

# Summary of Consolidated Financial Results for the Three Months Ended May 31, 2020 (Q1 FY2021) (Based on Japanese GAAP)

July 28, 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 to file Quarterly Securities Report: July 30, 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 three months ended May 31, 2020 (from March 1, 2020 to May 31, 2020)

### (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, 2020	43,609	(41.6)	1,335	(90.7)	1,780	(87.7)	1,058	(89.2)
Three months ended May 31, 2019	74,648	6.6	14,315	3.9	14,502	2.1	9,811	2.4

(Note) Comprehensive income:

Three months ended May 2020 952 million yen ( $\Delta$ 89.9%)      Three months ended May 2019 9,397 million yen (38.6%)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended May 31, 2020	12.82	–
Three months ended May 31, 2019	118.88	–

### (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, 2020	302,728	265,746	87.4	3,205.26
As of February 29, 2020	311,084	271,809	87.0	3,279.24

(Reference) Shareholders' Equity:

As of May 31, 2020 264,559 million yen      As of February 28, 2020 270,665 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 29, 2020	–	85.00	–	85.00	170.00
Year ending February 28, 2021	–	–	–	–	–
Year ending February 28, 2021 (Forecast)	–	85.00	–	85.00	170.00

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

## 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.

### 3. Notes

- (1) Changes in significant subsidiaries during the three months ended May 31, 2020  
(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, 2020	82,539,646 shares	As of February 29, 2020	82,539,646 shares
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Number of treasury shares at the end of the period

As of May 31, 2020	470 shares	As of February 29, 2020	470 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, 2020	82,539,176 shares	Three months ended May 31, 2019	82,532,002 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 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.

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

(Millions of yen)

	As of February 29, 2020	As of May 31, 2020
Assets		
Current assets		
Cash and deposits	149,344	121,470
Notes and accounts receivable - trade	10,493	9,824
Inventories	68,011	74,002
Other	5,990	5,195
Allowance for doubtful accounts	(36)	(46)
Total current assets	233,803	210,446
Non-current assets		
Property, plant and equipment		
Buildings and structures	31,559	32,748
Accumulated depreciation	(16,789)	(17,002)
Buildings and structures, net	14,770	15,746
Tools, furniture and fixtures	14,935	14,917
Accumulated depreciation	(9,643)	(9,757)
Tools, furniture and fixtures, net	5,292	5,159
Land	17,029	16,955
Construction in progress	372	518
Other	452	454
Accumulated depreciation	(397)	(394)
Other, net	55	60
Total property, plant and equipment	37,520	38,439
Intangible assets		
Trademark right	1,162	1,059
Goodwill	2,054	1,846
Other	2,697	2,782
Total intangible assets	5,914	5,688
Investments and other assets		
Investment securities	33	15,667
Shares of subsidiaries and associates	2,647	2,647
Long-term loans receivable	1,660	1,640
Leasehold and guarantee deposits	25,522	25,030
Deferred tax assets	3,357	2,515
Other	639	668
Allowance for doubtful accounts	(17)	(16)
Total investments and other assets	33,845	48,154
Total non-current assets	77,280	92,282
Total assets	311,084	302,728

(Millions of yen)

	As of February 29, 2020	As of May 31, 2020
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	16,413	13,393
Short-term borrowings	2,216	1,372
Income taxes payable	7,150	7,831
Provision for bonuses	985	1,634
Provisions	219	164
Asset retirement obligations	23	14
Notes payable - facilities	1,045	1,619
Other	9,114	8,852
Total current liabilities	37,170	34,883
Non-current liabilities		
Retirement benefit liability	799	839
Asset retirement obligations	453	446
Other	852	812
Total non-current liabilities	2,105	2,099
Total liabilities	39,275	36,982
<b>Net assets</b>		
Shareholders' equity		
Share capital	19,972	19,972
Capital surplus	24,043	24,043
Retained earnings	219,616	213,659
Treasury shares	(2)	(2)
Total shareholders' equity	263,630	257,673
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4	1,973
Foreign currency translation adjustment	7,030	4,912
Total accumulated other comprehensive income	7,035	6,886
Non-controlling interests	1,143	1,186
Total net assets	271,809	265,746
Total liabilities and net assets	311,084	302,728

**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, 2019	Three months ended May 31, 2020
Net sales	74,648	43,609
Cost of sales	34,923	21,110
Gross profit	39,725	22,498
Selling, general and administrative expenses		
Packing and transportation costs	955	775
Advertising expenses	1,536	1,413
Storage costs	832	784
Remuneration, salaries and allowances for directors (and other officers)	7,095	6,021
Provision for bonuses	665	710
Retirement benefit expenses	109	119
Legal and other welfare expenses	984	1,049
Rent expenses on land and buildings	7,174	5,156
Depreciation	1,134	1,243
Utilities expenses	527	428
Commission expenses	1,779	1,273
Taxes and dues	453	373
Amortization of goodwill	197	195
Other	1,962	1,616
Total selling, general and administrative expenses	25,410	21,162
Operating profit	14,315	1,335
Non-operating income		
Interest income	46	30
Dividend income	–	222
Rent Income for house	258	238
Advertising medium income	10	8
Other	64	115
Total non-operating income	380	615
Non-operating expenses		
Interest expenses	1	1
Foreign exchange losses	60	42
Rental expenses	123	114
Other	7	11
Total non-operating expenses	192	170
Ordinary profit	14,502	1,780

(Millions of yen)

	Three months ended May 31, 2019	Three months ended May 31, 2020
Extraordinary income		
Gain on sales of non-current assets	–	1
Total extraordinary income	–	1
Extraordinary losses		
Loss on retirement of non-current assets	20	33
Impairment loss	13	3
Total extraordinary losses	34	37
Profit before income taxes	14,467	1,744
Income taxes - current	4,555	686
Income taxes - deferred	(2)	(56)
Total income taxes	4,552	630
Profit	9,915	1,114
Profit attributable to non-controlling interests	103	56
Profit attributable to owners of parent	9,811	1,058

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

(Millions of yen)

	Three months ended May 31, 2019	Three months ended May 31, 2020
Profit	9,915	1,114
Other comprehensive income		
Valuation difference on available-for-sale securities	(1)	1,969
Foreign currency translation adjustment	(516)	(2,131)
Total other comprehensive income	(517)	(162)
Comprehensive income	9,397	952
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,293	909
Comprehensive income attributable to non-controlling interests	103	42