

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2018 (Based on Japanese GAAP)

October 30, 2018

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 9, 2018  
 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, 2018 (from January 1, 2018 to September 30, 2018)

#### (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, 2018	22,218	15.8	2,999	8.0	3,007	6.0	1,872	5.7
Nine months ended September 30, 2017	19,186	13.3	2,778	17.6	2,837	18.2	1,771	22.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended September 30, 2018	58.82		58.52	
Nine months ended September 30, 2017	55.65		–	

#### (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, 2018	24,214	17,712	71.7	545.73
As of December 31, 2017	21,248	16,347	75.7	505.03

### 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, 2017	–	16.00	–	8.00	–
Year ending December 31, 2018	–	10.00	–		
Year ending December 31, 2018 (Forecast)				10.00	20.00

### 3. Forecast of consolidated financial results for the year ending December 31, 2018 (from January 1, 2018 to December 31, 2018)

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	30,000	13.0	4,170	10.8	4,200	10.0	2,500	7.6	78.53

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended September 30, 2018  
(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, 2018	33,096,000 shares	As of December 31, 2017	33,096,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2018	1,261,358 shares	As of December 31, 2017	1,261,328 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, 2018	31,834,652 shares	Nine months ended September 30, 2017	31,834,697 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of December 31, 2017	As of September 30, 2018
<b>Assets</b>		
Current assets		
Cash and deposits	11,967	14,761
Accounts receivable - trade	1,496	1,278
Merchandise and finished goods	292	269
Raw materials and supplies	73	71
Other	616	659
Allowance for doubtful accounts	(6)	(5)
Total current assets	14,440	17,035
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,341	3,575
Other, net	385	398
Total property, plant and equipment	3,727	3,974
Intangible assets		
Goodwill	358	281
Other	7	6
Total intangible assets	365	288
Investments and other assets		
Investment securities	377	384
Lease and guarantee deposits	1,293	1,370
Construction assistance fund receivables	631	726
Long-term loans receivable	144	145
Other	267	288
Total investments and other assets	2,714	2,915
Total non-current assets	6,808	7,178
Total assets	21,248	24,214
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	1,690	1,380
Income taxes payable	660	441
Provision for bonuses	–	41
Provision for shareholder benefit program	38	38
Other	1,496	1,471
Total current liabilities	3,885	3,373
Non-current liabilities		
Bonds payable	–	2,011
Guarantee deposits received	644	739
Asset retirement obligations	340	358
Other	30	18
Total non-current liabilities	1,015	3,128
Total liabilities	4,900	6,501

(Millions of yen)

	As of December 31, 2017	As of September 30, 2018
Net assets		
Shareholders' equity		
Capital stock	1,932	1,932
Capital surplus	1,884	1,884
Retained earnings	12,336	13,636
Treasury shares	(79)	(79)
Total shareholders' equity	16,073	17,372
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2	4
Foreign currency translation adjustment	1	(4)
Total accumulated other comprehensive income	3	0
Non-controlling interests	270	339
Total net assets	16,347	17,712
Total liabilities and net assets	21,248	24,214

**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, 2017	Nine months ended September 30, 2018
Net sales	19,186	22,218
Cost of sales	9,093	10,583
Gross profit	10,093	11,635
Selling, general and administrative expenses	7,315	8,636
Operating profit	2,778	2,999
Non-operating income		
Interest income	25	6
Rebate income	11	12
Co-sponsor fee	13	14
Share of profit of entities accounted for using equity method	8	–
Miscellaneous income	11	14
Total non-operating income	70	48
Non-operating expenses		
Share of loss of entities accounted for using equity method	–	23
Bond issuance cost	–	12
Foreign exchange losses	8	2
Miscellaneous loss	2	2
Total non-operating expenses	11	40
Ordinary profit	2,837	3,007
Extraordinary income		
Gain on sales of non-current assets	3	–
Gain on transfer of store	–	50
Other	1	2
Total extraordinary income	4	52
Extraordinary losses		
Loss on retirement of non-current assets	35	56
Loss on closing of stores	25	25
Other	–	0
Total extraordinary losses	60	82
Profit before income taxes	2,780	2,976
Income taxes - current	965	1,073
Income taxes - deferred	(9)	(38)
Total income taxes	955	1,034
Profit	1,824	1,941
Profit attributable to non-controlling interests	53	68
Profit attributable to owners of parent	1,771	1,872

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

(Millions of yen)

	Nine months ended September 30, 2017	Nine months ended September 30, 2018
Profit	1,824	1,941
Other comprehensive income		
Valuation difference on available-for-sale securities	0	1
Foreign currency translation adjustment	5	(4)
Share of other comprehensive income of entities accounted for using equity method	(2)	(1)
Total other comprehensive income	3	(3)
Comprehensive income	1,828	1,937
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,775	1,868
Comprehensive income attributable to non-controlling interests	53	68