

ABC MART

FACTBOOK

ABC-MART, INC.

For the fiscal year ended February 29, 2024

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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 Business

We provide products that incorporate market needs and trends by selling primarily footwear in our own brands, including HAWKINS, Danner, and ABC Select, as well as national brand products, through retail stores located in various parts of Japan, including ABC-MART, ABC-MART GRAND STAGE and ABC-MART SPORTS stores. We also plan and develop footwear in-house, outsource their production to manufacturers in Japan and overseas, and supply them to the Japanese market. Our policy is to create products that will always be supported by our customers, by taking maximum advantage of systems that enable the provision of quality merchandise at appropriate prices that answer the needs of the Japanese market.



Overseas Business

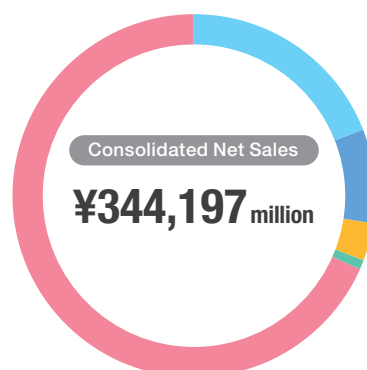
Our consolidated subsidiaries, ABC-MART KOREA, INC. in South Korea, ABC-MART TAIWAN, INC. in Taiwan, and ABC-MART VIETNAM Co., Ltd. in Vietnam, operate ABC-MART stores in their respective countries. Also, in the United States, the LaCrosse Group, led by our consolidated subsidiary, LaCrosse Footwear, Inc., plans, manufactures, and sells footwear, including our own brands, Danner and White's Boots, and operate Danner retail stores.



Composition of Net Sales by Segment

Domestic

¥236,850 million
68.8%



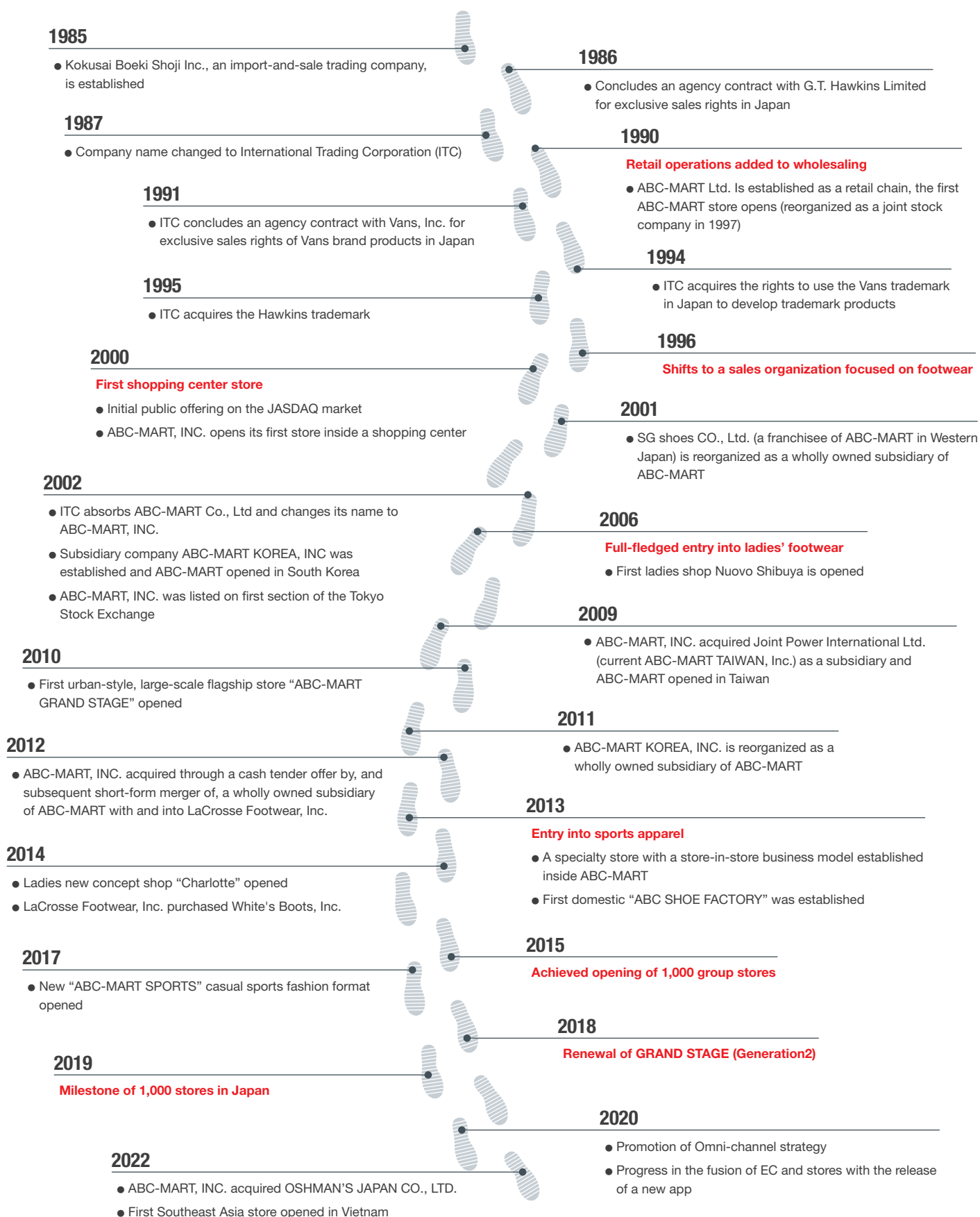
Overseas

¥107,347 million
31.2%

Korea	¥66,322 million	19.3 %
U.S.A.	¥28,989 million	8.4 %
Taiwan	¥11,757 million	3.4 %
Vietnam	¥277 million	0.1 %

*These figures are for net sales to external customers.

History

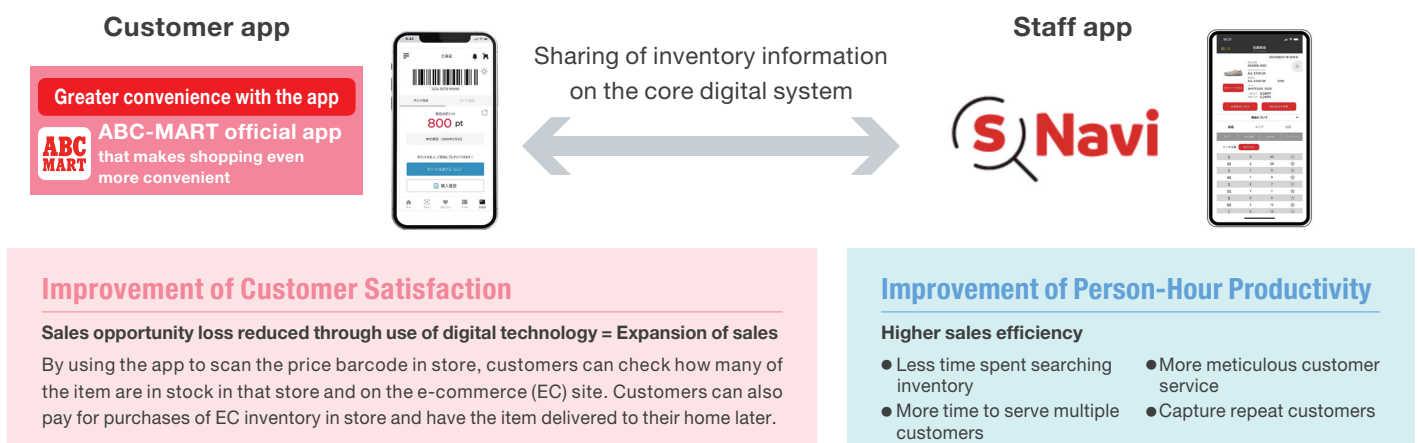


The Strength of ABC-MART

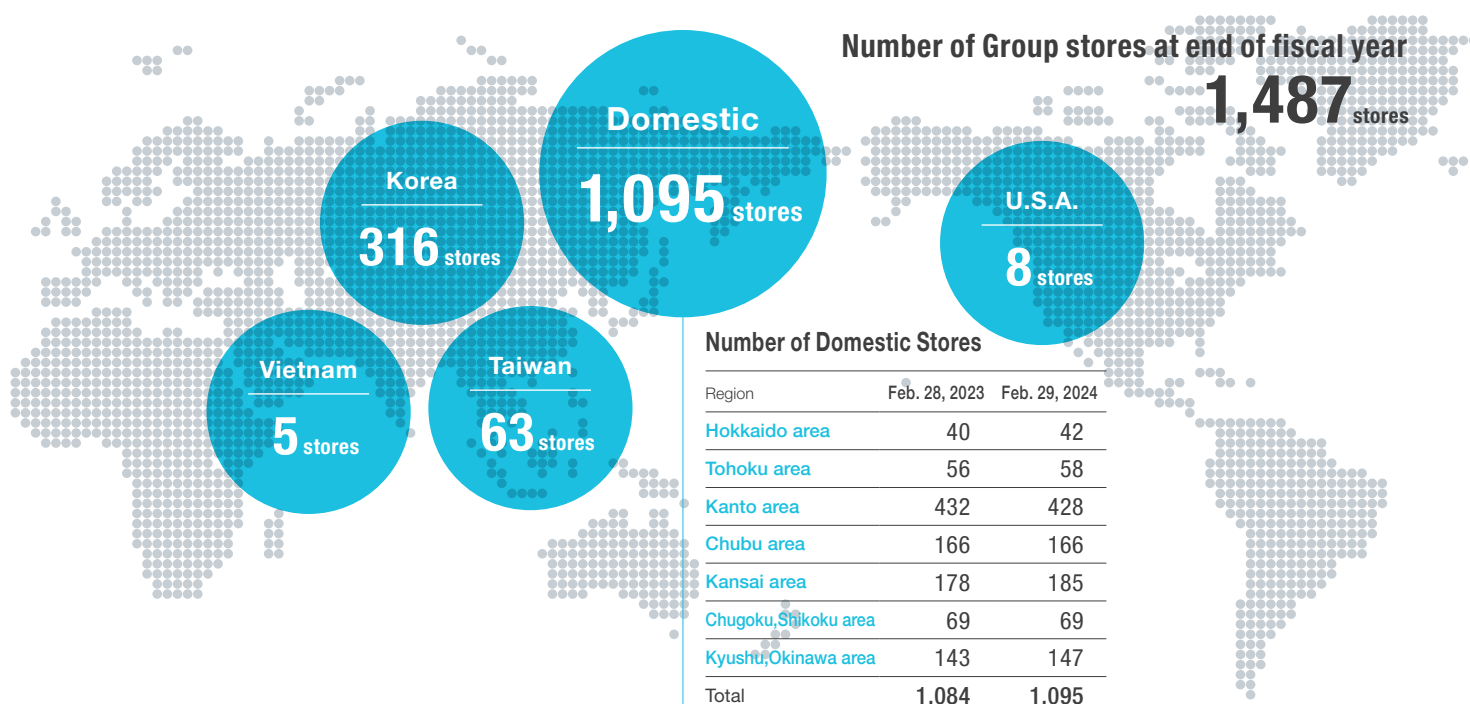
We strive to satisfy all customers by aiming for new and innovative retail with a focus on manufacturing, marketing and customer service, and IT capability.



Digital Commerce Strategy



Store Network (as of February 29, 2024) Number of overseas stores (Korea, Taiwan, U.S.A., Vietnam) as of end-December 2023



Number of Stores by Business Formats (Domestic)

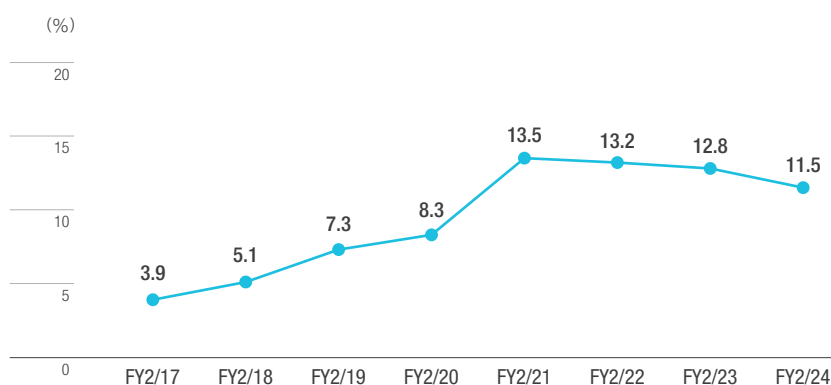
Business		Feb. 28, 2023	Feb. 29, 2024
ABC-MART	Grand Stage	67	87
	Premier Stage	18	16
	Mega Stage	16	13
	ABC-MART SPORTS	88	107
	Other ABC-MART	768	754
Ladies footwear	Charlotte	23	15
Outlet store		57	54
Other businesses		37	35
OSHMAN'S		10	14
Total		1,084	1,095

Number of Stores by Store Formats (Domestic)

Facilities	Feb. 28, 2023	Feb. 29, 2024
Street-level stores	84	86
Fashion buildings	141	135
Shopping centers	618	642
NSC	83	81
Roadside stores	103	101
Outlet malls	55	50
Total	1,084	1,095

Digital Sales

Digital Sales to Total Sales (Domestic)



* "Digital sales" includes online sales and sales of EC inventory in physical stores using digital technology.

* Graph at left shows non-consolidated results.

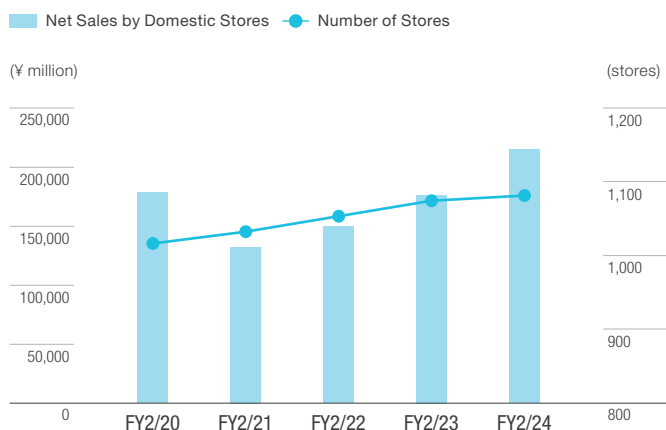
Net Sales by Domestic Stores

(%)		FY2/20	FY2/21	FY2/22	FY2/23	FY2/24
Existing Stores	Percentage increase in net sales	0.5	△15.3	4.5	14.0	16.8
	Percentage growth in customers	△1.2	△11.5	0.8	5.5	7.3
	Percentage growth in average per-customer spend	1.7	△4.2	3.7	8.1	8.8
All Stores	Percentage increase in net sales	1.6	△21.8	11.7	17.2	17.2
	Percentage growth in customers	△0.2	△18.4	7.5	8.4	7.5
	Percentage growth in average per-customer spend	1.8	△4.2	3.9	8.2	9.0
Number of Stores at FY End (stores)		1,016	1,032	1,053	1,074	1,081

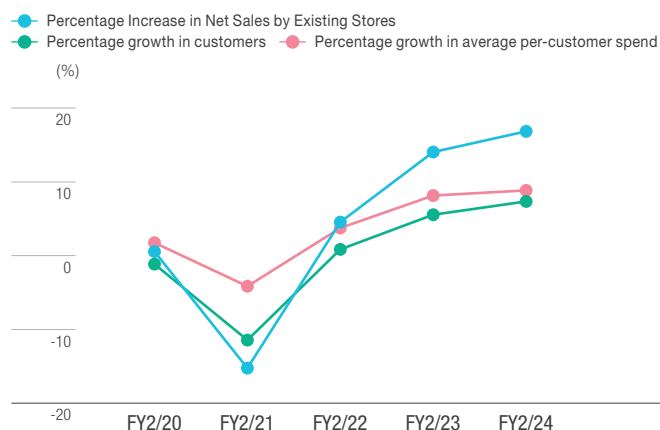
* The table above shows non-consolidated results. Includes EC sales.

	FY2/20	FY2/21	FY2/22	FY2/23	FY2/24
Net sales by domestic stores (¥ million)	178,867	132,543	149,526	176,615	215,697
Average salesfloor area (m ²)	259,061	255,947	274,154	289,559	306,931
Net sales per m ² (¥ thousand)	690	517	545	609	702
Average number of employees (persons)	5,262	5,063	5,017	4,982	5,386
Net sales per employee (¥ thousand)	33,992	26,178	29,803	35,450	40,047

Net Sales by Domestic Stores and Number of Stores



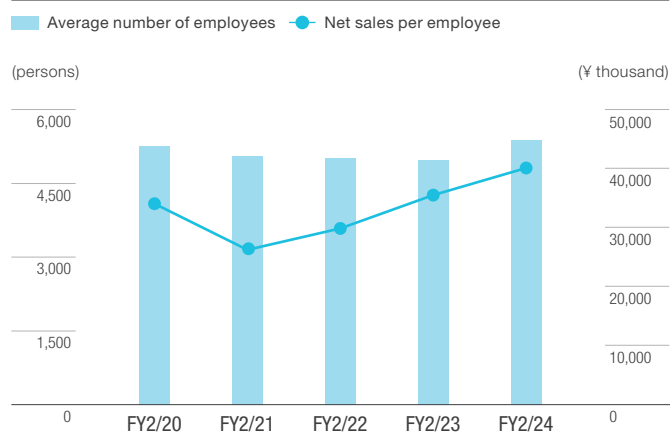
Existing Store Data



Net sales per m² and Average salesfloor area



Net sales per employee and Average number of employees



Consolidated Performance Highlights

(¥ million)	FY2/20	FY2/21	FY2/22	FY2/23	FY2/24
Operating Results					
Net sales	272,361	220,267	243,946	290,077	344,197
Cost of sales	129,087	110,004	119,058	140,480	168,603
Gross profit	143,273	110,262	124,887	149,597	175,594
Selling, general and administrative expenses	99,899	90,748	97,440	107,295	119,922
Advertising expenses	6,991	6,239	6,274	6,525	7,688
Personnel expenses	34,791	30,913	32,966	36,616	41,358
Rent expenses on land and buildings	27,567	24,788	27,207	30,032	33,652
Depreciation	4,902	5,103	5,472	5,603	5,561
Other	25,646	23,703	25,519	28,518	31,662
Operating profit	43,374	19,513	27,446	42,301	55,671
Ordinary profit	44,325	21,283	28,260	43,360	57,834
Income taxes	13,410	9,729	8,367	12,252	17,110
Profit attributable to owners of parent	29,706	19,226	17,382	30,256	40,009
Capital expenditures	7,437	6,559	9,712	6,935	7,754
Depreciation (CF)	5,085	5,406	5,671	5,801	5,783
Cash Flow					
Cash flows from operating activities	34,547	23,487	25,157	10,882	51,230
Cash flows from investing activities	△9,029	△11,316	△7,458	△9,003	△11,405
Cash flows from financing activities	△15,652	△15,016	△13,918	△9,358	△18,587
Free cash flow	25,518	12,171	17,699	1,879	39,825
Financial Position					
Current assets	233,803	225,222	226,923	261,391	288,627
Cash and deposits	149,344	138,669	141,767	138,918	167,208
Inventories	68,011	63,356	59,847	88,584	88,942
Non-current assets	77,280	92,610	90,796	94,459	98,708
Current liabilities	37,170	37,145	31,268	43,613	43,972
Shareholders' equity	263,630	268,825	272,176	288,400	313,841
Net assets	271,809	278,943	284,881	310,974	341,654
Total assets	311,084	317,832	317,720	355,850	387,336
Equity ratio (%)	87.0	87.3	89.2	86.9	87.6
Return on equity (ROE) (%)	11.2	7.0	6.2	10.2	12.3
Interest-bearing debt	2,216	1,232	1,350	5,959	1,405
Per Share Indicators					
Earnings per share (EPS) (¥)	359.92	232.94	210.60	366.57	161.58
Book-value per share (BPS) (¥)	3,279.24	3,363.55	3,432.30	3,744.84	1,370.85
Dividend per share (DPS) (¥)	170.00	170.00	170.00	170.00	65.33
Dividend payout ratio (%)	47.2	73.0	80.7	46.4	40.4
Other Financial Information					
Price-earnings ratio (PER) (times)	17.1	26.0	23.6	18.3	15.9
Price book-value ratio (PBR) (times)	1.9	1.8	1.5	1.8	1.9
Other					
Total number of issued shares (thousand shares)	82,539	82,539	82,539	82,539	247,618
Average number of shares outstanding during the period (thousand shares)	82,535	82,539	82,539	82,539	247,616

* A 3-for-1 share split was conducted in the fiscal year ended February 29, 2024.

Results by Segment

(¥ million)	FY2/20	FY2/21	FY2/22	FY2/23	FY2/24
Net sales	272,361	220,267	243,946	290,077	344,197
Domestic	194,463	151,908	169,773	197,981	237,874
Overseas	78,877	69,191	75,000	93,251	107,586
Elimination	△ 979	△ 833	△ 827	△ 1,155	△ 1,262
Operating profit	43,374	19,513	27,446	42,301	55,671
Domestic	38,613	17,107	25,287	35,002	45,725
Overseas	4,709	2,341	2,112	7,224	9,893
Elimination	51	64	46	74	52
Assets	311,084	317,832	317,720	355,850	387,336
Domestic	244,277	251,714	244,393	267,992	288,393
Overseas	67,160	66,514	73,760	91,398	100,012
Elimination	△ 353	△ 395	△ 433	△ 3,539	△ 1,068
(%)	FY2/20	FY2/21	FY2/22	FY2/23	FY2/24
Composition ratio to net sales	100.0	100.0	100.0	100.0	100.0
Domestic	71.1	68.7	69.3	67.9	68.8
Overseas	28.9	31.3	30.7	32.1	31.2
Elimination Operating profit margin	15.9	8.9	11.3	14.6	16.2
Domestic	19.9	11.3	14.9	17.7	19.2
Overseas	6.0	3.4	2.8	7.7	9.2

Overview of Financial Results for FY2/24

In the fiscal year under review (from March 1, 2023 to February 29, 2024), the business environment saw a full-scale return to normal social and economic activity after the COVID-19 pandemic. This, alongside an increase in foreign travelers to Japan, resulted in a sharp expansion of consumption. On the other hand, yen depreciation and rising prices continued against the backdrop of rising geopolitical risks, and there are concerns about a slowdown in economic recovery.

In the shoes industry, after having contracted during the pandemic, the market trended toward recovery due to the global progression of inflation and the rise in inbound tourism demand. In terms of consumption patterns, although polarization progressed with regard to customers' price consciousness between consumables and luxury items due to the rising costs of living such as energy and food, demand for shoes as trending products is on the rise. With regard to product trends, demand increased for sporty casual shoes, mainly newly released sneakers, in addition to outdoor fashion, such as for travel or leisure.

In these circumstances, the ABC-MART, INC. (the "Company") and its subsidiaries (collectively, the "Group") responded by utilizing digital infrastructure, expanding its GRAND STAGE and multi-format stores, and enhancing lifestyle casual wear including sports shoes and sports apparel. Over the year, we opened 79 new stores and remodeled 70 stores in Japan and overseas. The total number of stores of the Group reached 1,487.

As a result of the above, in the fiscal year under review, net sales rose by 18.7% year on year to ¥344,197 million. From a profit perspective, aided by the recovery in net sales of large standalone stores in the metropolitan area, operating profit rose by 31.6% year on year to ¥55,671 million, and the consolidated operating profit margin was 16.2%. Ordinary profit increased by 33.4% year on year to ¥57,834 million, and profit attributable to owners of parent increased by 32.2% year on year to ¥40,009 million.

Consolidated Net Sales by Category

(¥ million)	FY2/20	FY2/21	FY2/22	FY2/23	FY2/24
Net sales	272,361	220,267	243,946	290,077	344,197
Sports Shoes	161,023	129,117	139,693	163,404	192,500
Leather Casual Shoes	37,413	33,268	35,839	44,720	50,470
Kids Shoes	18,271	16,208	19,973	22,790	26,161
Ladies' Shoes	17,695	11,435	12,637	16,563	19,014
Sandals Shoes	10,974	9,259	11,782	14,544	18,387
Business Shoes	9,973	6,503	7,441	8,550	9,356
Apparel and other	—	—	10,233	12,196	21,108
Others	17,010	14,473	6,344	7,306	7,196

* "Apparel and other" has been presented separately from the "Other" category since FY2/22.

Consolidated Profitability Indicators

(¥ million)	FY2/20	FY2/21	FY2/22	FY2/23	FY2/24
Net sales	272,361	220,267	243,946	290,077	344,197
Gross profit	143,273	110,262	124,887	149,597	175,594
Selling, general and administrative expenses	99,899	90,748	97,440	107,295	119,922
Operating profit	43,374	19,513	27,446	42,301	55,671
Ordinary profit	44,325	21,283	28,260	43,360	57,834
Profit attributable to owners of parent	29,706	19,226	17,382	30,256	40,009
(%)	FY2/20	FY2/21	FY2/22	FY2/23	FY2/24
Gross profit on net sales	52.6	50.1	51.2	51.6	51.0
SG&A expenses ratio	36.7	41.2	39.9	37.0	34.8
Operating profit margin	15.9	8.9	11.3	14.6	16.2
Ordinary profit margin	16.3	9.7	11.6	14.9	16.8
Net profit margin	10.9	8.7	7.1	10.4	11.6

Gross profit on net sales=Gross profit/Net sales

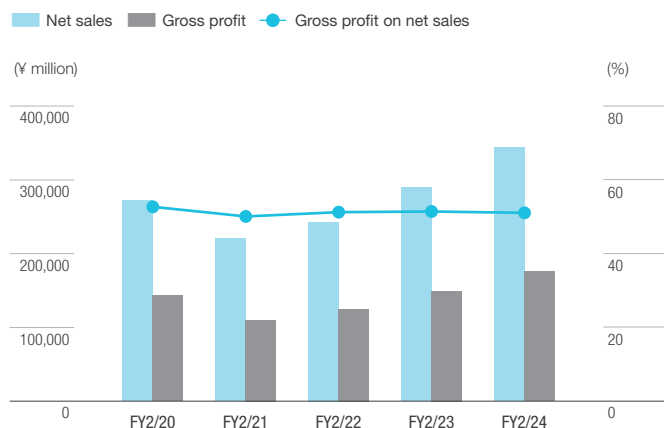
SG&A expenses ratio=Selling, general and administrative expenses/Net sales

Operating profit margin=Operating profit/Net sales

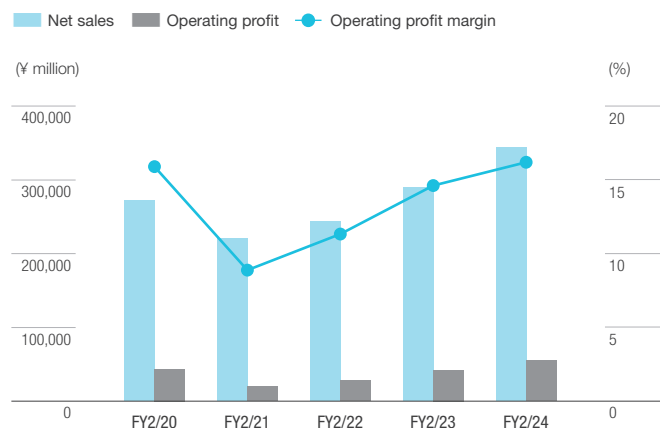
Ordinary profit margin=Ordinary profit/Net sales

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

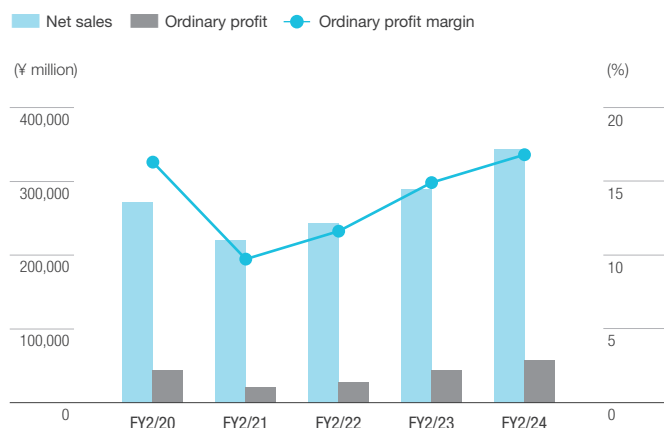
Gross profit on net sales



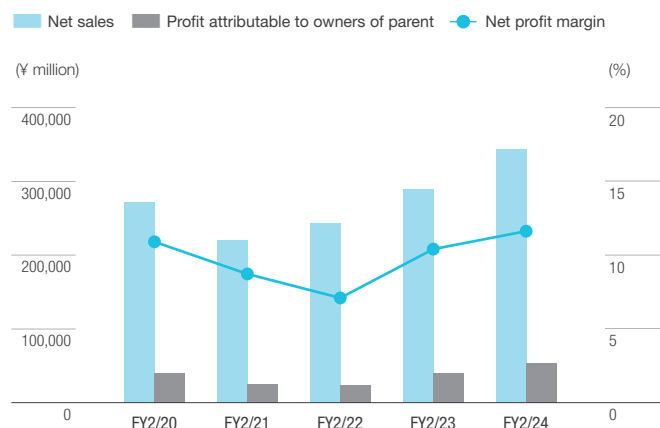
Operating profit margin



Ordinary profit margin



Net profit margin



Consolidated Efficiency Indicators

(¥ million)	FY2/20	FY2/21	FY2/22	FY2/23	FY2/24
Inventories	68,011	63,356	59,847	88,584	88,942
Accounts receivable	10,493	10,275	11,091	15,096	16,262
Accounts payable	16,413	14,468	13,161	12,484	15,238
(times)	FY2/20	FY2/21	FY2/22	FY2/23	FY2/24
Total assets turnover	0.88	0.69	0.77	0.81	0.89
Non-current assets turnover	3.52	2.38	2.69	3.07	3.49
Current assets turnover	1.16	0.98	1.08	1.11	1.19
(days)	FY2/20	FY2/21	FY2/22	FY2/23	FY2/24
Inventories turnover	91.14	104.99	89.55	111.46	94.32
Accounts receivable turnover	14.06	17.03	16.59	19.00	17.24
Accounts payable turnover	22.00	23.97	19.69	15.71	16.16

Total assets turnover=Net sales/Total assets

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

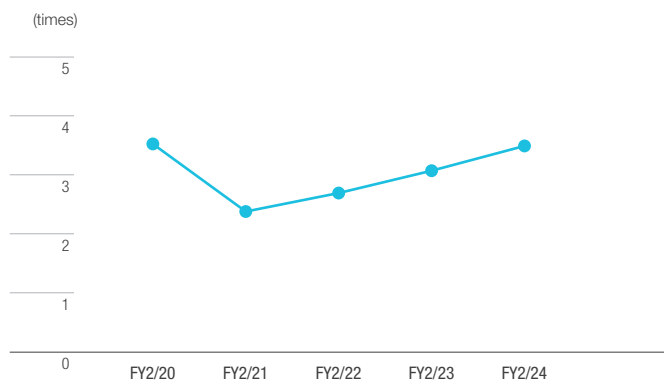
Current assets turnover=Net sales/Current assets

Inventories turnover=Inventories/Net salesx365

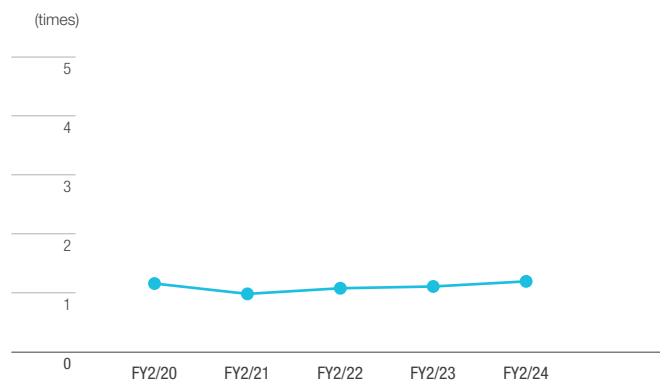
Accounts receivable turnover=Accounts receivable/Net salesx365

Accounts payable turnover=Accounts payable/Net salesx365

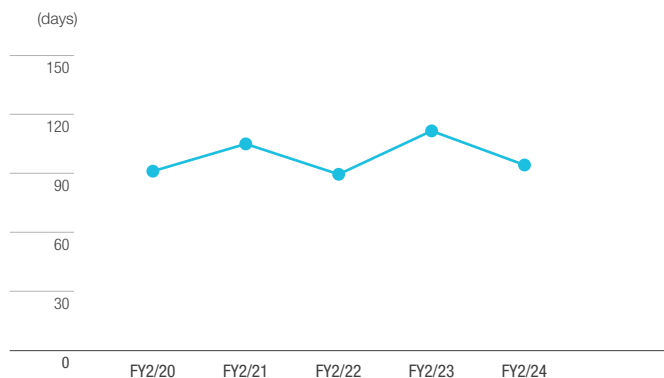
Non-current assets turnover



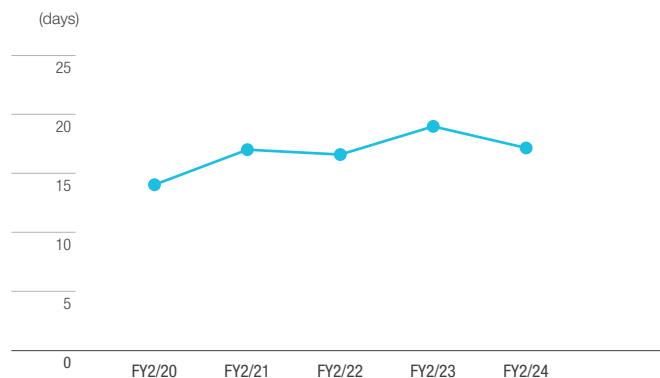
Current assets turnover



Inventories turnover



Accounts receivable turnover



Consolidated Stability Indicators

(¥ million)	FY2/20	FY2/21	FY2/22	FY2/23	FY2/24
Equity	270,665	277,624	283,298	309,095	339,444
Total assets	311,084	317,832	317,720	355,850	387,336
Non-current assets	77,280	92,610	90,796	94,459	98,708
Current assets	233,803	225,222	226,923	261,391	288,627
Current liabilities	37,170	37,145	31,268	43,613	43,972
Interest-bearing debt	2,216	1,232	1,350	5,959	1,405
(%)	FY2/20	FY2/21	FY2/22	FY2/23	FY2/24
Equity ratio	87.0	87.3	89.2	86.9	87.6
D/E ratio	0.8	0.4	0.5	1.9	0.4
Fixed ratio	28.6	33.4	32.0	30.6	29.1
Current ratio	629.0	606.3	725.7	599.3	656.4
Return On Assets (ROA)	9.8	6.1	5.5	9.0	10.8
Return On Equity (ROE)	11.2	7.0	6.2	10.2	12.3

Interest-bearing debt=Short-term borrowings

Equity ratio=Equity/Total assets

D/E ratio=Interest-bearing debt/Equity

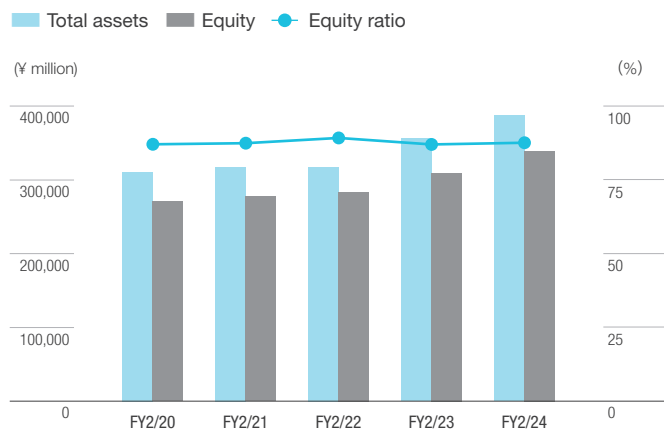
Fixed ratio=Non-current assets/Equity

Current ratio=Current assets/Current liabilities

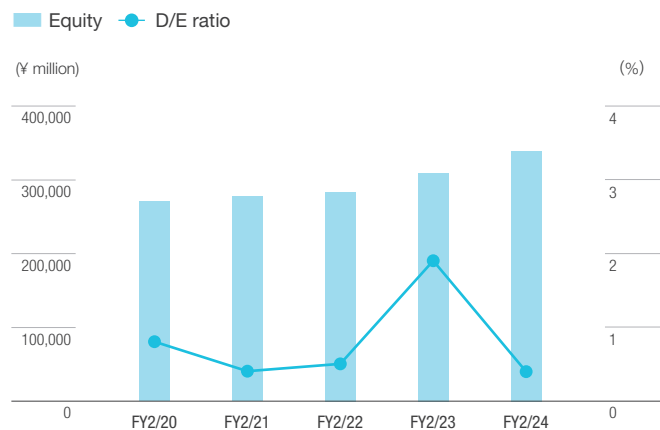
ROA=Profit attributable to owners of parent/Average total assets

ROE=Profit attributable to owners of parent/Average equity

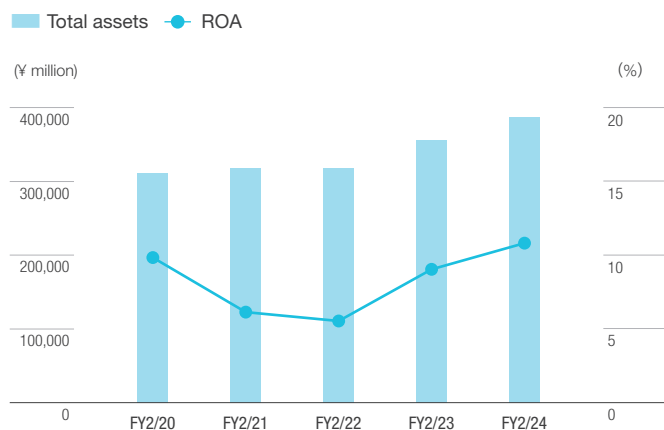
Equity ratio



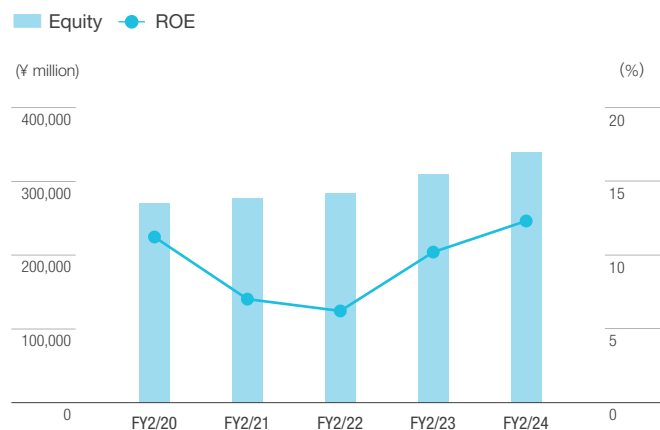
D/E ratio



Return On Assets (ROA)



Return On Equity (ROE)



Environmental Initiatives

All-store LED Conversion Plan

We will convert the lighting in all stores to LED by 2027.

Expected to achieve full conversion earlier than "LED lighting penetration rate of 100% by 2030" advocated by the Ministry of Economy, Trade and Industry

- Currently 412 ABC-MART Standard stores remain unconverted.
- Total LED-related investment over five years of ¥1,230 million
Recoupment of investment in around four years
- Average reduction in electricity costs per store of 45%
- Power-saving effect for 412 stores estimated at ¥400 million a year.



Use of recycled packaging materials

Abolition of petroleum-derived polyethylene shopping bags

- CO₂ emissions reduction of around 423 metric tons (calculated based on bags used by over 30 million customers a year).
- Paper shopping bags containing 30% recycled paper pulp
- Use of plant-based botanical inks, which have a high CO₂ emissions reduction effect



Stocking environmentally-friendly merchandise

We are expanding our range of products that are made with recycled materials produced from end-of-life products and waste generated in product manufacture or materials grown with sustainable methods.



Investment in People

Theme: Education = Shared Development

One source of ABC-MART's powerful sales strength is its human resources development

Onsite experience and human resources development

Coaching through on-the-job training is the core of practical skills, and the creation of an environment that goes beyond mere education to enable shared growth is the foundation.

Encouraging a sense of friendly rivalry between senior and junior colleagues is key to the maximization of sales strength

Diversification of employment and enhancement of work-life balance

Establishment of diverse forms of employment to suit location and objectives. Includes part-time and casual workers, employees who

work only in certain regions, and employees working shorter hours. The creation of an environment in which our people can continue to work will create a virtuous circle in which more fulfilling individual lifestyles will lead to more fulfilling work.

Career development and team building

The Personnel Department and area supervisors work together to form teams and realize appropriate career development.

Enhancement of various training programs for career development (Group training in 2023: 34 sessions by career category; 10 invitational sessions for selected employees)

Diversity

ABC-MART recruits diverse personnel, including women, people with disabilities, and foreign nationals. Our aim is to create pleasant and comfortable workplaces for all our employees.

Support for women

With the objective of nurturing female employees who will be involved in the organization's decision-making, we conduct many training programs, including female manager development training, invitational female store manager training, and training for senior supervisors.

The ratio of women in managerial positions as of February 29, 2024 is 15.5%.

*Women account for 38% of store managers, who are the next candidates for managerial positions.

Support for people with disabilities

As of February 29, 2024, we employ 139 people with disabilities (employment rate of 2.61%).

These employees demonstrate their skills in store backroom tasks and other operations that complement sales. A support team

provides ongoing support through regular visits to the stores where these employees are assigned.

Support for foreign nationals

As of February 29, 2024, we employ 141 foreign nationals, 46 of whom are regular, full-time employees. In addition to new graduates of Japanese universities, we actively recruit global talent, including foreign nationals who have graduated from overseas universities, from 15 different countries and regions (China, South Korea, Taiwan, Myanmar, Vietnam, Philippines, Peru, etc.)

We conduct cross-cultural communication training and follow-up training as necessary to help these employees to settle in and become actively contributing members of our workforce.

LGBTQ-related initiatives

We respect diversity and are conducting various initiatives, including manager training for the prevention of sexual orientation and gender identity (SOGI) harassment and outing and the establishment of a LGBTQ helpdesk.

New Store Information



ABC-MART GRAND STAGE Sapporo Stellar Place Store

● Location: Sapporo, Hokkaido ● Opened November 23, 2023



ABC-MART GRAND STAGE Sendai Store / OSHMAN'S Sendai Store

● Location: Sendai, Miyagi prefecture ● Opened April 22, 2023



ABC-MART GRAND STAGE Thiso Mall Store

● Location: Ho Chi Minh, Vietnam ● Opened March 24, 2023



Corporate Information (as of February 29, 2024)

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	9,324 (5,465 Part-time employees and others included)

Shares (as of February 29, 2024)

Total number of authorized shares	334,500,000 shares
Total number of issued shares	247,618,938 shares
Number of shares per share unit	100 shares
Number of shareholders	8,005

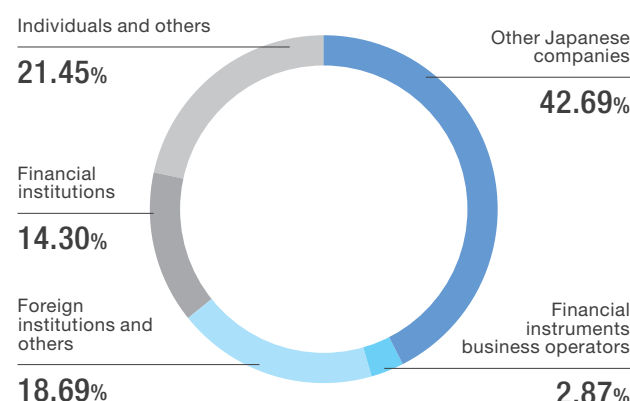
Stock exchange listing	Tokyo Stock Exchange Prime Market (Securities code 2670)
Shareholder registry administrator	Mitsubishi UFJ Trust and Banking Corporation 1-4-5 Marunouchi, Chiyoda-ku, Tokyo, 100-0005
Annual general meeting of shareholders	Held in May

Status of Major Shareholders

(Top 10 Shareholders)	Number of Shares (thousand shares)	Shareholding Ratio (%)
EM Planning LLC	105,225	42.49
Masahiro Miki	41,940	16.93
The Master Trust Bank of Japan, Ltd. (trust account)	17,977	7.25
Custody Bank of Japan, Ltd. (trust account)	8,560	3.45
Michiko Miki	7,425	2.99
THE NOMURA TRUST AND BANKING CO., LTD. AS THE TRUSTEE OF REPURCHASE AGREEMENT MOTHER FUND	4,493	1.81
SMBC Nikko Securities Inc.	2,899	1.17
JAPAN SECURITIES FINANCE CO., LTD.	2,744	1.10
THE BANK OF NEW YORK MELLON 140044	2,268	0.91
STATE STREET BANK AND TRUST COMPANY 505001	2,047	0.82

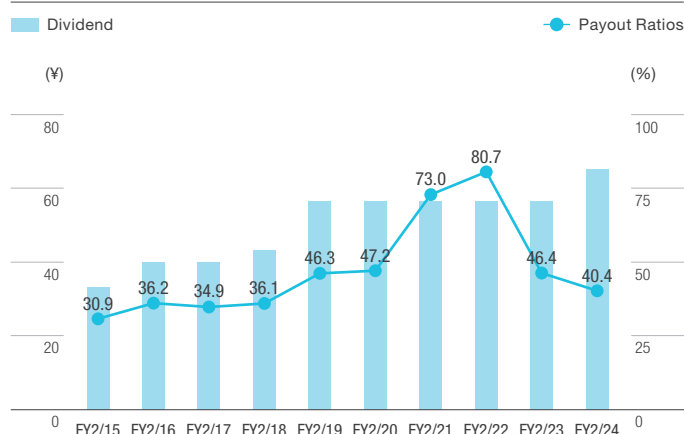
Note: In addition to the above, ABC-MART, INC. holds 2,187 shares (0.00%) in treasury shares.

Breakdown of Types of Shareholders



Dividend and Share Price Information

Dividends and Payout Ratios



Note: Dividends, including for past years, have been adjusted to take into account the 3-for-1 share split conducted in FY2/24.

Share Price (Stock name: ABC-MART 2670)

