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Consolidated Financial Results for the Nine Months Ended November 30, 2022 [Japanese GAAP]

January 11, 2023

Company name: ABC-MART, INC.

Stock exchange listing: Tokyo

Code number: 2670

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

Representative: Minoru Noguchi

Contact: Yasuo Ishii

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Scheduled date of filing quarterly securities report: January 12, 2023

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes (for institutional investors and analysts)

President and Representative Director
Director, Corporate Planning Office Manager

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Nine Months Ended November 30, 2022 (March 01, 2022 to November 30, 2022)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended November 30, 2022	208,571	15.5	28,991	46.1	29,710	45.1	20,706	43.8
Nine months ended November 30, 2021	180,571	12.6	19,845	33.5	20,475	29.1	14,394	40.0

(Note) Comprehensive income: Nine months ended November 30, 2022: ¥ 30,320 million [84.1%]
 Nine months ended November 30, 2021: ¥ 16,473 million [18.8%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended November 30, 2022	250.87	-
Nine months ended November 30, 2021	174.40	-

(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	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of November 30, 2022	355,337	301,239	84.2	3,626.19
February 28, 2022	317,720	284,881	89.2	3,432.30

(Reference) Equity: As of November 30, 2022: ¥ 299,302 million
 As of February 28, 2022: ¥ 283,298 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 28, 2022	-	85.00	-	85.00	170.00
Fiscal year ending February 28, 2023	-	85.00	-		
Fiscal year ending February 28, 2023 (Forecast)				85.00	170.00

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 28, 2023 (March 01, 2022 to February 28, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	274,000	12.3	34,500	25.7	35,300	24.9	23,200	33.5	281.08

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

- (1) Changes in significant subsidiaries during the nine months ended November 30, 2022
(changes in specified subsidiaries resulting in changes in scope of consolidation): No
New - (Company name:)
Exclusion: - (Company name:)
- (2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
1) Changes in accounting policies due to the revision of accounting standards: Yes
2) Changes in accounting policies other than 1) above: No
3) Changes in accounting estimates: No
4) Retrospective restatement: No
- (4) Total number of issued shares (common shares)
1) Total number of issued shares at the end of the period (including treasury shares):
November 30, 2022: 82,539,646 shares
February 28, 2022: 82,539,646 shares
2) Total number of treasury shares at the end of the period:
November 30, 2022: 552 shares
February 28, 2022: 472 shares
3) Average number of shares during the period:
Nine months ended November 30, 2022: 82,539,130 shares
Nine months ended November 30, 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
Quarterly Consolidated Balance Sheets

(Million yen)

	As of February 28,2022	As of November 30,2022
Assets		
Current assets		
Cash and deposits	141,767	132,278
Notes and accounts receivable - trade	11,091	18,769
Securities	10,181	9,671
Inventories	59,847	91,309
Other	4,180	9,572
Allowance for doubtful accounts	(145)	(184)
Total current assets	226,923	261,416
Non-current assets		
Property, plant and equipment		
Buildings and structures	34,711	36,667
Accumulated depreciation	(19,233)	(20,070)
Buildings and structures, net	15,478	16,596
Tools, furniture and fixtures	17,116	19,487
Accumulated depreciation	(12,757)	(15,041)
Tools, furniture and fixtures, net	4,359	4,446
Land	19,198	19,251
Construction in progress	293	530
Other	438	458
Accumulated depreciation	(394)	(385)
Other, net	44	73
Total property, plant and equipment	39,373	40,898
Intangible assets		
Trademark right	393	184
Goodwill	509	104
Other	3,935	4,519
Total intangible assets	4,837	4,808
Investments and other assets		
Investment securities	14,567	18,362
Shares of subsidiaries and associates	609	614
Long-term loans receivable	1,450	256
Leasehold and guarantee deposits	25,960	26,571
Deferred tax assets	3,416	1,843
Other	596	581
Allowance for doubtful accounts	(16)	(17)
Total investments and other assets	46,585	48,213
Total non-current assets	90,796	93,921
Total assets	317,720	355,337

(Million yen)

	As of February 28,2022	As of November 30,2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,161	25,038
Short-term borrowings	1,350	7,028
Income taxes payable	4,884	5,193
Contract liabilities	-	911
Provision for bonuses	984	1,806
Provisions	226	278
Asset retirement obligations	205	205
Notes payable - facilities	933	1,072
Other	9,521	10,760
Total current liabilities	31,268	52,294
Non-current liabilities		
Retirement benefit liability	313	749
Asset retirement obligations	345	399
Other	911	654
Total non-current liabilities	1,570	1,803
Total liabilities	32,838	54,097
Net assets		
Shareholders' equity		
Share capital	19,972	19,972
Capital surplus	24,043	24,043
Retained earnings	228,162	234,837
Treasury shares	(2)	(3)
Total shareholders' equity	272,176	278,850
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,991	5,787
Foreign currency translation adjustment	9,131	14,664
Total accumulated other comprehensive income	11,122	20,451
Non-controlling interests	1,582	1,937
Total net assets	284,881	301,239
Total liabilities and net assets	317,720	355,337

Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the nine months)

(Million yen)

	For the nine months ended November 30,2021	For the nine months ended November 30,2022
Net sales	180,571	208,571
Cost of sales	87,601	100,194
Gross profit	92,970	108,376
Selling, general and administrative expenses		
Packing and transportation costs	2,812	2,987
Advertising expenses	4,733	4,472
Storage costs	2,121	2,044
Remuneration, salaries and allowances for directors (and other officers)	19,074	20,976
Bonuses	388	391
Provision for bonuses	1,797	1,804
Retirement benefit expenses	550	619
Legal and other welfare expenses	2,957	3,332
Rent expenses on land and buildings	20,166	22,174
Depreciation	4,025	4,186
Utilities expenses	1,530	1,929
Commission expenses	5,066	6,047
Taxes and dues	1,232	1,247
Amortization of goodwill	583	474
Other	6,082	6,698
Total selling, general and administrative expenses	73,124	79,385
Operating profit	19,845	28,991
Non-operating income		
Interest income	49	111
Dividend income	90	285
Foreign exchange gains	8	-
Rent income for house	783	648
Advertising medium income	25	25
Other	180	143
Total non-operating income	1,139	1,214
Non-operating expenses		
Interest expenses	18	8
Foreign exchange losses	-	117
Rental expenses	463	335
Other	27	33
Total non-operating expenses	509	494
Ordinary profit	20,475	29,710

(Million yen)

	For the nine months ended November 30,2021	For the nine months ended November 30,2022
Extraordinary income		
Gain on sale of non-current assets	803	21
Gain on sale of investment securities	74	-
Gain on sale of securities	-	734
Employment adjustment subsidies for covid19	502	46
Total extraordinary income	1,381	801
Extraordinary losses		
Loss on retirement of non-current assets	149	147
Loss on valuation of investment securities	-	305
Impairment losses	190	458
Loss due to covid19	285	24
Total extraordinary losses	624	935
Profit before income taxes	21,231	29,576
Income taxes - current	6,906	8,954
Income taxes - deferred	(97)	(193)
Total income taxes	6,808	8,760
Profit	14,423	20,815
Profit attributable to non-controlling interests	28	109
Profit attributable to owners of parent	14,394	20,706

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Million yen)

	For the nine months ended November 30,2021	For the nine months ended November 30,2022
Profit	14,423	20,815
Other comprehensive income		
Valuation difference on available-for-sale securities	839	3,796
Foreign currency translation adjustment	1,210	5,708
Total other comprehensive income	2,050	9,504
Comprehensive income	16,473	30,320
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	16,322	30,035
Comprehensive income attributable to non-controlling interests	150	284