, 2017	–	60.00	–	60.00	120.00
Year ending February 28, 2018	–	–	–	–	–
Year ending February 28, 2018 (Forecast)	–	60.00	–	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, 2018 (from March 1, 2017 to February 28, 2018)

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
Six months ending August 31, 2017	129,100	4.7	23,900	(0.5)	24,350	(0.3)	16,070	(1.0)	194.71
Full year	254,000	6.3	42,500	1.5	43,400	1.3	28,730	1.3	348.11

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

4. Notes

- (1) Changes in significant subsidiaries during the three months ended May 31, 2017
 (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, 2017	82,532,416 shares	As of February 28, 2017	82,532,416 shares
--------------------	-------------------	-------------------------	-------------------

Number of treasury shares at the end of the period

As of May 31, 2017	393 shares	As of February 28, 2017	393 shares
--------------------	------------	-------------------------	------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended May 31, 2017	82,532,023 shares	Three months ended May 31, 2016	82,532,023 shares
---------------------------------	-------------------	---------------------------------	-------------------

THIS QUARTERLY CONSOLIDATED FINANCIAL RESULTS STATEMENT IS EXEMPT FROM THE QUARTERLY REVIEW PROCEDURES.

FORWARD LOOKING STATEMENTS AND OTHER SPECIAL ITEMS

The forecast for the year ending February 28, 2018 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, 2017	As of May 31, 2017
Assets		
Current assets		
Cash and deposits	117,261	115,456
Notes and accounts receivable - trade	8,333	10,100
Inventories	54,315	61,340
Deferred tax assets	1,759	1,283
Other	5,510	7,947
Allowance for doubtful accounts	(22)	(26)
Total current assets	187,158	196,101
Non-current assets		
Property, plant and equipment		
Buildings and structures	27,101	27,889
Accumulated depreciation	(14,214)	(14,303)
Buildings and structures, net	12,886	13,585
Tools, furniture and fixtures	10,301	10,788
Accumulated depreciation	(7,125)	(7,367)
Tools, furniture and fixtures, net	3,175	3,420
Land	12,157	14,163
Construction in progress	139	202
Other	453	447
Accumulated depreciation	(382)	(382)
Other, net	70	65
Total property, plant and equipment	28,429	31,438
Intangible assets		
Trademark right	2,462	2,285
Goodwill	5,129	4,725
Other	1,853	1,814
Total intangible assets	9,445	8,825
Investments and other assets		
Investment securities	53	49
Shares of subsidiaries and associates	2,647	2,647
Long-term loans receivable	2,119	2,097
Lease and guarantee deposits	22,697	23,736
Net defined benefit asset	26	–
Other	1,354	1,539
Allowance for doubtful accounts	(17)	(18)
Total investments and other assets	28,882	30,053
Total non-current assets	66,757	70,316
Total assets	253,916	266,418

(Millions of yen)

	As of February 28, 2017	As of May 31, 2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,811	18,600
Short-term loans payable	1,574	2,520
Income taxes payable	7,815	5,433
Provision for bonuses	881	1,537
Provision	363	297
Asset retirement obligations	10	6
Notes payable - facilities	1,019	1,404
Other	7,400	8,798
Total current liabilities	30,875	38,598
Non-current liabilities		
Net defined benefit liability	741	758
Asset retirement obligations	331	348
Other	1,886	1,505
Total non-current liabilities	2,959	2,611
Total liabilities	33,835	41,209
Net assets		
Shareholders' equity		
Capital stock	19,972	19,972
Capital surplus	23,979	23,979
Retained earnings	166,637	171,184
Treasury shares	(2)	(2)
Total shareholders' equity	210,588	215,135
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8	6
Foreign currency translation adjustment	8,877	9,386
Total accumulated other comprehensive income	8,886	9,392
Non-controlling interests	606	680
Total net assets	220,080	225,208
Total liabilities and net assets	253,916	266,418

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, 2016	Three months ended May 31, 2017
Net sales	66,354	68,546
Cost of sales	29,544	30,887
Gross profit	36,809	37,658
Selling, general and administrative expenses		
Packing and transportation expenses	739	781
Advertising expenses	1,673	1,931
Warehousing expenses	706	743
Directors' compensations, salaries and allowances	6,297	6,332
Provision for bonuses	636	680
Retirement benefit expenses	89	105
Legal and employee benefits expenses	809	887
Rents	6,541	6,891
Depreciation	1,015	990
Utilities expenses	502	501
Commission fee	1,246	1,403
Taxes and dues	313	407
Amortization of goodwill	224	218
Other	1,664	1,807
Total selling, general and administrative expenses	22,458	23,684
Operating income	14,350	13,974
Non-operating income		
Interest income	35	36
Foreign exchange gains	43	34
Rent Income for house	181	247
Advertising medium income	12	12
Other	39	106
Total non-operating income	312	437
Non-operating expenses		
Interest expenses	3	3
Rent expenses	40	91
Other	6	12
Total non-operating expenses	50	107
Ordinary income	14,611	14,304

(Millions of yen)

	Three months ended May 31, 2016	Three months ended May 31, 2017
Extraordinary income		
Gain on sales of non-current assets	1	0
Total extraordinary income	1	0
Extraordinary losses		
Loss on retirement of non-current assets	20	66
Impairment loss	27	33
Total extraordinary losses	47	99
Profit before income taxes	14,565	14,204
Income taxes - current	4,937	4,701
Income taxes - deferred	(50)	(54)
Total income taxes	4,886	4,646
Profit	9,678	9,557
Profit attributable to non-controlling interests	38	58
Profit attributable to owners of parent	9,640	9,498

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended May 31, 2016	Three months ended May 31, 2017
Profit	9,678	9,557
Other comprehensive income		
Valuation difference on available-for-sale securities	2	(2)
Foreign currency translation adjustment	(2,317)	523
Total other comprehensive income	(2,315)	521
Comprehensive income	7,363	10,079
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,348	10,005
Comprehensive income attributable to non-controlling interests	14	74