

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended March 31, 2017 (Based on Japanese GAAP)

April 28, 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: May 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 three months ended March 31, 2017 (from January 1, 2017 to March 31, 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 March 31, 2017	6,223	12.0	1,007	23.2	1,035	26.3	656	39.1
Three months ended March 31, 2016	5,558	13.1	817	18.4	819	13.8	472	11.6

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended March 31, 2017	41.26		–	
Three months ended March 31, 2016	29.67		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2017	18,555	14,859	79.0	920.42
As of December 31, 2016	18,675	14,449	76.4	896.04

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	–				
Year ending December 31, 2017 (Forecast)		12.50	–	12.50	25.00

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
Six months ending June 30, 2017	12,250	9.1	1,680	6.7	1,700	6.9	1,000	6.4	62.82
Full year	26,000	11.7	3,750	11.9	3,800	10.0	2,200	6.3	138.21

4. Notes

- (1) Changes in significant subsidiaries during the three months ended March 31, 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 March 31, 2017	16,548,000 shares	As of December 31, 2016	16,548,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2017	630,629 shares	As of December 31, 2016	630,629 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2017	15,917,371 shares	Three months ended March 31, 2016	15,917,404 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of December 31, 2016	As of March 31, 2017
<b>Assets</b>		
Current assets		
Cash and deposits	8,432	9,214
Accounts receivable - trade	1,216	1,051
Securities	2,592	2,000
Merchandise and finished goods	224	192
Raw materials and supplies	63	54
Other	527	447
Allowance for doubtful accounts	(5)	(5)
Total current assets	13,052	12,955
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,549	2,616
Other, net	325	321
Total property, plant and equipment	2,874	2,938
Intangible assets		
Goodwill	270	253
Other	6	6
Total intangible assets	277	260
Investments and other assets		
Investment securities	313	251
Lease and guarantee deposits	1,204	1,217
Construction assistance fund receivables	571	555
Long-term loans receivable	150	144
Other	230	232
Total investments and other assets	2,470	2,401
Total non-current assets	5,622	5,600
Total assets	18,675	18,555
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	1,222	1,171
Income taxes payable	643	354
Provision for bonuses	–	34
Provision for shareholder benefit program	25	18
Other	1,368	1,141
Total current liabilities	3,259	2,719
Non-current liabilities		
Guarantee deposits received	632	639
Asset retirement obligations	289	294
Other	45	42
Total non-current liabilities	966	976
Total liabilities	4,225	3,695

(Millions of yen)

	As of December 31, 2016	As of March 31, 2017
Net assets		
Shareholders' equity		
Capital stock	1,932	1,932
Capital surplus	1,884	1,884
Retained earnings	10,556	10,925
Treasury shares	(79)	(79)
Total shareholders' equity	14,294	14,662
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1	2
Foreign currency translation adjustment	(33)	(13)
Total accumulated other comprehensive income	(31)	(11)
Non-controlling interests	186	208
Total net assets	14,449	14,859
Total liabilities and net assets	18,675	18,555

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Three months ended March 31, 2016	Three months ended March 31, 2017
Net sales	5,558	6,223
Cost of sales	2,585	2,917
Gross profit	2,973	3,305
Selling, general and administrative expenses	2,155	2,298
Operating income	817	1,007
Non-operating income		
Interest income	13	8
Co-sponsor fee	0	4
Share of profit of entities accounted for using equity method	–	16
Miscellaneous income	8	6
Total non-operating income	23	36
Non-operating expenses		
Share of loss of entities accounted for using equity method	15	–
Foreign exchange losses	3	7
Miscellaneous loss	1	0
Total non-operating expenses	20	8
Ordinary income	819	1,035
Extraordinary income		
Gain on sales of non-current assets	–	3
Gain on donation of non-current assets	2	–
Other	2	1
Total extraordinary income	4	4
Extraordinary losses		
Loss on retirement of non-current assets	25	1
Loss on closing of stores	7	–
Other	1	–
Total extraordinary losses	34	1
Profit before income taxes	790	1,038
Income taxes - current	284	353
Income taxes - deferred	16	6
Total income taxes	300	359
Profit	489	678
Profit attributable to non-controlling interests	17	21
Profit attributable to owners of parent	472	656

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

(Millions of yen)

	Three months ended March 31, 2016	Three months ended March 31, 2017
Profit	489	678
Other comprehensive income		
Valuation difference on available-for-sale securities	–	0
Foreign currency translation adjustment	(7)	8
Share of other comprehensive income of entities accounted for using equity method	–	(3)
Total other comprehensive income	(7)	6
Comprehensive income	482	684
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	465	662
Comprehensive income attributable to non-controlling interests	17	21