

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended November 20, 2019 (Based on Japanese GAAP)

December 16, 2019

Company name: ARCLAND SAKAMOTO CO.,LTD.
 Stock exchange listing: Tokyo
 Stock code: 9842 URL <http://www.arcland.co.jp/>
 Representative: President and COO Masatoshi Sakamoto
 Director, General Manager, Administration Mitsuki Shida TEL 0256-33-6000
 Headquarters
 Scheduled date to file Quarterly Securities Report: December 27, 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 November 20, 2019 (from February 21, 2019 to November 20, 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 November 20, 2019	85,411	2.9	7,584	(2.2)	8,217	(1.8)	4,254	(10.1)
Nine months ended November 20, 2018	83,019	4.1	7,757	6.2	8,371	6.5	4,732	8.2

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended November 20, 2019	104.89	–
Nine months ended November 20, 2018	116.68	–

(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, 2019	106,552	82,623	69.0	1,812.15
As of February 20, 2019	97,069	78,991	72.6	1,738.48

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 February 20, 2019	–	15.00	–	15.00	30.00
Year ending February 20, 2020	–	15.00	–		
Year ending February 20, 2020 (Forecast)				15.00	30.00

3. Forecast of consolidated financial results for the year ending February 20, 2020 (from February 21, 2019 to February 20, 2020)

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	115,000	4.6	10,000	1.0	11,000	3.3	5,800	1.9	143.01

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended November 20, 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 November 20, 2019	41,381,686 shares	As of February 20, 2019	41,381,686 shares
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Number of treasury shares at the end of the period

As of November 20, 2019	823,983 shares	As of February 20, 2019	823,948 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, 2019	40,557,709 shares	Nine months ended November 20, 2018	40,557,738 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of February 20, 2019	As of November 20, 2019
Assets		
Current assets		
Cash and deposits	18,354	18,712
Notes and accounts receivable - trade	3,778	4,516
Merchandise and finished goods	11,594	13,617
Other	1,340	1,760
Allowance for doubtful accounts	(8)	(7)
Total current assets	35,060	38,599
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	29,084	34,231
Land	13,101	13,466
Other, net	1,902	1,543
Total property, plant and equipment	44,088	49,241
Intangible assets		
Goodwill	134	1,113
Other	1,877	1,865
Total intangible assets	2,012	2,978
Investments and other assets		
Investment securities	10,033	9,855
Lease and guarantee deposits	4,599	4,583
Other	1,280	1,298
Allowance for doubtful accounts	(6)	(5)
Total investments and other assets	15,907	15,732
Total non-current assets	62,008	67,952
Total assets	97,069	106,552

(Millions of yen)

	As of February 20, 2019	As of November 20, 2019
Liabilities		
Current liabilities		
Accounts payable - trade	4,691	6,012
Short-term loans payable	–	5,000
Income taxes payable	1,996	1,150
Provision for bonuses	238	583
Asset retirement obligations	3	–
Other	3,597	3,347
Total current liabilities	10,527	16,094
Non-current liabilities		
Bonds payable	2,010	2,010
Long-term guarantee deposited	3,434	3,623
Net defined benefit liability	272	287
Provision for directors' retirement benefits	180	180
Asset retirement obligations	1,614	1,679
Other	37	53
Total non-current liabilities	7,550	7,834
Total liabilities	18,077	23,929
Net assets		
Shareholders' equity		
Capital stock	6,462	6,462
Capital surplus	6,606	6,594
Retained earnings	57,191	60,065
Treasury shares	(641)	(641)
Total shareholders' equity	69,619	72,481
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	889	1,068
Foreign currency translation adjustment	(0)	(53)
Total accumulated other comprehensive income	889	1,014
Non-controlling interests	8,482	9,126
Total net assets	78,991	82,623
Total liabilities and net assets	97,069	106,552

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, 2018	Nine months ended November 20, 2019
Net sales	83,019	85,411
Cost of sales	51,675	52,281
Gross profit	31,343	33,130
Selling, general and administrative expenses	23,585	25,546
Operating profit	7,757	7,584
Non-operating income		
Interest income	7	7
Dividend income	113	151
Purchase discounts	232	227
Share of profit of entities accounted for using equity method	106	94
Other	179	186
Total non-operating income	638	668
Non-operating expenses		
Interest expenses	0	2
Foreign exchange losses	2	17
Bond issuance cost	12	-
Other	9	14
Total non-operating expenses	25	35
Ordinary profit	8,371	8,217
Extraordinary income		
Income from exited tenant	27	-
Gain on transfer of store	50	18
Gain on reversal of asset retirement obligations	-	21
Other	9	19
Total extraordinary income	86	59
Extraordinary losses		
Loss on retirement of non-current assets	59	15
Loss on closing of stores	25	143
Dismantlement expanses	18	29
Impairment loss	-	26
Other	7	26
Total extraordinary losses	110	240
Profit before income taxes	8,347	8,036
Income taxes - current	2,799	2,901
Income taxes - deferred	(94)	(89)
Total income taxes	2,704	2,812
Profit	5,643	5,224
Profit attributable to non-controlling interests	911	970
Profit attributable to owners of parent	4,732	4,254

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended November 20, 2018	Nine months ended November 20, 2019
Profit	5,643	5,224
Other comprehensive income		
Valuation difference on available-for-sale securities	(271)	180
Foreign currency translation adjustment	(4)	(40)
Share of other comprehensive income of entities accounted for using equity method	(1)	(8)
Total other comprehensive income	(277)	131
Comprehensive income	5,365	5,355
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,456	4,398
Comprehensive income attributable to non-controlling interests	909	957