

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2017 (Based on Japanese GAAP)

October 27, 2017

Company name: ARCLAND SERVICE HOLDINGS CO., LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 3085 URL <http://www.arclandservice.co.jp/>  
 Representative: Representative Director, President Kenichiro Usui  
 Managing Director and General Manager of Administration Headquarters Yoshiharu Tamaki TEL 03-5217-1531  
 Scheduled date to file Quarterly Securities Report: November 10, 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 nine months ended September 30, 2017 (from January 1, 2017 to September 30, 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	%
Nine months ended September 30, 2017	19,186	13.3	2,778	17.6	2,837	18.2	1,771	22.3
Nine months ended September 30, 2016	16,928	11.1	2,362	15.0	2,400	14.6	1,448	20.4

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended September 30, 2017	55.65		–	
Nine months ended September 30, 2016	45.49		–	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2017	19,525	15,759	79.4	487.15
As of December 31, 2016	18,675	14,449	76.4	448.02

### 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended December 31, 2016	–	12.50	–	12.50	25.00
Year ending December 31, 2017	–	16.00	–	–	–
Year ending December 31, 2017 (Forecast)	–	–	–	8.00	–

### 3. Forecast of consolidated financial results for the year ending December 31, 2017 (from January 1, 2017 to December 31, 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	26,000	11.7	3,750	11.9	3,800	10.0	2,200	6.3	69.11

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended September 30, 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 September 30, 2017	33,096,000 shares	As of December 31, 2016	33,096,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2017	1,261,328 shares	As of December 31, 2016	1,261,258 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended September 30, 2017	31,834,697 shares	Nine months ended September 30, 2016	31,834,778 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of December 31, 2016	As of September 30, 2017
<b>Assets</b>		
Current assets		
Cash and deposits	8,432	9,471
Accounts receivable - trade	1,216	1,060
Securities	2,592	2,000
Merchandise and finished goods	224	215
Raw materials and supplies	63	59
Other	527	554
Allowance for doubtful accounts	(5)	(4)
Total current assets	13,052	13,356
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,549	2,966
Other, net	325	319
Total property, plant and equipment	2,874	3,285
Intangible assets		
Goodwill	270	383
Other	6	5
Total intangible assets	277	389
Investments and other assets		
Investment securities	313	243
Lease and guarantee deposits	1,204	1,260
Construction assistance fund receivables	571	605
Long-term loans receivable	150	144
Other	230	240
Total investments and other assets	2,470	2,494
Total non-current assets	5,622	6,169
Total assets	18,675	19,525
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	1,222	1,195
Income taxes payable	643	335
Provision for bonuses	–	38
Provision for shareholder benefit program	25	18
Other	1,368	1,170
Total current liabilities	3,259	2,759
Non-current liabilities		
Guarantee deposits received	632	652
Asset retirement obligations	289	320
Other	45	34
Total non-current liabilities	966	1,007
Total liabilities	4,225	3,766

(Millions of yen)

	As of December 31, 2016	As of September 30, 2017
Net assets		
Shareholders' equity		
Capital stock	1,932	1,932
Capital surplus	1,884	1,884
Retained earnings	10,556	11,785
Treasury shares	(79)	(79)
Total shareholders' equity	14,294	15,522
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1	2
Foreign currency translation adjustment	(33)	(16)
Total accumulated other comprehensive income	(31)	(14)
Non-controlling interests	186	251
Total net assets	14,449	15,759
Total liabilities and net assets	18,675	19,525

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Nine months ended September 30, 2016	Nine months ended September 30, 2017
Net sales	16,928	19,186
Cost of sales	7,953	9,093
Gross profit	8,974	10,093
Selling, general and administrative expenses	6,612	7,315
Operating income	2,362	2,778
Non-operating income		
Interest income	41	25
Co-sponsor fee	27	13
Share of profit of entities accounted for using equity method	–	8
Miscellaneous income	29	23
Total non-operating income	98	70
Non-operating expenses		
Share of loss of entities accounted for using equity method	31	–
Foreign exchange losses	24	8
Miscellaneous loss	4	2
Total non-operating expenses	59	11
Ordinary income	2,400	2,837
Extraordinary income		
Gain on sales of non-current assets	–	3
Gain on donation of non-current assets	2	–
Other	5	1
Total extraordinary income	7	4
Extraordinary losses		
Loss on retirement of non-current assets	76	35
Loss on closing of stores	15	25
Other	3	–
Total extraordinary losses	96	60
Profit before income taxes	2,312	2,780
Income taxes - current	843	965
Income taxes - deferred	(20)	(9)
Total income taxes	822	955
Profit	1,489	1,824
Profit attributable to non-controlling interests	41	53
Profit attributable to owners of parent	1,448	1,771

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Nine months ended September 30, 2016	Nine months ended September 30, 2017
Profit	1,489	1,824
Other comprehensive income		
Valuation difference on available-for-sale securities	1	0
Foreign currency translation adjustment	(21)	5
Share of other comprehensive income of entities accounted for using equity method	–	(2)
Total other comprehensive income	(20)	3
Comprehensive income	1,469	1,828
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,427	1,775
Comprehensive income attributable to non-controlling interests	41	53