

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2016 (Based on Japanese GAAP)

October 28, 2016

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, 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 September 30, 2016 (from January 1, 2016 to September 30, 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 September 30, 2016	16,928	11.1	2,362	15.0	2,400	14.6	1,448	20.4
Nine months ended September 30, 2015	15,238	19.1	2,054	8.6	2,095	10.3	1,202	0.5

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended September 30, 2016	90.98		–	
Nine months ended September 30, 2015	75.54		–	

#### (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, 2016	17,146	13,798	79.5	856.41
As of December 31, 2015	16,651	12,727	75.7	791.72

### 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, 2015	–	15.00	–	25.00	40.00
Year ending December 31, 2016	–	12.50	–		
Year ending December 31, 2016 (Forecast)				12.50	25.00

### 3. Forecast of consolidated financial results for the year ending December 31, 2016 (from January 1, 2016 to December 31, 2016)

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	23,800	13.6	3,250	11.2	3,300	10.6	1,900	6.0	119.37

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended September 30, 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 September 30, 2016	16,548,000 shares	As of December 31, 2015	16,548,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2016	630,629 shares	As of December 31, 2015	630,596 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, 2016	15,917,389 shares	Nine months ended September 30, 2015	15,917,476 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of December 31, 2015	As of September 30, 2016
<b>Assets</b>		
Current assets		
Cash and deposits	4,810	5,223
Accounts receivable - trade	1,054	895
Securities	1,500	1,500
Merchandise and finished goods	217	177
Raw materials and supplies	56	51
Other	338	393
Allowance for doubtful accounts	(5)	(4)
Total current assets	7,972	8,236
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,231	2,386
Other, net	305	340
Total property, plant and equipment	2,536	2,726
Intangible assets		
Goodwill	325	287
Other	7	6
Total intangible assets	332	294
Investments and other assets		
Investment securities	3,827	3,802
Lease and guarantee deposits	1,144	1,143
Construction assistance fund receivables	638	588
Long-term loans receivable	–	130
Other	198	223
Total investments and other assets	5,809	5,889
Total non-current assets	8,679	8,909
Total assets	16,651	17,146
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	1,165	967
Income taxes payable	570	351
Provision for bonuses	–	35
Provision for shareholder benefit program	11	11
Other	1,212	1,036
Total current liabilities	2,960	2,402
Non-current liabilities		
Guarantee deposits received	648	622
Asset retirement obligations	254	273
Other	60	49
Total non-current liabilities	963	945
Total liabilities	3,923	3,347

(Millions of yen)

	As of December 31, 2015	As of September 30, 2016
Net assets		
Shareholders' equity		
Capital stock	1,932	1,932
Capital surplus	1,884	1,884
Retained earnings	8,885	9,935
Treasury shares	(79)	(79)
Total shareholders' equity	12,622	13,672
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	–	1
Foreign currency translation adjustment	(20)	(42)
Total accumulated other comprehensive income	(20)	(41)
Non-controlling interests	125	167
Total net assets	12,727	13,798
Total liabilities and net assets	16,651	17,146

**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, 2015	Nine months ended September 30, 2016
Net sales	15,238	16,928
Cost of sales	7,159	7,953
Gross profit	8,078	8,974
Selling, general and administrative expenses	6,024	6,612
Operating income	2,054	2,362
Non-operating income		
Interest income	30	41
Co-sponsor fee	15	27
Miscellaneous income	17	29
Total non-operating income	64	98
Non-operating expenses		
Share of loss of entities accounted for using equity method	17	31
Foreign exchange losses	1	24
Miscellaneous loss	4	4
Total non-operating expenses	23	59
Ordinary income	2,095	2,400
Extraordinary income		
Gain on donation of non-current assets	6	2
Other	0	5
Total extraordinary income	6	7
Extraordinary losses		
Loss on retirement of non-current assets	41	76
Loss on closing of stores	82	15
Other	1	3
Total extraordinary losses	125	96
Income before income taxes and minority interests	1,976	2,312
Income taxes - current	736	843
Income taxes - deferred	20	(20)
Total income taxes	756	822
Profit	1,219	1,489
Profit attributable to non-controlling interests	17	41
Profit attributable to owners of parent	1,202	1,448

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

(Millions of yen)

	Nine months ended September 30, 2015	Nine months ended September 30, 2016
Profit	1,219	1,489
Other comprehensive income		
Valuation difference on available-for-sale securities	–	1
Foreign currency translation adjustment	(23)	(21)
Total other comprehensive income	(23)	(20)
Comprehensive income	1,196	1,469
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,178	1,427
Comprehensive income attributable to non-controlling interests	17	41