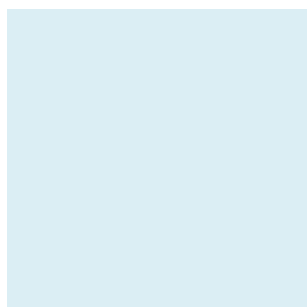
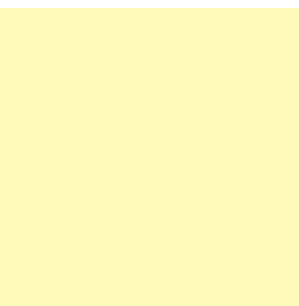
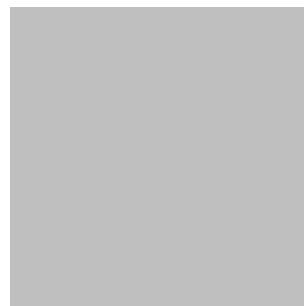
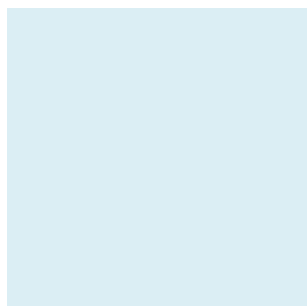
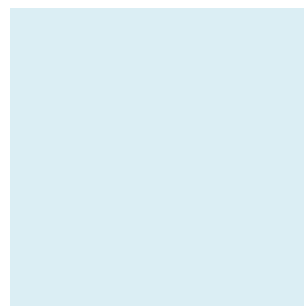




# FACTBOOK

ABC-MART, INC.

For the fiscal year ended February 29, 2020



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

## Corporate Profile (as of February 29, 2020)

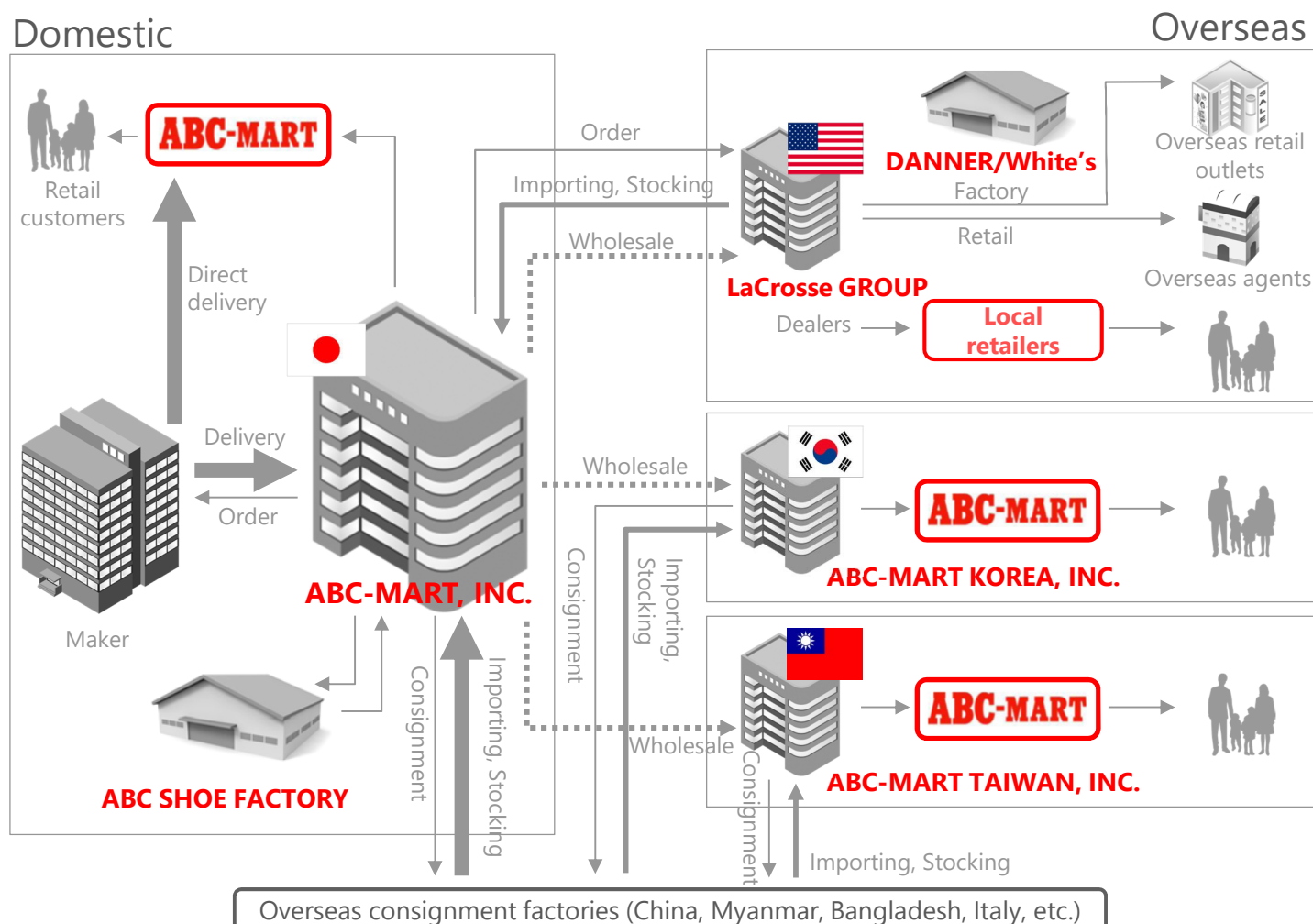
Name of Company	ABC-MART, INC.
URL	<a href="https://www.abc-mart.co.jp/">https://www.abc-mart.co.jp/</a>
Headquarters	19F, Shibuya Mark City West 1-12-1 Dogenzaka, Shibuya-ku, Tokyo 150-0043 JAPAN (Registered address: 1-11-5 Jinnan, Shibuya-ku, Tokyo 150-0041 JAPAN)
Date of Establishment	June 6, 1985
Share Capital	¥19,972 million
Representative	Minoru Noguchi Representative Director, President and Executive Officer
Number of Employees	9,480 (5,790 Part-time employees and others included)

## Business Policy

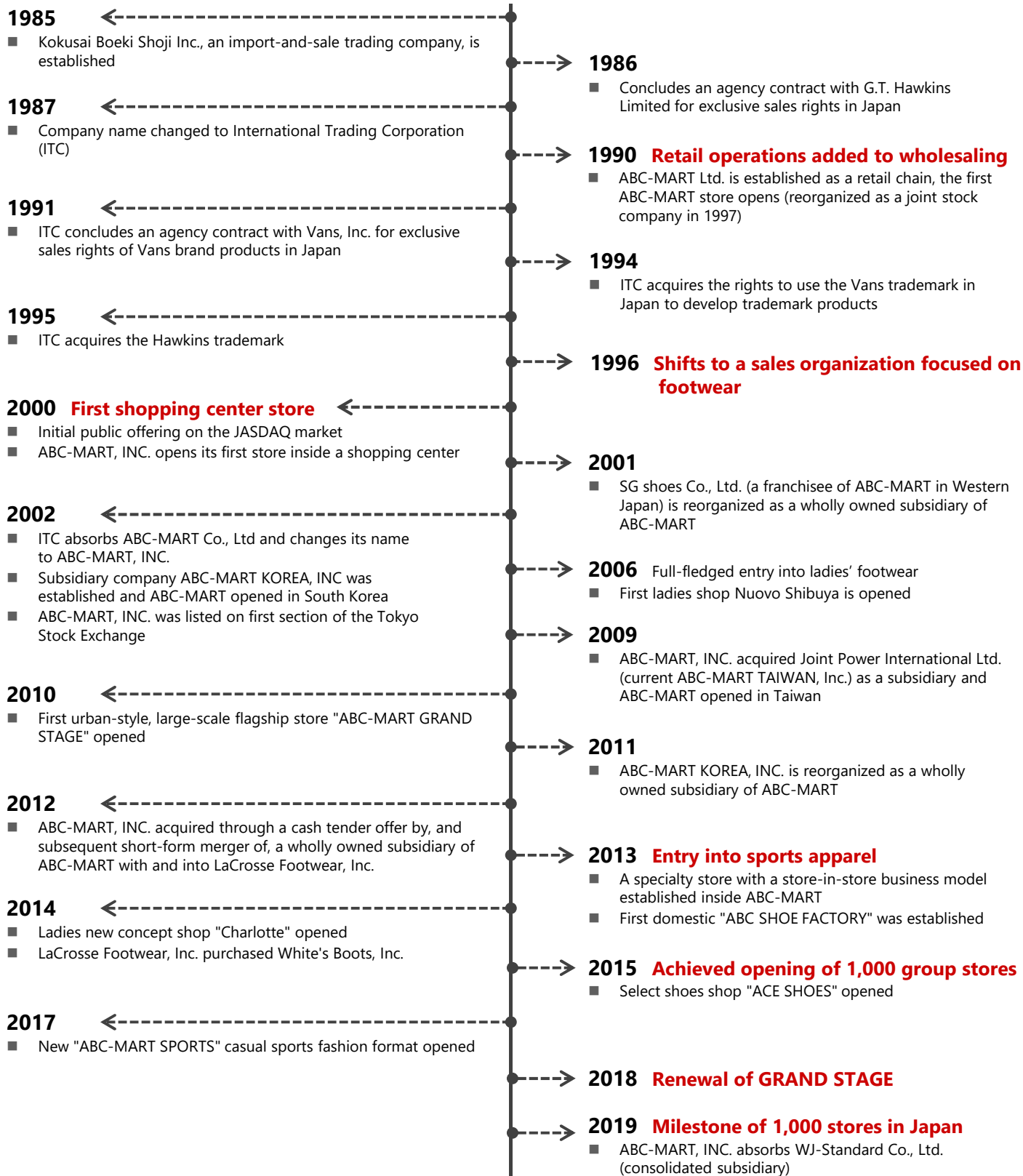
**From a lifestyle creation company  
focused on shoes,  
into the ABC-MART global shoe store**

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



## The Strength of ABC-MART

We strive to satisfy all customers by aiming for **new and innovative retail** with a focus on manufacturing, marketing and customer service, and IT capability.

### 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

- Omni-channel strategy
- Providing services through official app
- Proactive IT investment

#### Product and Brand Strategy

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

#### Human Resource Development

- In-the-field experience and staff training
- Promoting employment diversity and improving work-life balance
- Career development and team building

## 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

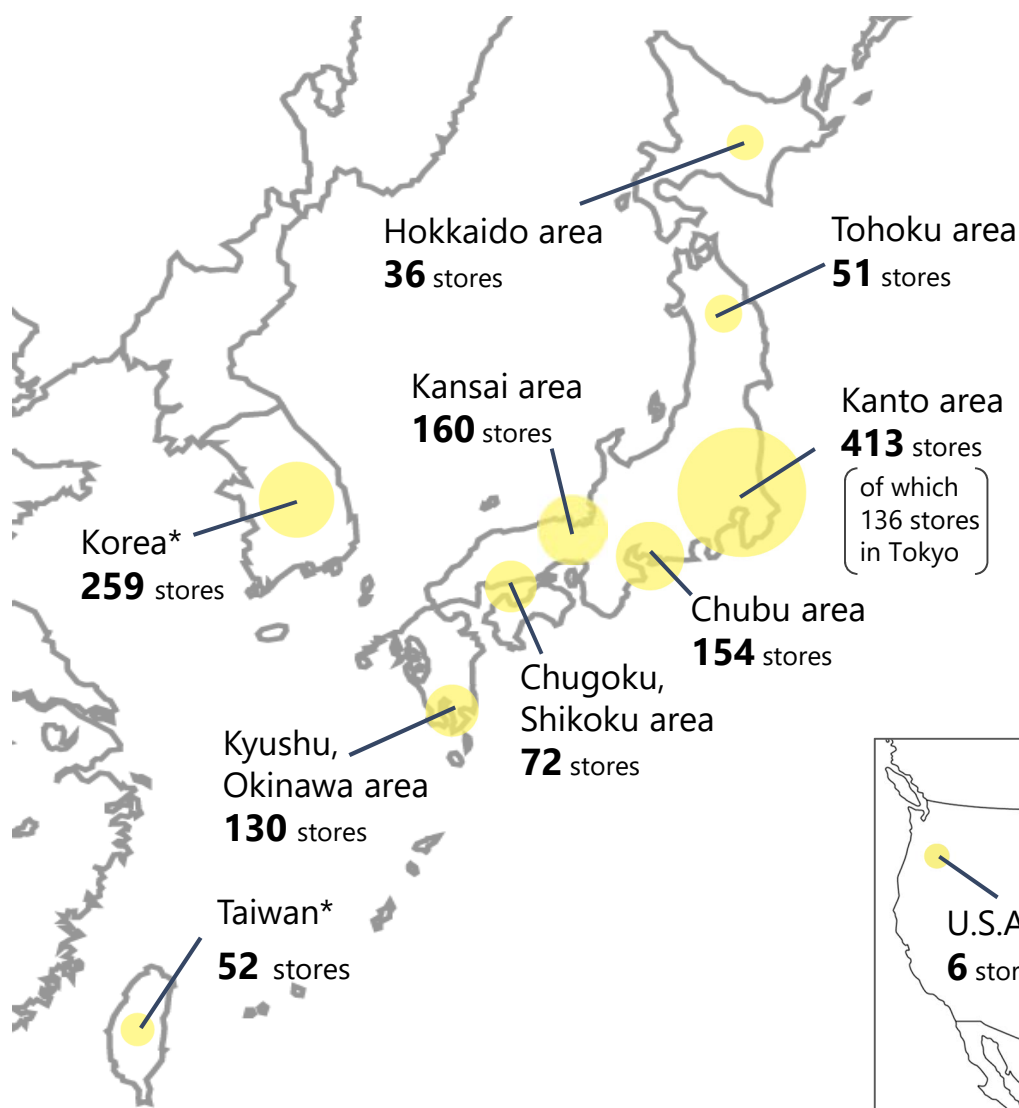


## Brands of Stores



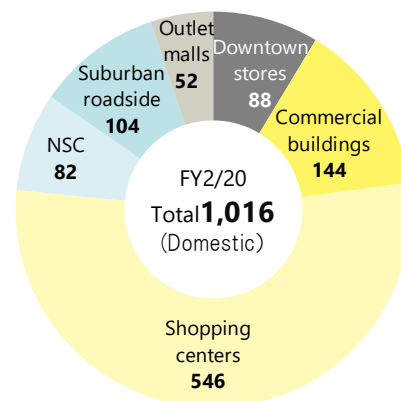
## Distribution map of stores (as of February 29, 2020)

\*: Number of overseas outlets (Korea, Taiwan, U.S.A.) as of end-December 2019

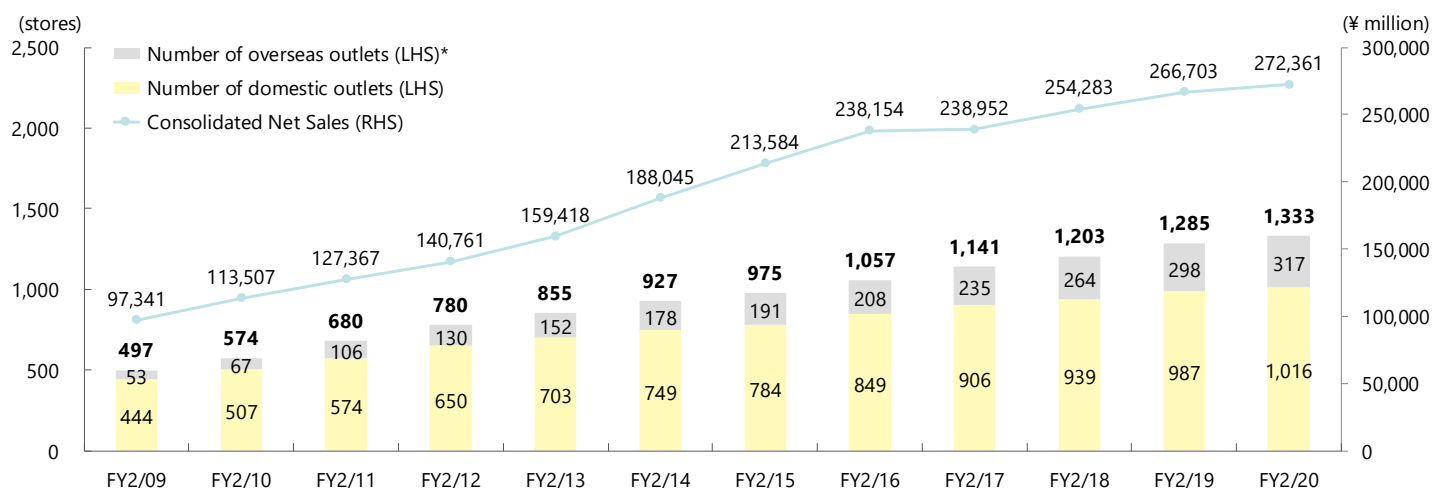


**Number of group stores**  
1,333 stores

### Number of stores by store formats



## Trends in Number of Stores and Net Sales (as of February 29, 2020)



\*: Number of overseas outlets (Korea, Taiwan, U.S.A.) as of end-December 2019

# Consolidated Balance Sheet



(¥ million)	FY2/16	FY2/17	FY2/18	FY2/19	FY2/20
<b>Assets</b>					
Total assets	238,575	253,916	279,697	296,941	311,084
Current assets	169,249	187,158	205,919	220,610	233,803
Cash and deposits	100,748	117,261	126,963	139,914	149,344
Notes and accounts receivable - trade	8,147	8,333	9,386	10,423	10,493
Inventories	54,503	54,315	64,390	65,665	68,011
Deferred tax assets	1,864	1,759	—	—	—
Other	4,009	5,510	5,198	4,648	5,990
Allowance for doubtful accounts	(24)	(22)	(19)	(42)	(36)
Non-current assets	69,326	66,757	73,777	76,330	77,280
Property, plant and equipment	32,223	28,429	32,507	36,328	37,520
Buildings and structures	25,672	27,101	28,179	30,266	31,559
Accumulated depreciation	(12,906)	(14,214)	(15,022)	(16,089)	(16,789)
Buildings and structures, net	12,766	12,886	13,157	14,176	14,770
Tools, furniture and fixtures	9,540	10,301	12,463	13,612	14,935
Accumulated depreciation	(6,447)	(7,125)	(8,242)	(8,818)	(9,643)
Tools, furniture and fixtures, net	3,092	3,175	4,221	4,794	5,292
Land	14,728	12,157	14,111	17,099	17,029
Construction in progress	1,567	139	931	203	372
Other	438	453	474	432	452
Accumulated depreciation	(368)	(382)	(388)	(378)	(397)
Other, net	69	70	86	54	55
Intangible assets	11,139	9,445	8,075	6,840	5,914
Trademark right	2,563	2,462	1,996	1,570	1,162
Goodwill	6,236	5,129	4,109	2,876	2,054
Other	2,339	1,853	1,968	2,392	2,697
Investments and other assets	25,963	28,882	33,194	33,162	33,845
Investment securities	552	53	52	46	33
Shares of subsidiaries and associates	102	2,647	2,647	2,647	2,647
Long-term loans receivable	2,243	2,119	1,953	1,802	1,660
Leasehold and guarantee deposits	21,809	22,697	25,180	24,961	25,522
Retirement benefit asset	—	26	83	—	—
Deferred tax assets	—	—	2,751	3,087	3,357
Other	1,272	1,354	543	634	639
Allowance for doubtful accounts	(16)	(17)	(19)	(17)	(17)

Note: The Company applied the "Partial Amendments to Accounting Standards for Tax Effect Accounting" (Accounting Standards Board of Japan (ASBJ) Statement No. 28 issued on February 16, 2018) from FY2/19. The figures for FY2/18 are after retrospective application for comparability.



# Consolidated Balance Sheet



(¥ million)	FY2/16	FY2/17	FY2/18	FY2/19	FY2/20
<b>Liabilities</b>					
Total liabilities	34,923	33,835	37,189	37,626	39,275
Current liabilities	31,975	30,875	34,924	35,580	37,170
Notes and accounts payable - trade	10,675	11,811	15,262	13,877	16,413
Short-term loans payable	3,191	1,574	2,775	2,189	2,216
Current portion of long-term loans payable	500	—	—	—	—
Income taxes payable	7,778	7,815	7,961	7,721	7,150
Provision for bonuses	831	881	906	915	985
Provision	424	363	337	361	219
Asset retirement obligations	19	10	16	23	23
Notes payable - facilities	892	1,019	883	1,227	1,045
Other	7,661	7,400	6,780	9,264	9,114
Non-current liabilities	2,947	2,959	2,264	2,045	2,105
Retirement benefit liability	799	741	682	703	799
Asset retirement obligations	312	331	370	377	453
Other	1,835	1,886	1,212	964	852
<b>Net assets</b>					
Total net assets	203,652	220,080	242,507	259,315	271,809
Shareholders' equity	192,125	210,588	230,399	249,542	263,630
Capital stock	19,972	19,972	19,972	19,972	19,972
Capital surplus	23,978	23,979	23,979	23,979	24,043
Retained earnings	148,175	166,637	186,448	205,591	219,616
Treasury shares	(2)	(2)	(2)	(2)	(2)
Accumulated other comprehensive income	11,006	8,886	11,306	8,833	7,035
Valuation difference on available-for-sale securities	(2)	8	13	8	4
Foreign currency translation adjustment	11,009	8,877	11,293	8,825	7,030
Non-controlling interests	520	606	801	938	1,143
Total liabilities and net assets	238,575	253,916	279,697	296,941	311,084

# Consolidated Statement of Income



(¥ million)	FY2/16	FY2/17	FY2/18	FY2/19	FY2/20
Net sales	238,154	238,952	254,283	266,703	272,361
Cost of sales	111,161	110,068	118,631	126,158	129,087
Gross profit	126,993	128,884	135,651	140,545	143,273
Selling, general and administrative expenses	85,479	87,023	92,265	96,615	99,899
Packing and transportation expenses	2,664	2,814	3,073	3,432	3,695
Advertising expenses	6,548	6,805	6,898	6,465	6,991
Warehousing expenses	2,530	2,500	2,806	3,090	3,041
Remuneration, salaries and allowances for directors (and other officers)	23,495	23,819	24,762	25,894	26,964
Bonuses	1,551	1,591	1,635	1,678	1,729
Provision for bonuses	832	879	904	914	984
Retirement benefit expenses	461	415	427	528	652
Legal and employee benefits expenses	3,143	3,327	3,573	3,867	4,042
Rents	23,413	24,988	26,735	28,044	27,567
Depreciation	4,314	4,065	4,214	4,506	4,902
Utilities expenses	2,179	2,083	2,136	2,193	2,173
Commission expenses	4,791	4,884	5,305	5,608	6,590
Taxes and dues	1,138	1,258	1,769	1,815	1,786
Amortization of goodwill	1,272	845	861	847	783
Other	7,142	6,743	7,160	7,728	7,994
Operating profit	41,514	41,860	43,386	43,929	43,374
Non-operating income	1,129	1,252	1,626	1,876	1,681
Interest income	131	126	119	93	136
Foreign exchange gains	—	36	55	—	—
Rent Income	744	798	1,096	1,146	1,011
Advertising medium income	68	52	53	38	37
Other	184	240	301	597	495
Non-operating expenses	448	252	511	672	730
Interest expenses	52	10	10	10	9
Foreign exchange losses	93	—	—	79	88
Rent expenses	265	196	464	498	539
Other	37	46	36	84	93
Ordinary profit	42,196	42,860	44,501	45,133	44,325



# Consolidated Statement of Income



(¥ million)	FY2/16	FY2/17	FY2/18	FY2/19	FY2/20
Extraordinary income	1,524	792	100	53	5
Gain on sales of non-current assets	1,524	792	100	53	5
Extraordinary losses	2,719	663	834	1,000	960
Loss on sales of non-current assets	690	—	—	—	—
Loss on retirement of non-current assets	171	148	211	168	192
Impairment loss	1,761	510	623	830	767
Other	95	4	—	1	1
Profit before income taxes	41,001	42,989	43,767	44,186	43,369
Income taxes - current	15,088	14,615	14,730	14,243	13,792
Income taxes - deferred	(304)	(68)	(839)	(520)	(381)
Total income taxes	14,784	14,547	13,890	13,722	13,410
Profit	26,217	28,442	29,876	30,464	29,958
Profit attributable to non-controlling interests	86	76	161	178	252
Profit attributable to owners of parent	26,130	28,365	29,714	30,285	29,706

## Overview of Financial Results for FY2/20

In the fiscal year under review (from March 1, 2019 to February 29, 2020), the business environment included trade friction between the U.S. and China and increasing geopolitical risks in various countries overseas, as well as the beginning of concerns about the spread of infections of the novel coronavirus (COVID-19) and its impact on the global economy. In Japan, weakness in corporate earnings and a slowdown in wage increases were seen, and the future outlook remains unclear. On the domestic consumption front, there was a noticeable reduction in consumption due to the consumption tax hike and a series of natural disasters, as well as the impact of COVID-19.

In the shoes industry, although the sneaker trend continues amid a global shift toward casual fashions and increased business opportunities in the sports category, consumers' reluctance in making purchases due to the worsening conditions in the consumption environment beginning in the second half of the fiscal year was noticeable.

In this circumstance, the ABC-MART Group (the "Group") responded by reinforcing its IT strategy, striving to strengthen sales of sports shoes and sports apparel, and strengthened its existing store network. Over the year, we opened 104 new stores in Japan and overseas, bringing the total number of outlets of the Group to 1,333.

As a result of the above, in the fiscal year under review net sales rose by 2.1% year on year to ¥272,361 million. From a profit perspective, affected by the deteriorating business conditions in South Korea and a drop in demand from inbound tourists, operating profit fell by 1.3% year on year to ¥43,374 million, ordinary profit fell by 1.8% year on year to ¥44,325 million and profit attributable to owners of parent fell by 1.9% year on year to ¥29,706 million.

## Sales by Category

(%)	FY2/16	FY2/17	FY2/18	FY2/19	FY2/20
Ratio of in-house products (domestic)	40.4	37.5	35.6	33.1	31.8
(¥ million)	FY2/16	FY2/17	FY2/18	FY2/19	FY2/20
Net sales	238,154	238,952	254,283	266,703	272,361
Sports	127,955	132,764	144,331	155,699	161,023
Leather Casual	43,775	37,459	37,211	36,435	37,413
Kids	13,545	14,492	16,238	17,778	18,271
Ladies'	21,174	21,456	20,871	18,937	17,695
Sandals	6,550	7,589	9,820	10,457	10,974
Business	11,431	10,795	10,679	10,562	9,973
Others	13,721	14,394	15,130	16,831	17,010

# Consolidated Statement of Cash Flows



(¥ million)	FY2/16	FY2/17	FY2/18	FY2/19	FY2/20
<b>Cash flows from operating activities</b>					
Net cash provided by (used in) operating activities	22,552	32,847	27,697	34,943	34,547
Profit before income taxes	41,001	42,989	43,767	44,186	43,369
Depreciation	4,314	4,275	4,417	4,700	5,085
Increase (decrease) in provision for bonuses	129	49	24	10	69
Increase (decrease) in allowance for doubtful accounts	(19)	(0)	(0)	22	(5)
Interest and dividend income	(132)	(127)	(121)	(94)	(138)
Interest expenses	52	10	10	10	9
Foreign exchange losses (gains)	112	(81)	(11)	(21)	56
Loss (gain) on sales and retirement of non-current assets	(662)	(643)	111	116	187
Impairment loss	1,761	510	623	830	767
Decrease (increase) in notes and accounts receivable - trade	325	(575)	(886)	(1,241)	(633)
Decrease (increase) in inventories	(5,678)	(560)	(9,287)	(2,189)	(2,930)
Increase (decrease) in notes and accounts payable - trade	(3,025)	1,548	3,463	(784)	2,253
Other, net	1,323	162	756	3,260	647
Subtotal	39,502	47,556	42,865	48,805	48,737
Interest and dividend income received	121	111	112	85	132
Interest expenses paid	(50)	(8)	(11)	(9)	(9)
Income taxes paid	(17,020)	(14,811)	(15,269)	(13,936)	(14,312)

# Consolidated Statement of Cash Flows



(¥ million)	FY2/16	FY2/17	FY2/18	FY2/19	FY2/20
<b>Cash flows from investing activities</b>					
Net cash provided by (used in) investing activities	(3,726)	(4,062)	(9,877)	(9,756)	(9,029)
Payments into time deposits	(120)	(18)	—	—	(5)
Proceeds from withdrawal of time deposits	536	11	2	—	—
Purchase of property, plant and equipment	(10,985)	(4,741)	(8,887)	(9,181)	(6,674)
Proceeds from sales of property, plant and equipment	10,192	5,309	824	1,433	101
Purchase of intangible assets	(829)	(462)	(638)	(1,053)	(1,051)
Payments for store removal	(95)	(128)	(117)	(137)	(95)
Proceeds from redemption of investment securities	—	—	498	—	—
Purchase of investment securities	(536)	—	—	—	—
Purchase of shares of subsidiaries and associates	—	(2,544)	—	—	—
Payments of loans receivable	(130)	(146)	(100)	(105)	(120)
Collection of loans receivable	228	276	277	275	268
Payments for leasehold and guarantee deposits	(2,645)	(2,570)	(2,379)	(1,436)	(2,053)
Proceeds from collection of leasehold and guarantee deposits	840	849	767	681	715
Other payments	(247)	(136)	(135)	(268)	(157)
Other proceeds	67	241	11	36	43
<b>Cash flows from financing activities</b>					
Net cash provided by (used in) financing activities	(13,567)	(12,019)	(8,699)	(11,722)	(15,652)
Net increase (decrease) in short-term loans payable	(3,155)	(1,614)	1,200	(584)	24
Repayments of long-term loans payable	(1,000)	(500)	—	—	—
Cash dividends paid	(9,368)	(9,900)	(9,899)	(11,137)	(15,676)
Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	10	—	—	—
Other payments	(43)	(15)	(0)	(0)	(0)
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>(564)</b>	<b>(177)</b>	<b>572</b>	<b>(503)</b>	<b>(436)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>4,694</b>	<b>16,587</b>	<b>9,693</b>	<b>12,961</b>	<b>9,429</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>95,807</b>	<b>100,501</b>	<b>117,089</b>	<b>126,782</b>	<b>139,743</b>
<b>Cash and cash equivalents at end of period</b>	<b>100,501</b>	<b>117,089</b>	<b>126,782</b>	<b>139,743</b>	<b>149,173</b>

# Consolidated Statement of Changes in Equity



## FY2/19

(¥ 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 period	19,972	23,979	186,448	(2)	230,399	13	11,293	11,306	801	242,507
Changes in items during period										
Dividends of surplus			(11,141)		(11,141)					(11,141)
Profit attributable to owners of parent			30,285		30,285					30,285
Purchase of treasury shares					—					—
Increase by merger					—					—
Net changes in items other than shareholders' equity						(4)	(2,468)	(2,472)	136	(2,336)
Total changes in items during period	—	—	19,143	—	19,143	(4)	(2,468)	(2,472)	136	16,807
Balance at end of period	19,972	23,979	205,591	(2)	249,542	8	8,825	8,833	938	259,315

## FY2/20

(¥ 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 period	19,972	23,979	205,591	(2)	249,542	8	8,825	8,833	938	259,315
Changes in items during period										
Dividends of surplus			(15,681)		(15,681)					(15,681)
Profit attributable to owners of parent			29,706		29,706					29,706
Purchase of treasury shares				(0)	(0)					(0)
Increase by merger		63			63					63
Net changes in items other than shareholders' equity						(3)	(1,795)	(1,798)	204	(1,594)
Total changes in items during period	—	63	14,025	(0)	14,088	(3)	(1,795)	(1,798)	204	12,494
Balance at end of period	19,972	24,043	219,616	(2)	263,630	4	7,030	7,035	1,143	271,809

## Results by Segment

(¥ million)	FY2/16	FY2/17	FY2/18	FY2/19	FY2/20
Net sales	238,154	238,952	254,283	266,703	272,361
Domestic	174,875	180,101	187,604	192,742	194,463
Overseas	64,264	59,759	67,657	75,063	78,877
Elimination	(984)	(908)	(979)	(1,102)	(979)
Operating profit	41,514	41,860	43,386	43,929	43,374
Domestic	37,160	37,843	39,298	38,905	38,613
Overseas	4,345	3,982	4,049	4,980	4,709
Elimination	8	34	38	44	51
Assets	238,575	253,916	279,697	296,941	311,084
Domestic	180,392	194,815	215,433	231,537	244,277
Overseas	58,433	59,359	64,514	65,743	67,160
Elimination	(249)	(258)	(251)	(339)	(353)
(%)	FY2/16	FY2/17	FY2/18	FY2/19	FY2/20
Composition ratio to net sales	100.0	100.0	100.0	100.0	100.0
Domestic	73.4	75.4	73.8	72.3	71.4
Overseas	27.0	25.0	26.6	28.1	29.0
Elimination	-0.4	-0.4	-0.4	-0.4	-0.4
Operating profit margin	17.4	17.5	17.1	16.5	15.9
Domestic	21.2	21.0	20.9	20.2	19.9
Overseas	6.8	6.7	6.0	6.6	6.0

## Domestic

Our merchandise strategies during the fiscal year under review included focusing on sales of casual lines of sports shoes and fashion sneakers. In addition, we expanded the range of sports apparel and accessories we handled particularly in large stores in major urban centers, and promoted merchandising enabling the total coordination of shoes and other items. We also promoted the use of our smartphone app and focused on advertising using digital contents.

During the fiscal year under review, we reinforced our store network by opening 52 new stores centering on commercial facilities and shopping centers in prime locations. As a result, our domestic network reached 1,016 stores at the end of the fiscal year (store closures: 23 stores in Japan). With regard to existing stores, we made headway with remodeling flagship stores in major urban centers. We remodeled 40 stores, including increasing floor areas and relocating stores to better sites. Among these, we increased the floor areas of 23 stores. In the fiscal year under review, we actively proceeded with upgrading the format of large-scale flagship stores to grand stage format, and we had 21 "ABC-MART GRAND STAGE" stores at the end of the fiscal year. For stores with a large sales floor area, we proceeded with opening multi-format stores under two banners. The multi-format stores are stores in single locations operated under two banners (store names) of "ABC-MART" and "ABC-MART GRAND STAGE" or "ABC-MART" and "ABC-MART SPORTS." By combining stores that have different target customers, we are able to increase the ratio of customers purchasing from multiple formats and from an operation standpoint, we are able to manage stores efficiently through unified management of product inventory and sales staff. Six multi-format stores were in operation by the end of the fiscal year under review.

Looking at sales growth figures at domestic stores, sales increased 1.6% year on year on an all-store basis and 0.5% year on year on an existing-store basis.

Although we were able to attract fewer customers in the second half of the fiscal year due to natural disasters and the impact of COVID-19, the number of items purchased per customer increased and the average spending per customer at existing stores rose by 1.7% year on year.

As a result of the above, domestic sales increased by 0.9% year on year to ¥194,463 million and domestic operating profit decreased 0.8% year on year to ¥38,613million.

## Overseas

We expanded our overseas store network with the opening of 43 new stores in South Korea, seven in Taiwan and two in the U.S.A. That brought the total number of overseas outlets at the end of the fiscal year (as of December 31, 2019) to 317, comprising 259 in South Korea, 52 in Taiwan, and six in the U.S.A. (store closures: 30 stores in South Korea, three in Taiwan).

Overseas business results were affected by a slight appreciation in the yen. In South Korea, net sales increased by 0.4% year on year to ¥51,532 million due to the contribution of newly opened stores despite some struggles resulting from the effects of worsening market conditions in the second half of the fiscal year. In Taiwan, net sales increased by 16.7% year on year to ¥7,297 million and in the U.S.A., net sales increased by 14.8% year on year to ¥20,047 million. Overseas consolidated subsidiaries all close their accounts on December 31.

As a result of the above, overseas sales increased by 5.1% year on year to ¥78,877 million. Overseas operating profit decreased by 5.4% year on year to ¥4,709 million due to lower gross profit from an increase in sales events in South Korea despite controlling selling, general and administrative expenses.

# Consolidated Profitability Indicators



(¥ million)	FY2/16	FY2/17	FY2/18	FY2/19	FY2/20
Net sales	238,154	238,952	254,283	266,703	272,361
Gross profit	126,993	128,884	135,651	140,545	143,273
SG&A expenses	85,479	87,023	92,265	96,615	99,899
Operating profit	41,514	41,860	43,386	43,929	43,374
Ordinary profit	42,196	42,860	44,501	45,133	44,325
Profit attributable to owners of parent	26,130	28,365	29,714	30,285	29,706

(%)	FY2/16	FY2/17	FY2/18	FY2/19	FY2/20
Gross profit on net sales	53.3	53.9	53.3	52.7	52.6
SG&A expenses ratio	35.9	36.4	36.3	36.2	36.7
Operating profit margin	17.4	17.5	17.1	16.5	15.9
Ordinary profit margin	17.7	17.9	17.5	16.9	16.3
Net profit margin	11.0	11.9	11.7	11.4	10.9

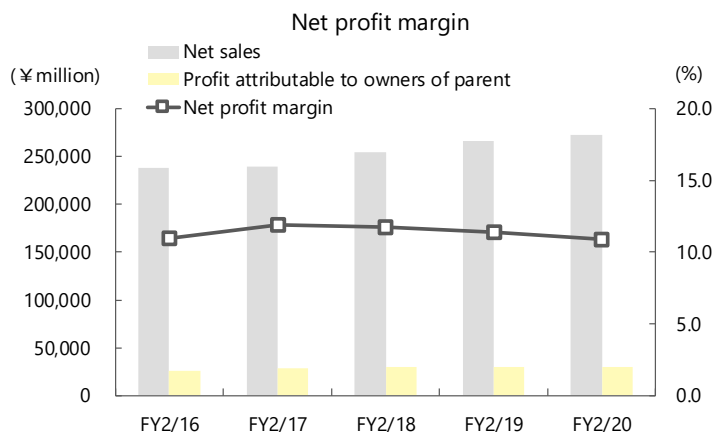
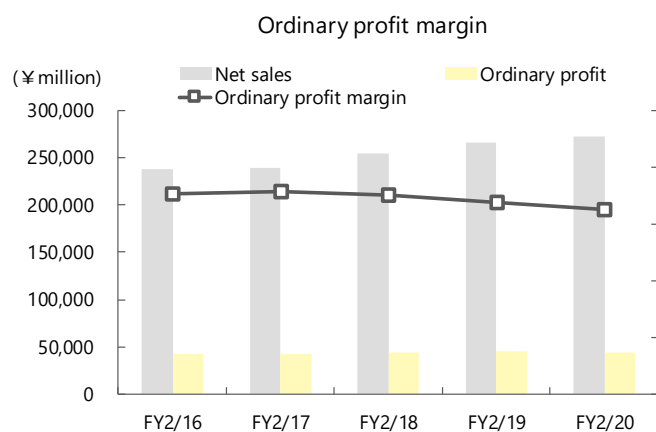
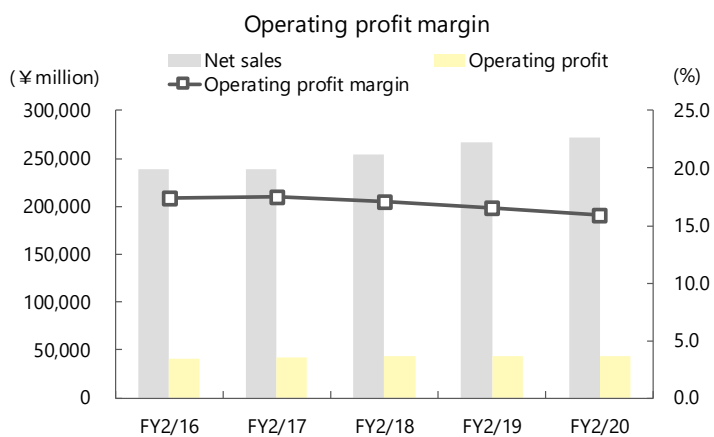
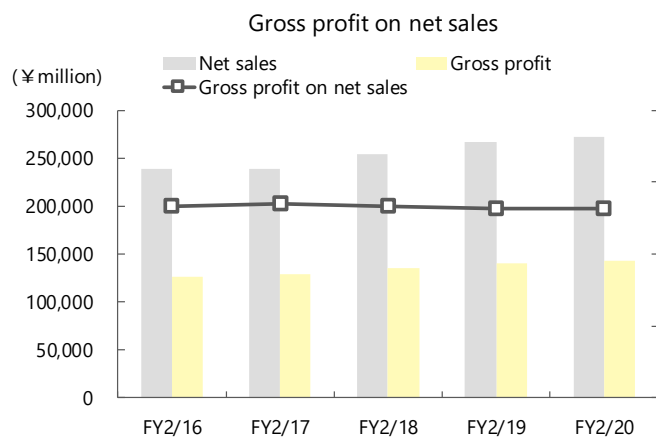
Gross profit on net sales=Gross profit/Net sales

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)	FY2/16	FY2/17	FY2/18	FY2/19	FY2/20
Total assets turnover	1.00	0.94	0.91	0.90	0.88
Non-current assets turnover	3.44	3.58	3.45	3.49	3.52
Current assets turnover	1.41	1.28	1.23	1.21	1.16

(days)	FY2/16	FY2/17	FY2/18	FY2/19	FY2/20
Inventories turnover	83.53	82.97	92.43	89.87	91.14
Accounts receivable turnover	12.49	12.73	13.47	14.26	14.06
Accounts payable turnover	16.36	18.04	21.91	18.99	22.00

Total assets turnover=Net sales/Total assets

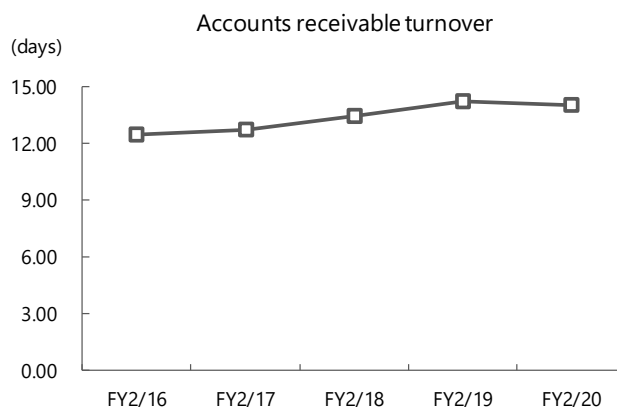
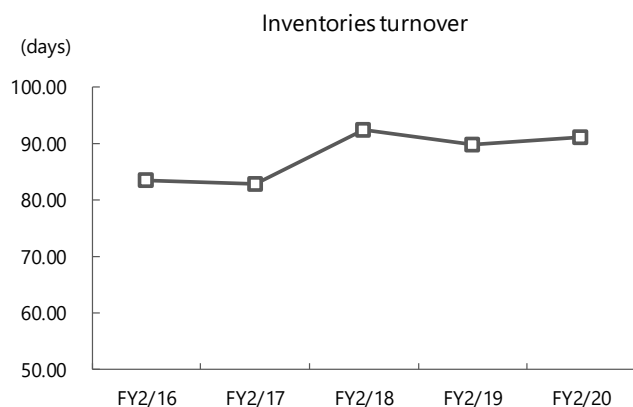
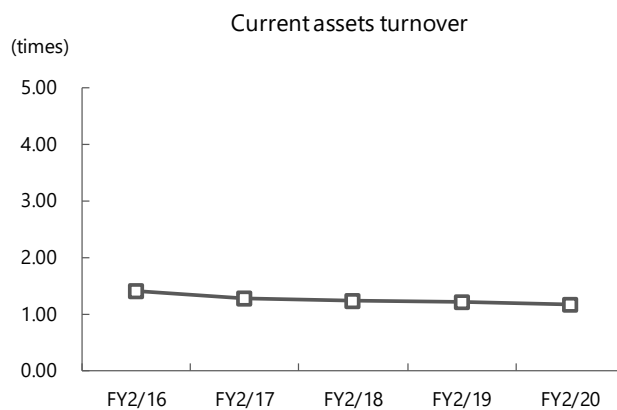
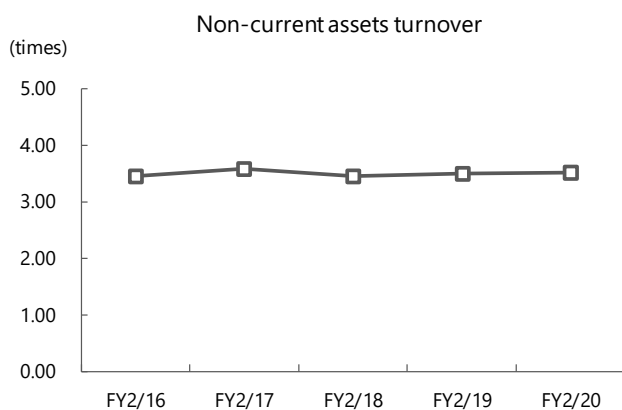
Non-current assets turnover=Net sales/Non-current assets

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)	FY2/16	FY2/17	FY2/18	FY2/19	FY2/20
Equity	203,131	219,474	241,706	258,376	270,665
Total assets	238,575	253,916	279,697	296,941	311,084
Non-current assets	69,326	66,757	73,777	76,330	77,280
Current assets	169,249	187,158	205,919	220,610	233,803
Current liabilities	31,975	30,875	34,924	35,580	37,170
Interest-bearing debt	3,691	1,574	2,775	2,189	2,216

(%)	FY2/16	FY2/17	FY2/18	FY2/19	FY2/20
Equity ratio	85.1	86.4	86.4	87.0	87.0
D/E ratio	1.8	0.7	1.1	0.8	0.8
Fixed ratio	34.1	30.4	30.5	29.5	28.6
Current ratio	529.3	606.2	589.6	620.0	629.0
ROA	11.1	11.5	11.1	10.5	9.8
ROE	14.6	13.4	12.9	12.1	11.2

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

Equity ratio=Equity/Total assets

Current ratio=Current assets/Current liabilities

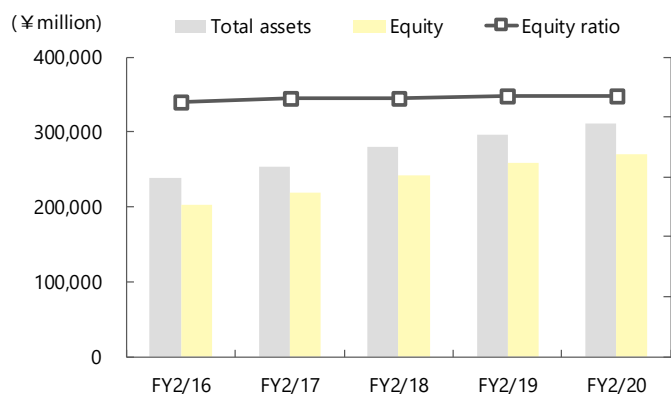
D/E ratio=Interest-bearing debt/Equity

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

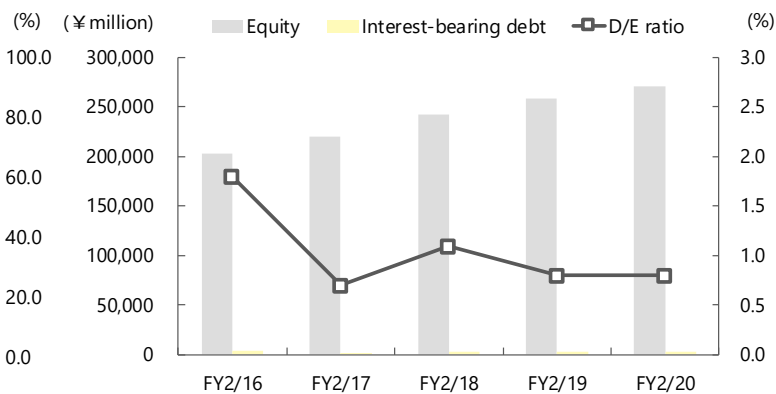
Fixed ratio=Non-current assets/Equity

ROE=Profit attributable to owners of parent/Average equity

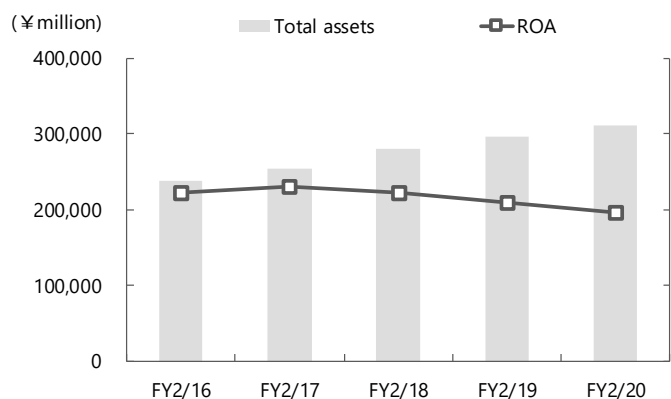
Equity ratio



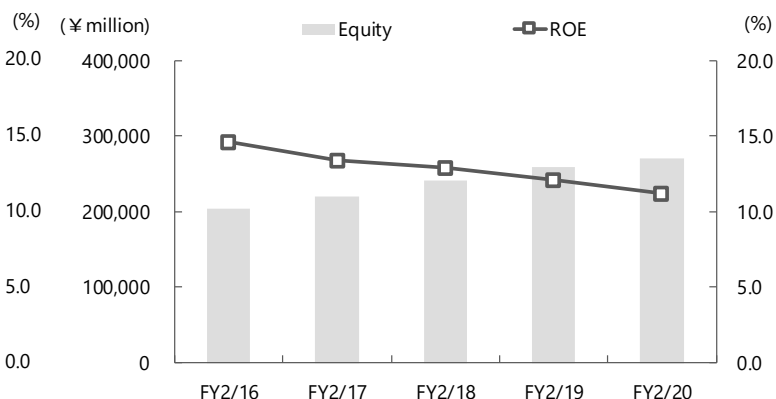
D/E ratio



ROA



ROE



## Per Share Indicators

(¥)	FY2/16	FY2/17	FY2/18	FY2/19	FY2/20
Stock price at term end	6,490	6,770	6,800	6,380	6,160
Closing stock price range for the last 12 months	5,780-7,860	6,240-7,410	5,560-7,190	5,750-7,350	6,160-7,590
Earnings per share (EPS)	331.17	343.69	360.04	366.95	359.92
Diluted EPS	—	—	—	—	—
Book-value per share (BPS)	2,461.25	2,659.27	2,928.63	3,130.62	3,279.24
Dividend per share (DPS)	120.00	120.00	130.00	170.00	170.00

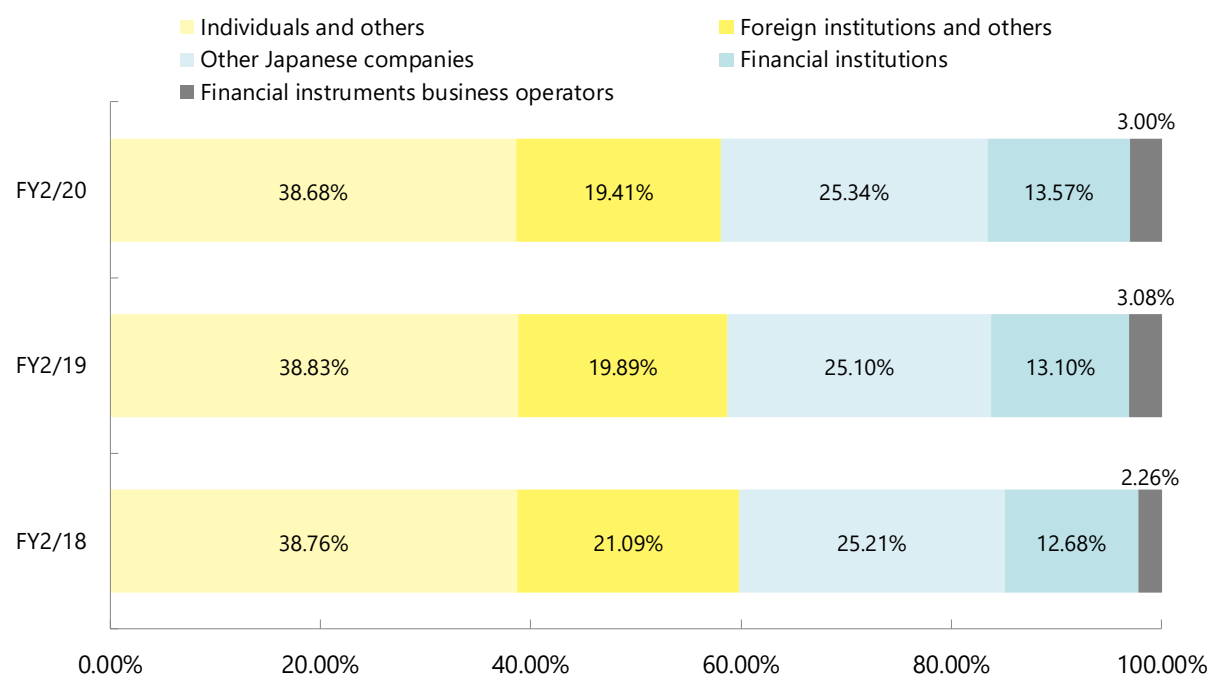
## Status of Major Shareholders

As of February 29, 2020

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)	3,542	4.29
Japan Trustee Services Bank, Ltd. (trust account)	2,093	2.53
STATE STREET BANK WEST CLIENT-TREATY 505234	1,161	1.40
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	849	1.02
STATE STREET BANK AND TRUST COMPANY 505103	798	0.96
JAPAN SECURITIES FINANCE CO., LTD.	767	0.92
SMBC Nikko Securities Inc.	677	0.82

Note: In addition to the above, ABC-MART, INC. holds 470 shares (0.00%) in treasury shares.

## Breakdown of Types of Shareholders



# Reference) Non-consolidated Balance Sheet



(¥ million)	FY2/16	FY2/17	FY2/18	FY2/19	FY2/20
<b>Assets</b>					
Total assets	205,497	220,036	240,482	256,821	270,444
Current assets	141,307	156,314	172,754	183,785	195,593
Cash and deposits	92,744	107,431	116,298	128,452	138,528
Accounts receivable - trade	3,925	3,947	4,374	4,807	5,173
Merchandise	39,133	38,289	45,917	45,824	46,216
Deferred tax assets	1,463	1,256	—	—	—
Other	4,041	5,389	6,162	4,700	5,674
Non-current assets	64,189	63,722	67,728	73,035	74,851
Property, plant and equipment	25,327	21,983	24,735	28,570	29,755
Buildings and structures	10,814	11,131	11,529	12,735	13,383
Tools, furniture and fixtures	861	1,089	1,340	1,128	1,482
Land	12,106	9,651	11,476	14,557	14,557
Construction in progress	1,492	52	319	105	283
Other	52	58	69	44	47
Intangible assets	1,002	952	1,128	1,555	1,774
Investments and other assets	37,858	40,785	41,864	42,908	43,320
Investment securities	44	53	52	46	33
Shares of subsidiaries and associates	21,046	23,588	23,588	23,588	23,516
Long-term loans receivable	3,013	2,829	1,953	2,312	2,110
Leasehold and guarantee deposits	12,564	13,069	13,343	13,665	14,041
Deferred tax assets	—	—	2,411	2,689	3,005
Other	1,189	1,243	513	606	612

Note: The Company applied the "Partial Amendments to Accounting Standards for Tax Effect Accounting" (Accounting Standards Board of Japan (ASBJ) Statement No. 28 issued on February 16, 2018) from FY2/19. The figures for FY2/18 are after retrospective application for comparability.

# Reference) Non-consolidated Balance Sheet



(¥ million)	FY2/16	FY2/17	FY2/18	FY2/19	FY2/20
<b>Liabilities</b>					
Total liabilities	27,198	25,639	28,833	29,139	31,287
Current liabilities	26,539	24,947	28,152	28,429	30,647
Notes payable - trade	5,650	5,864	7,467	6,687	10,905
Accounts payable - trade	3,353	3,540	4,716	4,386	3,283
Short-term loans payable	3,018	1,438	2,736	2,149	2,081
Current portion of long-term loans payable	500	—	—	—	—
Income taxes payable	7,216	7,040	7,194	6,856	6,468
Provision for bonuses	809	855	871	879	941
Notes payable - facilities	892	1,019	883	1,227	1,045
Other	5,097	5,188	4,282	6,241	5,920
Non-current liabilities	659	691	680	710	640
Other	659	691	680	710	640
<b>Net assets</b>					
Total net assets	178,299	194,397	211,649	227,681	239,156
Shareholders' equity	178,294	194,383	211,635	227,672	239,151
Capital stock	19,972	19,972	19,972	19,972	19,972
Capital surplus	23,978	23,978	23,978	23,978	24,042
Legal capital surplus	23,978	23,978	23,978	23,978	23,978
Other capital surplus	—	—	—	—	63
Retained earnings	134,345	150,433	167,686	183,723	195,139
Legal retained earnings	55	55	55	55	55
Other retained earnings					
Retained earnings brought forward	134,289	150,378	167,630	183,667	195,083
Treasury shares	(2)	(2)	(2)	(2)	(2)
Valuation and translation adjustments	4	13	13	8	4
Valuation difference on available-for-sale securities	4	13	13	8	4
Total liabilities and net assets	205,497	220,036	240,482	256,821	270,444

# Reference) Non-consolidated Statement of Income



(¥ million)	FY2/16	FY2/17	FY2/18	FY2/19	FY2/20
Net sales	174,167	178,930	186,243	191,347	194,029
Cost of sales	74,881	76,613	80,575	84,210	84,822
Gross profit	99,286	102,317	105,668	107,136	109,207
Selling, general and administrative expenses	62,533	64,944	66,982	68,756	71,134
Operating profit	36,752	37,372	38,686	38,380	38,072
Non-operating income	1,245	1,827	2,212	2,070	1,783
Interest and dividend income	—	458	742	290	387
Interest income	85	—	—	—	—
Foreign exchange gains	—	47	20	—	—
Rent Income	895	914	1,009	1,092	964
Advertising medium income	68	52	53	38	37
Other	196	355	386	649	393
Non-operating expenses	265	169	178	287	301
Interest expenses	24	7	7	6	4
Foreign exchange losses	74	—	—	37	72
Rent expenses	149	143	148	172	190
Other	16	18	22	70	33
Ordinary profit	37,732	39,030	40,719	40,162	39,554
Extraordinary income	1,521	800	99	53	505
Gain on sales of non-current assets	1,521	792	99	53	5
Gain on extinguishment of tie-in shares	—	—	—	—	500
Other	—	7	—	—	—
Extraordinary losses	2,637	605	682	579	940
Loss on sales of non-current assets	690	—	—	—	—
Loss on retirement of non-current assets	89	139	137	86	111
Impairment loss	1,761	461	545	491	828
Other	95	4	—	1	—
Profit before income taxes	36,616	39,225	40,136	39,636	39,120
Income taxes - current	13,611	13,104	13,419	12,733	12,312
Income taxes - deferred	(36)	129	(439)	(275)	(289)
Total income taxes	13,574	13,233	12,980	12,458	12,022
Profit	23,041	25,992	27,156	27,178	27,097

# Reference) Non-consolidated Statement of Changes in Equity



## FY2/19

(¥ 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	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings					
Balance at beginning of period	19,972	23,978	—	23,978	55	167,630	167,686	(2)	211,635	13	13	211,649
Changes in items during period												
Dividends of surplus						(11,141)	(11,141)		(11,141)			(11,141)
Profit						27,178	27,178		27,178			27,178
Purchase of treasury shares									—			—
Increase by merger									—			—
Net changes in items other than shareholders' equity										(4)	(4)	(4)
Total changes in items during period	—	—	—	—	—	16,036	16,036	—	16,036	(4)	(4)	16,032
Balance at end of period	19,972	23,978	—	23,978	55	183,667	183,723	(2)	227,672	8	8	227,681

## FY2/20

(¥ 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	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings					
Balance at beginning of period	19,972	23,978	—	23,978	55	183,667	183,723	(2)	227,672	8	8	227,681
Changes in items during period												
Dividends of surplus						(15,681)	(15,681)		(15,681)			(15,681)
Profit						27,097	27,097		27,097			27,097
Purchase of treasury shares								(0)	(0)			(0)
Increase by merger			63	63					63			63
Net changes in items other than shareholders' equity										(3)	(3)	(3)
Total changes in items during period	—	—	63	63	—	11,416	11,416	(0)	11,479	(3)	(3)	11,475
Balance at end of period	19,972	23,978	63	24,042	55	195,083	195,139	(2)	239,151	4	4	239,156



## **Contact**

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