

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2021 (Based on Japanese GAAP)

October 29, 2021

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  
 Director and General Manager of administration headquarters Yasuhiro Kuwabara TEL 03-5217-1531  
 Inquiries: TEL 03-5217-1531  
 Scheduled date to file Quarterly Securities Report: November 10, 2021  
 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, 2021 (from January 1, 2021 to September 30, 2021)

#### (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	%
Nine months ended September 30, 2021	32,323	18.9	3,588	15.8	5,884	77.9	3,663	113.7
Nine months ended September 30, 2020	27,189	11.6	3,100	(6.1)	3,307	(0.5)	1,714	(7.1)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended September 30, 2021	115.08		111.83	
Nine months ended September 30, 2020	53.85		52.33	

#### (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, 2021	32,911	24,081	72.0	744.29
As of December 31, 2020	32,723	21,215	63.8	655.65

### 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, 2020	–	12.00	–	12.00	24.00
Year ending December 31, 2021	–	15.00	–		
Year ending December 31, 2021 (Forecast)				15.00	30.00

### 3. Forecast of consolidated financial results for the year ending December 31, 2021 (from January 1, 2021 to December 31, 2021)

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
Full year	44,000	13.9	4,750	4.6	6,200	27.4	3,800	60.6	119.37

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended September 30, 2021  
(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, 2021	33,096,000 shares	As of December 31, 2020	33,096,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2021	1,261,445 shares	As of December 31, 2020	1,261,445 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, 2021	31,834,555 shares	Nine months ended September 30, 2020	31,834,558 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of December 31, 2020	As of September 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	15,933	16,453
Accounts receivable - trade	2,603	2,064
Merchandise and finished goods	606	474
Raw materials and supplies	162	166
Other	1,021	1,691
Allowance for doubtful accounts	(20)	(25)
Total current assets	20,306	20,825
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,545	5,629
Machinery and equipment, net	294	381
Other, net	830	590
Total property, plant and equipment	6,670	6,601
Intangible assets		
Goodwill	2,042	1,894
Trademark right	257	248
Other	38	38
Total intangible assets	2,338	2,180
Investments and other assets		
Investment securities	240	347
Deferred tax assets	524	425
Leasehold and guarantee deposits	2,405	2,343
Long-term loans receivable	112	73
Other	124	113
Total investments and other assets	3,407	3,303
Total non-current assets	12,416	12,085
Total assets	32,723	32,911
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	2,387	1,797
Short-term borrowings	1,050	200
Current portion of long-term borrowings	115	–
Accounts payable - other	374	333
Accrued expenses	1,059	964
Accrued consumption taxes	303	224
Income taxes payable	1,144	1,069
Provision for bonuses	–	78
Provision for shareholder benefit program	111	95
Other	658	396
Total current liabilities	7,206	5,160
Non-current liabilities		
Bonds payable	2,110	2,109
Long-term borrowings	600	–
Guarantee deposits received	817	849
Asset retirement obligations	612	635
Other	159	74
Total non-current liabilities	4,300	3,668
Total liabilities	11,507	8,829

(Millions of yen)

	As of December 31, 2020	As of September 30, 2021
Net assets		
Shareholders' equity		
Share capital	1,932	1,932
Capital surplus	1,334	1,334
Retained earnings	17,730	20,534
Treasury shares	(79)	(79)
Total shareholders' equity	20,917	23,721
Accumulated other comprehensive income		
Foreign currency translation adjustment	(45)	(27)
Total accumulated other comprehensive income	(45)	(27)
Non-controlling interests	343	387
Total net assets	21,215	24,081
Total liabilities and net assets	32,723	32,911

## 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, 2020	Nine months ended September 30, 2021
Net sales	27,189	32,323
Cost of sales	12,990	15,427
Gross profit	14,198	16,895
Selling, general and administrative expenses	11,097	13,306
Operating profit	3,100	3,588
Non-operating income		
Interest income	6	6
Rebate income	12	12
Sponsorship money income	12	4
Subsidy income	136	2,175
Share of profit of entities accounted for using equity method	–	75
Miscellaneous income	54	39
Total non-operating income	222	2,314
Non-operating expenses		
Interest expenses	2	2
Share of loss of entities accounted for using equity method	4	–
Provision of allowance for doubtful accounts	–	7
Foreign exchange losses	6	1
Miscellaneous loss	3	7
Total non-operating expenses	16	18
Ordinary profit	3,307	5,884
Extraordinary income		
Gain on sales of non-current assets	–	9
Gain on donation of non-current assets	–	10
Gain on sales of investment securities	14	–
Other	4	2
Total extraordinary income	18	22
Extraordinary losses		
Loss on retirement of non-current assets	6	35
Loss on store closings	18	160
Office relocation expenses	–	25
Impairment loss	174	15
Other	26	7
Total extraordinary losses	226	243
Profit before income taxes	3,099	5,663
Income taxes - current	1,261	1,931
Income taxes - deferred	(37)	24
Total income taxes	1,224	1,956
Profit	1,875	3,707
Profit attributable to non-controlling interests	160	44
Profit attributable to owners of parent	1,714	3,663

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

(Millions of yen)

	Nine months ended September 30, 2020	Nine months ended September 30, 2021
Profit	1,875	3,707
Other comprehensive income		
Valuation difference on available-for-sale securities	(12)	–
Foreign currency translation adjustment	(7)	15
Share of other comprehensive income of entities accounted for using equity method	(7)	2
Total other comprehensive income	(27)	17
Comprehensive income	1,847	3,725
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,686	3,681
Comprehensive income attributable to non-controlling interests	160	44