

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended March 31, 2023 (Based on Japanese GAAP)

April 28, 2023

Company name: ARCLAND SERVICE HOLDINGS CO., LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 3085 URL <https://www.arclandservice.co.jp/>  
 Representative: Representative Director, President Moritaka Sakamoto  
 Executive Officer, General Manager of  
 Inquiries: Corporate Planning Office Satoshi Ohara TEL 03-5217-1531  
 Scheduled date to file Quarterly Securities Report: May 12, 2023  
 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, 2023 (from January 1, 2023 to March 31, 2023)

#### (1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended March 31, 2023	12,273	12.7	1,242	5.7	1,277	(16.1)	822	(15.5)
Three months ended March 31, 2022	10,888	2.5	1,175	(9.3)	1,523	(30.3)	974	(30.9)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended March 31, 2023	25.85		25.12	
Three months ended March 31, 2022	30.61		29.75	

#### (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, 2023	35,130	25,301	70.7	779.83
As of December 31, 2022	35,465	24,939	69.0	768.94

### 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, 2022	–	15.00	–	15.00	30.00
Year ending December 31, 2023	–				
Year ending December 31, 2023 (Forecast)		15.00	–	15.00	30.00

### 3. Forecast of consolidated financial results for the year ending December 31, 2023 (from January 1, 2023 to December 31, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		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, 2023	23,670	6.7	2,420	0.9	2,440	(15.6)	1,440	(19.4)	45.23
Full year	49,500	5.0	5,500	11.5	5,600	1.6	3,300	10.0	103.66

4. Notes

- (1) Changes in significant subsidiaries during the three months ended March 31, 2023  
(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, 2023	33,096,000 shares	As of December 31, 2022	33,096,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2023	1,261,445 shares	As of December 31, 2022	1,261,445 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, 2023	31,834,555 shares	Three months ended March 31, 2022	31,834,555 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of December 31, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	19,416	19,568
Accounts receivable - trade	3,446	2,928
Merchandise and finished goods	742	753
Raw materials and supplies	234	231
Other	1,442	1,386
Allowance for doubtful accounts	(22)	(20)
Total current assets	25,259	24,847
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,687	5,753
Machinery and equipment, net	417	403
Other, net	501	535
Total property, plant and equipment	6,606	6,691
Intangible assets		
Goodwill	185	167
Trademark right	5	4
Other	43	40
Total intangible assets	233	212
Investments and other assets		
Investment securities	398	413
Deferred tax assets	612	599
Leasehold and guarantee deposits	2,287	2,298
Other	67	67
Total investments and other assets	3,365	3,378
Total non-current assets	10,205	10,282
Total assets	35,465	35,130
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	3,017	2,782
Current portion of bonds payable	2,009	2,009
Accounts payable - other	678	473
Accrued expenses	1,227	1,211
Contract liabilities	396	363
Accrued consumption taxes	252	298
Income taxes payable	760	446
Provision for bonuses	–	77
Provision for shareholder benefit program	121	87
Other	420	447
Total current liabilities	8,883	8,198
Non-current liabilities		
Bonds payable	100	100
Guarantee deposits received	876	862
Asset retirement obligations	612	621
Other	53	46
Total non-current liabilities	1,641	1,630
Total liabilities	10,525	9,828

(Millions of yen)

	As of December 31, 2022	As of March 31, 2023
Net assets		
Shareholders' equity		
Share capital	1,932	1,932
Capital surplus	1,334	1,334
Retained earnings	21,256	21,601
Treasury shares	(79)	(79)
Total shareholders' equity	24,442	24,788
Accumulated other comprehensive income		
Foreign currency translation adjustment	35	37
Total accumulated other comprehensive income	35	37
Non-controlling interests	461	475
Total net assets	24,939	25,301
Total liabilities and net assets	35,465	35,130

**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, 2022	Three months ended March 31, 2023
Net sales	10,888	12,273
Cost of sales	5,254	6,113
Gross profit	5,634	6,159
Selling, general and administrative expenses	4,459	4,917
Operating profit	1,175	1,242
Non-operating income		
Interest income	1	1
Rebate income	3	3
Sponsorship money income	0	0
Share of profit of entities accounted for using equity method	9	17
Subsidy income	331	–
Miscellaneous income	10	15
Total non-operating income	355	38
Non-operating expenses		
Interest expenses	0	0
Foreign exchange losses	6	1
Miscellaneous losses	1	1
Total non-operating expenses	7	2
Ordinary profit	1,523	1,277
Extraordinary losses		
Loss on retirement of non-current assets	2	1
Loss on store closings	5	–
Other	–	0
Total extraordinary losses	7	1
Profit before income taxes	1,515	1,276
Income taxes - current	399	425
Income taxes - deferred	125	13
Total income taxes	525	438
Profit	990	837
Profit attributable to non-controlling interests	15	14
Profit attributable to owners of parent	974	822

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

(Millions of yen)

	Three months ended March 31, 2022	Three months ended March 31, 2023
Profit	990	837
Other comprehensive income		
Foreign currency translation adjustment	21	(1)
Share of other comprehensive income of entities accounted for using equity method	2	2
Total other comprehensive income	24	1
Comprehensive income	1,014	839
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	998	824
Comprehensive income attributable to non-controlling interests	15	14