

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended November 20, 2016 (Based on Japanese GAAP)

December 20, 2016

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: December 28, 2016
 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, 2016 (from February 21, 2016 to November 20, 2016)

(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	%
Nine months ended November 20, 2016	78,187	1.5	6,792	0.3	7,373	1.0	4,042	4.0
Nine months ended November 20, 2015	77,019	(0.3)	6,770	(0.7)	7,302	(0.3)	3,888	(21.7)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended November 20, 2016	99.67		–	
Nine months ended November 20, 2015	95.87		–	

(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, 2016	87,931	67,028	69.1	1,497.40
As of February 20, 2016	80,340	62,905	71.1	1,408.16

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, 2016	–	18.00	–	25.00	43.00
Year ending February 20, 2017	–	12.50	–		
Year ending February 20, 2017 (Forecast)				12.50	25.00

3. Forecast of consolidated financial results for the year ending February 20, 2017 (from February 21, 2016 to February 20, 2017)

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
Full year	104,000	2.7	9,250	5.4	10,000	5.6	5,200	9.2	128.21

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended November 20, 2016
(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: 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 November 20, 2016	41,381,686 shares	As of February 20, 2016	41,381,686 shares
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Number of treasury shares at the end of the period

As of November 20, 2016	823,900 shares	As of February 20, 2016	823,404 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, 2016	40,557,830 shares	Nine months ended November 20, 2015	40,558,978 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of February 20, 2016	As of November 20, 2016
Assets		
Current assets		
Cash and deposits	6,163	7,000
Notes and accounts receivable - trade	3,539	3,843
Merchandise and finished goods	12,256	13,287
Securities	2,518	2,511
Other	1,517	1,927
Allowance for doubtful accounts	(8)	(6)
Total current assets	25,986	28,562
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	30,135	30,229
Land	8,853	8,836
Other, net	982	1,005
Total property, plant and equipment	39,972	40,071
Intangible assets		
Goodwill	325	287
Other	1,937	1,914
Total intangible assets	2,262	2,202
Investments and other assets		
Investment securities	6,606	11,849
Lease and guarantee deposits	4,575	4,563
Other	950	693
Allowance for doubtful accounts	(12)	(12)
Total investments and other assets	12,118	17,094
Total non-current assets	54,353	59,368
Total assets	80,340	87,931

(Millions of yen)

	As of February 20, 2016	As of November 20, 2016
Liabilities		
Current liabilities		
Accounts payable - trade	4,356	6,313
Short-term loans payable	800	3,600
Current portion of long-term loans payable	500	500
Income taxes payable	1,563	881
Provision for bonuses	227	555
Other	3,303	2,928
Total current liabilities	10,750	14,778
Non-current liabilities		
Long-term loans payable	1,000	625
Long-term guarantee deposited	3,641	3,458
Net defined benefit liability	276	274
Provision for directors' retirement benefits	180	180
Asset retirement obligations	1,423	1,457
Other	162	128
Total non-current liabilities	6,685	6,124
Total liabilities	17,435	20,902
Net assets		
Shareholders' equity		
Capital stock	6,462	6,462
Capital surplus	6,603	6,603
Retained earnings	44,376	47,405
Treasury shares	(640)	(641)
Total shareholders' equity	56,803	59,830
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	321	923
Foreign currency translation adjustment	(11)	(23)
Total accumulated other comprehensive income	309	900
Non-controlling interests	5,792	6,297
Total net assets	62,905	67,028
Total liabilities and net assets	80,340	87,931

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, 2015	Nine months ended November 20, 2016
Net sales	77,019	78,187
Cost of sales	48,737	49,487
Gross profit	28,281	28,699
Selling, general and administrative expenses	21,510	21,907
Operating income	6,770	6,792
Non-operating income		
Interest income	32	41
Purchase discounts	248	243
Share of profit of entities accounted for using equity method	74	71
Other	193	263
Total non-operating income	548	620
Non-operating expenses		
Interest expenses	7	4
Foreign exchange losses	1	24
Other	8	10
Total non-operating expenses	17	39
Ordinary income	7,302	7,373
Extraordinary income		
Gain on sales of non-current assets	–	17
Gain on donation of non-current assets	6	2
Other	–	5
Total extraordinary income	6	25
Extraordinary losses		
Loss on retirement of non-current assets	55	83
Loss on closing of stores	82	15
Dismantlement expenses	28	16
Other	15	23
Total extraordinary losses	182	139
Income before income taxes and minority interests	7,127	7,259
Income taxes - current	2,589	2,448
Income taxes - deferred	90	75
Total income taxes	2,680	2,524
Profit	4,446	4,735
Profit attributable to non-controlling interests	558	692
Profit attributable to owners of parent	3,888	4,042

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended November 20, 2015	Nine months ended November 20, 2016
Profit	4,446	4,735
Other comprehensive income		
Valuation difference on available-for-sale securities	112	603
Foreign currency translation adjustment	(23)	(21)
Total other comprehensive income	88	581
Comprehensive income	4,535	5,316
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,987	4,633
Comprehensive income attributable to non-controlling interests	547	683