

Summary of Consolidated Financial Results for the Year Ended February 28, 2019 (FY2019) (Based on Japanese GAAP)

April 10, 2019

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 of ordinary general meeting of shareholders: May 29, 2019
 Scheduled date to file Securities Report: May 30, 2019
 Scheduled date to commence dividend payments: May 30, 2019
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended February 28, 2019 (from March 1, 2018 to February 28, 2019)

(1) Consolidated operating results

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	%
Year ended February 28, 2019	266,703	4.9	43,929	1.3	45,133	1.4	30,285	1.9
Year ended February 28, 2018	254,283	6.4	43,386	3.6	44,501	3.8	29,714	4.8

(Note) Comprehensive income:

Year ended February 2019 27,949 million yen (Δ 13.6%) Year ended February 2018 32,330 million yen (22.8%)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended February 28, 2019	366.95	–	12.1	15.7	16.5
Year ended February 28, 2018	360.04	–	12.9	16.7	17.1

(Reference) Equity in earnings of affiliated companies:

Year ended February 2019 - million yen Year ended February 2018 - million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of February 28, 2019	296,941	259,315	87.0	3,130.62
As of February 28, 2018	279,697	242,507	86.4	2,928.63

(Reference) Shareholders' Equity:

As of February 28, 2019 258,376 million yen As of February 28, 2018 241,706 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended February 28, 2019	34,943	(9,756)	(11,722)	139,743
Year ended February 28, 2018	27,697	(9,877)	(8,699)	126,782

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended February 28, 2018	–	60.00	–	70.00	130.00	10,729	36.1	4.7
Year ended February 28, 2019	–	65.00	–	105.00	170.00	14,030	46.3	5.6
Year ending February 29, 2020 (Forecast)	–	85.00	–	85.00	170.00		45.5	

3. Forecast of consolidated financial results for the year ending February 29, 2020 (from March 1, 2019 to February 29, 2020)

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, 2019	139,500	5.0	24,400	(1.0)	24,720	(2.3)	16,750	(1.0)	202.95
Full year	278,300	4.3	45,200	2.9	45,700	1.3	30,860	1.9	373.92

4. Notes

- (1) Changes in significant subsidiaries during the year ended February 28, 2019
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of February 28, 2019	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 February 28, 2019	393 shares	As of February 28, 2018	393 shares
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Average number of shares during the period

Year ended February 28, 2019	82,532,023 shares	Year ended February 28, 2018	82,532,023 shares
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(Reference) Summary of Nonconsolidated Financial Statements

1. Nonconsolidated financial results for the year ended February 28, 2019 (from March 1, 2018 to February 28, 2019)

(1) Nonconsolidated operating results Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended February 28, 2019	191,347	2.7	38,380	△0.8	40,162	△1.4	27,178	0.1
Year ended February 28, 2018	186,243	4.1	38,686	3.5	40,719	4.3	27,156	4.5

	Net income per share	Diluted net income per share
	Yen	Yen
Year ended February 28, 2019	329.31	-
Year ended February 28, 2018	329.04	-

(2) Nonconsolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of February 28, 2019	256,821	227,681	88.7	2,758.70
As of February 28, 2018	240,482	211,649	88.0	2,564.45

(Reference) Shareholders' Equity:

As of February 28, 2019 227,681 million yen As of February 28, 2018 211,649 million yen

2. Forecast of nonconsolidated financial results for the year ending February 29, 2020 (from March 1, 2019 to February 29, 2020)

Percentages indicate year-on-year changes

	Net sales		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending August 31, 2019	101,210	3.1	22,010	△2.8	14,860	△2.1	180.05
Full year	196,300	2.6	40,200	0.1	27,210	0.1	329.69

THIS CONSOLIDATED FINANCIAL RESULTS STATEMENT AND THIS FINANCIAL RESULTS STATEMENT ARE EXEMPT FROM THE AUDIT PROCEDURES.

FORWARD LOOKING STATEMENTS AND OTHER SPECIAL ITEMS

The forecast for the year ending February 29, 2020 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.

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of February 28, 2018	As of February 28, 2019
Assets		
Current assets		
Cash and deposits	126,963	139,914
Notes and accounts receivable - trade	9,386	10,423
Inventories	64,390	65,665
Other	5,198	4,648
Allowance for doubtful accounts	(19)	(42)
Total current assets	205,919	220,610
Non-current assets		
Property, plant and equipment		
Buildings and structures	28,179	30,266
Accumulated depreciation	(15,022)	(16,089)
Buildings and structures, net	13,157	14,176
Tools, furniture and fixtures	12,463	13,612
Accumulated depreciation	(8,242)	(8,818)
Tools, furniture and fixtures, net	4,221	4,794
Land	14,111	17,099
Construction in progress	931	203
Other	474	432
Accumulated depreciation	(388)	(378)
Other, net	86	54
Total property, plant and equipment	32,507	36,328
Intangible assets		
Trademark right	1,996	1,570
Goodwill	4,109	2,876
Other	1,968	2,392
Total intangible assets	8,075	6,840
Investments and other assets		
Investment securities	52	46
Shares of subsidiaries and associates	2,647	2,647
Long-term loans receivable	1,953	1,802
Lease and guarantee deposits	25,180	24,961
Net defined benefit asset	83	–
Deferred tax assets	2,751	3,087
Other	543	634
Allowance for doubtful accounts	(19)	(17)
Total investments and other assets	33,194	33,162
Total non-current assets	73,777	76,330
Total assets	279,697	296,941

(Millions of yen)

	As of February 28, 2018	As of February 28, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	15,262	13,877
Short-term loans payable	2,775	2,189
Income taxes payable	7,961	7,721
Provision for bonuses	906	915
Provision	337	361
Asset retirement obligations	16	23
Notes payable - facilities	883	1,227
Other	6,780	9,264
Total current liabilities	34,924	35,580
Non-current liabilities		
Net defined benefit liability	682	703
Asset retirement obligations	370	377
Other	1,212	964
Total non-current liabilities	2,264	2,045
Total liabilities	37,189	37,626
Net assets		
Shareholders' equity		
Capital stock	19,972	19,972
Capital surplus	23,979	23,979
Retained earnings	186,448	205,591
Treasury shares	(2)	(2)
Total shareholders' equity	230,399	249,542
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13	8
Foreign currency translation adjustment	11,293	8,825
Total accumulated other comprehensive income	11,306	8,833
Non-controlling interests	801	938
Total net assets	242,507	259,315
Total liabilities and net assets	279,697	296,941

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended February 28, 2018	Fiscal year ended February 28, 2019
Net sales	254,283	266,703
Cost of sales	118,631	126,158
Gross profit	135,651	140,545
Selling, general and administrative expenses		
Packing and transportation expenses	3,073	3,432
Advertising expenses	6,898	6,465
Warehousing expenses	2,806	3,090
Directors' compensations, salaries and allowances	24,762	25,894
Bonuses	1,635	1,678
Provision for bonuses	904	914
Retirement benefit expenses	427	528
Legal and employee benefits expenses	3,573	3,867
Rents	26,735	28,044
Depreciation	4,214	4,506
Utilities expenses	2,136	2,193
Commission fee	5,305	5,608
Taxes and dues	1,769	1,815
Amortization of goodwill	861	847
Other	7,160	7,728
Total selling, general and administrative expenses	92,265	96,615
Operating profit	43,386	43,929
Non-operating income		
Interest income	119	93
Foreign exchange gains	55	–
Rent Income	1,096	1,146
Advertising medium income	53	38
Other	301	597
Total non-operating income	1,626	1,876
Non-operating expenses		
Interest expenses	10	10
Foreign exchange losses	–	79
Rent expenses	464	498
Other	36	84
Total non-operating expenses	511	672
Ordinary profit	44,501	45,133

(Millions of yen)

	Fiscal year ended February 28, 2018	Fiscal year ended February 28, 2019
Extraordinary income		
Gain on sales of non-current assets	100	53
Total extraordinary income	100	53
Extraordinary losses		
Loss on retirement of non-current assets	211	168
Impairment loss	623	830
Other	–	1
Total extraordinary losses	834	1,000
Profit before income taxes	43,767	44,186
Income taxes - current	14,730	14,243
Income taxes - deferred	(839)	(520)
Total income taxes	13,890	13,722
Profit	29,876	30,464
Profit attributable to non-controlling interests	161	178
Profit attributable to owners of parent	29,714	30,285

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended February 28, 2018	Fiscal year ended February 28, 2019
Profit	29,876	30,464
Other comprehensive income		
Valuation difference on available-for-sale securities	4	(4)
Foreign currency translation adjustment	2,450	(2,510)
Total other comprehensive income	2,454	(2,514)
Comprehensive income	32,330	27,949
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	32,135	27,812
Comprehensive income attributable to non-controlling interests	195	136

Consolidated statements of changes in equity

Fiscal year ended February 28, 2018

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	19,972	23,979	166,637	(2)	210,588
Changes of items during period					
Dividends of surplus			(9,903)		(9,903)
Profit attributable to owners of parent			29,714		29,714
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	19,810	–	19,810
Balance at end of current period	19,972	23,979	186,448	(2)	230,399

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of current period	8	8,877	8,886	606	220,080
Changes of items during period					
Dividends of surplus					(9,903)
Profit attributable to owners of parent					29,714
Net changes of items other than shareholders' equity	4	2,416	2,420	195	2,615
Total changes of items during period	4	2,416	2,420	195	22,426
Balance at end of current period	13	11,293	11,306	801	242,507

Fiscal year ended February 28, 2019

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	19,972	23,979	186,448	(2)	230,399
Changes of items during period					
Dividends of surplus			(11,141)		(11,141)
Profit attributable to owners of parent			30,285		30,285
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	19,143	-	19,143
Balance at end of current period	19,972	23,979	205,591	(2)	249,542

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of current period	13	11,293	11,306	801	242,507
Changes of items during period					
Dividends of surplus					(11,141)
Profit attributable to owners of parent					30,285
Net changes of items other than shareholders' equity	(4)	(2,468)	(2,472)	136	(2,336)
Total changes of items during period	(4)	(2,468)	(2,472)	136	16,807
Balance at end of current period	8	8,825	8,833	938	259,315

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended February 28, 2018	Fiscal year ended February 28, 2019
Cash flows from operating activities		
Profit before income taxes	43,767	44,186
Depreciation	4,417	4,700
Increase (decrease) in provision for bonuses	24	10
Increase (decrease) in allowance for doubtful accounts	(0)	22
Interest and dividend income	(121)	(94)
Interest expenses	10	10
Foreign exchange losses (gains)	(11)	(21)
Loss (gain) on sales and retirement of non-current assets	111	116
Impairment loss	623	830
Decrease (increase) in notes and accounts receivable - trade	(886)	(1,241)
Decrease (increase) in inventories	(9,287)	(2,189)
Increase (decrease) in notes and accounts payable - trade	3,463	(784)
Other, net	756	3,260
Subtotal	42,865	48,805
Interest and dividend income received	112	85
Interest expenses paid	(11)	(9)
Income taxes paid	(15,269)	(13,936)
Net cash provided by (used in) operating activities	27,697	34,943
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	2	–
Purchase of property, plant and equipment	(8,887)	(9,181)
Proceeds from sales of property, plant and equipment	824	1,433
Purchase of intangible assets	(638)	(1,053)
Payments for store removal	(117)	(137)
Proceeds from redemption of investment securities	498	–
Payments of loans receivable	(100)	(105)
Collection of loans receivable	277	275
Payments for lease and guarantee deposits	(2,379)	(1,436)
Proceeds from collection of lease and guarantee deposits	767	681
Other payments	(135)	(268)
Other proceeds	11	36
Net cash provided by (used in) investing activities	(9,877)	(9,756)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	1,200	(584)
Cash dividends paid	(9,899)	(11,137)
Other payments	(0)	(0)
Net cash provided by (used in) financing activities	(8,699)	(11,722)
Effect of exchange rate change on cash and cash equivalents	572	(503)
Net increase (decrease) in cash and cash equivalents	9,693	12,961
Cash and cash equivalents at beginning of period	117,089	126,782
Cash and cash equivalents at end of period	126,782	139,743