

# Summary of Consolidated Financial Results for the Year Ended February 29, 2020 (FY2020) (Based on Japanese GAAP)

April 8, 2020

Company name: ABC-MART, INC.  
 Stock exchange listing: Tokyo  
 Stock code: 2670 URL <https://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 26, 2020  
 Scheduled date to file Securities Report: May 27, 2020  
 Scheduled date to commence dividend payments: May 27, 2020  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

## 1. Consolidated financial results for the year ended February 29, 2020 (from March 1, 2019 to February 29, 2020)

### (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 29, 2020	272,361	2.1	43,374	(1.3)	44,325	(1.8)	29,706	(1.9)
Year ended February 28, 2019	266,703	4.9	43,929	1.3	45,133	1.4	30,285	1.9

(Note) Comprehensive income:

Year ended February 2020 28,175 million yen (0.8%)      Year ended February 2019 27,949 million yen (△13.6%)

	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 29, 2020	359.92	–	11.2	14.6	15.9
Year ended February 28, 2019	366.95	–	12.1	15.7	16.5

(Reference) Equity in earnings of affiliated companies:

Year ended February 2020 - million yen      Year ended February 2019 - 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 29, 2020	311,084	271,809	87.0	3,279.24
As of February 28, 2019	296,941	259,315	87.0	3,130.62

(Reference) Shareholders' Equity:

As of February 29, 2020 270,665 million yen      As of February 28, 2019 258,376 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 29, 2020	34,547	(9,029)	(15,652)	149,173
Year ended February 28, 2019	34,943	(9,756)	(11,722)	139,743

## 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, 2019	–	65.00	–	105.00	170.00	14,030	46.3	5.6
Year ended February 29, 2020	–	85.00	–	85.00	170.00	14,031	47.2	5.3
Year ending February 28, 2021 (Forecast)	–	85.00	–	85.00	170.00		–	

## 3. Forecast of consolidated financial results for the year ending February 28, 2021 (from March 1, 2020 to February 28, 2021)

Consolidated earnings forecast for the fiscal year ending February 28, 2021, has not yet disclosed at this time because it is difficult to make a proper and reasonable calculation.

#### 4. Notes

- (1) Changes in significant subsidiaries during the year ended February 29, 2020  
(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 29, 2020	82,539,646 shares	As of February 28, 2019	82,532,416 shares
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Number of treasury shares at the end of the period

As of February 29, 2020	470 shares	As of February 28, 2019	393 shares
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Average number of shares during the period

Year ended February 29, 2020	82,535,555 shares	Year ended February 28, 2019	82,532,023 shares
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#### (Reference) Summary of Nonconsolidated Financial Statements

##### 1. Nonconsolidated financial results for the year ended February 29, 2020 (from March 1, 2019 to February 29, 2020)

##### (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 29, 2020	194,029	1.4	38,072	(0.8)	39,554	(1.5)	27,097	(0.3)
Year ended February 28, 2019	191,347	2.7	38,380	(0.8)	40,162	(1.4)	27,178	0.1

	Net income per share	Diluted net income per share
	Yen	Yen
Year ended February 29, 2020	328.31	-
Year ended February 28, 2019	329.31	-

##### (2) Nonconsolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of February 29, 2020	270,444	239,156	88.4	2,897.49
As of February 28, 2019	256,821	227,681	88.7	2,758.70

#### (Reference) Shareholders' Equity:

As of February 29, 2020 239,156 million yen

As of February 28, 2019 227,681 million yen

##### 2. Forecast of nonconsolidated financial results for the year ending February 28, 2021 (from March 1, 2020 to February 28, 2021)

Non-consolidated earnings forecast for the fiscal year ending February 28, 2021, has not yet disclosed at this time because it is difficult to make a proper and reasonable calculation.

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

#### FORWARD LOOKING STATEMENTS AND OTHER SPECIAL ITEMS

The consolidated and non-consolidated business forecasts the fiscal year ending February 28, 2021, have not been determined because it is difficult to reasonably calculate the impact of the new coronavirus at this stage. We will announce it as soon as it is possible to disclose our business forecast.

**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of February 28, 2019	As of February 29, 2020
Assets		
Current assets		
Cash and deposits	139,914	149,344
Notes and accounts receivable - trade	10,423	10,493
Inventories	65,665	68,011
Other	4,648	5,990
Allowance for doubtful accounts	(42)	(36)
Total current assets	220,610	233,803
Non-current assets		
Property, plant and equipment		
Buildings and structures	30,266	31,559
Accumulated depreciation	(16,089)	(16,789)
Buildings and structures, net	14,176	14,770
Tools, furniture and fixtures	13,612	14,935
Accumulated depreciation	(8,818)	(9,643)
Tools, furniture and fixtures, net	4,794	5,292
Land	17,099	17,029
Construction in progress	203	372
Other	432	452
Accumulated depreciation	(378)	(397)
Other, net	54	55
Total property, plant and equipment	36,328	37,520
Intangible assets		
Trademark right	1,570	1,162
Goodwill	2,876	2,054
Other	2,392	2,697
Total intangible assets	6,840	5,914
Investments and other assets		
Investment securities	46	33
Shares of subsidiaries and associates	2,647	2,647
Long-term loans receivable	1,802	1,660
Leasehold and guarantee deposits	24,961	25,522
Deferred tax assets	3,087	3,357
Other	634	639
Allowance for doubtful accounts	(17)	(17)
Total investments and other assets	33,162	33,845
Total non-current assets	76,330	77,280
Total assets	296,941	311,084

(Millions of yen)

	As of February 28, 2019	As of February 29, 2020
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	13,877	16,413
Short-term loans payable	2,189	2,216
Income taxes payable	7,721	7,150
Provision for bonuses	915	985
Provision	361	219
Asset retirement obligations	23	23
Notes payable - facilities	1,227	1,045
Other	9,264	9,114
Total current liabilities	35,580	37,170
Non-current liabilities		
Retirement benefit liability	703	799
Asset retirement obligations	377	453
Other	964	852
Total non-current liabilities	2,045	2,105
Total liabilities	37,626	39,275
<b>Net assets</b>		
Shareholders' equity		
Capital stock	19,972	19,972
Capital surplus	23,979	24,043
Retained earnings	205,591	219,616
Treasury shares	(2)	(2)
Total shareholders' equity	249,542	263,630
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8	4
Foreign currency translation adjustment	8,825	7,030
Total accumulated other comprehensive income	8,833	7,035
Non-controlling interests	938	1,143
Total net assets	259,315	271,809
Total liabilities and net assets	296,941	311,084

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

(Millions of yen)

	Fiscal year ended February 28, 2019	Fiscal year ended February 29, 2020
Net sales	266,703	272,361
Cost of sales	126,158	129,087
Gross profit	140,545	143,273
Selling, general and administrative expenses		
Packing and transportation expenses	3,432	3,695
Advertising expenses	6,465	6,991
Warehousing expenses	3,090	3,041
Remuneration, salaries and allowances for directors (and other officers)	25,894	26,964
Bonuses	1,678	1,729
Provision for bonuses	914	984
Retirement benefit expenses	528	652
Legal and employee benefits expenses	3,867	4,042
Rents	28,044	27,567
Depreciation	4,506	4,902
Utilities expenses	2,193	2,173
Commission expenses	5,608	6,590
Taxes and dues	1,815	1,786
Amortization of goodwill	847	783
Other	7,728	7,994
Total selling, general and administrative expenses	96,615	99,899
Operating profit	43,929	43,374
Non-operating income		
Interest income	93	136
Rent Income	1,146	1,011
Advertising medium income	38	37
Other	597	495
Total non-operating income	1,876	1,681
Non-operating expenses		
Interest expenses	10	9
Foreign exchange losses	79	88
Rent expenses	498	539
Other	84	93
Total non-operating expenses	672	730
Ordinary profit	45,133	44,325

(Millions of yen)

	Fiscal year ended February 28, 2019	Fiscal year ended February 29, 2020
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	168	192
Impairment loss	830	767
Other	1	1
Total extraordinary losses	1,000	960
Profit before income taxes	44,186	43,369
Income taxes - current	14,243	13,792
Income taxes - deferred	(520)	(381)
Total income taxes	13,722	13,410
Profit	30,464	29,958
Profit attributable to non-controlling interests	178	252
Profit attributable to owners of parent	30,285	29,706

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended February 28, 2019	Fiscal year ended February 29, 2020
Profit	30,464	29,958
Other comprehensive income		
Valuation difference on available-for-sale securities	(4)	(3)
Foreign currency translation adjustment	(2,510)	(1,779)
Total other comprehensive income	(2,514)	(1,783)
Comprehensive income	27,949	28,175
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	27,812	27,907
Comprehensive income attributable to non-controlling interests	136	268

## Consolidated statements of changes in equity

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
Purchase of treasury shares					–
Increase by merger					–
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
Purchase of treasury shares					–
Increase by merger					–
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



Fiscal year ended February 29, 2020

(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	205,591	(2)	249,542
Changes of items during period					
Dividends of surplus			(15,681)		(15,681)
Profit attributable to owners of parent			29,706		29,706
Purchase of treasury shares				(0)	(0)
Increase by merger		63			63
Net changes of items other than shareholders' equity					
Total changes of items during period	–	63	14,025	(0)	14,088
Balance at end of current period	19,972	24,043	219,616	(2)	263,630

	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	8,825	8,833	938	259,315
Changes of items during period					
Dividends of surplus					(15,681)
Profit attributable to owners of parent					29,706
Purchase of treasury shares					(0)
Increase by merger					63
Net changes of items other than shareholders' equity	(3)	(1,795)	(1,798)	204	(1,594)
Total changes of items during period	(3)	(1,795)	(1,798)	204	12,494
Balance at end of current period	4	7,030	7,035	1,143	271,809

## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended February 28, 2019	Fiscal year ended February 29, 2020
Cash flows from operating activities		
Profit before income taxes	44,186	43,369
Depreciation	4,700	5,085
Increase (decrease) in provision for bonuses	10	69
Increase (decrease) in allowance for doubtful accounts	22	(5)
Interest and dividend income	(94)	(138)
Interest expenses	10	9
Foreign exchange losses (gains)	(21)	56
Loss (gain) on sales and retirement of non-current assets	116	187
Impairment loss	830	767
Decrease (increase) in notes and accounts receivable - trade	(1,241)	(633)
Decrease (increase) in inventories	(2,189)	(2,930)
Increase (decrease) in notes and accounts payable - trade	(784)	2,253
Other, net	3,260	647
Subtotal	48,805	48,737
Interest and dividend income received	85	132
Interest expenses paid	(9)	(9)
Income taxes paid	(13,936)	(14,312)
Net cash provided by (used in) operating activities	34,943	34,547
Cash flows from investing activities		
Payments into time deposits	–	(5)
Purchase of property, plant and equipment	(9,181)	(6,674)
Proceeds from sales of property, plant and equipment	1,433	101
Purchase of intangible assets	(1,053)	(1,051)
Payments for store removal	(137)	(95)
Payments of loans receivable	(105)	(120)
Collection of loans receivable	275	268
Payments for leasehold and guarantee deposits	(1,436)	(2,053)
Proceeds from collection of leasehold and guarantee deposits	681	715
Other payments	(268)	(157)
Other proceeds	36	43
Net cash provided by (used in) investing activities	(9,756)	(9,029)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(584)	24
Cash dividends paid	(11,137)	(15,676)
Other payments	(0)	(0)
Net cash provided by (used in) financing activities	(11,722)	(15,652)
Effect of exchange rate change on cash and cash equivalents	(503)	(436)
Net increase (decrease) in cash and cash equivalents	12,961	9,429
Cash and cash equivalents at beginning of period	126,782	139,743
Cash and cash equivalents at end of period	139,743	149,173