

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended November 20, 2021 (Based on Japanese GAAP)

December 21, 2021

Company name: ARCLAND SAKAMOTO CO.,LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 9842 URL <https://www.arcland.co.jp/>  
 Representative: President and COO Haruhiko Sakamoto  
 Inquiries: Director, General Manager, Administration Headquarters Mitsuki Shida TEL 0256-33-6000  
 Scheduled date to file Quarterly Securities Report: December 24, 2021  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 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 November 20, 2021 (from February 21, 2021 to November 20, 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 November 20, 2021	245,709	159.5	16,663	63.2	18,663	70.1	16,979	165.1
Nine months ended November 20, 2020	94,686	14.1	10,212	34.7	10,973	33.4	6,404	50.6

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended November 20, 2021	418.66		–	
Nine months ended November 20, 2020	157.91		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of November 20, 2021	378,862	108,606	25.8	2,405.52
As of February 20, 2021	353,379	91,048	23.0	2,004.99

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended February 20, 2021	–	15.00	–	20.00	35.00
Year ending February 20, 2022	–	15.00	–		
Year ending February 20, 2022 (Forecast)				20.00	35.00

3. Forecast of consolidated financial results for the year ending February 20, 2022 (from February 21, 2021 to February 20, 2022)

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	365,000	–	22,300	–	23,100	–	19,500	–	480.80

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended November 20, 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 November 20, 2021	41,381,686 shares	As of February 20, 2021	41,381,686 shares
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Number of treasury shares at the end of the period

As of November 20, 2021	824,077 shares	As of February 20, 2021	824,029 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended November 20, 2021	40,557,647 shares	Nine months ended November 20, 2020	40,557,685 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of February 20, 2021	As of November 20, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	25,613	26,487
Notes and accounts receivable - trade	9,785	10,153
Merchandise and finished goods	55,048	56,469
Other	6,034	7,715
Allowance for doubtful accounts	(31)	(30)
Total current assets	96,449	100,795
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	90,092	93,942
Land	56,201	72,483
Leased assets, net	24,423	23,771
Other, net	10,833	11,560
Total property, plant and equipment	181,551	201,758
Intangible assets		
Goodwill	23,538	22,381
Trademark right	9,566	9,202
Other	6,470	7,790
Total intangible assets	39,575	39,375
Investments and other assets		
Investment securities	8,682	9,418
Leasehold and guarantee deposits	23,459	23,896
Other	3,673	3,632
Allowance for doubtful accounts	(12)	(13)
Total investments and other assets	35,802	36,933
Total non-current assets	256,929	278,067
Total assets	353,379	378,862

(Millions of yen)

	As of February 20, 2021	As of November 20, 2021
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	20,909	20,573
Electronically recorded obligations - operating	21,581	26,009
Short-term borrowings	104,530	54,700
Current portion of long-term borrowings	9,115	22,000
Lease obligations	1,853	1,867
Income taxes payable	4,939	6,437
Provision for bonuses	884	1,913
Provision for bonuses for directors (and other officers)	42	–
Provision for point card certificates	158	289
Asset retirement obligations	4	1
Other	15,517	11,796
<b>Total current liabilities</b>	<b>179,535</b>	<b>145,589</b>
<b>Non-current liabilities</b>		
Bonds payable	2,110	2,109
Long-term borrowings	25,600	65,750
Lease obligations	30,991	30,203
Long-term guarantee deposits	11,881	13,498
Retirement benefit liability	513	492
Provision for retirement benefits for directors (and other officers)	180	180
Asset retirement obligations	4,514	4,773
Other	7,001	7,659
<b>Total non-current liabilities</b>	<b>82,794</b>	<b>124,667</b>
<b>Total liabilities</b>	<b>262,330</b>	<b>270,256</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	6,462	6,462
Capital surplus	6,276	6,274
Retained earnings	68,166	83,726
Treasury shares	(641)	(641)
<b>Total shareholders' equity</b>	<b>80,264</b>	<b>95,822</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,144	1,718
Foreign currency translation adjustment	(64)	(73)
Deferred gains or losses on hedges	(26)	94
<b>Total accumulated other comprehensive income</b>	<b>1,053</b>	<b>1,739</b>
<b>Non-controlling interests</b>	<b>9,730</b>	<b>11,044</b>
<b>Total net assets</b>	<b>91,048</b>	<b>108,606</b>
<b>Total liabilities and net assets</b>	<b>353,379</b>	<b>378,862</b>

## Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

### Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended November 20, 2020	Nine months ended November 20, 2021
Net sales	94,686	245,709
Cost of sales	57,676	154,653
Gross profit	37,009	91,056
Operating revenue		
Lease revenue	2,467	8,821
Other	–	102
Operating gross profit	39,476	99,980
Selling, general and administrative expenses	29,264	83,317
Operating profit	10,212	16,663
Non-operating income		
Interest income	13	52
Dividend income	164	204
Purchase discounts	234	238
Foreign exchange gains	–	60
Subsidy income	137	2,191
Share of profit of entities accounted for using equity method	143	219
Other	147	251
Total non-operating income	840	3,218
Non-operating expenses		
Interest expenses	58	937
Foreign exchange losses	11	–
Commission for syndicated loans	–	251
Other	8	29
Total non-operating expenses	79	1,218
Ordinary profit	10,973	18,663
Extraordinary income		
Gain on sales of non-current assets	–	10,237
Income from exited tenant	27	4
Gain on sales of investment securities	14	–
Gain on step acquisitions	435	–
Other	5	12
Total extraordinary income	483	10,254
Extraordinary losses		
Loss on retirement of non-current assets	16	169
Loss on disaster	–	71
Loss on valuation of investment securities	152	–
Impairment loss	174	170
compensation from tenant transfer	–	119
Loss on store closings	18	266
Dismantlement expanses	58	64
Other	48	74
Total extraordinary losses	469	935

(Millions of yen)

	Nine months ended November 20, 2020	Nine months ended November 20, 2021
Profit before income taxes	10,988	27,982
Income taxes - current	3,845	8,863
Income taxes - deferred	(193)	448
Total income taxes	3,651	9,311
Profit	7,336	18,671
Profit attributable to non-controlling interests	931	1,691
Profit attributable to owners of parent	6,404	16,979

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

(Millions of yen)

	Nine months ended November 20, 2020	Nine months ended November 20, 2021
Profit	7,336	18,671
Other comprehensive income		
Valuation difference on available-for-sale securities	749	573
Foreign currency translation adjustment	(1)	(3)
Deferred gains or losses on hedges	–	120
Share of other comprehensive income of entities accounted for using equity method	(7)	2
Total other comprehensive income	740	693
Comprehensive income	8,077	19,364
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,157	17,665
Comprehensive income attributable to non-controlling interests	919	1,699