

Summary of Consolidated Financial Results for the Nine Months Ended November 30, 2020 (Q3 FY2021) (Based on Japanese GAAP)



January 13, 2021

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
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 Scheduled date to file Quarterly Securities Report: January 14, 2021
 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, 2020 (from March 1, 2020 to November 30, 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	%
Nine months ended November 30, 2020	160,430	(21.0)	14,867	(55.6)	15,862	(53.8)	10,282	(55.3)
Nine months ended November 30, 2019	203,096	3.5	33,504	0.7	34,303	0.0	22,991	0.1

(Note) Comprehensive income:

Nine months ended November 30, 2020 13,867 million yen (-28.3%) Nine months ended November 30, 2019 19,354 million yen (-11.8%)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended November 30, 2020	124.57		–	
Nine months ended November 30, 2019	278.57		–	

(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, 2020	308,747	271,645	87.6	3,275.92
As of February 29, 2020	311,084	271,809	87.0	3,279.24

(Reference) Shareholders' Equity:

As of November 30, 2020 270,391 million yen As of February 29, 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				
Year ended February 29, 2020	–	85.00	–	85.00	170.00
Year ending February 28, 2021	–	85.00	–		
Year ending February 28, 2021 (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 28, 2021 (from March 1, 2020 to February 28, 2021)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	220,600	(19.0)	17,800	(59.0)	18,700	(57.8)	12,200	(58.9)	147.81

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

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended November 30, 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 November 30, 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 November 30, 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)

Nine months ended November 30, 2020	82,539,176 shares	Nine months ended November 30, 2019	82,534,357 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 forecast for the year ending February 28, 2021 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 29, 2020	As of November 30, 2020
Assets		
Current assets		
Cash and deposits	149,344	122,040
Notes and accounts receivable - trade	10,493	13,676
Inventories	68,011	70,231
Other	5,990	7,269
Allowance for doubtful accounts	(36)	(43)
Total current assets	233,803	213,175
Non-current assets		
Property, plant and equipment		
Buildings and structures	31,559	33,650
Accumulated depreciation	(16,789)	(17,706)
Buildings and structures, net	14,770	15,944
Tools, furniture and fixtures	14,935	15,765
Accumulated depreciation	(9,643)	(10,469)
Tools, furniture and fixtures, net	5,292	5,295
Land	17,029	17,018
Construction in progress	372	127
Other	452	458
Accumulated depreciation	(397)	(386)
Other, net	55	71
Total property, plant and equipment	37,520	38,457
Intangible assets		
Trademark right	1,162	847
Goodwill	2,054	1,415
Other	2,697	2,922
Total intangible assets	5,914	5,185
Investments and other assets		
Investment securities	33	20,519
Shares of subsidiaries and associates	2,647	2,647
Long-term loans receivable	1,660	1,556
Leasehold and guarantee deposits	25,522	25,515
Deferred tax assets	3,357	1,064
Other	639	641
Allowance for doubtful accounts	(17)	(16)
Total investments and other assets	33,845	51,928
Total non-current assets	77,280	95,572
Total assets	311,084	308,747

(Millions of yen)

	As of February 29, 2020	As of November 30, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	16,413	14,533
Short-term borrowings	2,216	1,570
Income taxes payable	7,150	4,220
Provision for bonuses	985	1,716
Provisions	219	182
Asset retirement obligations	23	13
Notes payable - facilities	1,045	760
Other	9,114	11,835
Total current liabilities	37,170	34,833
Non-current liabilities		
Retirement benefit liability	799	944
Asset retirement obligations	453	487
Other	852	836
Total non-current liabilities	2,105	2,268
Total liabilities	39,275	37,102
Net assets		
Shareholders' equity		
Share capital	19,972	19,972
Capital surplus	24,043	24,043
Retained earnings	219,616	215,867
Treasury shares	(2)	(2)
Total shareholders' equity	263,630	259,881
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4	5,297
Foreign currency translation adjustment	7,030	5,212
Total accumulated other comprehensive income	7,035	10,510
Non-controlling interests	1,143	1,253
Total net assets	271,809	271,645
Total liabilities and net assets	311,084	308,747

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, 2019	Nine months ended November 30, 2020
Net sales	203,096	160,430
Cost of sales	95,516	78,907
Gross profit	107,580	81,523
Selling, general and administrative expenses		
Packing and transportation costs	2,753	2,656
Advertising expenses	4,580	4,232
Storage costs	2,321	2,335
Remuneration, salaries and allowances for directors (and other officers)	20,198	17,522
Bonuses	404	379
Provision for bonuses	1,648	1,716
Retirement benefit expenses	308	374
Legal and other welfare expenses	3,054	2,928
Rent expenses on land and buildings	20,572	18,173
Depreciation	3,609	3,744
Utilities expenses	1,659	1,496
Commission expenses	4,944	4,317
Taxes and dues	1,353	1,134
Amortization of goodwill	587	577
Other	6,080	5,063
Total selling, general and administrative expenses	74,075	66,655
Operating profit	33,504	14,867
Non-operating income		
Interest income	137	48
Dividend income	0	304
Foreign exchange gains	-	51
Rent Income for house	760	707
Advertising medium income	29	25
Other	425	344
Total non-operating income	1,354	1,481
Non-operating expenses		
Interest expenses	6	3
Foreign exchange losses	82	-
Rental expenses	399	362
Other	66	120
Total non-operating expenses	555	486
Ordinary profit	34,303	15,862

(Millions of yen)

	Nine months ended November 30, 2019	Nine months ended November 30, 2020
Extraordinary income		
Gain on sales of non-current assets	5	5
Gain on sales of investment securities	–	420
Employment adjustment subsidies for covid19	–	774
Total extraordinary income	5	1,200
Extraordinary losses		
Loss on retirement of non-current assets	144	131
Impairment loss	354	272
Loss due to covid19	–	1,308
Other	–	16
Total extraordinary losses	499	1,728
Profit before income taxes	33,809	15,334
Income taxes - current	10,572	4,987
Income taxes - deferred	29	(45)
Total income taxes	10,602	4,942
Profit	23,206	10,392
Profit attributable to non-controlling interests	214	110
Profit attributable to owners of parent	22,991	10,282

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended November 30, 2019	Nine months ended November 30, 2020
Profit	23,206	10,392
Other comprehensive income		
Valuation difference on available-for-sale securities	(1)	5,292
Foreign currency translation adjustment	(3,850)	(1,816)
Total other comprehensive income	(3,852)	3,475
Comprehensive income	19,354	13,867
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	19,172	13,757
Comprehensive income attributable to non-controlling interests	182	110