

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended November 20, 2018 (Based on Japanese GAAP)

December 17, 2018

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 28, 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 November 20, 2018 (from February 21, 2018 to November 20, 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 November 20, 2018	83,019	4.1	7,757	6.2	8,371	6.5	4,732	8.2
Nine months ended November 20, 2017	79,735	2.0	7,302	7.5	7,862	6.6	4,375	8.2

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended November 20, 2018	116.68	–
Nine months ended November 20, 2017	107.88	–

(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, 2018	97,975	78,481	71.8	1,734.06
As of February 20, 2018	90,843	74,590	73.9	1,654.18

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, 2018	–	12.50	–	15.00	27.50
Year ending February 20, 2019	–	15.00	–		
Year ending February 20, 2019 (Forecast)				15.00	30.00

3. Forecast of consolidated financial results for the year ending February 20, 2019 (from February 21, 2018 to February 20, 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	107,000	1.7	9,700	3.3	10,500	4.6	5,500	1.7	135.61

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended November 20, 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 November 20, 2018	41,381,686 shares	As of February 20, 2018	41,381,686 shares
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Number of treasury shares at the end of the period

As of November 20, 2018	823,948 shares	As of February 20, 2018	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, 2018	40,557,738 shares	Nine months ended November 20, 2017	40,557,786 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of February 20, 2018	As of November 20, 2018
Assets		
Current assets		
Cash and deposits	14,777	19,144
Notes and accounts receivable - trade	3,748	4,154
Merchandise and finished goods	12,081	12,907
Other	1,727	2,048
Allowance for doubtful accounts	(8)	(7)
Total current assets	32,326	38,246
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	29,281	28,809
Land	11,173	11,238
Other, net	952	1,301
Total property, plant and equipment	41,407	41,350
Intangible assets		
Goodwill	358	281
Other	1,890	1,870
Total intangible assets	2,248	2,152
Investments and other assets		
Investment securities	9,969	11,164
Lease and guarantee deposits	4,447	4,620
Other	451	446
Allowance for doubtful accounts	(6)	(6)
Total investments and other assets	14,860	16,225
Total non-current assets	58,517	59,728
Total assets	90,843	97,975

(Millions of yen)

	As of February 20, 2018	As of November 20, 2018
Liabilities		
Current liabilities		
Accounts payable - trade	4,765	6,516
Current portion of long-term loans payable	500	125
Income taxes payable	1,774	1,252
Provision for bonuses	226	560
Other	3,390	3,502
Total current liabilities	10,657	11,958
Non-current liabilities		
Bonds payable	–	2,011
Long-term guarantee deposited	3,335	3,385
Net defined benefit liability	260	265
Provision for directors' retirement benefits	180	180
Asset retirement obligations	1,542	1,581
Other	277	110
Total non-current liabilities	5,595	7,535
Total liabilities	16,252	19,493
Net assets		
Shareholders' equity		
Capital stock	6,462	6,462
Capital surplus	6,603	6,603
Retained earnings	52,718	56,233
Treasury shares	(641)	(641)
Total shareholders' equity	65,143	68,658
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,945	1,673
Foreign currency translation adjustment	0	(2)
Total accumulated other comprehensive income	1,946	1,670
Non-controlling interests	7,500	8,152
Total net assets	74,590	78,481
Total liabilities and net assets	90,843	97,975

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, 2017	Nine months ended November 20, 2018
Net sales	79,735	83,019
Cost of sales	50,031	51,675
Gross profit	29,703	31,343
Selling, general and administrative expenses	22,401	23,585
Operating profit	7,302	7,757
Non-operating income		
Interest income	25	7
Dividend income	75	113
Purchase discounts	231	232
Share of profit of entities accounted for using equity method	80	106
Other	164	179
Total non-operating income	578	638
Non-operating expenses		
Interest expenses	2	0
Foreign exchange losses	8	2
Bond issuance cost	-	12
Other	8	9
Total non-operating expenses	19	25
Ordinary profit	7,862	8,371
Extraordinary income		
Gain on sales of non-current assets	3	-
Settlement received	13	-
Income from exited tenant	-	27
Gain on transfer of store	-	50
Other	6	9
Total extraordinary income	22	86
Extraordinary losses		
Loss on retirement of non-current assets	36	59
Loss on closing of stores	39	25
Dismantlement expanses	19	18
Other	21	7
Total extraordinary losses	116	110
Profit before income taxes	7,767	8,347
Income taxes - current	2,594	2,799
Income taxes - deferred	(52)	(94)
Total income taxes	2,541	2,704
Profit	5,225	5,643
Profit attributable to non-controlling interests	850	911
Profit attributable to owners of parent	4,375	4,732

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended November 20, 2017	Nine months ended November 20, 2018
Profit	5,225	5,643
Other comprehensive income		
Valuation difference on available-for-sale securities	(642)	(271)
Foreign currency translation adjustment	5	(4)
Share of other comprehensive income of entities accounted for using equity method	(2)	(1)
Total other comprehensive income	(639)	(277)
Comprehensive income	4,585	5,365
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,734	4,456
Comprehensive income attributable to non-controlling interests	851	909