

Translation

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

June 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  
 Director, General Manager, Administration Headquarters Mitsuki Shida TEL 0256-33-6000  
 Scheduled date to file Quarterly Securities Report: July 2, 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 three months ended May 20, 2021 (from February 21, 2021 to May 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	%
Three months ended May 20, 2021	78,248	148.2	4,540	14.3	5,178	23.7	2,576	10.9
Three months ended May 20, 2020	31,524	15.9	3,972	38.4	4,187	36.3	2,322	48.8

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended May 20, 2021	63.52		–	
Three months ended May 20, 2020	57.26		–	

#### (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, 2021	379,342	93,160	21.9	2,045.10
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	Yen	Yen	Yen	Yen
Year ended February 20, 2021	–	15.00	–	20.00	35.00
Year ending February 20, 2022	–	–	–	–	–
Year ending February 20, 2022 (Forecast)	–	15.00	–	15.00	30.00

### 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
Six months ending August 20, 2021	163,500	158.2	9,500	24.1	9,100	12.0	11,600	145.5	286.01
Full year	365,000	–	20,500	–	19,500	–	17,200	–	424.09

4. Notes

- (1) Changes in significant subsidiaries during the three months ended May 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 May 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 May 20, 2021	824,029 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)

Three months ended May 20, 2021	40,557,657 shares	Three months ended May 20, 2020	40,557,703 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of February 20, 2021	As of May 20, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	25,613	26,924
Notes and accounts receivable - trade	9,785	10,824
Merchandise and finished goods	55,048	57,352
Other	6,034	6,839
Allowance for doubtful accounts	(31)	(30)
Total current assets	96,449	101,910
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	90,092	90,518
Land	56,201	76,355
Leased assets, net	24,423	24,155
Other, net	10,833	12,322
Total property, plant and equipment	181,551	203,351
Intangible assets		
Goodwill	23,538	23,120
Trademark right	9,566	9,448
Other	6,470	6,577
Total intangible assets	39,575	39,146
Investments and other assets		
Investment securities	8,682	8,015
Leasehold and guarantee deposits	23,459	23,377
Other	3,673	3,553
Allowance for doubtful accounts	(12)	(12)
Total investments and other assets	35,802	34,934
Total non-current assets	256,929	277,431
<b>Total assets</b>	<b>353,379</b>	<b>379,342</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	20,909	22,039
Electronically recorded obligations - operating	21,581	24,371
Short-term borrowings	104,530	104,880
Current portion of long-term borrowings	9,115	14,685
Lease obligations	1,853	1,846
Income taxes payable	4,939	3,500
Provision for bonuses	884	1,812
Provision for bonuses for directors (and other officers)	42	80
Provision for point card certificates	158	209
Asset retirement obligations	4	5
Other	15,517	16,744
Total current liabilities	179,535	190,175

(Millions of yen)

	As of February 20, 2021	As of May 20, 2021
Non-current liabilities		
Bonds payable	2,110	2,110
Long-term borrowings	25,600	39,000
Lease obligations	30,991	30,643
Long-term guarantee deposits	11,881	12,184
Retirement benefit liability	513	470
Provision for retirement benefits for directors (and other officers)	180	180
Asset retirement obligations	4,514	4,559
Other	7,001	6,858
Total non-current liabilities	82,794	96,006
Total liabilities	262,330	286,181

(Millions of yen)

	As of February 20, 2021	As of May 20, 2021
Net assets		
Shareholders' equity		
Share capital	6,462	6,462
Capital surplus	6,276	6,274
Retained earnings	68,166	69,930
Treasury shares	(641)	(641)
Total shareholders' equity	80,264	82,027
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,144	854
Foreign currency translation adjustment	(64)	(56)
Deferred gains or losses on hedges	(26)	118
Total accumulated other comprehensive income	1,053	917
Non-controlling interests	9,730	10,215
Total net assets	91,048	93,160
Total liabilities and net assets	353,379	379,342

## 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, 2020	Three months ended May 20, 2021
Net sales	31,524	78,248
Cost of sales	19,209	49,013
Gross profit	12,315	29,234
Operating revenue		
Lease revenue	822	2,784
Other	–	100
Operating gross profit	13,137	32,120
Selling, general and administrative expenses	9,165	27,579
Operating profit	3,972	4,540
Non-operating income		
Interest income	2	18
Dividend income	57	68
Purchase discounts	69	76
Foreign exchange gains	–	18
Subsidy income	–	827
Share of profit of entities accounted for using equity method	58	93
Other	42	84
Total non-operating income	231	1,188
Non-operating expenses		
Interest expenses	0	293
Foreign exchange losses	12	–
Commission for syndicated loans	–	250
Other	2	6
Total non-operating expenses	15	550
Ordinary profit	4,187	5,178
Extraordinary income		
Gain on sales of non-current assets	–	28
Income from exited tenant	11	4
Other	0	0
Total extraordinary income	11	32
Extraordinary losses		
Loss on retirement of non-current assets	–	44
Loss on disaster	–	52
Loss on valuation of investment securities	152	–
Impairment loss	29	22
Other	36	70
Total extraordinary losses	218	189
Profit before income taxes	3,980	5,022
Income taxes - current	1,328	1,803
Income taxes - deferred	(55)	(5)
Total income taxes	1,272	1,798
Profit	2,707	3,223
Profit attributable to non-controlling interests	385	647
Profit attributable to owners of parent	2,322	2,576

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

(Millions of yen)

	Three months ended May 20, 2020	Three months ended May 20, 2021
Profit	2,707	3,223
Other comprehensive income		
Valuation difference on available-for-sale securities	(52)	(290)
Foreign currency translation adjustment	(5)	12
Deferred gains or losses on hedges	–	145
Share of other comprehensive income of entities accounted for using equity method	(1)	3
Total other comprehensive income	(59)	(128)
Comprehensive income	2,648	3,095
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,274	2,439
Comprehensive income attributable to non-controlling interests	373	656