

Translation

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**Summary of Consolidated Financial Results
for the Three Months Ended May 20, 2017
(Based on Japanese GAAP)**

June 20, 2017

Company name: ARCLAND SAKAMOTO CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 9842 URL <http://www.arcland.co.jp/>
 Representative: President Masatoshi Sakamoto
 Inquiries: Director, General Manager Accounting Dept. Toshiyuki Kuribayashi TEL 0256-33-6000
 Scheduled date to file Quarterly Securities Report: June 30, 2017
 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 three months ended May 20, 2017 (from February 21, 2017 to May 20, 2017)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended May 20, 2017	26,560	2.0	2,652	6.6	2,793	6.0	1,533	7.4
Three months ended May 20, 2016	26,042	1.9	2,488	7.6	2,634	6.5	1,427	11.2

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended May 20, 2017	37.81		–	
Three months ended May 20, 2016	35.21		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of May 20, 2017	89,725	70,929	71.5	1,581.27
As of February 20, 2017	87,336	69,303	71.8	1,546.02

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended February 20, 2017	–	12.50	–	12.50	25.00
Year ending February 20, 2018	–	–	–	–	–
Year ending February 20, 2018 (Forecast)	–	12.50	–	12.50	25.00

3. Forecast of consolidated financial results for the year ending February 20, 2018 (from February 21, 2017 to February 20, 2018)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		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 20, 2017	53,400	1.2	4,850	1.4	5,200	1.4	2,820	0.6	69.53
Full year	105,000	1.9	9,250	4.6	10,000	4.4	5,200	3.8	128.21

4. Notes

- (1) Changes in significant subsidiaries during the three months ended May 20, 2017
 (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: 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 May 20, 2017	41,381,686 shares	As of February 20, 2017	41,381,686 shares
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Number of treasury shares at the end of the period

As of May 20, 2017	823,900 shares	As of February 20, 2017	823,900 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended May 20, 2017	40,557,786 shares	Three months ended May 20, 2016	40,557,919 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of February 20, 2017	As of May 20, 2017
Assets		
Current assets		
Cash and deposits	9,993	11,257
Notes and accounts receivable - trade	3,546	4,073
Merchandise and finished goods	11,899	13,379
Securities	3,600	2,000
Other	1,636	1,882
Allowance for doubtful accounts	(8)	(7)
Total current assets	30,668	32,585
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	29,859	29,713
Land	8,840	8,864
Other, net	947	998
Total property, plant and equipment	39,647	39,576
Intangible assets		
Goodwill	270	253
Other	1,908	1,901
Total intangible assets	2,179	2,155
Investments and other assets		
Investment securities	9,775	10,387
Lease and guarantee deposits	4,595	4,565
Other	477	462
Allowance for doubtful accounts	(7)	(7)
Total investments and other assets	14,840	15,408
Total non-current assets	56,668	57,139
Total assets	87,336	89,725
Liabilities		
Current liabilities		
Accounts payable - trade	4,101	6,921
Short-term loans payable	2,300	300
Current portion of long-term loans payable	500	500
Income taxes payable	1,552	1,005
Provision for bonuses	232	500
Asset retirement obligations	23	23
Other	3,276	3,495
Total current liabilities	11,986	12,746
Non-current liabilities		
Long-term loans payable	500	375
Long-term guarantee deposited	3,303	3,238
Net defined benefit liability	264	262
Provision for directors' retirement benefits	180	180
Asset retirement obligations	1,478	1,490
Other	319	502
Total non-current liabilities	6,046	6,048
Total liabilities	18,032	18,795

(Millions of yen)

	As of February 20, 2017	As of May 20, 2017
Net assets		
Shareholders' equity		
Capital stock	6,462	6,462
Capital surplus	6,603	6,603
Retained earnings	48,372	49,349
Treasury shares	(641)	(641)
Total shareholders' equity	60,798	61,775
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,923	2,365
Foreign currency translation adjustment	(18)	(7)
Total accumulated other comprehensive income	1,904	2,357
Non-controlling interests	6,600	6,797
Total net assets	69,303	70,929
Total liabilities and net assets	87,336	89,725

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended May 20, 2016	Three months ended May 20, 2017
Net sales	26,042	26,560
Cost of sales	16,351	16,536
Gross profit	9,691	10,024
Selling, general and administrative expenses	7,203	7,371
Operating income	2,488	2,652
Non-operating income		
Interest income	13	8
Purchase discounts	76	72
Share of profit of entities accounted for using equity method	20	28
Other	43	41
Total non-operating income	155	151
Non-operating expenses		
Interest expenses	1	0
Foreign exchange losses	3	7
Other	2	2
Total non-operating expenses	8	10
Ordinary income	2,634	2,793
Extraordinary income		
Gain on sales of non-current assets	–	3
Other	4	1
Total extraordinary income	4	4
Extraordinary losses		
Loss on retirement of non-current assets	27	1
Loss on closing of stores	7	10
Dismantlement expenses	2	17
Other	1	–
Total extraordinary losses	39	28
Profit before income taxes	2,600	2,769
Income taxes - current	932	948
Income taxes - deferred	9	(29)
Total income taxes	942	918
Profit	1,657	1,850
Profit attributable to non-controlling interests	229	317
Profit attributable to owners of parent	1,427	1,533

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended May 20, 2016	Three months ended May 20, 2017
Profit	1,657	1,850
Other comprehensive income		
Valuation difference on available-for-sale securities	31	442
Foreign currency translation adjustment	(7)	8
Share of other comprehensive income of entities accounted for using equity method	–	(3)
Total other comprehensive income	24	447
Comprehensive income	1,682	2,298
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,455	1,978
Comprehensive income attributable to non-controlling interests	226	320