

**Translation**

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**Summary of Consolidated Financial Results  
for the Nine Months Ended September 30, 2019  
(Based on Japanese GAAP)**

October 30, 2019

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  
 Director and General Manager of administration headquarters Yasuhiro Kuwabara TEL 03-5217-1531  
 Scheduled date to file Quarterly Securities Report: November 8, 2019  
 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, 2019 (from January 1, 2019 to September 30, 2019)

(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, 2019	24,369	9.7	3,303	10.1	3,322	10.5	1,844	(1.5)
Nine months ended September 30, 2018	22,218	15.8	2,999	8.0	3,007	6.0	1,872	5.7

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended September 30, 2019	57.94		56.31	
Nine months ended September 30, 2018	58.82		58.52	

(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, 2019	26,403	19,661	72.5	601.28
As of December 31, 2018	25,854	18,402	69.7	566.25

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, 2018	–	10.00	–	10.00	20.00
Year ending December 31, 2019	–	12.00	–		
Year ending December 31, 2019 (Forecast)				12.00	24.00

3. Forecast of consolidated financial results for the year ending December 31, 2019 (from January 1, 2019 to December 31, 2019)

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	34,000	11.1	4,480	8.8	4,500	8.8	2,600	3.2	81.67

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended September 30, 2019  
(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, 2019	33,096,000 shares	As of December 31, 2018	33,096,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2019	1,261,400 shares	As of December 31, 2018	1,261,400 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, 2019	31,834,600 shares	Nine months ended September 30, 2018	31,834,652 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of December 31, 2018	As of September 30, 2019
<b>Assets</b>		
Current assets		
Cash and deposits	15,869	16,397
Accounts receivable - trade	1,446	1,471
Merchandise and finished goods	339	269
Raw materials and supplies	95	67
Other	543	546
Allowance for doubtful accounts	(5)	(5)
Total current assets	18,289	18,747
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,935	4,004
Machinery and equipment, net	225	205
Other, net	99	113
Total property, plant and equipment	4,260	4,323
Intangible assets		
Goodwill	134	83
Other	28	31
Total intangible assets	162	115
Investments and other assets		
Investment securities	387	506
Deferred tax assets	379	375
Lease and guarantee deposits	1,350	1,336
Construction assistance fund receivables	742	751
Long-term loans receivable	141	137
Other	140	108
Total investments and other assets	3,142	3,217
Total non-current assets	7,565	7,655
Total assets	25,854	26,403
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	1,704	1,525
Accrued expenses	755	636
Income taxes payable	824	390
Provision for bonuses	–	41
Provision for shareholder benefit program	65	50
Other	934	885
Total current liabilities	4,283	3,530
Non-current liabilities		
Bonds payable	2,010	2,010
Guarantee deposits received	760	790
Asset retirement obligations	382	407
Other	14	3
Total non-current liabilities	3,168	3,211
Total liabilities	7,452	6,742

(Millions of yen)

	As of December 31, 2018	As of September 30, 2019
Net assets		
Shareholders' equity		
Capital stock	1,932	1,932
Capital surplus	1,889	1,889
Retained earnings	14,282	15,426
Treasury shares	(79)	(79)
Total shareholders' equity	18,024	19,169
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2	5
Foreign currency translation adjustment	(0)	(33)
Total accumulated other comprehensive income	1	(27)
Non-controlling interests	376	519
Total net assets	18,402	19,661
Total liabilities and net assets	25,854	26,403

## 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, 2018	Nine months ended September 30, 2019
Net sales	22,218	24,369
Cost of sales	10,583	11,567
Gross profit	11,635	12,801
Selling, general and administrative expenses	8,636	9,498
Operating profit	2,999	3,303
Non-operating income		
Interest income	6	6
Rebate income	12	12
Co-sponsor fee	14	17
Miscellaneous income	14	18
Total non-operating income	48	54
Non-operating expenses		
Share of loss of entities accounted for using equity method	23	23
Bond issuance cost	12	–
Foreign exchange losses	2	7
Miscellaneous loss	2	2
Total non-operating expenses	40	34
Ordinary profit	3,007	3,322
Extraordinary income		
Gain on transfer of store	50	18
Other	2	–
Total extraordinary income	52	18
Extraordinary losses		
Loss on retirement of non-current assets	56	15
Loss on closing of stores	25	143
Impairment loss	–	26
Other	0	5
Total extraordinary losses	82	189
Profit before income taxes	2,976	3,151
Income taxes - current	1,073	1,161
Income taxes - deferred	(38)	1
Total income taxes	1,034	1,163
Profit	1,941	1,987
Profit attributable to non-controlling interests	68	143
Profit attributable to owners of parent	1,872	1,844

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

(Millions of yen)

	Nine months ended September 30, 2018	Nine months ended September 30, 2019
Profit	1,941	1,987
Other comprehensive income		
Valuation difference on available-for-sale securities	1	3
Foreign currency translation adjustment	(4)	(23)
Share of other comprehensive income of entities accounted for using equity method	(1)	(8)
Total other comprehensive income	(3)	(29)
Comprehensive income	1,937	1,958
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,868	1,815
Comprehensive income attributable to non-controlling interests	68	143