



Summary of Consolidated Financial Results for the Six Months Ended August 31, 2021(Q2 FY2022) (Based on Japanese GAAP)

October 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
 Inquiries: Director, Corporate Planning Office Manager Jo Kojima TEL 03-3476-5452
 Scheduled date to file Quarterly Securities Report: October 14, 2021
 Scheduled date to commence dividend payments: November 15, 2021
 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 six months ended August 31, 2021 (from March 1, 2021 to August 31, 2021)

(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	%
Six months ended August 31, 2021	121,301	18.7	14,306	67.5	14,764	60.7	10,463	88.8
Six months ended August 31, 2020	102,152	(27.1)	8,538	(66.3)	9,190	(64.4)	5,542	(68.0)

(Note) Comprehensive income:

Six months ended August 31, 2021 14,056 million yen (115.8%) Six months ended August 31, 2020 6,513 million yen (Δ 56.0%)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended August 31, 2021	126.77		-	
Six months ended August 31, 2020	67.15		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of August 31, 2021	318,768	285,983	89.3	3,447.34
As of February 28, 2021	317,832	278,943	87.3	3,363.55

(Reference) Shareholders' Equity:

As of August 31, 2021 284,540 million yen As of February 28, 2021 277,624 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 28, 2021	-	85.00	-	85.00	170.00
Year ending February 28, 2022	-	85.00	-	-	-
Year ending February 28, 2022 (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, 2022 (from March 1, 2021 to February 28, 2022)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	254,600	15.6	30,400	55.8	31,200	46.6	20,950	9.0	253.82

(Note) Revisions to financial forecasts published most recently: Yes

4. Notes

- (1) Changes in significant subsidiaries during the six months ended August 31, 2021
(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 August 31, 2021	82,539,646 shares	As of February 28, 2021	82,539,646 shares
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Number of treasury shares at the end of the period

As of August 31, 2021	470 shares	As of February 28, 2021	470 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended August 31, 2021	82,539,176 shares	Six months ended August 31, 2020	82,539,176 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, 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.

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of February 28, 2021	As of August 31, 2021
Assets		
Current assets		
Cash and deposits	138,669	134,501
Notes and accounts receivable - trade	10,275	10,029
Securities	7,957	9,624
Inventories	63,356	67,390
Other	4,997	4,697
Allowance for doubtful accounts	(34)	(44)
Total current assets	225,222	226,200
Non-current assets		
Property, plant and equipment		
Buildings and structures	33,283	34,493
Accumulated depreciation	(17,900)	(18,545)
Buildings and structures, net	15,382	15,947
Tools, furniture and fixtures	16,091	16,909
Accumulated depreciation	(11,092)	(12,232)
Tools, furniture and fixtures, net	4,998	4,676
Land	17,078	16,323
Construction in progress	221	760
Other	457	461
Accumulated depreciation	(391)	(400)
Other, net	66	61
Total property, plant and equipment	37,748	37,769
Intangible assets		
Trademark right	740	580
Goodwill	1,199	885
Other	3,126	3,719
Total intangible assets	5,066	5,185
Investments and other assets		
Investment securities	17,161	17,729
Shares of subsidiaries and associates	2,563	2,563
Long-term loans receivable	1,495	1,452
Leasehold and guarantee deposits	25,453	25,399
Deferred tax assets	2,523	1,991
Other	613	492
Allowance for doubtful accounts	(16)	(16)
Total investments and other assets	49,795	49,612
Total non-current assets	92,610	92,567
Total assets	317,832	318,768

(Millions of yen)

	As of February 28, 2021	As of August 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,468	13,057
Short-term borrowings	1,232	1,356
Income taxes payable	8,720	5,244
Provision for bonuses	996	1,010
Provisions	237	174
Asset retirement obligations	152	176
Notes payable - facilities	782	1,409
Other	10,554	8,414
Total current liabilities	37,145	30,843
Non-current liabilities		
Retirement benefit liability	552	758
Asset retirement obligations	359	356
Other	831	826
Total non-current liabilities	1,743	1,940
Total liabilities	38,888	32,784
Net assets		
Shareholders' equity		
Share capital	19,972	19,972
Capital surplus	24,043	24,043
Retained earnings	224,811	228,259
Treasury shares	(2)	(2)
Total shareholders' equity	268,825	272,273
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,229	3,650
Foreign currency translation adjustment	6,569	8,616
Total accumulated other comprehensive income	8,799	12,267
Non-controlling interests	1,318	1,443
Total net assets	278,943	285,983
Total liabilities and net assets	317,832	318,768

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended August 31, 2020	Six months ended August 31, 2021
Net sales	102,152	121,301
Cost of sales	50,563	58,329
Gross profit	51,589	62,971
Selling, general and administrative expenses		
Packing and transportation costs	1,709	1,875
Advertising expenses	2,782	3,079
Storage costs	1,548	1,442
Remuneration, salaries and allowances for directors (and other officers)	11,300	12,827
Bonuses	378	387
Provision for bonuses	1,024	1,009
Retirement benefit expenses	251	446
Legal and other welfare expenses	1,978	1,930
Rent expenses on land and buildings	11,523	13,398
Depreciation	2,419	2,624
Utilities expenses	962	992
Commission expenses	2,802	3,435
Taxes and dues	763	818
Amortization of goodwill	388	385
Other	3,218	4,011
Total selling, general and administrative expenses	43,050	48,665
Operating profit	8,538	14,306
Non-operating income		
Interest income	39	33
Dividend income	222	51
Rent Income	469	525
Foreign exchange gains	–	52
Advertising medium income	17	17
Other	240	109
Total non-operating income	988	789
Non-operating expenses		
Interest expenses	2	18
Foreign exchange losses	11	–
Rental expenses	219	283
Other	104	30
Total non-operating expenses	337	331
Ordinary profit	9,190	14,764

(Millions of yen)

	Six months ended August 31, 2020	Six months ended August 31, 2021
Extraordinary income		
Gain on sales of non-current assets	1	801
Gain on sales of investment securities	–	74
Employment adjustment subsidies for covid19	765	261
Total extraordinary income	767	1,137
Extraordinary losses		
Loss on retirement of non-current assets	56	102
Impairment loss	270	183
Loss due to covid19	1,302	193
Other	16	–
Total extraordinary losses	1,645	479
Profit before income taxes	8,312	15,422
Income taxes - current	2,797	5,026
Income taxes - deferred	(76)	(89)
Total income taxes	2,720	4,936
Profit	5,591	10,486
Profit attributable to non-controlling interests	49	23
Profit attributable to owners of parent	5,542	10,463

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended August 31, 2020	Six months ended August 31, 2021
Profit	5,591	10,486
Other comprehensive income		
Valuation difference on available-for-sale securities	2,834	1,420
Foreign currency translation adjustment	(1,912)	2,149
Total other comprehensive income	921	3,569
Comprehensive income	6,513	14,056
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,464	13,931
Comprehensive income attributable to non-controlling interests	48	124

Consolidated statements of cash flows

(Millions of yen)

	Six months ended August 31, 2020	Six months ended August 31, 2021
Cash flows from operating activities		
Profit before income taxes	8,312	15,422
Depreciation	2,503	2,738
Increase (decrease) in provision for bonuses	39	11
Increase (decrease) in allowance for doubtful accounts	11	7
Interest and dividend income	(262)	(85)
Interest expenses	2	18
Foreign exchange losses (gains)	4	(3)
Loss (gain) on sales of investment securities	–	(74)
Loss (gain) on sales and retirement of non-current assets	54	(698)
Impairment loss	270	183
Decrease (increase) in trade receivables	1,034	976
Decrease (increase) in inventories	(3,879)	(3,104)
Increase (decrease) in trade payables	(2,993)	(1,356)
Other, net	2,456	(1,209)
Subtotal	7,555	12,825
Interest and dividends received	260	436
Interest paid	(2)	(18)
Income taxes paid	(677)	(8,623)
Net cash provided by (used in) operating activities	7,136	4,619
Cash flows from investing activities		
Purchase of securities	(12,626)	–
Purchase of property, plant and equipment	(2,911)	(3,308)
Proceeds from sales of property, plant and equipment	4	1,901
Purchase of intangible assets	(524)	(930)
Purchase of investment securities	–	(1,017)
Proceeds from sales of investment securities	–	2,358
Payments for store removal	(46)	(128)
Loan advances	(100)	(100)
Collection of loans receivable	184	44
Payments of leasehold and guarantee deposits	(1,039)	(536)
Proceeds from refund of leasehold and guarantee deposits	373	806
Other payments	(101)	(102)
Other proceeds	3	24
Net cash provided by (used in) investing activities	(16,783)	(989)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(637)	117
Dividends paid	(7,011)	(7,011)
Other payments	(0)	(0)
Net cash provided by (used in) financing activities	(7,649)	(6,893)
Effect of exchange rate change on cash and cash equivalents	(353)	755
Net increase (decrease) in cash and cash equivalents	(17,650)	(2,507)
Cash and cash equivalents at beginning of period	149,173	146,454
Cash and cash equivalents at end of period	131,522	143,947