

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended November 20, 2020 (Based on Japanese GAAP)

December 14, 2020

Company name: ARCLAND SAKAMOTO CO.,LTD.
 Stock exchange listing: Tokyo
 Stock code: 9842 URL <http://www.arcland.co.jp/>
 Representative: Chairman & CEO Katsuji Sakamoto
 Senior Managing Director, General Manager, Administration Headquarters Mitsuki Shida TEL 0256-33-6000
 Scheduled date to file Quarterly Securities Report: December 28, 2020
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended November 20, 2020 (from February 21, 2020 to November 20, 2020)

(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	%
Nine months ended November 20, 2020	97,077	13.7	10,135	33.4	10,973	33.4	6,404	50.6
Nine months ended November 20, 2019	85,411	2.9	7,595	(2.1)	8,228	(1.7)	4,254	(10.1)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended November 20, 2020	157.91	–
Nine months ended November 20, 2019	104.89	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of November 20, 2020	353,774	89,457	22.5	1,961.08
As of February 20, 2020	105,608	83,105	69.7	1,814.60

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 20, 2020	–	15.00	–	15.00	30.00
Year ending February 20, 2021	–	15.00	–		
Year ending February 20, 2021 (Forecast)				15.00	30.00

3. Forecast of consolidated financial results for the year ending February 20, 2021 (from February 21, 2020 to February 20, 2021)

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	125,179	11.1	12,470	30.2	13,207	27.1	6,572	35.6	162.04

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended November 20, 2020
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (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 November 20, 2020	41,381,686 shares	As of February 20, 2020	41,381,686 shares
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Number of treasury shares at the end of the period

As of November 20, 2020	824,029 shares	As of February 20, 2020	823,983 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended November 20, 2020	40,557,685 shares	Nine months ended November 20, 2019	40,557,709 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of February 20, 2020	As of November 20, 2020
Assets		
Current assets		
Cash and deposits	20,127	41,470
Notes and accounts receivable - trade	4,574	9,271
Merchandise and finished goods	12,285	56,467
Other	1,434	4,822
Allowance for doubtful accounts	(9)	(15)
Total current assets	38,413	112,017
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	33,872	86,010
Land	13,472	40,083
Leased assets, net	74	25,636
Other, net	1,618	9,785
Total property, plant and equipment	49,037	161,516
Intangible assets		
Goodwill	541	34,779
Other	2,173	6,488
Total intangible assets	2,714	41,268
Investments and other assets		
Investment securities	9,162	9,122
Leasehold and guarantee deposits	4,513	24,218
Other	1,771	5,656
Allowance for doubtful accounts	(5)	(24)
Total investments and other assets	15,442	38,972
Total non-current assets	67,194	241,757
Total assets	105,608	353,774

(Millions of yen)

	As of February 20, 2020	As of November 20, 2020
Liabilities		
Current liabilities		
Accounts payable - trade	5,077	21,886
Electronically recorded obligations - operating	–	24,273
Short-term borrowings	3,800	101,840
Current portion of long-term borrowings	–	9,000
Lease obligations	45	1,794
Income taxes payable	1,855	4,676
Provision for bonuses	241	1,821
Provision for bonuses for directors (and other officers)	–	28
Provision for point card certificates	–	373
Other	3,633	22,253
Total current liabilities	14,653	187,946
Non-current liabilities		
Bonds payable	2,010	2,110
Long-term borrowings	–	25,741
Lease obligations	44	31,030
Long-term guarantee deposits	3,632	11,735
Retirement benefit liability	270	526
Provision for retirement benefits for directors (and other officers)	180	180
Asset retirement obligations	1,697	4,489
Other	13	556
Total non-current liabilities	7,849	76,370
Total liabilities	22,502	264,316
Net assets		
Shareholders' equity		
Share capital	6,462	6,462
Capital surplus	6,582	6,582
Retained earnings	60,657	65,845
Treasury shares	(641)	(641)
Total shareholders' equity	73,061	78,249
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	576	1,331
Foreign currency translation adjustment	(42)	(44)
Total accumulated other comprehensive income	534	1,287
Non-controlling interests	9,509	9,921
Total net assets	83,105	89,457
Total liabilities and net assets	105,608	353,774

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended November 20, 2019	Nine months ended November 20, 2020
Net sales	85,411	97,077
Cost of sales	52,281	58,801
Gross profit	33,130	38,275
Selling, general and administrative expenses	25,534	28,139
Operating profit	7,595	10,135
Non-operating income		
Interest income	7	13
Dividend income	151	164
Purchase discounts	227	234
Share of profit of entities accounted for using equity method	94	143
Other	186	362
Total non-operating income	668	917
Non-operating expenses		
Interest expenses	2	58
Foreign exchange losses	17	11
Other	14	8
Total non-operating expenses	35	79
Ordinary profit	8,228	10,973
Extraordinary income		
Gain on transfer of store	18	–
Gain on reversal of asset retirement obligations	21	–
Gain on sales of investment securities	–	14
Income from exited tenant	–	27
Gain on step acquisitions	–	435
Other	19	5
Total extraordinary income	59	483
Extraordinary losses		
Loss on retirement of non-current assets	15	16
Loss on valuation of investment securities	–	152
Loss on store closings	143	18
Impairment loss	26	174
Dismantlement expenses	29	58
Other	26	48
Total extraordinary losses	240	469
Profit before income taxes	8,048	10,988
Income taxes - current	2,901	3,845
Income taxes - deferred	(77)	(193)
Total income taxes	2,823	3,651
Profit	5,224	7,336
Profit attributable to non-controlling interests	970	931
Profit attributable to owners of parent	4,254	6,404

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended November 20, 2019	Nine months ended November 20, 2020
Profit	5,224	7,336
Other comprehensive income		
Valuation difference on available-for-sale securities	180	749
Foreign currency translation adjustment	(40)	(1)
Share of other comprehensive income of entities accounted for using equity method	(8)	(7)
Total other comprehensive income	131	740
Comprehensive income	5,355	8,077
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,398	7,157
Comprehensive income attributable to non-controlling interests	957	919