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## Consolidated Financial Results for the Three Months Ended May 31, 2023 [Japanese GAAP]

July 12, 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

Phone: +81-334765452

Scheduled date of filing quarterly securities report: July 13, 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)

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

### 1. Consolidated Financial Results for the Three Months Ended May 31, 2023 (March 1, 2023 to May 31, 2023)

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

	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, 2023	88,579	28.1	16,890	60.4	17,473	62.3	11,907	69.7
May 31, 2022	69,171	10.5	10,533	26.8	10,763	24.4	7,017	30.6

(Note) Comprehensive income: Three months ended May 31, 2023: ¥ 9,642 million [ (16.9)%  
Three months ended May 31, 2022: ¥ 11,610 million [ 24.0%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended		
May 31, 2023	144.26	-
May 31, 2022	85.02	-

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of			
May 31, 2023	364,372	313,064	85.4
February 28, 2023	355,850	310,974	86.9

(Reference) Equity: As of May 31, 2023: ¥ 311,100 million  
As of February 28, 2023: ¥ 309,095 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, 2023	-	85.00	-	85.00	170.00
Fiscal year ending February 29, 2024	-				
Fiscal year ending February 29, 2024 (Forecast)		85.00	-	29.00	-

(Note) Revision to the forecast for dividends announced most recently: Yes

(Note) The Company plans to conduct a 3-for-1 stock split of shares of common stock, effective September 1, 2023.

Therefore, the year-end dividend per share for the fiscal year ending February 29, 2024 (forecast) takes into account the effect of this stock split. If the stock split is not taken into account, the year-end dividend per share for the fiscal year ending February 29, 2024 (forecast) will be 87 yen.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 29, 2024(March 1, 2023 to February 29, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending August 31, 2023	153,900	13.0	23,000	15.0	23,500	14.6	16,190	21.6	196.15
Full year	311,500	7.4	44,000	4.0	44,900	3.6	30,400	0.5	122.77

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

(Note) Net income per share in the forecast for the fiscal year ending February 29, 2024 (full year) takes into account the effect of the stock split. Without considering the stock split, net income per share in the earnings forecast (full year) for the fiscal year ending February 29, 2024 is 368.31 yen.

\* Notes:

(1) Changes in significant subsidiaries during the three months ended May 31, 2023

(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):

May 31, 2023: 82,539,646 shares

February 28, 2023: 82,539,646 shares

2) Number of treasury shares at the end of the period:

May 31, 2023: 684 shares

February 28, 2023: 588 shares

3) Average number of shares outstanding during the period:

Three months ended May 31, 2023: 82,538,996 shares

Three months ended May 31, 2022: 82,539,160 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 29, 2024 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

(Millions of yen)

	As of February 28, 2023	As of May 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	138,918	136,842
Notes and accounts receivable - trade	15,096	18,186
Securities	9,529	9,871
Inventories	88,584	97,168
Other	9,432	7,813
Allowance for doubtful accounts	(170)	(188)
<b>Total current assets</b>	<b>261,391</b>	<b>269,694</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	36,216	38,114
Accumulated depreciation	(20,329)	(20,984)
Buildings and structures, net	15,887	17,130
Tools, furniture and fixtures	19,350	19,868
Accumulated depreciation	(15,197)	(15,538)
Tools, furniture and fixtures, net	4,153	4,329
Land	19,310	19,277
Construction in progress	610	637
Other	461	463
Accumulated depreciation	(389)	(396)
Other, net	71	67
<b>Total property, plant and equipment</b>	<b>40,033</b>	<b>41,442</b>
Intangible assets		
Trademark right	162	145
Software	3,187	3,746
Goodwill	80	302
Other	1,199	609
<b>Total intangible assets</b>	<b>4,629</b>	<b>4,804</b>
Investments and other assets		
Investment securities	18,906	16,633
Shares of subsidiaries and associates	614	609
Long-term loans receivable	237	219
Leasehold and guarantee deposits	27,010	27,298
Retirement benefit asset	236	155
Deferred tax assets	2,245	2,923
Other	563	627
Allowance for doubtful accounts	(18)	(37)
<b>Total investments and other assets</b>	<b>49,796</b>	<b>48,430</b>
<b>Total non-current assets</b>	<b>94,459</b>	<b>94,678</b>
<b>Total assets</b>	<b>355,850</b>	<b>364,372</b>

(Millions of yen)

	As of February 28, 2023	As of May 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	12,484	22,312
Short-term borrowings	5,959	4,015
Income taxes payable	9,330	6,584
Contract liabilities	1,039	1,014
Provision for bonuses	1,037	1,788
Provisions	301	279
Asset retirement obligations	208	292
Notes payable - facilities	3,974	842
Other	9,277	12,376
Total current liabilities	43,613	49,506
Non-current liabilities		
Retirement benefit liability	156	164
Asset retirement obligations	395	439
Other	710	1,196
Total non-current liabilities	1,263	1,801
Total liabilities	44,876	51,307
<b>Net assets</b>		
Shareholders' equity		
Share capital	19,972	19,972
Capital surplus	24,043	24,043
Retained earnings	244,387	248,742
Treasury shares	(3)	(4)
Total shareholders' equity	288,400	292,755
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,060	4,631
Foreign currency translation adjustment	14,634	13,714
Total accumulated other comprehensive income	20,694	18,345
Non-controlling interests	1,878	1,963
Total net assets	310,974	313,064
Total liabilities and net assets	355,850	364,372

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

(Millions of yen)

	For the three months ended May 31, 2022	For the three months ended May 31, 2023
Net sales	69,171	88,579
Cost of sales	32,365	41,770
Gross profit	36,806	46,809
Selling, general and administrative expenses		
Packing and transportation costs	974	1,094
Advertising expenses	1,490	1,583
Storage costs	688	879
Remuneration, salaries and allowances for directors (and other officers)	6,848	8,007
Bonuses	0	0
Provision for bonuses	778	773
Retirement benefit expenses	233	157
Legal and other welfare expenses	1,065	1,209
Rent expenses on land and buildings	7,443	8,513
Depreciation	1,354	1,315
Utilities expenses	562	713
Commission expenses	1,975	2,516
Taxes and dues	393	528
Amortization of goodwill	209	31
Other	2,253	2,594
Total selling, general and administrative expenses	26,273	29,919
Operating profit	10,533	16,890
Non-operating income		
Interest income	27	125
Dividend income	66	158
Foreign exchange gains	-	129
Rent income for house	236	186
Advertising medium income	8	8
Other	44	76
Total non-operating income	382	685
Non-operating expenses		
Interest expenses	1	2
Foreign exchange losses	5	-
Rental expenses	108	86
Other	36	12
Total non-operating expenses	152	101
Ordinary profit	10,763	17,473

(Millions of yen)

	For the three months ended May 31, 2022	For the three months ended May 31, 2023
Extraordinary income		
Gain on sale of non-current assets	13	7
Employment adjustment subsidies for covid19	42	-
Total extraordinary income	55	7
Extraordinary losses		
Loss on retirement of non-current assets	45	72
Loss on valuation of investment securities	305	-
Impairment losses	17	31
Loss due to covid19	19	-
Total extraordinary losses	388	103
Profit before income taxes	10,431	17,378
Income taxes - current	3,351	5,464
Income taxes - deferred	(10)	(57)
Total income taxes	3,340	5,407
Profit	7,090	11,970
Profit attributable to non-controlling interests	73	63
Profit attributable to owners of parent	7,017	11,907

## Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Millions of yen)

	For the three months ended May 31, 2022	For the three months ended May 31, 2023
Profit	7,090	11,970
Other comprehensive income		
Valuation difference on available-for-sale securities	1,935	(1,429)
Foreign currency translation adjustment	2,583	(898)
Total other comprehensive income	4,519	(2,328)
Comprehensive income	11,610	9,642
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,483	9,557
Comprehensive income attributable to non-controlling interests	126	84