



# Summary of Consolidated Financial Results for the Nine Months Ended November 30, 2019(Q3 FY2020) (Based on Japanese GAAP)

January 8, 2020

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 9, 2020  
 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, 2019 (from March 1, 2019 to November 30, 2019)

(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	%
Nine months ended November 30, 2019	203,096	3.5	33,504	0.7	34,303	0.0	22,991	0.1
Nine months ended November 30, 2018	196,158	4.0	33,274	1.7	34,298	2.2	22,961	3.3

(Note) Comprehensive income:

Nine months ended November 30, 2019 19,354 million yen (-11.8%) Nine months ended November 30, 2018 21,948 million yen (-2.6%)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended November 30, 2019	278.57		–	
Nine months ended November 30, 2018	278.21		–	

## (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, 2019	306,946	262,987	85.3	3,173.41
As of February 28, 2019	296,941	259,315	87.0	3,130.62

(Reference) Shareholders' Equity:

As of November 30, 2019 261,930 million yen As of February 28, 2019 258,376 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, 2019	–	65.00	–	105.00	170.00
Year ending February 29, 2020	–	85.00	–		
Year ending February 29, 2020 (Forecast)				85.00	170.00

(Note) Revisions to dividend forecasts published most recently: No

## 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
Full year	278,300	4.3	45,200	2.9	45,700	1.3	30,860	1.9	373.90

(Note) Revisions to financial forecasts published most recently: No

#### 4. Notes

- (1) Changes in significant subsidiaries during the nine months ended November 30, 2019  
(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, 2019	82,539,646 shares	As of February 28, 2019	82,532,416 shares
-------------------------	-------------------	-------------------------	-------------------

Number of treasury shares at the end of the period

As of November 30, 2019	470 shares	As of February 28, 2019	393 shares
-------------------------	------------	-------------------------	------------

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

Nine months ended November 30, 2019	82,534,357 shares	Nine months ended November 30, 2018	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 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.

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of February 28, 2019	As of November 30, 2019
Assets		
Current assets		
Cash and deposits	139,914	138,140
Notes and accounts receivable - trade	10,423	13,308
Inventories	65,665	72,610
Other	4,648	6,135
Allowance for doubtful accounts	(42)	(52)
Total current assets	220,610	230,142
Non-current assets		
Property, plant and equipment		
Buildings and structures	30,266	31,700
Accumulated depreciation	(16,089)	(16,407)
Buildings and structures, net	14,176	15,292
Tools, furniture and fixtures	13,612	14,274
Accumulated depreciation	(8,818)	(9,109)
Tools, furniture and fixtures, net	4,794	5,164
Land	17,099	16,965
Construction in progress	203	288
Other	432	448
Accumulated depreciation	(378)	(389)
Other, net	54	58
Total property, plant and equipment	36,328	37,769
Intangible assets		
Trademark right	1,570	1,245
Goodwill	2,876	2,217
Other	2,392	2,634
Total intangible assets	6,840	6,096
Investments and other assets		
Investment securities	46	36
Shares of subsidiaries and associates	2,647	2,647
Long-term loans receivable	1,802	1,701
Lease and guarantee deposits	24,961	24,896
Deferred tax assets	3,087	3,015
Other	634	656
Allowance for doubtful accounts	(17)	(16)
Total investments and other assets	33,162	32,937
Total non-current assets	76,330	76,804
Total assets	296,941	306,946

(Millions of yen)

	As of February 28, 2019	As of November 30, 2019
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	13,877	21,786
Short-term loans payable	2,189	1,822
Income taxes payable	7,721	4,033
Provision for bonuses	915	1,647
Provision	361	265
Asset retirement obligations	23	19
Notes payable - facilities	1,227	2,157
Other	9,264	10,204
<b>Total current liabilities</b>	<b>35,580</b>	<b>41,936</b>
<b>Non-current liabilities</b>		
Net defined benefit liability	703	677
Asset retirement obligations	377	421
Other	964	922
<b>Total non-current liabilities</b>	<b>2,045</b>	<b>2,021</b>
<b>Total liabilities</b>	<b>37,626</b>	<b>43,958</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	19,972	19,972
Capital surplus	23,979	24,043
Retained earnings	205,591	212,902
Treasury shares	(2)	(2)
<b>Total shareholders' equity</b>	<b>249,542</b>	<b>256,916</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	8	7
Foreign currency translation adjustment	8,825	5,007
<b>Total accumulated other comprehensive income</b>	<b>8,833</b>	<b>5,014</b>
<b>Non-controlling interests</b>	<b>938</b>	<b>1,057</b>
<b>Total net assets</b>	<b>259,315</b>	<b>262,987</b>
<b>Total liabilities and net assets</b>	<b>296,941</b>	<b>306,946</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, 2018	Nine months ended November 30, 2019
Net sales	196,158	203,096
Cost of sales	91,403	95,516
Gross profit	104,755	107,580
Selling, general and administrative expenses		
Packing and transportation expenses	2,510	2,753
Advertising expenses	4,496	4,580
Warehousing expenses	2,389	2,321
Directors' compensations, salaries and allowances	19,198	20,198
Bonuses	400	404
Provision for bonuses	1,659	1,648
Retirement benefit expenses	297	308
Legal and employee benefits expenses	2,904	3,054
Rents	20,967	20,572
Depreciation	3,326	3,609
Utilities expenses	1,655	1,659
Commission fee	4,166	4,944
Taxes and dues	1,307	1,353
Amortization of goodwill	632	587
Other	5,567	6,080
Total selling, general and administrative expenses	71,481	74,075
Operating profit	33,274	33,504
Non-operating income		
Interest income	110	137
Rent Income for house	842	760
Advertising medium income	29	29
Other	534	426
Total non-operating income	1,517	1,354
Non-operating expenses		
Interest expenses	7	6
Foreign exchange losses	37	82
Rent expenses	372	399
Other	75	66
Total non-operating expenses	492	555
Ordinary profit	34,298	34,303

(Millions of yen)

	Nine months ended November 30, 2018	Nine months ended November 30, 2019
Extraordinary income		
Gain on sales of non-current assets	53	5
Total extraordinary income	53	5
Extraordinary losses		
Loss on retirement of non-current assets	145	144
Impairment loss	194	354
Other	1	–
Total extraordinary losses	341	499
Profit before income taxes	34,010	33,809
Income taxes - current	11,096	10,572
Income taxes - deferred	(177)	29
Total income taxes	10,919	10,602
Profit	23,091	23,206
Profit attributable to non-controlling interests	130	214
Profit attributable to owners of parent	22,961	22,991

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

(Millions of yen)

	Nine months ended November 30, 2018	Nine months ended November 30, 2019
Profit	23,091	23,206
Other comprehensive income		
Valuation difference on available-for-sale securities	(0)	(1)
Foreign currency translation adjustment	(1,143)	(3,850)
Total other comprehensive income	(1,143)	(3,852)
Comprehensive income	21,948	19,354
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	21,833	19,172
Comprehensive income attributable to non-controlling interests	115	182