

# Summary of Consolidated Financial Results for the Nine Months Ended November 30, 2017(Q3 FY2018) (Based on Japanese GAAP)

January 10, 2018

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: January 11, 2018  
 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, 2017 (from March 1, 2017 to November 30, 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	%
Nine months ended November 30, 2017	188,637	5.4	32,704	2.1	33,559	2.6	22,229	0.3
Nine months ended November 30, 2016	178,933	0.8	32,044	(2.3)	32,721	(2.0)	22,155	9.3

(Note) Comprehensive income:

Nine months ended November 2017 22,542 million yen (36.8%)    Nine months ended November 2016 16,481 million yen ( $\Delta$ 8.2%)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended November 30, 2017	269.34	–
Nine months ended November 30, 2016	268.45	–

## (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, 2017	271,121	232,719	85.6	2,810.86
As of February 28, 2017	253,916	220,080	86.4	2,659.27

(Reference) Shareholders' Equity:

As of November 30, 2017 231,986 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	–	60.00	–		
Year ending February 28, 2018 (Forecast)				60.00	120.00

(None) Revisions to dividend forecasts published most recently: No

## 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
Full year	252,200	5.5	42,500	1.5	43,500	1.5	28,730	1.3	348.11

(None) Revisions to financial forecasts published most recently: No

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended November 30, 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 November 30, 2017	82,532,416 shares	As of February 28, 2017	82,532,416 shares
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Number of treasury shares at the end of the period

As of November 30, 2017	393 shares	As of February 28, 2017	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, 2017	82,532,023 shares	Nine months ended November 30, 2016	82,532,023 shares
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**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 November 30, 2017
Assets		
Current assets		
Cash and deposits	117,261	114,017
Notes and accounts receivable - trade	8,333	11,471
Inventories	54,315	66,419
Deferred tax assets	1,759	1,292
Other	5,510	6,626
Allowance for doubtful accounts	(22)	(18)
Total current assets	187,158	199,808
Non-current assets		
Property, plant and equipment		
Buildings and structures	27,101	28,413
Accumulated depreciation	(14,214)	(14,662)
Buildings and structures, net	12,886	13,750
Tools, furniture and fixtures	10,301	11,822
Accumulated depreciation	(7,125)	(7,572)
Tools, furniture and fixtures, net	3,175	4,249
Land	12,157	13,943
Construction in progress	139	574
Other	453	463
Accumulated depreciation	(382)	(388)
Other, net	70	75
Total property, plant and equipment	28,429	32,593
Intangible assets		
Trademark right	2,462	2,093
Goodwill	5,129	4,315
Other	1,853	1,949
Total intangible assets	9,445	8,358
Investments and other assets		
Investment securities	53	51
Shares of subsidiaries and associates	2,647	2,647
Long-term loans receivable	2,119	2,015
Lease and guarantee deposits	22,697	24,076
Net defined benefit asset	26	–
Other	1,354	1,587
Allowance for doubtful accounts	(17)	(17)
Total investments and other assets	28,882	30,360
Total non-current assets	66,757	71,313
Total assets	253,916	271,121

(Millions of yen)

	As of February 28, 2017	As of November 30, 2017
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	11,811	16,837
Short-term loans payable	1,574	3,464
Income taxes payable	7,815	4,588
Provision for bonuses	881	1,585
Provision	363	349
Asset retirement obligations	10	20
Notes payable - facilities	1,019	1,010
Other	7,400	8,044
<b>Total current liabilities</b>	<b>30,875</b>	<b>35,901</b>
<b>Non-current liabilities</b>		
Net defined benefit liability	741	767
Asset retirement obligations	331	367
Other	1,886	1,365
<b>Total non-current liabilities</b>	<b>2,959</b>	<b>2,500</b>
<b>Total liabilities</b>	<b>33,835</b>	<b>38,401</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	19,972	19,972
Capital surplus	23,979	23,979
Retained earnings	166,637	178,962
Treasury shares	(2)	(2)
<b>Total shareholders' equity</b>	<b>210,588</b>	<b>222,913</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	8	12
Foreign currency translation adjustment	8,877	9,060
<b>Total accumulated other comprehensive income</b>	<b>8,886</b>	<b>9,072</b>
<b>Non-controlling interests</b>	<b>606</b>	<b>733</b>
<b>Total net assets</b>	<b>220,080</b>	<b>232,719</b>
<b>Total liabilities and net assets</b>	<b>253,916</b>	<b>271,121</b>

**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, 2016	Nine months ended November 30, 2017
Net sales	178,933	188,637
Cost of sales	81,791	87,178
Gross profit	97,141	101,458
Selling, general and administrative expenses		
Packing and transportation expenses	2,106	2,291
Advertising expenses	5,346	5,146
Warehousing expenses	1,927	2,145
Directors' compensations, salaries and allowances	17,866	18,416
Bonuses	362	371
Provision for bonuses	1,507	1,583
Retirement benefit expenses	304	322
Legal and employee benefits expenses	2,477	2,653
Rents	18,642	19,888
Depreciation	3,032	3,121
Utilities expenses	1,581	1,607
Commission fee	3,654	3,987
Taxes and dues	762	1,261
Amortization of goodwill	632	645
Other	4,891	5,310
Total selling, general and administrative expenses	65,097	68,753
Operating income	32,044	32,704
Non-operating income		
Interest income	97	100
Foreign exchange gains	24	65
Rent Income for house	560	809
Advertising medium income	37	34
Other	183	227
Total non-operating income	903	1,236
Non-operating expenses		
Interest expenses	6	8
Rent expenses	141	344
Other	77	29
Total non-operating expenses	226	381
Ordinary income	32,721	33,559

(Millions of yen)

	Nine months ended November 30, 2016	Nine months ended November 30, 2017
Extraordinary income		
Gain on sales of non-current assets	791	97
Total extraordinary income	791	97
Extraordinary losses		
Loss on retirement of non-current assets	68	171
Impairment loss	236	247
Other	4	–
Total extraordinary losses	309	419
Profit before income taxes	33,203	33,237
Income taxes - current	11,176	11,130
Income taxes - deferred	(193)	(232)
Total income taxes	10,983	10,898
Profit	22,220	22,339
Profit attributable to non-controlling interests	64	110
Profit attributable to owners of parent	22,155	22,229

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

(Millions of yen)

	Nine months ended November 30, 2016	Nine months ended November 30, 2017
Profit	22,220	22,339
Other comprehensive income		
Valuation difference on available-for-sale securities	8	3
Foreign currency translation adjustment	(5,747)	199
Total other comprehensive income	(5,739)	203
Comprehensive income	16,481	22,542
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	16,478	22,415
Comprehensive income attributable to non-controlling interests	2	127