

# Summary of Consolidated Financial Results for the Year Ended February 28, 2021(FY2021) (Based on Japanese GAAP)



April 14, 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  
 Inquiries: Director, Corporate Planning Office Manager Jo Kojima TEL 03-3476-5452  
 Scheduled date of ordinary general meeting of shareholders: May 27, 2021  
 Scheduled date to file Securities Report: May 31, 2021  
 Scheduled date to commence dividend payments: May 28, 2021  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

## 1. Consolidated financial results for the year ended February 28, 2021 (from March 1, 2020 to February 28, 2021)

### (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 28, 2021	220,267	(19.1)	19,513	(55.0)	21,283	(52.0)	19,226	(35.3)
Year ended February 29, 2020	272,361	2.1	43,374	(1.3)	44,325	(1.8)	29,706	(1.9)

(Note) Comprehensive income:

Year ended February 2021 21,165 million yen (-24.9%)      Year ended February 2020 28,175 million yen (0.8%)

	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 28, 2021	232.94	–	7.0	6.8	8.9
Year ended February 29, 2020	359.92	–	11.2	14.6	15.9

(Reference) Equity in earnings of affiliated companies:

Year ended February 2021 - million yen      Year ended February 2020 - 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 28, 2021	317,832	278,943	87.3	3,363.55
As of February 29, 2020	311,084	271,809	87.0	3,279.24

(Reference) Shareholders' Equity:

As of February 28, 2021 277,624 million yen      As of February 29, 2020 270,665 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 28, 2021	23,487	(11,316)	(15,016)	146,454
Year ended February 29, 2020	34,547	(9,029)	(15,652)	149,173

## 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 29, 2020	–	85.00	–	85.00	170.00	14,031	47.2	5.3
Year ended February 28, 2021	–	85.00	–	85.00	170.00	14,031	73.0	5.1
Year ending February 28, 2022 (Forecast)	–	85.00	–	85.00	170.00		67.0	

## 3. Forecast of consolidated financial results for the year ending February 28, 2022 (from March 1, 2021 to February 28, 2022)

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
Six months ending August 31, 2021	123,900	21.3	13,300	55.8	13,650	48.5	8,910	60.8	107.95
Full year	259,700	17.9	30,400	55.8	31,100	46.1	20,930	8.9	253.58

#### 4. Notes

- (1) Changes in significant subsidiaries during the year ended February 28, 2021  
(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 28, 2021	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 February 28, 2021	470 shares	As of February 29, 2020	470 shares
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Average number of shares during the period

Year ended February 28, 2021	82,539,176 shares	Year ended February 29, 2020	82,535,555 shares
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#### (Reference) Summary of Nonconsolidated Financial Statements

##### 1. Nonconsolidated financial results for the year ended February 28, 2021 (from March 1, 2020 to February 28, 2021)

###### (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 28, 2021	151,909	(21.7)	16,828	(55.8)	19,043	(51.9)	18,611	(31.3)
Year ended February 29, 2020	194,029	1.4	38,072	(0.8)	39,554	(1.5)	27,097	(0.3)

	Net income per share	Diluted net income per share
	Yen	Yen
Year ended February 28, 2021	225.49	-
Year ended February 29, 2020	328.31	-

###### (2) Nonconsolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of February 28, 2021	278,123	245,962	88.4	2,979.94
As of February 29, 2020	270,444	239,156	88.4	2,897.49

#### (Reference) Shareholders' Equity:

As of February 28, 2021 245,962 million yen      As of February 29, 2020 239,156 million yen

##### 2. Forecast of nonconsolidated financial results for the year ending February 28, 2022 (from March 1, 2021 to February 28, 2022)

Percentages indicate year-on-year changes

	Net sales		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending August 31, 2021	86,430	22.9	12,890	52.6	8,590	66.1	104.07
Full year	177,600	16.9	28,080	47.5	18,740	0.7	227.04

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

#### FORWARD LOOKING STATEMENTS AND OTHER SPECIAL ITEMS

The forecast for the year ending February 28, 2022 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.

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

(Millions of yen)

	As of February 29, 2020	As of February 28, 2021
Assets		
Current assets		
Cash and deposits	149,344	138,669
Notes and accounts receivable - trade	10,493	10,275
Securities	–	7,957
Inventories	68,011	63,356
Other	5,990	4,997
Allowance for doubtful accounts	(36)	(34)
Total current assets	233,803	225,222
Non-current assets		
Property, plant and equipment		
Buildings and structures	31,559	33,283
Accumulated depreciation	(16,789)	(17,900)
Buildings and structures, net	14,770	15,382
Tools, furniture and fixtures	14,935	16,091
Accumulated depreciation	(9,643)	(11,092)
Tools, furniture and fixtures, net	5,292	4,998
Land	17,029	17,078
Construction in progress	372	221
Other	452	457
Accumulated depreciation	(397)	(391)
Other, net	55	66
Total property, plant and equipment	37,520	37,748
Intangible assets		
Trademark right	1,162	740
Goodwill	2,054	1,199
Other	2,697	3,126
Total intangible assets	5,914	5,066
Investments and other assets		
Investment securities	33	17,161
Shares of subsidiaries and associates	2,647	2,563
Long-term loans receivable	1,660	1,495
Leasehold and guarantee deposits	25,522	25,453
Deferred tax assets	3,357	2,523
Other	639	613
Allowance for doubtful accounts	(17)	(16)
Total investments and other assets	33,845	49,795
Total non-current assets	77,280	92,610
Total assets	311,084	317,832

(Millions of yen)

	As of February 29, 2020	As of February 28, 2021
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	16,413	14,468
Short-term borrowings	2,216	1,232
Income taxes payable	7,150	8,720
Provision for bonuses	985	996
Provisions	219	237
Asset retirement obligations	23	152
Notes payable - facilities	1,045	782
Other	9,114	10,554
Total current liabilities	37,170	37,145
Non-current liabilities		
Retirement benefit liability	799	552
Asset retirement obligations	453	359
Other	852	831
Total non-current liabilities	2,105	1,743
Total liabilities	39,275	38,888
<b>Net assets</b>		
Shareholders' equity		
Share capital	19,972	19,972
Capital surplus	24,043	24,043
Retained earnings	219,616	224,811
Treasury shares	(2)	(2)
Total shareholders' equity	263,630	268,825
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4	2,229
Foreign currency translation adjustment	7,030	6,569
Total accumulated other comprehensive income	7,035	8,799
Non-controlling interests	1,143	1,318
Total net assets	271,809	278,943
Total liabilities and net assets	311,084	317,832

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

(Millions of yen)

	Fiscal year ended February 29, 2020	Fiscal year ended February 28, 2021
Net sales	272,361	220,267
Cost of sales	129,087	110,004
Gross profit	143,273	110,262
Selling, general and administrative expenses		
Packing and transportation costs	3,695	3,594
Advertising expenses	6,991	6,239
Storage costs	3,041	3,037
Remuneration, salaries and allowances for directors (and other officers)	26,964	23,877
Bonuses	1,729	1,752
Provision for bonuses	984	995
Retirement benefit expenses	652	294
Legal and other welfare expenses	4,042	3,834
Rent expenses on land and buildings	27,567	24,788
Depreciation	4,902	5,103
Utilities expenses	2,173	1,989
Commission expenses	6,590	5,857
Taxes and dues	1,786	1,608
Amortization of goodwill	783	764
Other	7,994	7,010
Total selling, general and administrative expenses	99,899	90,748
Operating profit	43,374	19,513
Non-operating income		
Interest income	136	59
Dividend income	1	695
Foreign exchange gains	–	315
Rent Income	1,011	968
Advertising medium income	37	34
Other	494	367
Total non-operating income	1,681	2,441
Non-operating expenses		
Interest expenses	9	6
Foreign exchange losses	88	–
Rental expenses	539	516
Other	93	147
Total non-operating expenses	730	671
Ordinary profit	44,325	21,283

(Millions of yen)

	Fiscal year ended February 29, 2020	Fiscal year ended February 28, 2021
Extraordinary income		
Gain on sales of non-current assets	5	5
Gain on sales of investment securities	–	9,221
Employment adjustment subsidies for covid19	–	849
Total extraordinary income	5	10,076
Extraordinary losses		
Loss on retirement of non-current assets	192	210
Impairment loss	767	628
Loss due to covid19	–	1,389
Other	1	16
Total extraordinary losses	960	2,245
Profit before income taxes	43,369	29,115
Income taxes - current	13,792	9,874
Income taxes - deferred	(381)	(144)
Total income taxes	13,410	9,729
Profit	29,958	19,385
Profit attributable to non-controlling interests	252	159
Profit attributable to owners of parent	29,706	19,226

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended February 29, 2020	Fiscal year ended February 28, 2021
Profit	29,958	19,385
Other comprehensive income		
Valuation difference on available-for-sale securities	(3)	2,225
Foreign currency translation adjustment	(1,779)	(445)
Total other comprehensive income	(1,783)	1,779
Comprehensive income	28,175	21,165
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	27,907	20,990
Comprehensive income attributable to non-controlling interests	268	174

## Consolidated statements of changes in equity

Fiscal year ended February 29, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	19,972	23,979	205,591	(2)	249,542
Changes 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 in items other than shareholders' equity					
Total changes during period	–	63	14,025	(0)	14,088
Balance at end of 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 period	8	8,825	8,833	938	259,315
Changes 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 in items other than shareholders' equity	(3)	(1,795)	(1,798)	204	(1,594)
Total changes during period	(3)	(1,795)	(1,798)	204	12,494
Balance at end of period	4	7,030	7,035	1,143	271,809



Fiscal year ended February 28, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	19,972	24,043	219,616	(2)	263,630
Changes during period					
Dividends of surplus			(14,031)		(14,031)
Profit attributable to owners of parent			19,226		19,226
Net changes in items other than shareholders' equity					
Total changes during period	–	–	5,195	–	5,195
Balance at end of period	19,972	24,043	224,811	(2)	268,825

	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 period	4	7,030	7,035	1,143	271,809
Changes during period					
Dividends of surplus					(14,031)
Profit attributable to owners of parent					19,226
Net changes in items other than shareholders' equity	2,225	(461)	1,764	174	1,939
Total changes during period	2,225	(461)	1,764	174	7,134
Balance at end of period	2,229	6,569	8,799	1,318	278,943

## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended February 29, 2020	Fiscal year ended February 28, 2021
Cash flows from operating activities		
Profit before income taxes	43,369	29,115
Depreciation	5,085	5,406
Increase (decrease) in provision for bonuses	69	10
Increase (decrease) in allowance for doubtful accounts	(5)	(0)
Interest and dividend income	(138)	(755)
Interest expenses	9	6
Foreign exchange losses (gains)	56	(281)
Loss (gain) on sales of investment securities	–	(9,221)
Loss (gain) on sales and retirement of non-current assets	187	204
Impairment loss	767	628
Decrease (increase) in trade receivables	(633)	239
Decrease (increase) in inventories	(2,930)	4,253
Increase (decrease) in trade payables	2,253	(1,177)
Other, net	647	2,919
Subtotal	48,737	31,347
Interest and dividends received	132	397
Interest paid	(9)	(5)
Income taxes paid	(14,312)	(8,251)
Net cash provided by (used in) operating activities	34,547	23,487
Cash flows from investing activities		
Payments into time deposits	(5)	–
Purchase of property, plant and equipment	(6,674)	(5,367)
Proceeds from sales of property, plant and equipment	101	12
Purchase of intangible assets	(1,051)	(1,237)
Purchase of short-term and long-term investment securities	–	(93,586)
Proceeds from sales of short-term and long-term investment securities	–	88,944
Payments for store removal	(95)	(96)
Loan advances	(120)	(100)
Collection of loans receivable	268	269
Payments of leasehold and guarantee deposits	(2,053)	(1,478)
Proceeds from refund of leasehold and guarantee deposits	715	1,473
Other payments	(157)	(155)
Other proceeds	43	5
Net cash provided by (used in) investing activities	(9,029)	(11,316)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	24	(984)
Dividends paid	(15,676)	(14,032)
Other payments	(0)	(0)
Net cash provided by (used in) financing activities	(15,652)	(15,016)
Effect of exchange rate change on cash and cash equivalents	(436)	126
Net increase (decrease) in cash and cash equivalents	9,429	(2,719)
Cash and cash equivalents at beginning of period	139,743	149,173
Cash and cash equivalents at end of period	149,173	146,454