

# Summary of Consolidated Financial Results for the Three Months Ended May 31, 2018 (Q1 FY2019) (Based on Japanese GAAP)

July 4, 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: July 5, 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 three months ended May 31, 2018 (from March 1, 2018 to May 31, 2018)

(1) Consolidated operating results (cumulative) Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended May 31, 2018	70,029	2.2	13,775	(1.4)	14,207	(0.7)	9,577	0.8
Three months ended May 31, 2017	68,546	3.3	13,974	(2.6)	14,304	(2.1)	9,498	(1.5)

(Note) Comprehensive income:

Three months ended May 2018 6,781 million yen ( $\Delta$ 32.7%)      Three months ended May 2017 10,079 million yen (36.9%)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended May 31, 2018	116.04		–	
Three months ended May 31, 2017	115.09		–	

## (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, 2018	285,735		243,512		84.9		2,940.42	
As of February 28, 2018	279,697		242,507		86.4		2,928.63	

(Reference) Shareholders' Equity:

As of May 31, 2018 242,678 million yen      As of February 28, 2018 241,706 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 28, 2018	–	60.00	–	70.00	130.00
Year ending February 28, 2019	–	–	–	–	–
Year ending February 28, 2019 (Forecast)	–	65.00	–	65.00	130.00

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

## 3. Forecast of consolidated financial results for the year ending February 28, 2019 (from March 1, 2018 to February 28, 2019)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		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, 2018	133,200	3.4	24,200	2.2	24,530	1.1	16,270	1.2	197.14
Full year	263,400	3.6	43,900	1.2	44,600	0.2	29,740	0.1	360.34

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

4. Notes

- (1) Changes in significant subsidiaries during the three months ended May 31, 2018  
 (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, 2018	82,532,416 shares	As of February 28, 2018	82,532,416 shares
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Number of treasury shares at the end of the period

As of May 31, 2018	393 shares	As of February 28, 2018	393 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended May 31, 2018	82,532,023 shares	Three months ended May 31, 2017	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, 2019 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, 2018	As of May 31, 2018
Assets		
Current assets		
Cash and deposits	126,963	127,474
Notes and accounts receivable - trade	9,386	11,002
Inventories	64,390	69,153
Deferred tax assets	1,180	1,191
Other	5,198	5,614
Allowance for doubtful accounts	(19)	(24)
Total current assets	207,099	214,412
Non-current assets		
Property, plant and equipment		
Buildings and structures	28,179	28,951
Accumulated depreciation	(15,022)	(15,293)
Buildings and structures, net	13,157	13,657
Tools, furniture and fixtures	12,463	12,764
Accumulated depreciation	(8,242)	(8,061)
Tools, furniture and fixtures, net	4,221	4,703
Land	14,111	13,731
Construction in progress	931	151
Other	474	435
Accumulated depreciation	(388)	(365)
Other, net	86	70
Total property, plant and equipment	32,507	32,315
Intangible assets		
Trademark right	1,996	1,801
Goodwill	4,109	3,660
Other	1,968	1,995
Total intangible assets	8,075	7,457
Investments and other assets		
Investment securities	52	52
Shares of subsidiaries and associates	2,647	2,647
Long-term loans receivable	1,953	1,933
Lease and guarantee deposits	25,180	24,795
Net defined benefit asset	83	13
Other	2,114	2,125
Allowance for doubtful accounts	(19)	(18)
Total investments and other assets	32,014	31,550
Total non-current assets	72,597	71,323
Total assets	279,697	285,735

(Millions of yen)

	As of February 28, 2018	As of May 31, 2018
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	15,262	19,623
Short-term loans payable	2,775	3,124
Income taxes payable	7,961	5,277
Provision for bonuses	906	1,617
Provision	337	282
Asset retirement obligations	16	21
Notes payable - facilities	883	1,179
Other	6,780	9,007
Total current liabilities	34,924	40,134
Non-current liabilities		
Net defined benefit liability	682	634
Asset retirement obligations	370	358
Other	1,212	1,095
Total non-current liabilities	2,264	2,088
Total liabilities	37,189	42,223
<b>Net assets</b>		
Shareholders' equity		
Capital stock	19,972	19,972
Capital surplus	23,979	23,979
Retained earnings	186,448	190,248
Treasury shares	(2)	(2)
Total shareholders' equity	230,399	234,199
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13	13
Foreign currency translation adjustment	11,293	8,466
Total accumulated other comprehensive income	11,306	8,479
Non-controlling interests	801	833
Total net assets	242,507	243,512
Total liabilities and net assets	279,697	285,735

**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, 2017	Three months ended May 31, 2018
Net sales	68,546	70,029
Cost of sales	30,887	31,906
Gross profit	37,658	38,122
Selling, general and administrative expenses		
Packing and transportation expenses	781	837
Advertising expenses	1,931	1,567
Warehousing expenses	743	816
Directors' compensations, salaries and allowances	6,332	6,527
Provision for bonuses	680	744
Retirement benefit expenses	105	98
Legal and employee benefits expenses	887	943
Rents	6,891	7,271
Depreciation	990	1,074
Utilities expenses	501	515
Commission fee	1,403	1,504
Taxes and dues	407	444
Amortization of goodwill	218	208
Other	1,807	1,791
Total selling, general and administrative expenses	23,684	24,347
Operating profit	13,974	13,775
Non-operating income		
Interest income	36	39
Foreign exchange gains	34	-
Rent Income for house	247	286
Advertising medium income	12	11
Other	106	230
Total non-operating income	437	567
Non-operating expenses		
Interest expenses	3	2
Foreign exchange losses	-	12
Rent expenses	91	116
Other	12	3
Total non-operating expenses	107	134
Ordinary profit	14,304	14,207

(Millions of yen)

	Three months ended May 31, 2017	Three months ended May 31, 2018
Extraordinary income		
Gain on sales of non-current assets	0	53
Total extraordinary income	0	53
Extraordinary losses		
Loss on retirement of non-current assets	66	35
Impairment loss	33	3
Other	–	1
Total extraordinary losses	99	40
Profit before income taxes	14,204	14,220
Income taxes - current	4,701	4,628
Income taxes - deferred	(54)	(46)
Total income taxes	4,646	4,581
Profit	9,557	9,638
Profit attributable to non-controlling interests	58	61
Profit attributable to owners of parent	9,498	9,577

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

(Millions of yen)

	Three months ended May 31, 2017	Three months ended May 31, 2018
Profit	9,557	9,638
Other comprehensive income		
Valuation difference on available-for-sale securities	(2)	(0)
Foreign currency translation adjustment	523	(2,856)
Total other comprehensive income	521	(2,856)
Comprehensive income	10,079	6,781
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,005	6,749
Comprehensive income attributable to non-controlling interests	74	31