

Summary of Consolidated Financial Results for the Three Months Ended May 31, 2022(Q1 FY2023) (Based on Japanese GAAP)

July 13, 2022

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: July 14, 2022
 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 three months ended May 31, 2022 (from March 1, 2022 to May 31, 2022)

(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	%
Three months ended May 31, 2022	69,171	10.5	10,533	26.8	10,763	24.4	7,017	30.6
Three months ended May 31, 2021	62,625	43.6	8,305	255.7	8,653	211.4	5,373	407.7

(Note) Comprehensive income:

Three months ended May 2022 11,610 million yen (24.0%) Three months ended May 2021 9,366 million yen (883.2%)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended May 31, 2022	85.02		–	
Three months ended May 31, 2021	65.10		–	

(Note) The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No.29, revised on March 31, 2020), etc. from the beginning of the three months ended May 31, 2022.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of May 31, 2022	331,827	289,475	86.7	3,486.43
As of February 28, 2022	317,720	284,881	89.2	3,432.30

(Reference) Shareholders' Equity:

As of May 31, 2022 287,766 million yen As of February 28, 2022 283,298 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, 2022	–	85.00	–	85.00	170.00
Year ending February 28, 2023	–	–	–	–	–
Year ending February 28, 2023 (Forecast)	–	85.00	–	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, 2023 (from March 1, 2022 to February 28, 2023)

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
Six months ending August 31, 2022	132,200	9.0	15,900	11.1	16,000	8.4	10,500	0.4	127.21
Full year	271,700	11.4	32,000	16.6	32,200	13.9	20,900	20.2	253.21

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

4. Notes

- (1) Changes in significant subsidiaries during the three months ended May 31, 2022
 (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: Yes
- 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 May 31, 2022	82,539,646 shares	As of February 28, 2022	82,539,646 shares
--------------------	-------------------	-------------------------	-------------------

Number of treasury shares at the end of the period

As of May 31, 2022	506 shares	As of February 28, 2022	472 shares
--------------------	------------	-------------------------	------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended May 31, 2022	82,539,160 shares	Three months ended May 31, 2021	82,539,176 shares
---------------------------------	-------------------	---------------------------------	-------------------

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, 2023 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, 2022	As of May 31, 2022
Assets		
Current assets		
Cash and deposits	141,767	136,973
Notes and accounts receivable - trade	11,091	14,477
Securities	10,181	11,314
Inventories	59,847	67,969
Other	4,180	8,244
Allowance for doubtful accounts	(145)	(157)
Total current assets	226,923	238,821
Non-current assets		
Property, plant and equipment		
Buildings and structures	34,711	35,571
Accumulated depreciation	(19,233)	(19,340)
Buildings and structures, net	15,478	16,231
Tools, furniture and fixtures	17,116	17,763
Accumulated depreciation	(12,757)	(13,366)
Tools, furniture and fixtures, net	4,359	4,397
Land	19,198	19,253
Construction in progress	293	308
Other	438	432
Accumulated depreciation	(394)	(389)
Other, net	44	42
Total property, plant and equipment	39,373	40,232
Intangible assets		
Trademark right	393	300
Goodwill	509	322
Other	3,935	4,133
Total intangible assets	4,837	4,756
Investments and other assets		
Investment securities	14,567	15,970
Shares of subsidiaries and associates	609	804
Long-term loans receivable	1,450	1,388
Leasehold and guarantee deposits	25,960	26,682
Retirement benefit asset	1	8
Deferred tax assets	3,416	2,587
Other	596	592
Allowance for doubtful accounts	(16)	(17)
Total investments and other assets	46,585	48,016
Total non-current assets	90,796	93,005
Total assets	317,720	331,827

(Millions of yen)

	As of February 28, 2022	As of May 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,161	19,880
Short-term borrowings	1,350	2,056
Income taxes payable	4,884	3,940
Contract liabilities	–	665
Provision for bonuses	984	1,724
Provisions	226	204
Asset retirement obligations	205	10
Notes payable - facilities	933	1,277
Other	9,521	10,806
Total current liabilities	31,268	40,565
Non-current liabilities		
Retirement benefit liability	313	501
Asset retirement obligations	345	556
Other	911	727
Total non-current liabilities	1,570	1,785
Total liabilities	32,838	42,351
Net assets		
Shareholders' equity		
Share capital	19,972	19,972
Capital surplus	24,043	24,043
Retained earnings	228,162	228,164
Treasury shares	(2)	(2)
Total shareholders' equity	272,176	272,177
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,991	3,926
Foreign currency translation adjustment	9,131	11,662
Total accumulated other comprehensive income	11,122	15,588
Non-controlling interests	1,582	1,709
Total net assets	284,881	289,475
Total liabilities and net assets	317,720	331,827

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended May 31, 2021	Three months ended May 31, 2022
Net sales	62,625	69,171
Cost of sales	29,601	32,365
Gross profit	33,024	36,806
Selling, general and administrative expenses		
Packing and transportation costs	964	974
Advertising expenses	1,701	1,490
Storage costs	752	688
Remuneration, salaries and allowances for directors (and other officers)	6,499	6,848
Bonuses	0	0
Provision for bonuses	777	778
Retirement benefit expenses	193	233
Legal and other welfare expenses	951	1,065
Rent expenses on land and buildings	6,692	7,443
Depreciation	1,273	1,354
Utilities expenses	461	562
Commission expenses	1,724	1,975
Taxes and dues	401	393
Amortization of goodwill	190	209
Other	2,135	2,253
Total selling, general and administrative expenses	24,719	26,273
Operating profit	8,305	10,533
Non-operating income		
Interest income	18	27
Dividend income	25	66
Foreign exchange gains	108	–
Rent Income for house	266	236
Advertising medium income	8	8
Other	76	44
Total non-operating income	503	382
Non-operating expenses		
Interest expenses	0	1
Foreign exchange losses	–	5
Rental expenses	144	108
Other	10	36
Total non-operating expenses	154	152
Ordinary profit	8,653	10,763

(Millions of yen)

	Three months ended May 31, 2021	Three months ended May 31, 2022
Extraordinary income		
Gain on sale of non-current assets	–	13
Gain on sale of investment securities	74	–
Employment adjustment subsidies for covid19	0	42
Total extraordinary income	75	55
Extraordinary losses		
Loss on retirement of non-current assets	59	45
Loss on valuation of investment securities	–	305
Impairment losses	25	17
Loss due to covid19	103	19
Total extraordinary losses	188	388
Profit before income taxes	8,540	10,431
Income taxes - current	3,111	3,351
Income taxes - deferred	(9)	(10)
Total income taxes	3,102	3,340
Profit	5,437	7,090
Profit attributable to non-controlling interests	64	73
Profit attributable to owners of parent	5,373	7,017

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended May 31, 2021	Three months ended May 31, 2022
Profit	5,437	7,090
Other comprehensive income		
Valuation difference on available-for-sale securities	1,841	1,935
Foreign currency translation adjustment	2,086	2,583
Total other comprehensive income	3,928	4,519
Comprehensive income	9,366	11,610
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,227	11,483
Comprehensive income attributable to non-controlling interests	138	126