



FACTBOOK

ABC-MART, INC.

For the fiscal year ended February 28, 2022



Contents

Corporate Profile	1-4
Consolidated Balance Sheet	5-6
Consolidated Statement of Income	7-8
Consolidated Statement of Cash Flows	9-10
Consolidated Statement of Changes in Equity	11
Information by Segment	12
Consolidated Profitability Indicators	13
Consolidated Efficiency Indicators	14
Consolidated Stability Indicators	15
Stock Information	16
References) Non-consolidated Financial Statements	17

**Securities Code: 2670 /
TSE Prime Market**

Corporate Profile (as of February 28, 2022)

Name of Company	ABC-MART, INC.
URL	https://www.abc-mart.co.jp/
Headquarters	19F, Shibuya Mark City West 1-12-1 Dogenzaka, Shibuya-ku, Tokyo 150-0043 JAPAN (Registered address: 1-11-5 Jinnan, Shibuya-ku, Tokyo 150-0041 JAPAN)
Date of Establishment	June 6, 1985
Share Capital	¥19,972 million
Representative	Minoru Noguchi Representative Director, President and Executive Officer
Number of Employees	8,098 (4,241 Part-time employees and others included)

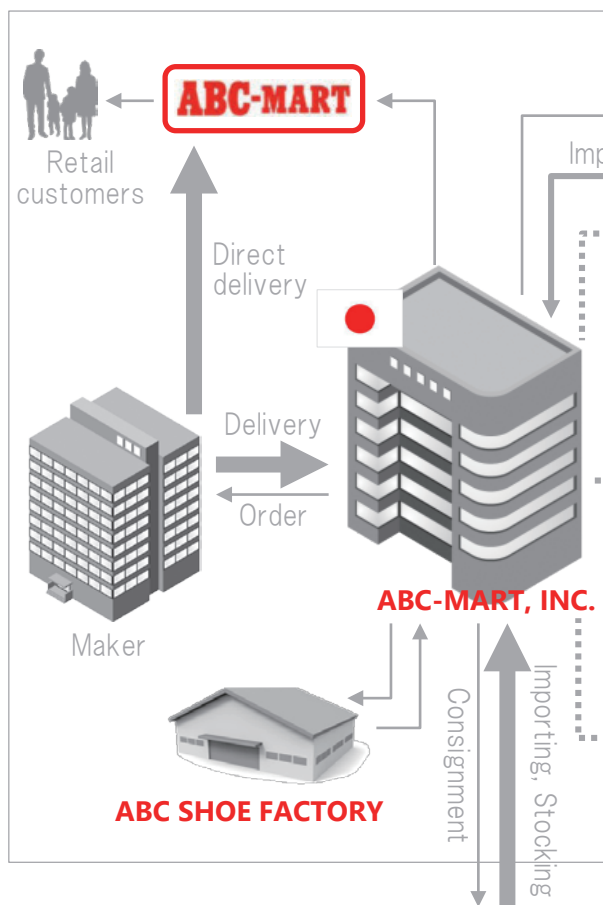
Business Policy

From a lifestyle creation company
focused on shoes,
into the ABC-MART global shoe store

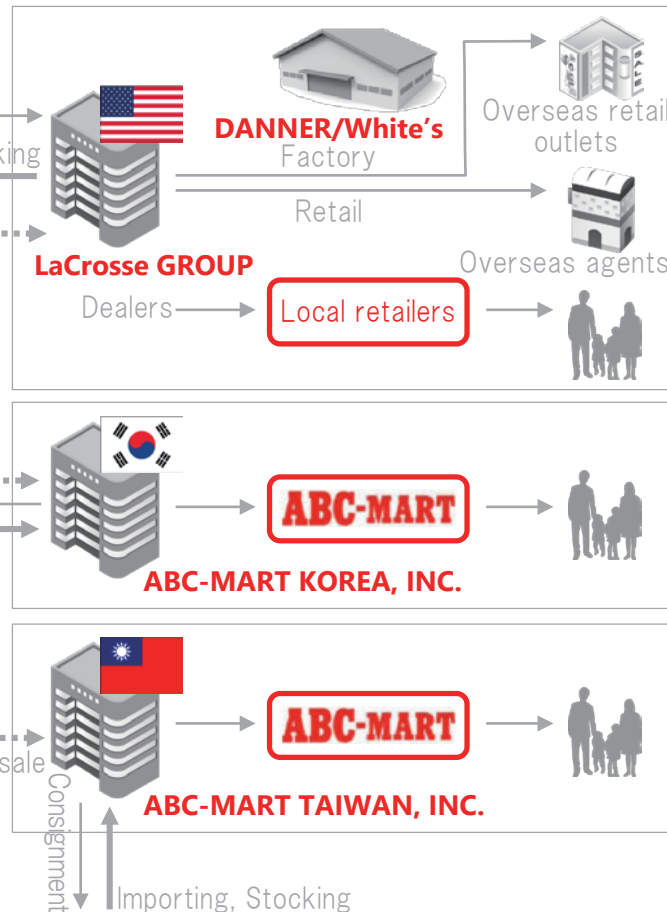
New ABC-MART outlets will be opened to directly deliver shoes to our customers. Our ultimate aim is to establish a globally recognized store brand.

Business Content

Domestic

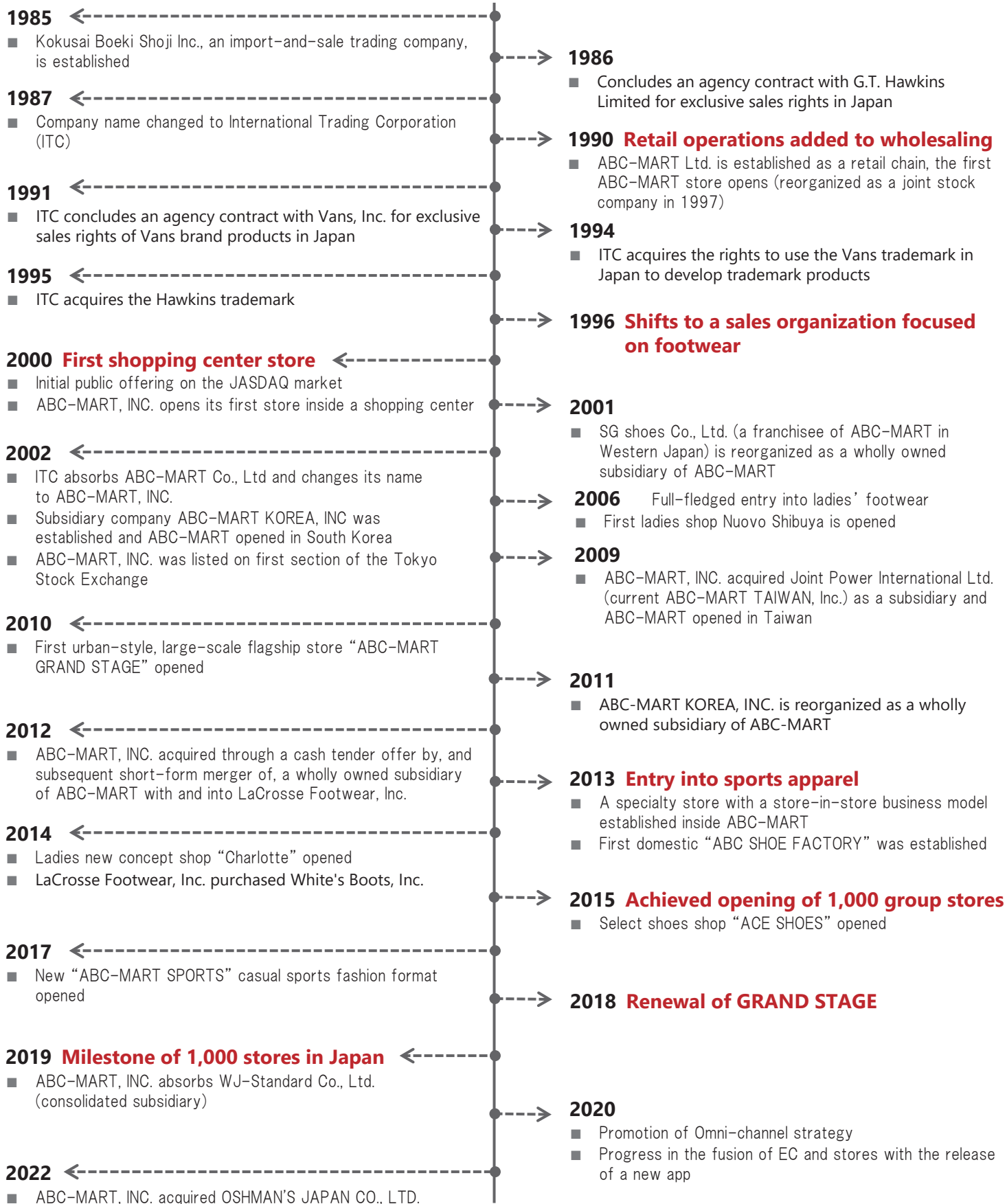


Overseas



Overseas consignment factories (China, Southeast Asia, etc.)

History



The Strength of ABC-MART

We strive to satisfy all customers by aiming for **new and innovative retail** with a focus on manufacturing, marketing and customer service, and IT capability.

The accumulation of on-site excellence

Store Strategy

- Speedy store openings conforming to communities and trade areas
- Development of stores with a wide range of formats and business types
- Store renewal that responds smartly to market changes

Product and Brand Strategy

- Maintenance, strengthening and development of house brands
- Development information from our overseas network
- Partnership with global brands

Operation Strategy

- Omni-channel strategy
- Providing services through official app
- Proactive IT investment

Human Resource Development

- In-the-field experience and staff training
- Promoting employment diversity and improving work-life balance
- Career development and team building

Product Planning and Development

Integrated Production and Sales System for House Brands

Information on trends from our overseas network

Collection of raw customer feedback

Production at cooperating factories in Europe, China, Southeast Asia, etc. and a domestic factory

Partnering with Global Brands

Dealing directly with makers (bulk ordering)

Enables low product prices

Promotes development of the ABC-MART original models

Enables production of appealing products at reasonable prices

Own Brand



Store Brand

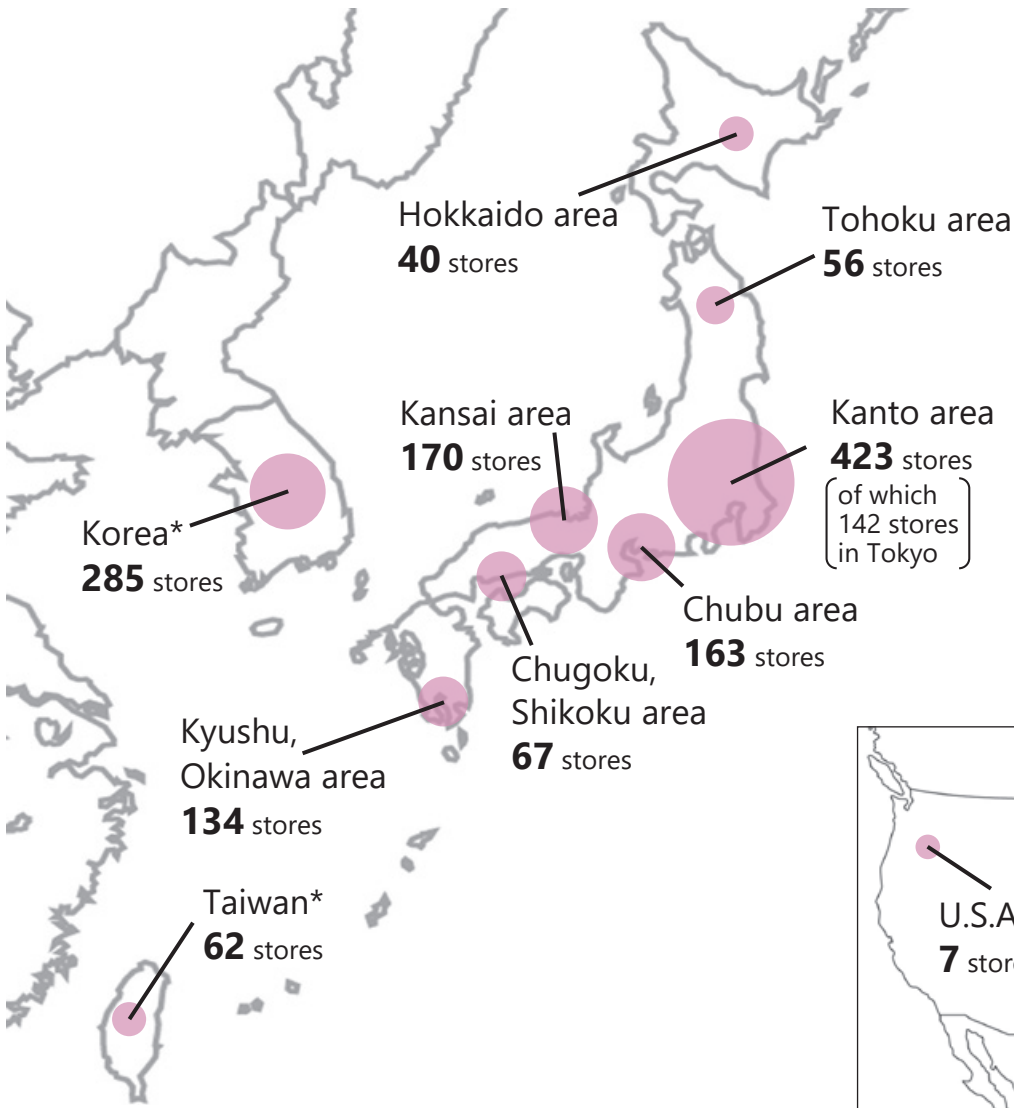


Distributor / Licensing



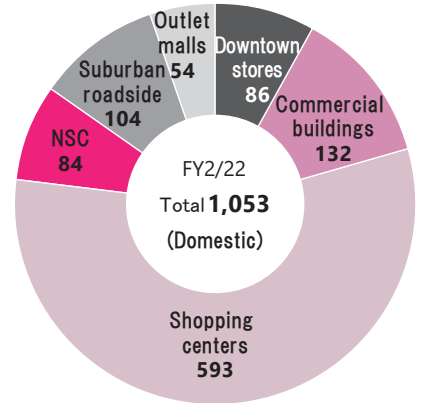
Distribution map of stores (as of February 28, 2022)

*: Number of overseas outlets (Korea, Taiwan, U.S.A.) as of end-December 2021

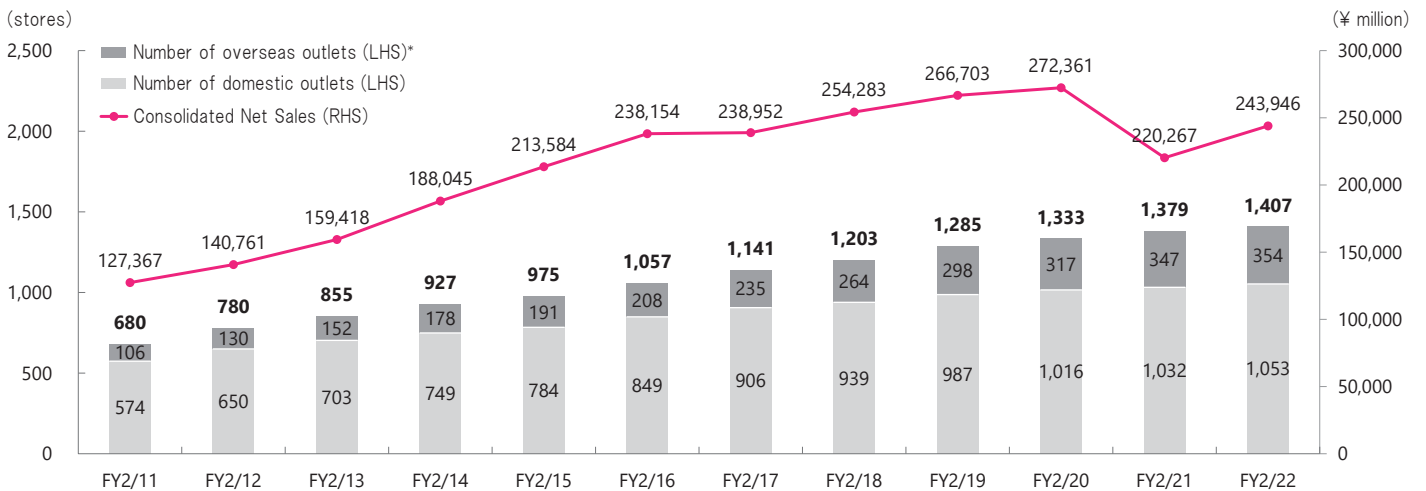


Number of group stores
1,407 stores

Number of stores by store formats



Trends in Number of Stores and Net Sales (as of February 28, 2022)



*: Number of overseas outlets (Korea, Taiwan, U.S.A.) as of end-December 2021

Consolidated Balance Sheet



(¥ million)	FY2/18	FY2/19	FY2/20	FY2/21	FY2/22
Assets					
Total assets	279,697	296,941	311,084	317,832	317,720
Current assets	205,919	220,610	233,803	225,222	226,923
Cash and deposits	126,963	139,914	149,344	138,669	141,767
Notes and accounts receivable - trade	9,386	10,423	10,493	10,275	11,091
Securities	—	—	—	7,957	10,181
Inventories	64,390	65,665	68,011	63,356	59,847
Other	5,198	4,648	5,990	4,997	4,180
Allowance for doubtful accounts	(19)	(42)	(36)	(34)	(145)
Non-current assets	73,777	76,330	77,280	92,610	90,796
Property, plant and equipment	32,507	36,328	37,520	37,748	39,373
Buildings and structures	28,179	30,266	31,559	33,283	34,711
Accumulated depreciation	(15,022)	(16,089)	(16,789)	(17,900)	(19,233)
Buildings and structures, net	13,157	14,176	14,770	15,382	15,478
Tools, furniture and fixtures	12,463	13,612	14,935	16,091	17,116
Accumulated depreciation	(8,242)	(8,818)	(9,643)	(11,092)	(12,757)
Tools, furniture and fixtures, net	4,221	4,794	5,292	4,998	4,359
Land	14,111	17,099	17,029	17,078	19,198
Construction in progress	931	203	372	221	293
Other	474	432	452	457	438
Accumulated depreciation	(388)	(378)	(397)	(391)	(394)
Other, net	86	54	55	66	44
Intangible assets	8,075	6,840	5,914	5,066	4,837
Trademark right	1,996	1,570	1,162	740	393
Goodwill	4,109	2,876	2,054	1,199	509
Other	1,968	2,392	2,697	3,126	3,935
Investments and other assets	33,194	33,162	33,845	49,795	46,585
Investment securities	52	46	33	17,161	14,567
Shares of subsidiaries and associates	2,647	2,647	2,647	2,563	609
Long-term loans receivable	1,953	1,802	1,660	1,495	1,450
Leasehold and guarantee deposits	25,180	24,961	25,522	25,453	25,960
Retirement benefit asset	83	—	—	—	1
Deferred tax assets	2,751	3,087	3,357	2,523	3,416
Other	543	634	639	613	596
Allowance for doubtful accounts	(19)	(17)	(17)	(16)	(16)

Note: The Company applied the "Partial Amendments to Accounting Standards for Tax Effect Accounting" (Accounting Standards Board of Japan (ASBJ) Statement No. 28 issued on February 16, 2018) from FY2/19. The figures for FY2/18 are after retrospective application for comparability.

Consolidated Balance Sheet



(¥ million)	FY2/18	FY2/19	FY2/20	FY2/21	FY2/22
Liabilities					
Total liabilities	37,189	37,626	39,275	38,888	32,838
Current liabilities	34,924	35,580	37,170	37,145	31,268
Notes and accounts payable - trade	15,262	13,877	16,413	14,468	13,161
Short-term borrowings	2,775	2,189	2,216	1,232	1,350
Income taxes payable	7,961	7,721	7,150	8,720	4,884
Provision for bonuses	906	915	985	996	984
Provisions	337	361	219	237	226
Asset retirement obligations	16	23	23	152	205
Notes payable - facilities	883	1,227	1,045	782	933
Other	6,780	9,264	9,114	10,554	9,521
Non-current liabilities	2,264	2,045	2,105	1,743	1,570
Retirement benefit liability	682	703	799	552	313
Asset retirement obligations	370	377	453	359	345
Other	1,212	964	852	831	911
Net assets					
Total net assets	242,507	259,315	271,809	278,943	284,881
Shareholders' equity	230,399	249,542	263,630	268,825	272,176
Share capital	19,972	19,972	19,972	19,972	19,972
Capital surplus	23,979	23,979	24,043	24,043	24,043
Retained earnings	186,448	205,591	219,616	224,811	228,162
Treasury shares	(2)	(2)	(2)	(2)	(2)
Accumulated other comprehensive income	11,306	8,833	7,035	8,799	11,122
Valuation difference on available-for-sale securities	13	8	4	2,229	1,991
Foreign currency translation adjustment	11,293	8,825	7,030	6,569	9,131
Non-controlling interests	801	938	1,143	1,318	1,582
Total liabilities and net assets	279,697	296,941	311,084	317,832	317,720

Consolidated Statement of Income



(¥ million)	FY2/18	FY2/19	FY2/20	FY2/21	FY2/22
Net sales	254,283	266,703	272,361	220,267	243,946
Cost of sales	118,631	126,158	129,087	110,004	119,058
Gross profit	135,651	140,545	143,273	110,262	124,887
Selling, general and administrative expenses	92,265	96,615	99,899	90,748	97,440
Packing and transportation costs	3,073	3,432	3,695	3,594	3,693
Advertising expenses	6,898	6,465	6,991	6,239	6,274
Storage costs	2,806	3,090	3,041	3,037	2,751
Remuneration, salaries and allowances for directors (and other officers)	24,762	25,894	26,964	23,877	25,720
Bonuses	1,635	1,678	1,729	1,752	1,723
Provision for bonuses	904	914	984	995	982
Retirement benefit expenses	427	528	652	294	461
Legal and other welfare expenses	3,573	3,867	4,042	3,834	3,926
Rent expenses on land and buildings	26,735	28,044	27,567	24,788	27,207
Depreciation	4,214	4,506	4,902	5,103	5,472
Utilities expenses	2,136	2,193	2,173	1,989	2,075
Commission expenses	5,305	5,608	6,590	5,857	6,724
Taxes and dues	1,769	1,815	1,786	1,608	1,648
Amortization of goodwill	861	847	783	764	786
Other	7,160	7,728	7,994	7,010	7,990
Operating profit	43,386	43,929	43,374	19,513	27,446
Non-operating income	1,626	1,876	1,681	2,441	1,501
Interest income	119	93	136	59	47
Dividend income	—	—	—	695	131
Foreign exchange gains	55	—	—	315	6
Rent Income	1,096	1,146	1,011	968	1,049
Advertising medium income	53	38	37	34	34
Other	301	597	495	367	232
Non-operating expenses	511	672	730	671	687
Interest expenses	10	10	9	6	20
Foreign exchange losses	—	79	88	—	—
Rental expenses	464	498	539	516	630
Other	36	84	93	147	36
Ordinary profit	44,501	45,133	44,325	21,283	28,260

Consolidated Statement of Income



(¥ million)	FY2/18	FY2/19	FY2/20	FY2/21	FY2/22
Extraordinary income	100	53	5	10,076	1,505
Gain on sale of non-current assets	100	53	5	5	821
Gain on sale of investment securities	—	—	—	9,221	74
Employment adjustment subsidies for covid19	—	—	—	849	608
Extraordinary losses	834	1,000	960	2,245	3,925
Loss on retirement of non-current assets	211	168	192	210	208
Impairment losses	623	830	767	628	1,194
Loss on valuation of investment securities	—	—	—	—	273
Loss on valuation of shares of subsidiaries and associates	—	—	—	—	1,954
Loss due to covid19	—	—	—	1,389	294
Other	—	1	1	16	—
Profit before income taxes	43,767	44,186	43,369	29,115	25,840
Income taxes - current	14,730	14,243	13,792	9,874	9,078
Income taxes - deferred	(839)	(520)	(381)	(144)	(711)
Total income taxes	13,890	13,722	13,410	9,729	8,367
Profit	29,876	30,464	29,958	19,385	17,473
Profit attributable to non-controlling interests	161	178	252	159	90
Profit attributable to owners of parent	29,714	30,285	29,706	19,226	17,382

Overview of Financial Results for FY2/22

In the fiscal year under review (from March 1, 2021 to February 28, 2022), the business environment showed a gradual recovery in Japan due to a decline in infections of the novel coronavirus (COVID-19) as a result of widespread vaccination against the disease and the effects of economic policies. Overseas, the outlook remains uncertain due to rising geopolitical risks and concerns about prolonged problems with supply chains. Although the consumption environment has improved due to increased consumer turnout, prices are rising due to the influence of the world economy, and there are concerns about a slowdown in consumption.

In the shoes industry, new lifestyles have taken hold during the COVID-19 pandemic. In terms of product trends, the tide has turned since last fall, and demand is expanding for product lines other than sneakers, leather products, and products that can be also used for leisure and outdoor activities. With regard to online sales, although online demand is growing, the growth rate slowed as brick-and-mortar stores expanded their sales.

In this circumstance, the ABC-MART Group (the “Group”) responded by reinforcing its digital commerce, expanding its GRAND STAGE and multi-format stores, and enhancing lifestyle casual wear including sports shoes and sports apparel. Over the year, we opened 73 new stores in Japan and overseas, bringing the total number of outlets of the Group to 1,407.

As a result of the above, in the fiscal year under review net sales rose by 10.8% year on year to ¥243,946 million. From a profit perspective, operating profit rose 40.7% year on year to ¥27,446 million, and the consolidated operating profit margin was 11.3%. Ordinary profit increased 32.8% year on year to ¥28,260 million. An impairment loss on fixed assets of stores of ¥1,194 million and a loss on valuation of shares of subsidiaries and associates of unconsolidated subsidiaries of ¥1,954 million were recorded as extraordinary losses, so profit attributable to owners of parent fell by 9.6% year on year to ¥17,382 million.

Sales by Category

(%)	FY2/18	FY2/19	FY2/20	FY2/21	FY2/22
Ratio of in-house products (domestic)	35.6	33.1	31.8	30.4	27.2
(¥ million)	FY2/18	FY2/19	FY2/20	FY2/21	FY2/22
Net sales	254,283	266,703	272,361	220,267	243,946
Sports	144,331	155,699	161,023	129,117	139,693
Leather Casual	37,211	36,435	37,413	33,268	35,839
Kids	16,238	17,778	18,271	16,208	19,973
Ladies'	20,871	18,937	17,695	11,435	12,637
Sandals	9,820	10,457	10,974	9,259	11,782
Business	10,679	10,562	9,973	6,503	7,441
Others	15,130	16,831	17,010	14,473	16,577

Consolidated Statement of Cash Flows



(¥ million)	FY2/18	FY2/19	FY2/20	FY2/21	FY2/22
Cash flows from operating activities					
Net cash provided by (used in) operating activities	27,697	34,943	34,547	23,487	25,157
Profit before income taxes	43,767	44,186	43,369	29,115	25,840
Depreciation	4,417	4,700	5,085	5,406	5,671
Increase (decrease) in provision for bonuses	24	10	69	10	(15)
Increase (decrease) in allowance for doubtful accounts	(0)	22	(5)	(0)	102
Interest and dividend income	(121)	(94)	(138)	(755)	(179)
Interest expenses	10	10	9	6	20
Loss (gain) on valuation of securities	—	—	—	—	273
Foreign exchange losses (gains)	(11)	(21)	56	(281)	(15)
Loss (gain) on sale of investment securities	—	—	—	(9,221)	(74)
Loss on valuation of shares of subsidiaries and associates	—	—	—	—	1,954
Loss (gain) on sale and retirement of non-current assets	111	116	187	204	(613)
Impairment losses	623	830	767	628	1,194
Decrease (increase) in trade receivables	(886)	(1,241)	(633)	239	587
Decrease (increase) in inventories	(9,287)	(2,189)	(2,930)	4,253	4,746
Increase (decrease) in trade payables	3,463	(784)	2,253	(1,177)	(1,455)
Other, net	756	3,260	647	2,919	(405)
Subtotal	42,865	48,805	48,737	31,347	37,633
Interest and dividends received	112	85	132	397	528
Interest paid	(11)	(9)	(9)	(5)	(18)
Income taxes paid	(15,269)	(13,936)	(14,312)	(8,251)	(12,985)

Consolidated Statement of Cash Flows



(¥ million)	FY2/18	FY2/19	FY2/20	FY2/21	FY2/22
Cash flows from investing activities					
Net cash provided by (used in) investing activities	(9,877)	(9,756)	(9,029)	(11,316)	(7,458)
Payments into time deposits	—	—	(5)	—	—
Proceeds from withdrawal of time deposits	2	—	—	—	—
Purchase of property, plant and equipment	(8,887)	(9,181)	(6,674)	(5,367)	(8,383)
Proceeds from sale of property, plant and equipment	824	1,433	101	12	1,950
Purchase of intangible assets	(638)	(1,053)	(1,051)	(1,237)	(1,595)
Purchase of short-term and long-term investment securities	—	—	—	(93,586)	(1,017)
Proceeds from sale of short-term and long-term investment securities	—	—	—	88,944	2,358
Payments for store removal	(117)	(137)	(95)	(96)	(176)
Proceeds from redemption of investment securities	498	—	—	—	—
Loan advances	(100)	(105)	(120)	(100)	(200)
Proceeds from collection of loans receivable	277	275	268	269	189
Payments of leasehold and guarantee deposits	(2,379)	(1,436)	(2,053)	(1,478)	(1,445)
Proceeds from refund of leasehold and guarantee deposits	767	681	715	1,473	997
Other payments	(135)	(268)	(157)	(155)	(161)
Other proceeds	11	36	43	5	27
Cash flows from financing activities					
Net cash provided by (used in) financing activities	(8,699)	(11,722)	(15,652)	(15,016)	(13,918)
Net increase (decrease) in short-term borrowings	1,200	(584)	24	(984)	108
Dividends paid	(9,899)	(11,137)	(15,676)	(14,032)	(14,026)
Other payments	(0)	(0)	(0)	(0)	(0)
Effect of exchange rate change on cash and cash equivalents	572	(503)	(436)	126	1,535
Net increase (decrease) in cash and cash equivalents	9,693	12,961	9,429	(2,719)	5,316
Cash and cash equivalents at beginning of period	117,089	126,782	139,743	149,173	146,454
Cash and cash equivalents at end of period	126,782	139,743	149,173	146,454	151,770

Consolidated Statement of Changes in Equity



FY2/21

(¥ million)	Shareholders' equity					Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	19,972	24,043	219,616	(2)	263,630	4	7,030	7,035	1,143	271,809
Changes during period										
Dividends of surplus	—	—	(14,031)	—	(14,031)	—	—	—	—	(14,031)
Profit attributable to owners of parent	—	—	19,226	—	19,226	—	—	—	—	19,226
Net changes in items other than shareholders' equity	—	—	—	—	—	2,225	(461)	1,764	174	1,939
Total changes during period	—	—	5,195	—	5,195	2,225	(461)	1,764	174	7,134
Balance at end of period	19,972	24,043	224,811	(2)	268,825	2,229	6,569	8,799	1,318	278,943

FY2/22

(¥ million)	Shareholders' equity					Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	19,972	24,043	224,811	(2)	268,825	2,229	6,569	8,799	1,318	278,943
Changes during period										
Dividends of surplus	—	—	(14,031)	—	(14,031)	—	—	—	—	(14,031)
Profit attributable to owners of parent	—	—	17,382	—	17,382	—	—	—	—	17,382
Purchase of treasury shares	—	—	—	(0)	(0)	—	—	—	—	(0)
Net changes in items other than shareholders' equity	—	—	—	—	—	(238)	2,561	2,323	264	2,587
Total changes during period	—	—	3,350	(0)	3,350	(238)	2,561	2,323	264	5,938
Balance at end of period	19,972	24,043	228,162	(2)	272,176	1,991	9,131	11,122	1,582	284,881

Results by Segment

(¥ million)	FY2/18	FY2/19	FY2/20	FY2/21	FY2/22
Net sales	254,283	266,703	272,361	220,267	243,946
Domestic	187,604	192,742	194,463	151,908	169,773
Overseas	67,657	75,063	78,877	69,191	75,000
Elimination	(979)	(1,102)	(979)	(833)	(827)
Operating profit	43,386	43,929	43,374	19,513	27,446
Domestic	39,298	38,905	38,613	17,107	25,287
Overseas	4,049	4,980	4,709	2,341	2,112
Elimination	38	44	51	64	46
Assets	279,697	296,941	311,084	317,832	317,720
Domestic	215,433	231,537	244,277	251,714	244,393
Overseas	64,514	65,743	67,160	66,514	73,760
Elimination	(251)	(339)	(353)	(395)	(433)
(%)	FY2/18	FY2/19	FY2/20	FY2/21	FY2/22
Composition ratio to net sales	100.0	100.0	100.0	100.0	100.0
Domestic	73.8	72.3	71.4	69.0	69.6
Overseas	26.6	28.1	29.0	31.4	30.7
Elimination	-0.4	-0.4	-0.4	-0.4	-0.3
Operating profit margin	17.1	16.5	15.9	8.9	11.3
Domestic	20.9	20.2	19.9	11.3	14.9
Overseas	6.0	6.6	6.0	3.4	2.8

Domestic

With regard to sales strategies, we pursued sales promotions to increase the draw of our brick-and-mortar stores, with a focus on digital advertising through social media, and made efforts to improve the sales per customer and gross profit on net sales through sales of full-price items. Our product development focused on collaborations with famous artists and companies and sales of limited edition products of global brands. Since last fall, the trend has changed and sales of business shoes, leather casual shoes and women's shoes performed well, although the composition ratio of sports shoes declined by 1.3 percentage points due to increased demand for non-sport products. Sales of kids' shoes increased significantly in Japan and overseas, up 23.2% year on year. Sales of sandals rose 27.3% year on year due to strong sales even in the winter season as home-based work took root.

We reinforced our store network by opening 47 new stores centering on regional suburban shopping centers. Due to store closures associated with the closure of facilities and the promotion of a "scrap and build" strategy, our domestic network reached 1,053 stores at the end of the fiscal year (store closures: 26 stores in Japan). With regard to existing stores, we have been aggressively expanding and remodeling our facilities, including upgrading the format to urban-style "GRAND STAGE" and "ABC-MART SPORTS" flagship stores and combining them into multi-format stores featuring two or three banners (store names). During the fiscal year under review, 45 stores were remodeled, of which 26 stores increased their floor space and 32 stores changed their business format. As a result, as of the end of the fiscal year under review, we have 46 "GRAND STAGE" stores, 73 "ABC-MART SPORTS" stores, and 55 multi-format stores.

In terms of online sales, the percentage of digital sales decreased 0.3 percentage points year on year to 13.2%, including sales of e-commerce inventory in brick-and-mortar stores. In monetary terms, sales increased 9.0% year on year.

Looking at full-year sales growth figures at domestic stores (including online shopping), sales increased 11.7% year on year on an all-store basis and 4.5% year on year on an existing-store basis due to an increase in the number of stores, operating as usual. In the second half of the fiscal year, strong sales of leather shoes, which have higher product unit prices, led to higher sales per customer.

As a result of the above, domestic sales increased by 11.8% year on year to ¥169,773 million and domestic operating profit increased by 47.8% year on year to ¥25,287 million.

Overseas

We expanded our overseas store network with the opening of 21 new stores in South Korea, 4 stores in Taiwan, and 1 store in the U.S.A., for a total of 26 stores. That brought the total number of overseas outlets at the end of the fiscal year (as of December 31, 2021) to 354, comprising 285 in South Korea, 62 in Taiwan, and 7 in the U.S.A. (store closures: 19 stores in South Korea).

As for overseas business results, although the yen depreciated against all currencies, on a local currency basis, sales and profits increased in South Korea, while sales and profits decreased in Taiwan and the U.S.A. In the case of South Korea, sales increased by 13.0% year on year to ¥46,311 million thanks to the success of its economic policies for coexisting with the coronavirus. In Taiwan, sales decreased by 0.8% year on year to ¥7,539 million due to restrictions on outings caused by the spread of the Delta strain in the current fiscal year, although sales were strong in the previous fiscal year due to the success of quarantine measures. In the U.S.A., net sales increased by 2.6% to ¥21,129 million due to supply delays in the second half of the fiscal year. Overseas consolidated subsidiaries all close their accounts on December 31.

As a result of the above, overseas sales increased by 8.4% year on year to ¥75,000 million and overseas operating profit decreased by 9.8% year on year to ¥2,112 million.

Consolidated Profitability Indicators



(¥ million)	FY2/18	FY2/19	FY2/20	FY2/21	FY2/22
Net sales	254,283	266,703	272,361	220,267	243,946
Gross profit	135,651	140,545	143,273	110,262	124,887
SG&A expenses	92,265	96,615	99,899	90,748	97,440
Operating profit	43,386	43,929	43,374	19,513	27,446
Ordinary profit	44,501	45,133	44,325	21,283	28,260
Profit attributable to owners of parent	29,714	30,285	29,706	19,226	17,382

(%)	FY2/18	FY2/19	FY2/20	FY2/21	FY2/22
Gross profit on net sales	53.3	52.7	52.6	50.1	51.2
SG&A expenses ratio	36.3	36.2	36.7	41.2	39.9
Operating profit margin	17.1	16.5	15.9	8.9	11.3
Ordinary profit margin	17.5	16.9	16.3	9.7	11.6
Net profit margin	11.7	11.4	10.9	8.7	7.1

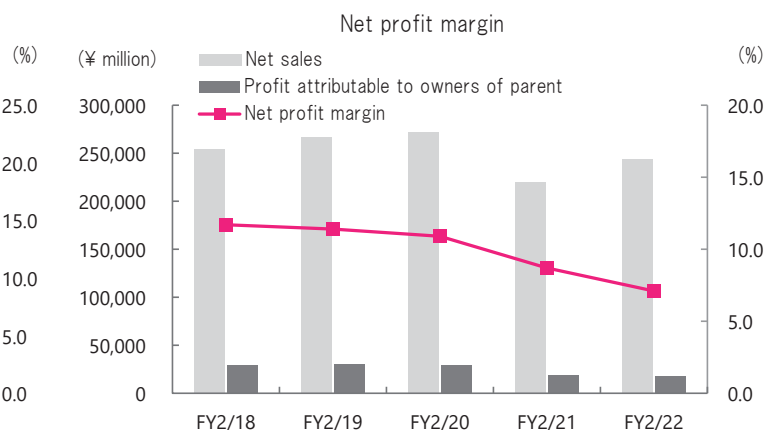
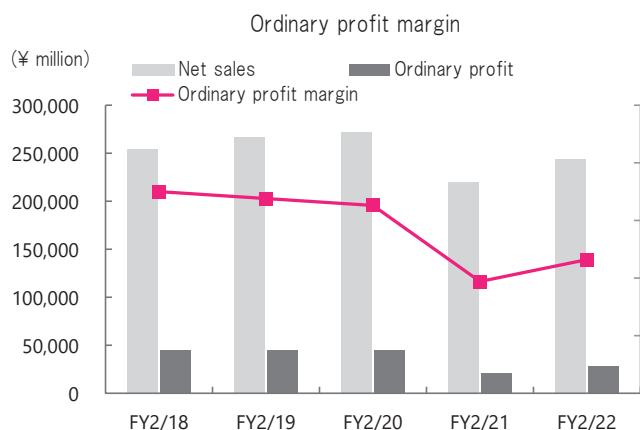
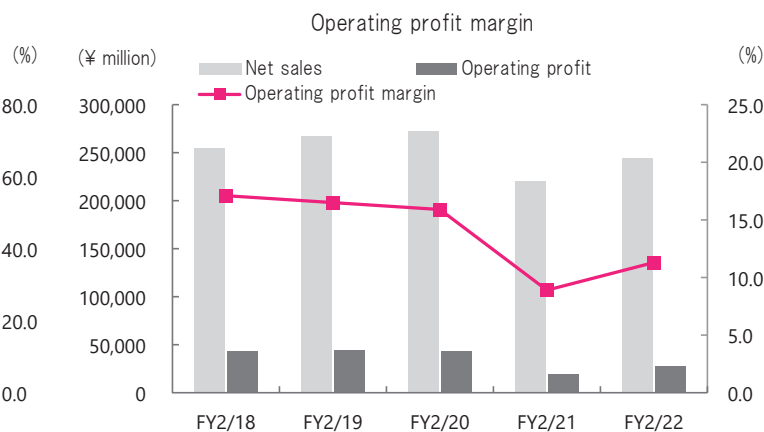
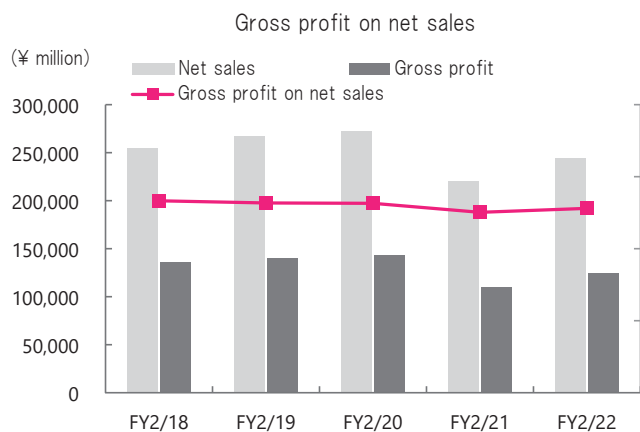
Gross profit on net sales=Gross profit/Net sales

SG&A expenses ratio=SG&A expenses/Net sales

Operating profit margin=Operating profit/Net sales

Ordinary profit margin=Ordinary profit/Net sales

Net profit margin=Profit attributable to owners of parent/Net sales



Consolidated Efficiency Indicators



(times)	FY2/18	FY2/19	FY2/20	FY2/21	FY2/22
Total assets turnover	0.91	0.90	0.88	0.69	0.77
Non-current assets turnover	3.45	3.49	3.52	2.38	2.69
Current assets turnover	1.23	1.21	1.16	0.98	1.08

(days)	FY2/18	FY2/19	FY2/20	FY2/21	FY2/22
Inventories turnover	92.43	89.87	91.14	104.99	89.55
Accounts receivable turnover	13.47	14.26	14.06	17.03	16.59
Accounts payable turnover	21.91	18.99	22.00	23.97	19.69

Total assets turnover=Net sales/Total assets

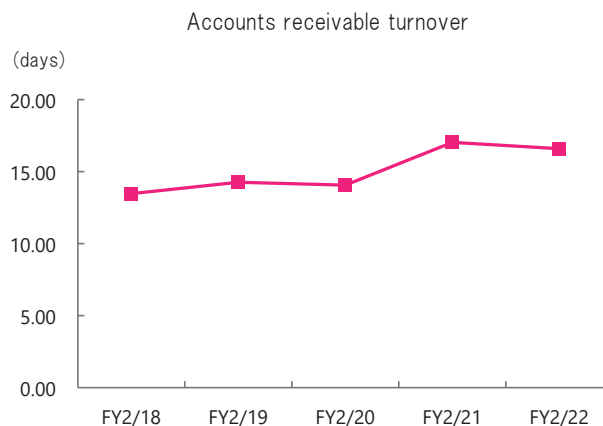
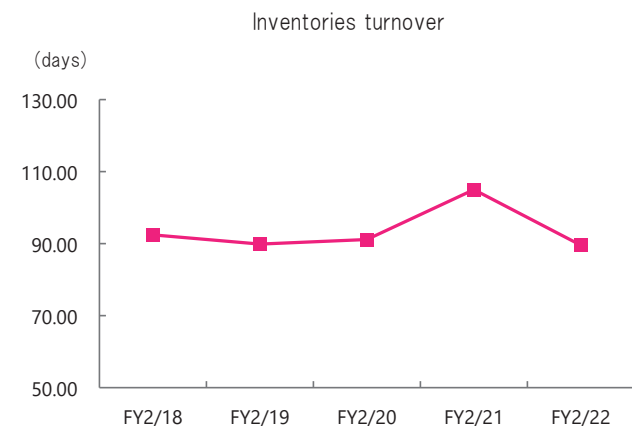
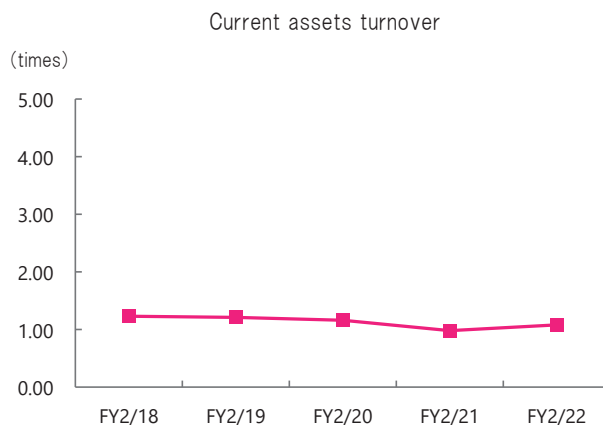
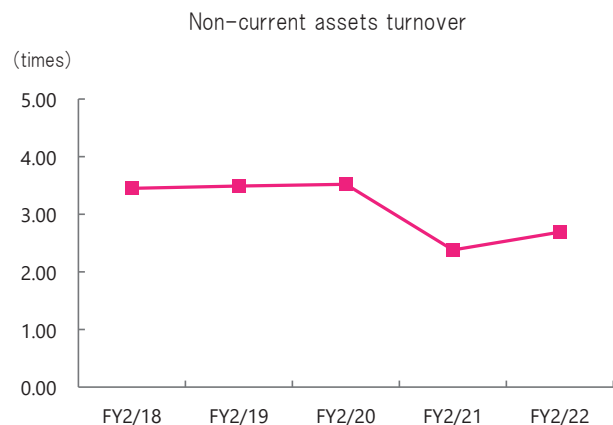
Non-current assets turnover=Net sales/Non-current assets

Current assets turnover=Net sales/Current assets

Inventories turnover=Inventories/Net salesx365

Accounts receivable turnover=Accounts receivable/Net salesx365

Accounts payable turnover=Accounts payable/Net salesx365



Consolidated Stability Indicators



(¥ million)	FY2/18	FY2/19	FY2/20	FY2/21	FY2/22
Equity	241,706	258,376	270,665	277,624	283,298
Total assets	279,697	296,941	311,084	317,832	317,720
Non-current assets	73,777	76,330	77,280	92,610	90,796
Current assets	205,919	220,610	233,803	225,222	226,923
Current liabilities	34,924	35,580	37,170	37,145	31,268
Interest-bearing debt	2,775	2,189	2,216	1,232	1,350

(%)	FY2/18	FY2/19	FY2/20	FY2/21	FY2/22
Equity ratio	86.4	87.0	87.0	87.3	89.2
D/E ratio	1.1	0.8	0.8	0.4	0.5
Fixed ratio	30.5	29.5	28.6	33.4	32.0
Current ratio	589.6	620.0	629.0	606.3	725.7
ROA	11.1	10.5	9.8	6.1	5.5
ROE	12.9	12.1	11.2	7.0	6.2

Interest-bearing debt=Short-term borrowings

Current ratio=Current assets/Current liabilities

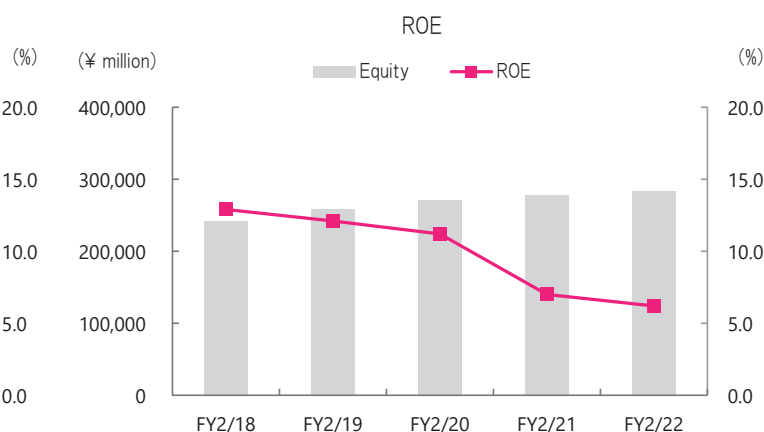
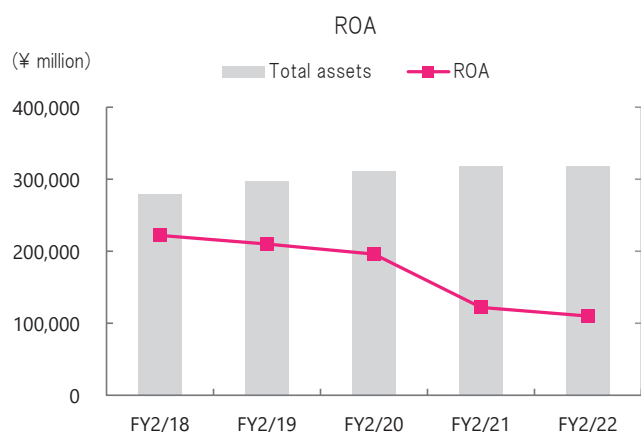
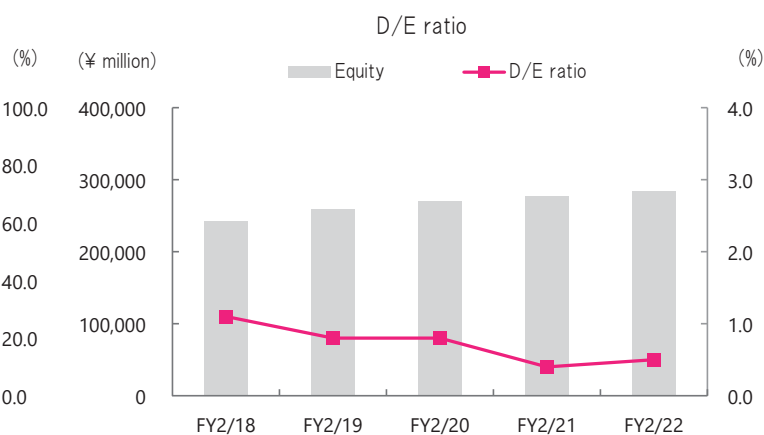
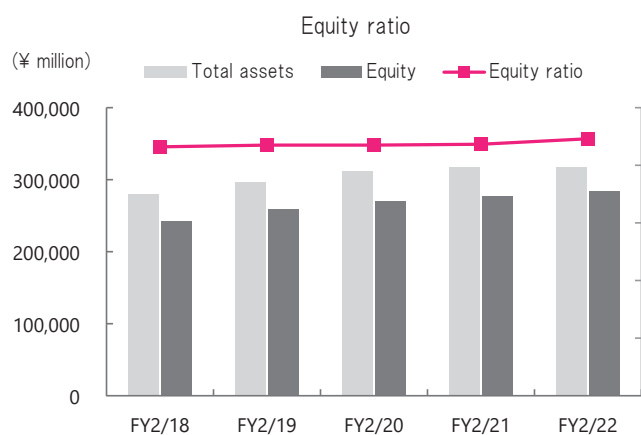
Equity ratio=Equity/Total assets

ROA=Profit attributable to owners of parent/Average total assets

D/E ratio=Interest-bearing debt/Equity

ROE=Profit attributable to owners of parent/Average equity

Fixed ratio=Non-current assets/Equity



Per Share Indicators

(¥)	FY2/18	FY2/19	FY2/20	FY2/21	FY2/22
Stock price at term end	6,800	6,380	6,160	6,060	4,980
Closing stock price range for the last 12 months	5,560-7,190	5,750-7,350	6,160-7,590	4,675-6,650	4,875-6,650
Earnings per share (EPS)	360.04	366.95	359.92	232.94	210.60
Diluted EPS	—	—	—	—	—
Book-value per share (BPS)	2,928.63	3,130.62	3,279.24	3,363.55	3,432.30
Dividend per share (DPS)	130.00	170.00	170.00	170.00	170.00

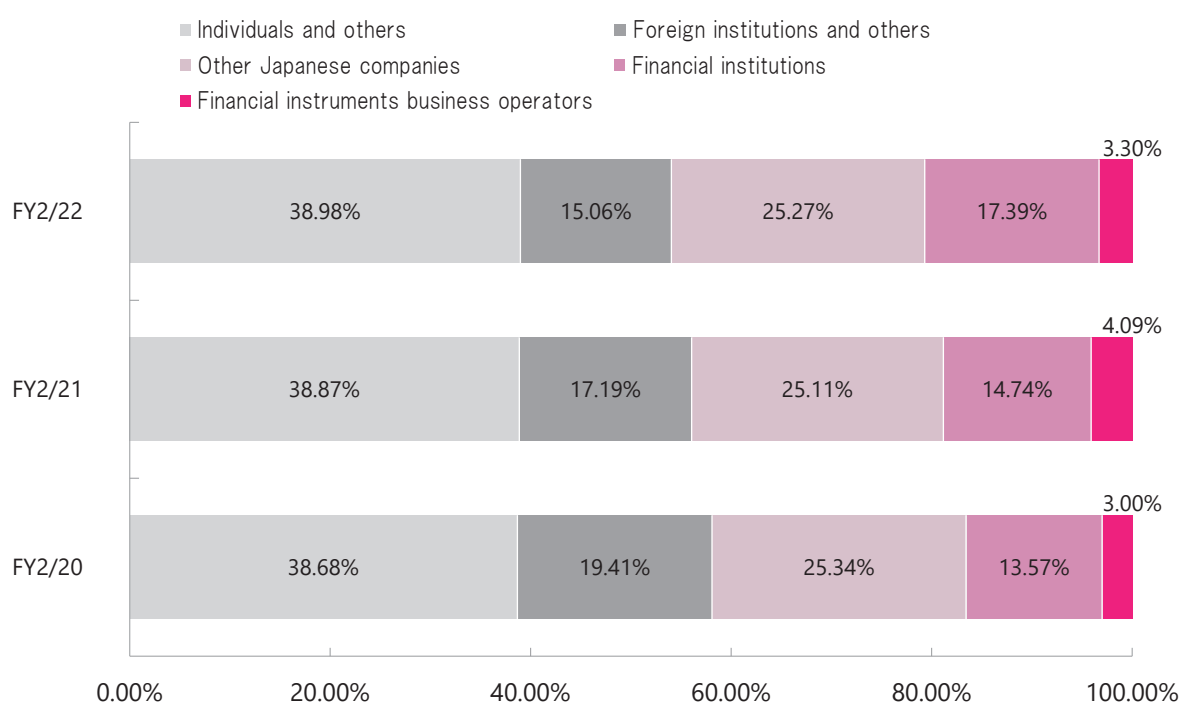
Status of Major Shareholders

As of February 28, 2022

Top 10 Shareholders	Number of Shares (thousand shares)	Shareholding Ratio (%)
Masahiro Miki	21,380	25.90
EM Planning LLC	20,666	25.03
Michiko Miki	9,484	11.49
The Master Trust Bank of Japan, Ltd. (trust account)	6,682	8.09
Custody Bank of Japan, Ltd. (trust account)	4,034	4.88
SMBC Nikko Securities Inc.	925	1.12
JAPAN SECURITIES FINANCE CO., LTD.	687	0.83
STATE STREET BANK AND TRUST COMPANY 505103	660	0.80
UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT	647	0.78
MLI FOR CLIENT GENERAL OMNI NON COLLATERAL NON TREATY-PB	607	0.73

Note: In addition to the above, ABC-MART, INC. holds 472 shares (0.00%) in treasury shares.

Breakdown of Types of Shareholders



Reference) Non-consolidated Balance Sheet



(¥ million)	FY2/18	FY2/19	FY2/20	FY2/21	FY2/22
Assets					
Total assets	240,482	256,821	270,444	278,123	272,980
Current assets	172,754	183,785	195,593	186,757	182,158
Cash and deposits	116,298	128,452	138,528	126,780	124,026
Notes and accounts receivable - trade	4,374	4,807	5,173	5,262	5,155
Securities	—	—	—	7,957	10,181
Merchandise	45,917	45,824	46,216	41,951	38,921
Other	6,162	4,700	5,674	4,805	3,873
Non-current assets	67,728	73,035	74,851	91,366	90,822
Property, plant and equipment	24,735	28,570	29,755	30,228	32,586
Buildings and structures	11,529	12,735	13,383	14,059	14,153
Tools, furniture and fixtures	1,340	1,128	1,482	1,442	1,468
Land	11,476	14,557	14,557	14,598	16,689
Construction in progress	319	105	283	67	237
Other	69	44	47	60	37
Intangible assets	1,128	1,555	1,774	1,949	2,352
Investments and other assets	41,864	42,908	43,320	59,187	55,882
Investment securities	52	46	33	17,161	14,567
Shares of subsidiaries and associates	23,588	23,588	23,516	23,432	21,478
Long-term loans receivable	1,953	2,312	2,110	1,885	1,780
Leasehold and guarantee deposits	13,343	13,665	14,041	13,980	14,671
Deferred tax assets	2,411	2,689	3,005	2,139	2,813
Other	513	606	612	586	571

Note: The Company applied the "Partial Amendments to Accounting Standards for Tax Effect Accounting" (Accounting Standards Board of Japan (ASBJ) Statement No. 28 issued on February 16, 2018) from FY2/19. The figures for FY2/18 are after retrospective application for comparability.

Reference) Non-consolidated Balance Sheet



(¥ million)	FY2/18	FY2/19	FY2/20	FY2/21	FY2/22
Liabilities					
Total liabilities	28,833	29,139	31,287	32,161	24,836
Current liabilities	28,152	28,429	30,647	31,498	24,201
Notes payable - trade	7,467	6,687	10,905	8,631	5,974
Accounts payable - trade	4,716	4,386	3,283	4,315	4,509
Short-term borrowings	2,736	2,149	2,081	1,157	1,274
Income taxes payable	7,194	6,856	6,468	8,230	4,336
Provision for bonuses	871	879	941	960	945
Notes payable - facilities	883	1,227	1,045	782	933
Other	4,282	6,241	5,920	7,420	6,226
Non-current liabilities	680	710	640	663	635
Net assets					
Total net assets	211,649	227,681	239,156	245,962	248,144
Shareholders' equity	211,635	227,672	239,151	243,732	246,153
Share capital	19,972	19,972	19,972	19,972	19,972
Capital surplus	23,978	23,978	24,042	24,042	24,042
Legal capital surplus	23,978	23,978	23,978	23,978	23,978
Other capital surplus	—	—	63	63	63
Retained earnings	167,686	183,723	195,139	199,719	202,140
Legal retained earnings	55	55	55	55	55
Other retained earnings					
Retained earnings brought forward	167,630	183,667	195,083	199,663	202,084
Treasury shares	(2)	(2)	(2)	(2)	(2)
Valuation and translation adjustments	13	8	4	2,229	1,991
Valuation difference on available-for-sale securities	13	8	4	2,229	1,991
Total liabilities and net assets	240,482	256,821	270,444	278,123	272,980

Reference) Non-consolidated Statement of Income



(¥ million)	FY2/18	FY2/19	FY2/20	FY2/21	FY2/22
Net sales	186,243	191,347	194,029	151,909	169,776
Cost of sales	80,575	84,210	84,822	70,754	75,955
Gross profit	105,668	107,136	109,207	81,154	93,821
Selling, general and administrative expenses	66,982	68,756	71,134	64,326	68,767
Operating profit	38,686	38,380	38,072	16,828	25,053
Non-operating income	2,212	2,070	1,783	2,466	1,510
Interest and dividend income	742	290	387	867	297
Foreign exchange gains	20	—	—	312	9
Rent Income	1,009	1,092	964	898	965
Advertising medium income	53	38	37	34	34
Other	386	649	393	353	203
Non-operating expenses	178	287	301	251	278
Interest expenses	7	6	4	4	3
Foreign exchange losses	—	37	72	—	—
Rental expenses	148	172	190	195	254
Other	22	70	33	51	20
Ordinary profit	40,719	40,162	39,554	19,043	26,286
Extraordinary income	99	53	505	10,076	1,462
Gain on sale of non-current assets	99	53	5	5	821
Gain on sale of investment securities	—	—	—	9,221	74
Gain on extinguishment of tie-in shares	—	—	500	—	—
Employment adjustment subsidies for covid19	—	—	—	849	565
Extraordinary losses	682	579	940	2,011	3,690
Loss on retirement of non-current assets	137	86	111	79	153
Impairment losses	545	491	828	526	1,014
Loss on valuation of investment securities	—	—	—	—	273
Loss on valuation of shares of subsidiaries and associates	—	—	—	—	1,954
Loss due to covid19	—	—	—	1,389	294
Other	—	1	—	16	—
Profit before income taxes	40,136	39,636	39,120	27,107	24,058
Income taxes - current	13,419	12,733	12,312	8,612	8,174
Income taxes - deferred	(439)	(275)	(289)	(116)	(569)
Total income taxes	12,980	12,458	12,022	8,496	7,605
Profit	27,156	27,178	27,097	18,611	16,452

Reference) Non-consolidated Statement of Changes in Equity



FY2/21

FY2/21 (¥ million)	Shareholders' equity									Valuation and translation adjustments		Total net assets
	Share capital	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings					
Balance at beginning of period	19,972	23,978	63	24,042	55	195,083	195,139	(2)	239,151	4	4	239,156
Changes during period												
Dividends of surplus	—	—	—	—	—	(14,031)	(14,031)	—	(14,031)	—	—	(14,031)
Profit	—	—	—	—	—	18,611	18,611	—	18,611	—	—	18,611
Net changes in items other than shareholders' equity	—	—	—	—	—	—	—	—	—	2,225	2,225	2,225
Total changes during period	—	—	—	—	—	4,580	4,580	—	4,580	2,225	2,225	6,805
Balance at end of period	19,972	23,978	63	24,042	55	199,663	199,719	(2)	243,732	2,229	2,229	245,962

FY2/22

FY2/22 (¥ million)	Shareholders' equity									Valuation and translation adjustments		Total net assets
	Share capital	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings					
Balance at beginning of period	19,972	23,978	63	24,042	55	199,663	199,719	(2)	243,732	2,229	2,229	245,962
Changes during period												
Dividends of surplus	—	—	—	—	—	(14,031)	(14,031)	—	(14,031)	—	—	(14,031)
Profit	—	—	—	—	—	16,452	16,452	—	16,452	—	—	16,452
Purchase of treasury shares	—	—	—	—	—	—	—	(0)	(0)	—	—	(0)
Net changes in items other than shareholders' equity	—	—	—	—	—	—	—	—	—	(238)	(238)	(238)
Total changes during period	—	—	—	—	—	2,420	2,420	(0)	2,420	(238)	(238)	2,182
Balance at end of period	19,972	23,978	63	24,042	55	202,084	202,140	(2)	246,153	1,991	1,991	248,144

The logo for ABC MART, featuring the text "ABC" stacked above "MART" in a bold, red, sans-serif font. The text is centered within a bright yellow rectangular background. This yellow rectangle is flanked by two grey rectangles, and the entire central composition is set against a background of two magenta rectangles on the far left and far right.

**ABC
MART**

Contact

ABC-MART, INC.

Investor Relations

Phone: +81-3-3476-5452

<https://www.abc-mart.co.jp/ir/>