

Translation

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

June 19, 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: June 29, 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 three months ended May 20, 2018 (from February 21, 2018 to May 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	%
Three months ended May 20, 2018	27,425	3.3	2,754	3.9	2,964	6.1	1,705	11.2
Three months ended May 20, 2017	26,560	2.0	2,652	6.6	2,793	6.0	1,533	7.4

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended May 20, 2018	42.05	–
Three months ended May 20, 2017	37.81	–

(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, 2018	94,585	76,474	72.7	1,695.92
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	–	–	–	–	–
Year ending February 20, 2019 (Forecast)	–	15.00	–	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
Six months ending August 20, 2018	54,500	1.5	5,300	1.8	5,700	2.7	3,000	(3.9)	73.97
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 three months ended May 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 May 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 May 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)

Three months ended May 20, 2018	40,557,738 shares	Three months ended May 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 May 20, 2018
Assets		
Current assets		
Cash and deposits	14,777	15,601
Notes and accounts receivable - trade	3,748	4,217
Merchandise and finished goods	12,081	13,469
Other	1,727	1,955
Allowance for doubtful accounts	(8)	(7)
Total current assets	32,326	35,235
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	29,281	29,146
Land	11,173	11,238
Other, net	952	901
Total property, plant and equipment	41,407	41,285
Intangible assets		
Goodwill	358	332
Other	1,890	1,887
Total intangible assets	2,248	2,220
Investments and other assets		
Investment securities	9,969	10,948
Lease and guarantee deposits	4,447	4,470
Other	451	430
Allowance for doubtful accounts	(6)	(6)
Total investments and other assets	14,860	15,843
Total non-current assets	58,517	59,349
Total assets	90,843	94,585
Liabilities		
Current liabilities		
Accounts payable - trade	4,765	6,647
Current portion of long-term loans payable	500	375
Income taxes payable	1,774	1,055
Provision for bonuses	226	488
Other	3,390	3,704
Total current liabilities	10,657	12,271
Non-current liabilities		
Long-term guarantee deposited	3,335	3,312
Net defined benefit liability	260	265
Provision for directors' retirement benefits	180	180
Asset retirement obligations	1,542	1,557
Other	277	523
Total non-current liabilities	5,595	5,839
Total liabilities	16,252	18,110

(Millions of yen)

	As of February 20, 2018	As of May 20, 2018
Net assets		
Shareholders' equity		
Capital stock	6,462	6,462
Capital surplus	6,603	6,603
Retained earnings	52,718	53,815
Treasury shares	(641)	(641)
Total shareholders' equity	65,143	66,240
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,945	2,558
Foreign currency translation adjustment	0	(16)
Total accumulated other comprehensive income	1,946	2,541
Non-controlling interests	7,500	7,692
Total net assets	74,590	76,474
Total liabilities and net assets	90,843	94,585

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, 2017	Three months ended May 20, 2018
Net sales	26,560	27,425
Cost of sales	16,536	16,908
Gross profit	10,024	10,517
Selling, general and administrative expenses	7,371	7,762
Operating profit	2,652	2,754
Non-operating income		
Interest income	8	2
Dividend income	0	53
Purchase discounts	72	76
Share of profit of entities accounted for using equity method	28	49
Other	41	44
Total non-operating income	151	226
Non-operating expenses		
Interest expenses	0	0
Foreign exchange losses	7	11
Other	2	4
Total non-operating expenses	10	16
Ordinary profit	2,793	2,964
Extraordinary income		
Gain on sales of non-current assets	3	–
Income from exited tenant	–	27
Gain on transfer of store	–	11
Other	1	9
Total extraordinary income	4	47
Extraordinary losses		
Loss on retirement of non-current assets	1	11
Loss on closing of stores	10	0
Dismantlement expenses	17	7
Total extraordinary losses	28	19
Profit before income taxes	2,769	2,993
Income taxes - current	948	985
Income taxes - deferred	(29)	(17)
Total income taxes	918	967
Profit	1,850	2,025
Profit attributable to non-controlling interests	317	320
Profit attributable to owners of parent	1,533	1,705

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended May 20, 2017	Three months ended May 20, 2018
Profit	1,850	2,025
Other comprehensive income		
Valuation difference on available-for-sale securities	442	612
Foreign currency translation adjustment	8	(16)
Share of other comprehensive income of entities accounted for using equity method	(3)	(14)
Total other comprehensive income	447	581
Comprehensive income	2,298	2,607
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,978	2,300
Comprehensive income attributable to non-controlling interests	320	306