

Translation

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Summary of Consolidated Financial Results for the Three Months Ended May 20, 2016 (Based on Japanese GAAP)

June 21, 2016

Company name: ARCLAND SAKAMOTO CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 9842 URL <http://www.arcland.co.jp/>
 Representative: President Masatoshi Sakamoto
 Inquiries: Director, General Manager Accounting Dept. Toshiyuki Kuribayashi TEL 0256-33-6000
 Scheduled date to file Quarterly Securities Report: June 30, 2016
 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 three months ended May 20, 2016 (from February 21, 2016 to May 20, 2016)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended May 20, 2016	26,042	1.9	2,488	7.6	2,634	6.5	1,427	11.2
Three months ended May 20, 2015	25,557	(4.0)	2,311	(15.3)	2,474	(14.1)	1,284	(17.2)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended May 20, 2016	35.21		–	
Three months ended May 20, 2015	31.67		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of May 20, 2016	85,764	63,990	67.7	1,431.55
As of February 20, 2016	80,340	62,905	71.1	1,408.16

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, 2016	–	18.00	–	25.00	43.00
Year ending February 20, 2017	–	–	–	–	–
Year ending February 20, 2017 (Forecast)	–	12.50	–	12.50	25.00

3. Forecast of consolidated financial results for the year ending February 20, 2017 (from February 21, 2016 to February 20, 2017)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending August 20, 2016	52,250	1.2	4,680	1.4	5,050	1.4	2,730	2.7	67.31
Full year	104,000	2.7	9,250	5.4	10,000	5.6	5,200	9.2	128.21

4. Notes

- (1) Changes in significant subsidiaries during the three months ended May 20, 2016
 (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: Yes
- 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 May 20, 2016	41,381,686 shares	As of February 20, 2016	41,381,686 shares
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Number of treasury shares at the end of the period

As of May 20, 2016	823,900 shares	As of February 20, 2016	823,404 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended May 20, 2016	40,557,919 shares	Three months ended May 20, 2015	40,559,116 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of February 20, 2016	As of May 20, 2016
Assets		
Current assets		
Cash and deposits	6,163	6,149
Notes and accounts receivable - trade	3,539	3,801
Merchandise and finished goods	12,256	13,593
Securities	2,518	2,531
Other	1,517	1,752
Allowance for doubtful accounts	(8)	(6)
Total current assets	25,986	27,820
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	30,135	29,796
Land	8,853	8,880
Other, net	982	1,301
Total property, plant and equipment	39,972	39,978
Intangible assets		
Goodwill	325	322
Other	1,937	1,941
Total intangible assets	2,262	2,263
Investments and other assets		
Investment securities	6,606	10,037
Lease and guarantee deposits	4,575	4,601
Other	950	1,076
Allowance for doubtful accounts	(12)	(12)
Total investments and other assets	12,118	15,702
Total non-current assets	54,353	57,944
Total assets	80,340	85,764
Liabilities		
Current liabilities		
Accounts payable - trade	4,356	6,820
Short-term loans payable	800	3,200
Current portion of long-term loans payable	500	500
Income taxes payable	1,563	968
Provision for bonuses	227	492
Other	3,303	3,371
Total current liabilities	10,750	15,353
Non-current liabilities		
Long-term loans payable	1,000	875
Long-term guarantee deposited	3,641	3,498
Net defined benefit liability	276	276
Provision for directors' retirement benefits	180	180
Asset retirement obligations	1,423	1,435
Other	162	155
Total non-current liabilities	6,685	6,421
Total liabilities	17,435	21,774

(Millions of yen)

	As of February 20, 2016	As of May 20, 2016
Net assets		
Shareholders' equity		
Capital stock	6,462	6,462
Capital surplus	6,603	6,603
Retained earnings	44,376	45,297
Treasury shares	(640)	(641)
Total shareholders' equity	56,803	57,723
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	321	352
Foreign currency translation adjustment	(11)	(15)
Total accumulated other comprehensive income	309	336
Non-controlling interests	5,792	5,930
Total net assets	62,905	63,990
Total liabilities and net assets	80,340	85,764

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended May 20, 2015	Three months ended May 20, 2016
Net sales	25,557	26,042
Cost of sales	16,122	16,351
Gross profit	9,434	9,691
Selling, general and administrative expenses	7,123	7,203
Operating income	2,311	2,488
Non-operating income		
Interest income	13	13
Purchase discounts	74	76
Share of profit of entities accounted for using equity method	23	20
Other	59	43
Total non-operating income	170	155
Non-operating expenses		
Interest expenses	2	1
Other	5	6
Total non-operating expenses	8	8
Ordinary income	2,474	2,634
Extraordinary income		
Gain on donation of non-current assets	–	2
Other	–	2
Total extraordinary income	–	4
Extraordinary losses		
Loss on retirement of non-current assets	18	27
Loss on closing of stores	19	7
Other	5	4
Total extraordinary losses	43	39
Income before income taxes and minority interests	2,430	2,600
Income taxes - current	802	932
Income taxes - deferred	149	9
Total income taxes	951	942
Profit	1,478	1,657
Profit attributable to non-controlling interests	194	229
Profit attributable to owners of parent	1,284	1,427

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended May 20, 2015	Three months ended May 20, 2016
Profit	1,478	1,657
Other comprehensive income		
Valuation difference on available-for-sale securities	126	31
Foreign currency translation adjustment	(0)	(7)
Total other comprehensive income	126	24
Comprehensive income	1,604	1,682
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,410	1,455
Comprehensive income attributable to non-controlling interests	194	226