

Translation

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Summary of Consolidated Financial Results for the Three Months Ended March 31, 2021 (Based on Japanese GAAP)

April 28, 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 Kenichiro Usui
 Director and General Manager of administration headquarters Yasuhiro Kuwabara TEL 03-5217-1531
 Scheduled date to file Quarterly Securities Report: May 7, 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 three months ended March 31, 2021 (from January 1, 2021 to March 31, 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	%
Three months ended March 31, 2021	10,627	21.4	1,295	6.2	2,186	76.9	1,410	92.4
Three months ended March 31, 2020	8,753	9.5	1,220	(0.7)	1,235	0.3	733	1.6

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended March 31, 2021	44.31		43.07	
Three months ended March 31, 2020	23.03		22.38	

(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, 2021	31,883	22,276	68.7	688.55
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	Yen	Yen	Yen	Yen
Year ended December 31, 2020	–	12.00	–	12.00	24.00
Year ending December 31, 2021	–				
Year ending December 31, 2021 (Forecast)		12.00	–	12.00	24.00

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
Six months ending June 30, 2021	21,400	28.2	2,150	8.2	3,000	47.4	1,700	42.8	53.40
Full year	44,000	13.9	4,750	4.6	5,600	15.0	3,200	35.2	100.52

4. Notes

- (1) Changes in significant subsidiaries during the three months ended March 31, 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 March 31, 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 March 31, 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)

Three months ended March 31, 2021	31,834,555 shares	Three months ended March 31, 2020	31,834,565 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of December 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	15,933	15,442
Accounts receivable - trade	2,603	2,265
Merchandise and finished goods	606	515
Raw materials and supplies	162	144
Other	1,021	1,717
Allowance for doubtful accounts	(20)	(19)
Total current assets	20,306	20,065
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,545	5,253
Machinery and equipment, net	294	301
Other, net	830	686
Total property, plant and equipment	6,670	6,242
Intangible assets		
Goodwill	2,042	1,988
Trademark right	257	257
Other	38	36
Total intangible assets	2,338	2,282
Investments and other assets		
Investment securities	240	288
Deferred tax assets	524	398
Leasehold and guarantee deposits	2,405	2,412
Long-term loans receivable	112	72
Other	124	120
Total investments and other assets	3,407	3,292
Total non-current assets	12,416	11,817
Total assets	32,723	31,883
Liabilities		
Current liabilities		
Accounts payable - trade	2,387	2,019
Short-term borrowings	1,050	400
Current portion of long-term borrowings	115	685
Accounts payable - other	374	312
Accrued expenses	1,059	920
Accrued consumption taxes	303	333
Income taxes payable	1,144	743
Provision for bonuses	–	49
Provision for shareholder benefit program	111	83
Other	658	445
Total current liabilities	7,206	5,994
Non-current liabilities		
Bonds payable	2,110	2,110
Long-term borrowings	600	–
Guarantee deposits received	817	824
Asset retirement obligations	612	615
Other	159	61
Total non-current liabilities	4,300	3,612
Total liabilities	11,507	9,606

(Millions of yen)

	As of December 31, 2020	As of March 31, 2021
Net assets		
Shareholders' equity		
Share capital	1,932	1,932
Capital surplus	1,334	1,334
Retained earnings	17,730	18,759
Treasury shares	(79)	(79)
Total shareholders' equity	20,917	21,946
Accumulated other comprehensive income		
Foreign currency translation adjustment	(45)	(26)
Total accumulated other comprehensive income	(45)	(26)
Non-controlling interests	343	357
Total net assets	21,215	22,276
Total liabilities and net assets	32,723	31,883

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, 2020	Three months ended March 31, 2021
Net sales	8,753	10,627
Cost of sales	4,164	5,026
Gross profit	4,589	5,601
Selling, general and administrative expenses	3,368	4,305
Operating profit	1,220	1,295
Non-operating income		
Interest income	2	2
Rebate income	3	3
Sponsorship money income	4	4
Share of profit of entities accounted for using equity method	1	44
Foreign exchange gains	–	0
Subsidy income	–	827
Miscellaneous income	6	8
Total non-operating income	18	892
Non-operating expenses		
Interest expenses	–	1
Foreign exchange losses	1	–
Miscellaneous loss	1	0
Total non-operating expenses	2	2
Ordinary profit	1,235	2,186
Extraordinary income		
Gain on sales of non-current assets	–	24
Gain on sales of investment securities	0	–
Other	–	0
Total extraordinary income	0	25
Extraordinary losses		
Loss on retirement of non-current assets	0	15
Loss on store closings	0	11
Impairment loss	29	–
Other	–	6
Total extraordinary losses	29	33
Profit before income taxes	1,206	2,177
Income taxes - current	400	703
Income taxes - deferred	16	49
Total income taxes	417	753
Profit	788	1,424
Profit attributable to non-controlling interests	55	13
Profit attributable to owners of parent	733	1,410

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended March 31, 2020	Three months ended March 31, 2021
Profit	788	1,424
Other comprehensive income		
Valuation difference on available-for-sale securities	(17)	–
Foreign currency translation adjustment	(6)	15
Share of other comprehensive income of entities accounted for using equity method	(1)	3
Total other comprehensive income	(25)	18
Comprehensive income	763	1,443
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	707	1,429
Comprehensive income attributable to non-controlling interests	55	13