ARCLANDS CORPORATION

TSE Prime [Securities Code: 9842] April 14, 2026

FY2025 Full Year

Financial Results Presentation Materials

Consolidated net sales increased by 25.4 billion yen and ordinary profit decreased by 5.3 billion yen

Net sales

Consolidated net sales: 341.1 billion yen
Compared to previous fiscal year: 108.0% Compared to plan[*2]: 99.6%

Housing-related[*1]

- Opened three Lopia (franchise) food supermarket stores in addition to two new large home centers
- Contribution from acquisition of FRESHHOUSE as a subsidiary in the previous fiscal year and acquisition of Pets First Holdings as a subsidiary in June 2025

Food Service business

- Existing stores of mainstay Katsuya and Karayama performed well, and the number of stores increased by 18 on a net basis
- In addition to food service outlets, growth in the ready-to-eat business—including the manufacture and sale of frozen foods for external corporate customers—also contributed.

Ordinary profit

Consolidated ordinary profit: 13.8 billion yen
Compared to previous fiscal year: 72.2% Compared to plan[*2]: 98.9%

Housing-related[*1]

- Gross profit margin increased by 1.2% year on year due to the acquisition of Pets First as a subsidiary and the expansion of PB products.
- However, ordinary profit decreased by 36.1% due to an increase in SG&A expenses, including new store opening costs, and the absence of gain on sale of investment securities that was posted in the previous year.

Food Service business

- Gross profit margin declined 2.0% YoY due to higher cost of sales, including rice prices.
- Ordinary profit declined 9.9% due to higher SG&A expenses, including unit labor costs, utilities expenses, and logistics costs.

*1 The housing-related business includes the retail, wholesale, and real estate business segments.
*2 The full-year consolidated earnings forecast was revised upon the announcement of 3Q financial results.

Consolidated Statements of Income

ARCLANDS

(Units: million yen, %)

	FY2025 Full Year					
	Consolidated results	Sales ratio	YoY change		Vs. Plan*	
			Difference	%	Difference	%
Net sales	341,141	100.0	25,414	108.0	-1,358	99.6%
Gross profit	129,980	38.1 (YoY: +0.6)	11,548	109.8		
Operating revenue	16,025	4.7	787	105.2		
Operating gross profit	146,006	42.8	12,336	109.2		
Selling, general and administrative expenses	131,809	38.6	14,371	112.2		
Operating profit	14,196	4.2	-2,035	87.5	-303	97.9%
Ordinary profit	13,845	4.1	-5,323	72.2	-154	98.9%
Profit attributable to owners of parent	8,088	2.4	-2,038	79.9	88	101.1%

* The full-year consolidated earnings forecast was revised upon the announcement of 3Q financial results.

Statement of Income
(Housing-related and Food Service)

ARCLANDS

(Units: million yen, %)

	FY2025 Full year							
	ARCLANDS*1 (Housing-related: Consolidated - Food Service)				ARCLANDS SHD (Food Service)			
	Results	Sales ratio	%	Vs. Plan*2	Results	Sales ratio	%	Vs. Plan*2
Net sales	280,367	100.0	108.0	99.6%	60,774	100.0	108.3	99.6%
Gross profit	101,441	36.2 (YoY: +1.2)	111.6		28,539	47.0 (YoY: -2.0)	103.8	
Operating revenue	16,025	5.7	105.2		-	-	-	
Operating gross profit	117,466	41.9	110.6		28,539	47.0	103.8	
Selling, general and administrative expenses	108,568	38.7	113.3		23,241	38.2	107.5	
Operating profit	8,897	3.2	86.0	97.8%	5,298	8.7	90.0	98.1%
Ordinary profit	8,344	3.0	63.9	98.2%	5,500	9.1	90.1	100.0%
Profit attributable to owners of parent	4,567	1.6	68.3	93.2%	3,520	5.8	102.3	113.6%

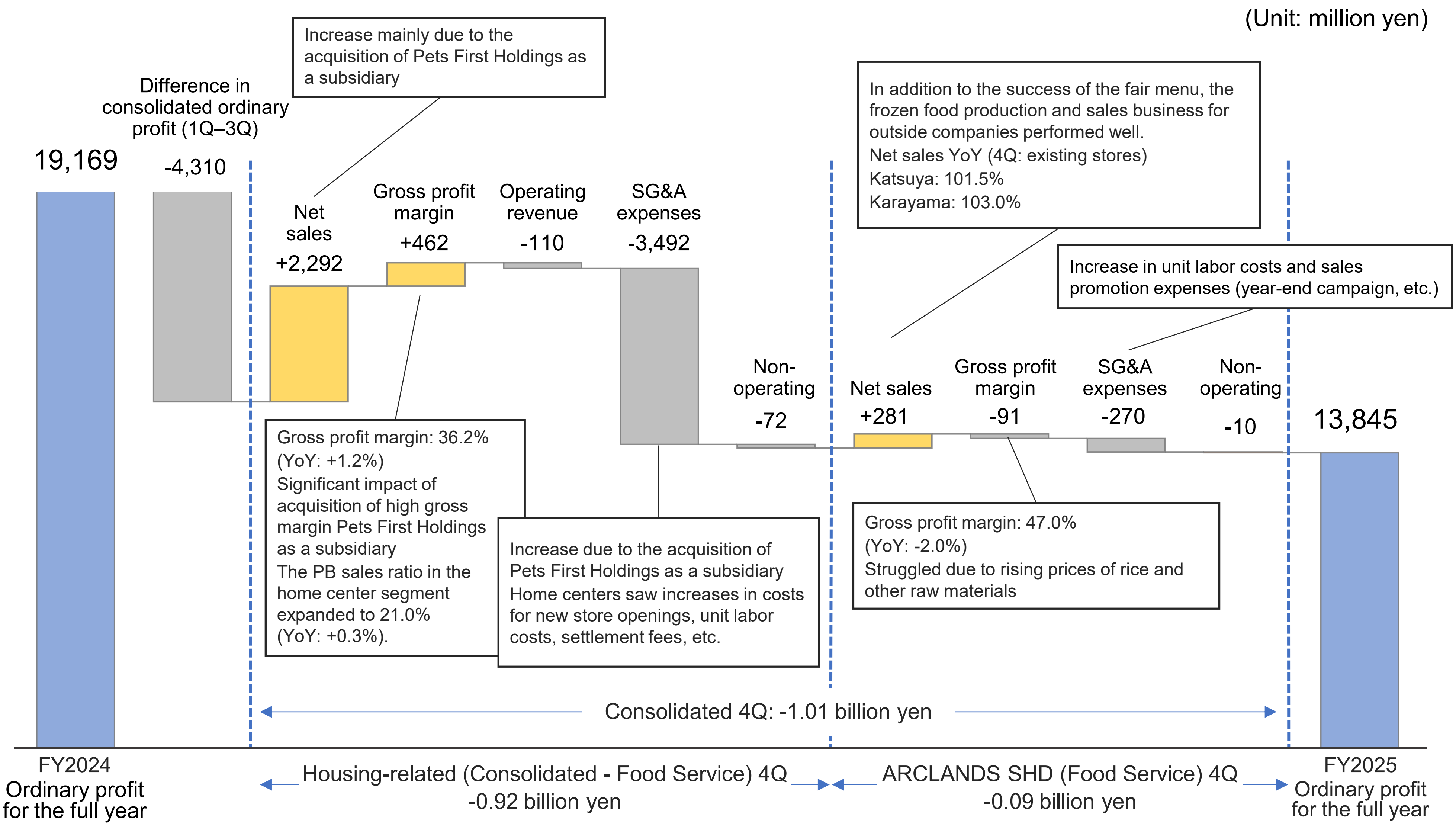
*1: ARCLANDS (Housing-related) includes the retail, wholesale and real estate business segments.

*2 The full-year consolidated earnings forecast was revised upon the announcement of 3Q financial results.

Increase/Decrease in Ordinary Profit from Previous Period

ARCLANDS

YoY Increase/Decrease



Operating Revenue (Net Sales + Operating Revenue) and Operating Profit by Segment

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(Units: million yen, %)

	FY2024 Full year		FY2025 Full year		%	
	Operating revenue	Operating profit	Operating revenue	Operating profit	Operating revenue	Operating profit
Retail business	255,270	5,559	276,722	4,496	108.4	80.9
Wholesale business	4,426	589	3,891	474	87.9	80.4
Food Service business	56,145	5,968	60,793	5,342	108.3	89.5
Real estate business	14,104	3,695	14,631	3,609	103.7	97.7
Other*1	1,018	38	1,127	108	110.7	284.9
Consolidated	330,964	16,231	357,166	14,196	107.9	87.5

*1 Other: Fitness business

*2 Details regarding consolidated eliminations are omitted.

Retail Business Sales by Product

(Units: million yen, %)

	FY2025 Full Year								
	Consolidated			MUSASHI, etc.[*1]			VIVA HOME etc.[*1]		
	Net sales	%	Composition ratio	Net sales	%	Composition ratio	Net sales	%	Composition ratio
Home center sector total	262,411	106.6	100.0	60,931	104.0	100.0	168,202	99.1	100.0
Construction-related materials and supplies and DIY-related products	82,834	99.6	31.7	19,812	104.7	32.6	63,021	98.1	37.4
Renovation services	21,888	121.9	8.3	-	-	-	-	-	-
Household goods	73,600	99.9	28.0	17,492	102.5	28.7	56,107	99.1	33.4
Car and leisure goods	25,938	104.7	9.9	8,103	105.6	13.3	17,835	104.4	10.6
Gardening supplies	21,269	99.3	8.1	7,336	102.4	12.0	13,933	97.8	8.3
Pets	34,944	147.5	13.3	6,903	102.1	11.3	16,651	98.4	9.9
Other[*2]	1,937	119.0	0.7	1,283	126.7	2.1	653	106.5	0.4
Other retail sectors[*3]	14,282	158.9		12,095	174.1		1,696	109.1	

*1 MUSASHI, etc.: Total of stores, etc. of the former ARCLAND Sakamoto Co., Ltd., VIVA HOME, etc.: Total of stores, etc. of the former VIVA HOME Co., Ltd.

*2 Other: DOUTOR (franchise), franchise royalties, etc.

*3 Other retail sectors: Food business (supermarkets), arts and crafts specialty stores, internet businesses, overseas stores

[Housing-related] Retail Business: Year-on-Year Change in Net Sales at Existing Stores

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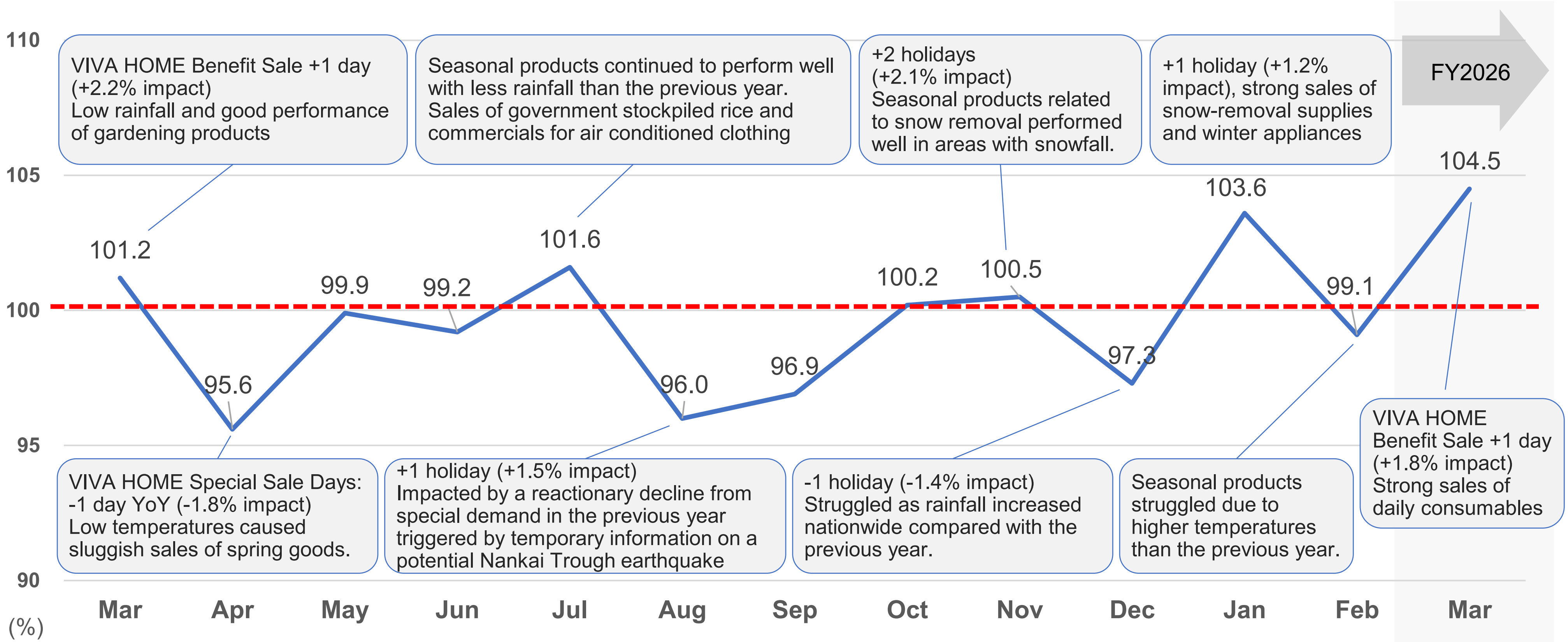
While December and February were affected by increased rainfall, performance remained firm, supported by strong sales of seasonal products.

Year-on-year change in net sales at existing stores

Full-year cumulative - Net sales: 99.2%,
Number of customers: 96.3%, Sales per customer: 103.1%



* Includes specialty stores such as ARC OASIS, NICO PET, MUSASHI PRO, VIVA HOME PRO, and food business (supermarkets) in addition to home centers.

[Housing-related] Number of Retail Stores

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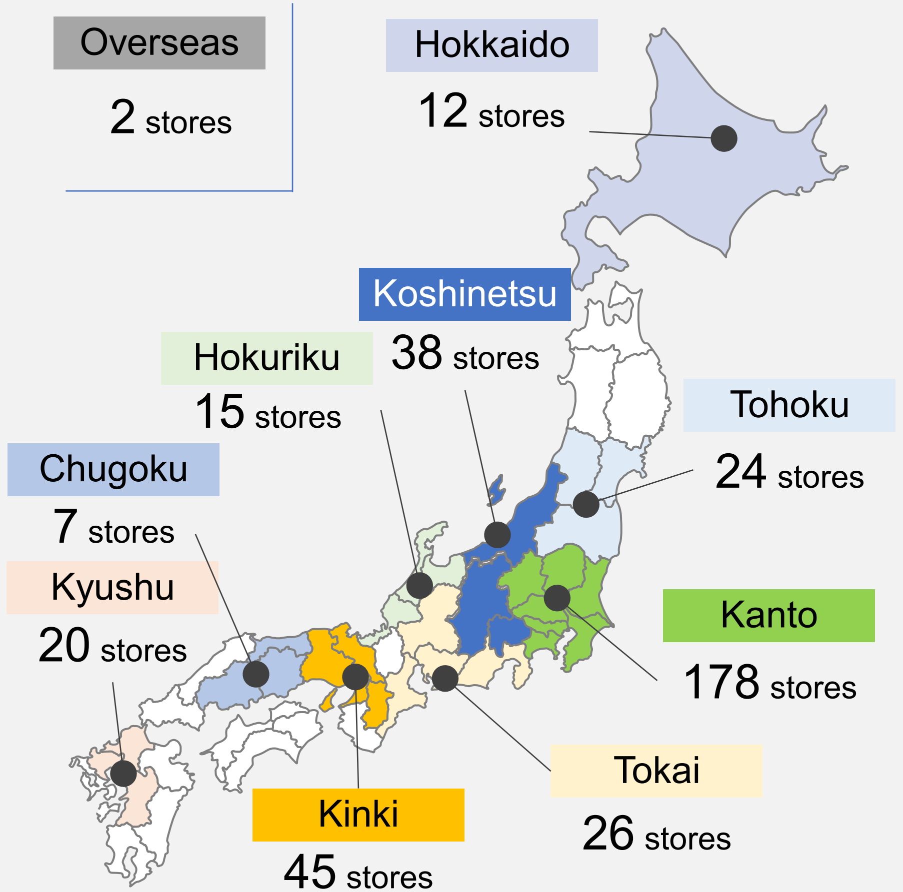
	End of FY2024	Change	End of FY2025
Home centers	139	+2	141
MUSASHI	39	+2	41
VIVA HOME	100	±0	100
Pro Shop	5	+1	6
NICO PET	16	+4	20
Pets First*	0	+91	91
Renovation	78	±0	78
Lopia	0	+3	3
Other	27	+1	28
Total	265	+102	367

* The acquisition of Pets First as a wholly owned subsidiary in FY2025 resulted in a net increase.

Number of retail stores **367** stores



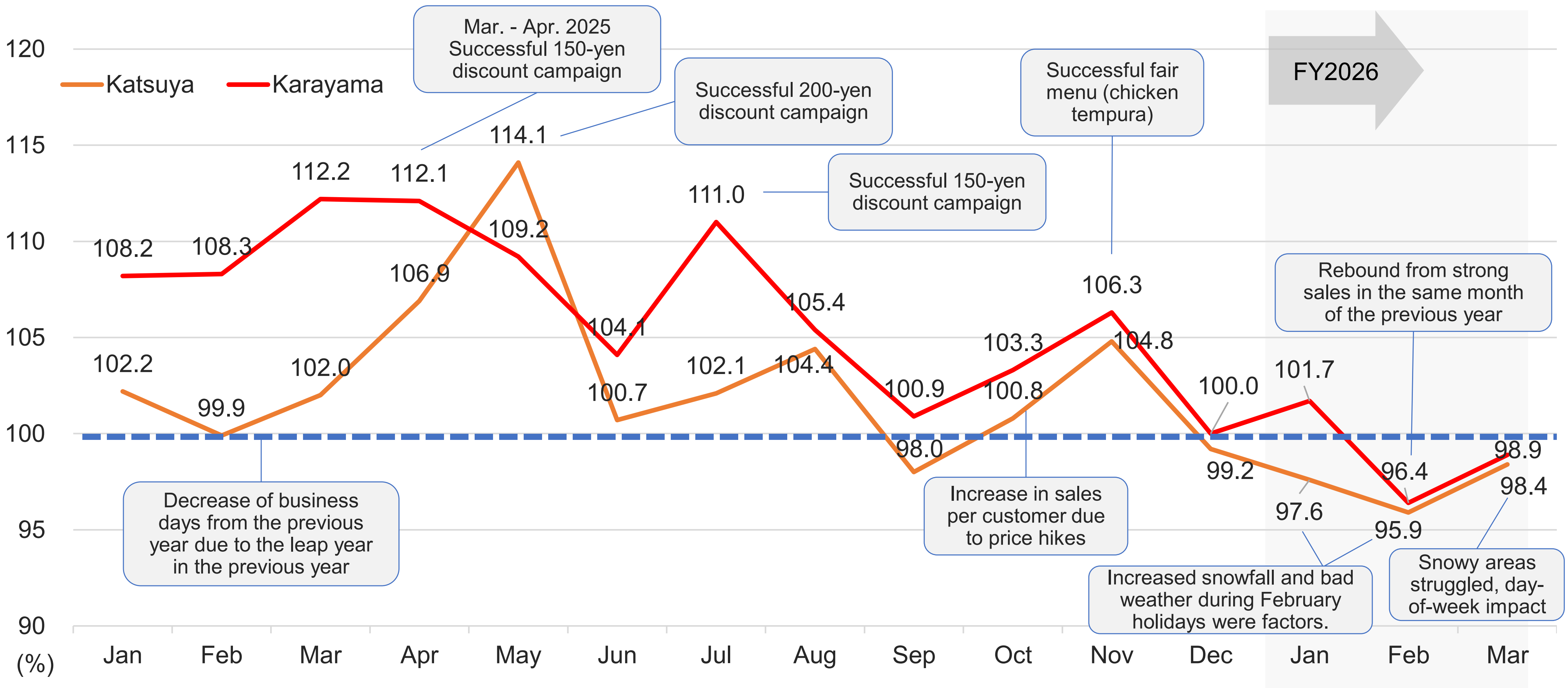
Status of Food Service Business

(Consolidated figures for FY2025 are from January to December)

Maintained sales growth due to steady customer numbers and higher unit prices thanks to the effects of fairs and campaigns

■ Year-on-year change in net sales at existing stores

Katsuya full-year cumulative - Net sales: 102.9%, Number of customers: 98.8%, Sales per customer: 104.1%



Number of Food Service Business Stores

Unit: stores

		End of FY2024 (December 31, 2024)	Opened	Closed	Change	End of FY2025 (December 31, 2025)
Katsuya	Japan	491	15	0	+15	506
	Overseas	71	6	7	-1	70
Katsuya Total		562	21	7	+14	576
Karayama	Japan	121	7	1	+6	127
	Overseas	11	2	2	±0	11
Yukari	Japan	34	1	3	-2	32
Karayama and Yukari Total		166	10	6	+4	170
Other Total		61	4	4	±0	61
All stores Total		789	35	17	+18	807

Consolidated Balance Sheet

Unit: million yen	End of FY2024	End of FY2025	Change
Current assets	87,237	98,195	10,957
Cash and deposits	18,053	20,403	2,350
Notes and accounts receivable - trade	10,912	14,947	4,034
Merchandise and finished goods	52,741	57,000	4,259
Non-current assets	247,407	248,018	610
Property, plant and equipment	185,189	177,369	-7,819
Intangible assets	30,821	36,098	5,277
Investments and other assets	31,396	34,549	3,153
Total assets	334,645	346,213	11,568
Current liabilities	120,491	122,169	1,678
Accounts payable and electronically recorded obligations - operating	42,504	45,218	2,713
Short-term borrowings	28,800	36,655	7,855
Current portion of long-term borrowings	26,004	9,996	-16,008
Non-current liabilities	92,686	95,686	2,999
Long-term borrowings	42,014	46,052	4,038
Lease liabilities	22,980	22,346	-634
Total liabilities	213,178	217,855	4,677
Total net assets	121,467	128,357	6,890
Total liabilities and net assets	334,645	346,213	11,568

Decrease in property, plant and equipment

Decrease in land: 17,724 (million yen)
Mainly from the sale of land with leasehold interest of existing stores

Increase in intangible assets

Increase in goodwill and trademark rights: 4,829 million yen
Mainly from the acquisition of Pets First Holdings

Increase/decrease in interest-bearing debt

	End of FY2025	Change
Borrowing	92,704	-4,113
Leases and bonds payable	24,144	-645
Total interest-bearing debt	116,848	-4,758

Equity ratio: 36.9%
(+0.8% from the end of the previous fiscal year)

Consolidated Cash Flow

ARCLANDS

(Unit: million yen)

	FY2024	FY2025	Change	Main factors behind changes from the previous fiscal year
Cash flows from operating activities	31,011	23,229	-7,781	Increase/decrease in operating profit: -2,035 Increase/decrease in inventories: -2,974 Increase/decrease in trade payables: -8,339 Increase/decrease in other liabilities: 2,759
Cash flows from investing activities	5,093	-7,215	-12,308	Proceeds from sale of investment securities: -7,441 Purchase of shares of subsidiaries: 6,323
Cash flows from financing activities	-36,390	-13,672	22,717	Net decrease in long-term and short-term borrowings: 21,623
Net increase (decrease) in cash and cash equivalents	-268	2,339	2,608	
Cash and cash equivalents at end of period	18,044	20,384	2,339	

Free cash flow	36,104	16,014	-20,089	

Shareholder Returns

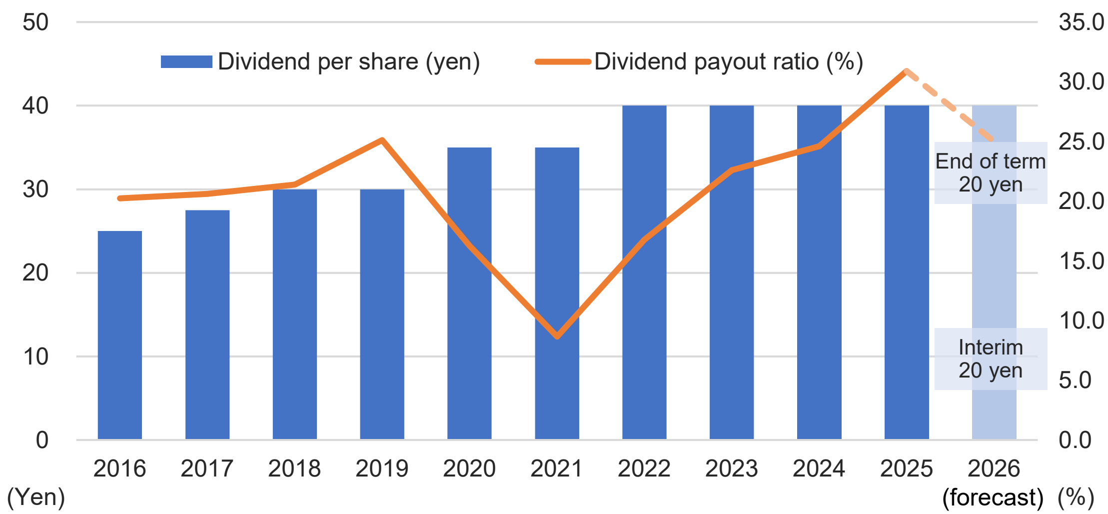
Although operating cash flow in the second half declined from the previous fiscal year, the company plans to pay a dividend of 20 yen per share, the same amount as the previous year, based on its policy of paying a progressive dividend. The annual dividend for FY2026 is expected to be 40 yen.

Basic policy

Emphasize stable dividends over the long term, while balancing profit distribution with retained earnings to increase corporate value, taking into consideration profit levels and dividend payout ratios.

Trend in dividends per share

Annual dividend for FY2026 is expected to be 40 yen, the same amount as the previous year.



Shareholder Benefit Program also continued

Shareholder benefits at company-operated stores help diversify the shareholder base, reducing volatility

In addition, promote new customer acquisition

FY2026 Financial Forecast and Initiatives

Consolidated Forecast

ARCLANDS

Net sales: 360.0 billion yen (+5.5%), ordinary profit: 16.5 billion yen (+19.2%)

Unit: million yen	FY2026 Full Year				H1		H2	
	Forecast	Sales ratio	Year-on-year change	%	Forecast	%	Forecast	%
Net sales	360,000	100.0	18,858	105.5	181,600	106.4	178,400	104.7
Gross profit	140,700	39.1	10,719	108.2 (Sales ratio: +1.0)	71,500	109.8 (Sales ratio: +1.3)	69,200	106.7 (Sales ratio: +0.7)
Operating revenue	16,500	4.6	475	103.0	8,100	101.7	8,400	104.2
Operating gross profit	157,200	43.7	11,194	107.7	79,600	108.9	77,600	106.4
Selling, general and administrative expenses	140,200	38.9	8,391	106.4	69,600	108.4	70,600	104.4
Operating profit	17,000	4.7	2,803	119.7	10,000	112.6	7,000	131.6
Ordinary profit	16,500	4.6	2,654	119.2	9,700	110.7	6,800	133.7
Profit attributable to owners of parent	10,000	2.8	1,912	123.6	6,200	109.1	3,800	157.8

* Depreciation + amortization of goodwill: 14.7 billion yen
Investment: 23.3 billion yen (Housing-related: 20.7 billion yen, Food Service Business: 2.6 billion yen)

"Housing-related"
FY2026 Business Forecasts and Initiatives

Earnings Forecast: Housing-related (Retail, Wholesale, Real Estate)

ARCLANDS

Net sales: 295 billion yen (+5.2%* Existing stores 100.0%), ordinary profit: 10.5 billion yen (+25.8%)

Unit: million yen	FY2026 Full Year				H1		H2	
	Forecast	Sales ratio	Year-on-year change	%	Forecast	%	Forecast	%
Net sales	295,000	100.0	14,633	105.2	150,600	106.7	144,400	103.7
Gross profit	109,650	37.2	8,209	108.1 (Sales ratio: +1.0)	56,650	110.5 (Sales ratio: +1.3)	53,000	105.6 (Sales ratio: +0.7)
Operating revenue	16,500	5.6	475	103.0	8,100	101.7	8,400	104.2
Operating gross profit	126,150	42.8	8,684	107.4	64,750	109.3	61,400	105.4
Selling, general and administrative expenses	114,900	38.9	6,332	105.8	57,450	108.6	57,450	103.2
Operating profit	11,250	3.8	2,352	126.4	7,300	115.1	3,950	154.6
Ordinary profit	10,500	3.6	2,155	125.8	6,850	111.9	3,650	164.3
Profit attributable to owners of parent	6,400	2.2	1,832	140.1	4,350	111.1	2,050	314.2

* Depreciation and amortization of goodwill: 14.1 billion yen, investment: 20.7 billion yen (of which, 3.4 billion yen for new stores)

Housing-related Store Opening Plan

ARCLANDS

While opening specialty stores such as the pet business, we focus on investing in and strengthening existing home improvement centers.

	End of FY2025	Opened	Closed	End of FY2026
Home centers	141	0	2	139
MUSASHI	41	0	0	41
VIVA HOME	100	0	2	98
Pro Shop	6	0	0	6
NICO PET	20	2	0	22
Pets-first	91	7	0	98
Renovation	78	0	1	77
Lopia	3	3	0	6
Other	28	0	2	26
Total	367	12	5	374

Medium-Term Management Plan Progress

Actions	Medium-Term Management Plan (FY2025 / FY2026 / FY2027)	Initiatives in FY2025
Best One Product Strategy	Standardization of basic product range	• Cutting of unnecessary products • Define standardized assortment and improve accuracy
	Addition of new category	
Low-cost structuring	Curbing labor cost ratio by reviewing operations	• Beginning the optimization of head office personnel and reduction in back-office operations
	Improve logistics costs	• Cost reduction through warehouse operations and various improvements
Deepening of specialty stores and development of new specialty store business	Expansion of pet, renovation, and professional specialty shops	• Acquisition of Pets First as a wholly owned subsidiary • NICO PET, ARCHOME, Lopia (franchise) store openings • Launch of new pro store brand ARC MASTER
Expansion of loyal customers (1) Strengthen sales channels and products (2) New customer experience through the use of digital technology	Value enhancement of PB unified brand	• Expansion of WIZ'A brand
	Improved online purchasing experience	• Completed expansion of EC center
	Strengthening 1to1 sales promotion	
	New membership system	• Announced the launch of ACPO, an integrated membership system.
New opening	Two large home centers	• Opened SUPER VIVA HOME Ibaraki Megaki store and HOME CENTER MUSASHI Suzaka store.
	Conversion of existing sales areas into specialty stores	
Promotion of ARC Happiness Project	Continuation of aggressive personnel recruitment and reform of personnel and education systems	• Strengthening internal training programs

Expanding an enjoyable shopping experience for customers

Initiatives in FY2025

Promoting the creation of a strong home improvement center shape

Initiatives for FY2026

Deepening of product lineup and sales methods

Best One Product Strategy
- Reduction in merchandise and unification and enhancement of sales methods
- Development of PB products from the customer's perspective

Deepening expertise
- Pet business, expansion of Lopia and new initiatives

Expansion of loyal customers
- New membership program "ACPO" launched.

Strengthen human capital and organizational base

Low-cost strategy
- Reform of head office operations and allocation of resources to stores
- Improvement in logistics profit/loss by reviewing operations, etc.

Human capital
- Strengthen human resource development and evaluation systems

The Retail Model that ARCLANDS Targets

ARCLANDS

Stable operating base

Utilizing the scale of approximately 140 stores, make the chain's structure and efficiency the foundation of management.

Originality and innovation of each store

Give each store discretion to extend the product lineup and enhance services by identifying local needs.

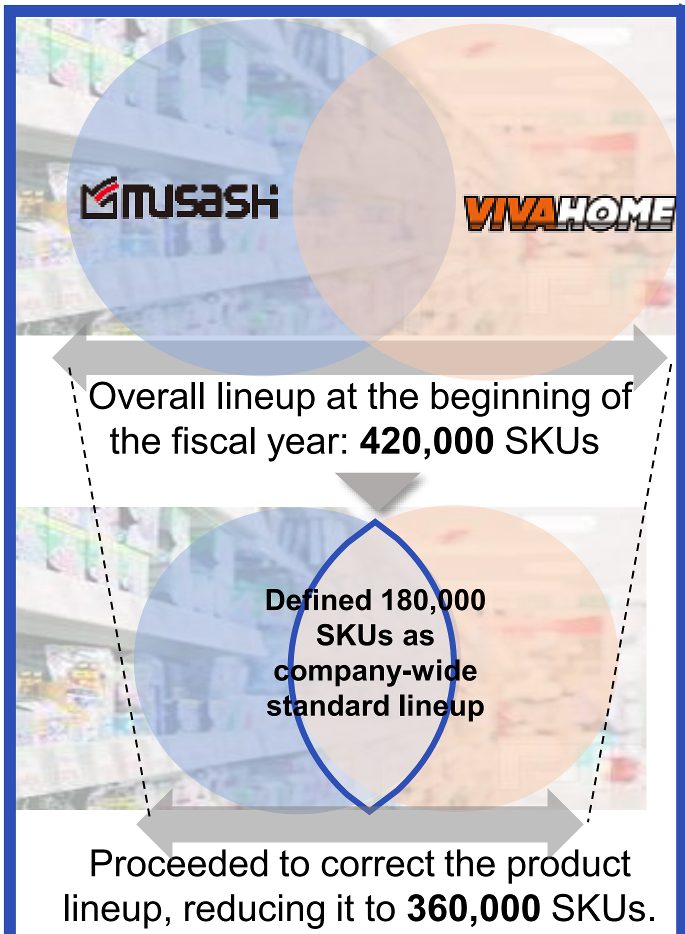
Promote sales methods with sales floors and services that are valuable to customers

Management for Strengthening Hybrid Individual Stores

Best One Product Strategy
(1) Overall picture

In addition to reducing unnecessary products and improving the accuracy of standardized product assortments, focus on sales methods

Initiatives taken in the previous fiscal year



Initiatives for the current fiscal year

	Stable operating base	Originality and innovation of each store
Product lineup	Improve the efficiency further by leveraging the scale of approximately 140 stores Continuously cut unnecessary products and standardize the lineup	+ **A lineup of products catering to local needs** at the discretion of each store
Sales methods	**Joint sales promotion** with suppliers who are in accord with us	**A hands-on sales floor** that allows customers to select merchandise with conviction

Best One Product Strategy
(2) Ingenuity in sales methods

A hands-on sales floor to make product selection a convincing choice.

Example: A booth where visitors can actually try out a high-pressure washer "Kärcher" by pouring out water is set up in the sales area.

Specialized booths set up in the store with the cooperation of suppliers

Efforts for customers to feel secure and convinced about their purchase of the merchandise by checking its usability, water pressure, etc.

Example: In-house workshops and in-store events for the plaster product "Umaku Nurail."

Conduct in-house study sessions on merchandise, hosted by suppliers, to make them work in customer service.

Conducting in-store events to let customers know the quality of the merchandise

Best One Product Strategy
(3) PB development

Promote product development from the customer's perspective, with PB products accounting for 23.5% of sales, an increase from 22%

Three values that WIZ'A promises

- Lower price for the same quality
- Higher functionality for the same price
- Generate unprecedented ideas

WIZ'A

Initiatives and issues in the previous fiscal year

Process improvement from development to procurement

○ Cost reduction and quality improvement by strengthening the company's quality control department

△ Accuracy of ordering and inventory control

Initiatives for the current fiscal year

Continuous process improvement and shift to customer-oriented development

- Product development by female buyers from a female perspective
- Product review meeting with part-timers close to customers

Promote head office operational reforms and strengthen efforts to improve logistics profitability

Initiatives in the previous fiscal year

Began workforce optimization and the reduction of back-office operations

Reviewed the operations of the head office staff with the keywords, "stop," "cut," "eliminate," and "cast aside."

Cost reduction through warehouse operations and various improvements

Initiatives for the current fiscal year

Increase the productivity of head office operations and allocate the resources created to stores

Promoting a more efficient response to inquiries using chatbots and document creation using AI

Improvement of logistics profit/loss through operational review and delivery rate revision, etc.

Improve profit/loss by improving load factor per truck, reducing cost through joint delivery with other companies, etc., and revising remote area charges at distribution centers, etc.

Deepening Expertise (1)

ARCLANDS

Growth of pet business by creating synergies with Pets-first

Initiatives taken in the previous fiscal year

Implemented product unification through category expansion and standardized shelf allocation at specialty stores

NICO PET

P's-first

Transferred the sale of living organisms in home improvement centers to Pets-first.

Initiatives for the current fiscal year

Realization of a customer-driven product assortment and value-communicating sales floors

- Continued to expand and shrink categories and strengthen standard shelf allocation at specialty stores
- Development of new PB merchandise and renewal of existing products

Synergy with Pets-first to expand loyal customers

- Linkage with Pets-first's specialty in care services
- Continue to promote the opening of new stores in our home improvement centers and the switch of pet sales section operations

Deepening Expertise (2)

ARCLANDS

Working with Lopia

Improve facilities' ability to attract customers:
FC management + tenant attraction

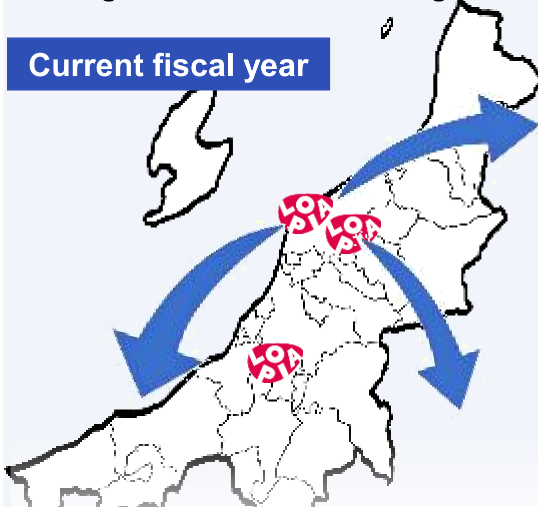
Previous fiscal year Opened three ARCLANDS-operated Lopia stores.

Lopia Musashi Niigata store

Lopia Marudai Niigata store

Lopia Nagaoka store

Current fiscal year



Planning to open 3 franchise stores this fiscal year, mainly in Niigata Prefecture

Continue to consider attracting tenants to other areas
(9 stores in total up to the previous fiscal year)

New initiatives in the specialty store business

Establish a model for opening pro shops

ARC MASTER Nagareyama store

Previous fiscal year

Opened a new type of pro shops that offers "materials" and "carpentry supplies

Current fiscal year

Establish a pro shop that serves as a "home" for professional customers

Planning to open a new garden store format

New garden shop concept

Current fiscal year

Implement structural reform to shift from a store that stocks goods to a store that proposes answers, in order to create a new lifestyle garden market.

Expansion of Loyal Customers

Launch of "ACPO," a new membership program to create new encounters across channels

Stores

Online shop

Smartphone app

Membership card

Commonization of point allocation and use

Common points that can be used and saved anywhere

New online store opened

Introducing a membership ranking system

New customer experience through the use of digital technology

Improved online purchasing experience

1to1 marketing

Looking to establish an economic zone for the entire group

Human Capital

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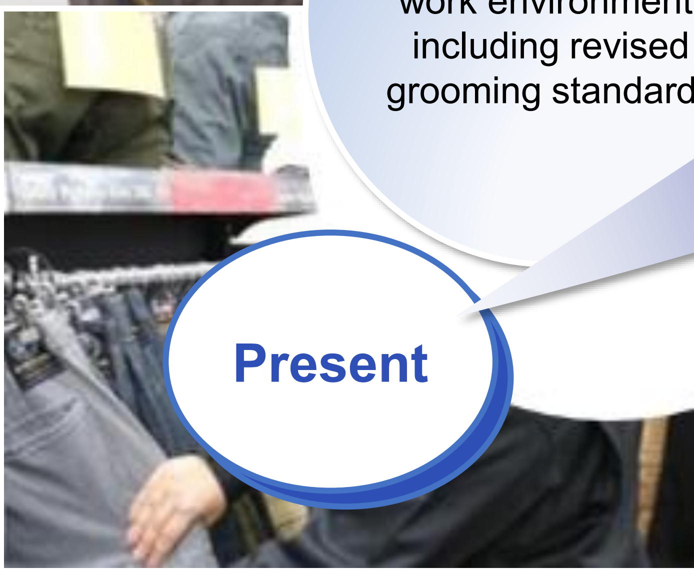
Improve human capital by strengthening human capital development and evaluation systems



Present

Recruitment

Promoting a comfortable work environment, including revised grooming standards

Training

Systematic training for each layer and role

Human resources system

Develop an evaluation system linked to expectations and requirements for promotion and appointment.

Strengthen management of hybrid independent stores

Food Service Business:
FY2026 Earnings Forecast and Initiatives

Food Service Business (ARCLAND SERVICE HOLDINGS) Earnings Forecast

Net sales: 65.0 billion yen (+7.0%), ordinary profit: 6.0 billion yen (+9.1%)

(Units: million yen, %)

	FY2026 Full Year (Jan-Dec)				H1 (Jan-Jun)		H2 (Jul-Dec)	
	Forecast	Sales ratio	Year-on-year change	%	Forecast	%	Forecast	%
Net sales	65,000	100.0	4,226	107.0	31,000	104.7	34,000	109.1
Gross profit	31,050	47.8	2,510	108.8 (Sales ratio: +0.8)	14,850	107.1 (Sales ratio: +1.1)	16,200	110.4 (Sales ratio: +0.5)
Selling, general and administrative expenses	25,300	38.2	2,059	108.9	12,150	107.3	13,150	110.3
Operating profit	5,750	8.7	452	108.5	2,700	106.5	3,050	110.4
Ordinary profit	6,000	9.1	499	109.1	2,850	108.1	3,150	110.0
Profit attributable to owners of parent	3,600	5.8	79	102.3	1,850	104.8	1,750	99.7

* Depreciation + amortization of goodwill: 0.6 billion yen, investment: 2.6 billion yen (mainly new store opening costs)

Food Service Business Opening Plan

Plans to open 51 stores in Japan and 14 stores overseas, for a total of 65 stores

		End of FY2025 (December 31, 2025)	Opened	Closed	End of FY2026 (December 31, 2026)
Katsuya	Japan	506	25	2	529
	Overseas	70	14	6	78
Katsuya Total		576	39	8	607
Karayama	Japan	127	13	2	138
	Overseas	11	0	2	9
Yukari	Japan	32	2	1	33
Karayama and Yukari Total		170	15	5	180
Other Total		61	11	4	68
All stores Total		807	65	17	855

Food Service: Progress of Medium-Term Management Plan

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	Medium-Term Management Plan FY2025	FY2026	FY2027	Initiatives in FY2025
Reinforcement of product supply network	Reconstruction of product supply systems			• Measures to address rising rice prices / Diversification of procurement, such as direct procurement • Development of new suppliers for chicken, pork, and eggs
Enhancing convenience	Store DX			• DX implemented at approx. 50% of Katsuya stores in Japan
Katsuya Maximizing Brand Value	New model store opening and verification			• Opening of an efficiency-model store (Makuhari West) • Verification of results and establishment of a foundation for further store expansion
	Acceleration of store openings in potential locations, including food courts			• Dual strategy: roadside and in-building locations • Introduction of drive-through model stores
Acceleration of Karayama Growth	Acceleration of new store openings and entry into untapped areas			• Resumption of domestic store openings • Preparation for expansion into untapped areas
Creation of a third axis of business	Enhancement of existing business axes and development of new business axes			• New store openings: Tokyo Tarako Spaghetti (1), Gochiton (2), Mango Tree Cafe (1), and various fair menus • Development of a new business axis, "Tarekatsu Shokudo Tareton" (Shimbashi store opened in February 2026)
		Multiple stores / franchising		
Acceleration of overseas expansion	Expansion into new countries and increased store openings in existing areas			• Karayama's first store in Taiwan (Taoyuan Airport Store) • Franchise agreement signed for Katsuya in the Philippines
Expansion of other food-related businesses	Establishment of a new plant and strengthening of external sales			• New Cosmic SY plant to be completed in 2027 • Strengthening external sales with a view to operating a new plant
Creating a company and system where people want to work	Strengthening recruitment and establishing training programs			• Promotion of diverse career paths • Development of training programs for all levels

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Creating New Value

~Change from existing structure~

1. Katsuya – Creating New Value
2. Karayama – Acceleration of Store Openings Toward the Next Model
3. Third and Fourth Brand Development
4. Expansion of Ready-to-Eat and Home Meal Businesses
5. Restructuring of Overseas Business Model

Establishment and expansion of new model stores

- **Pursuit of a new store model (prepaid self-service system)**

- **Consideration of multi-brand store formats**

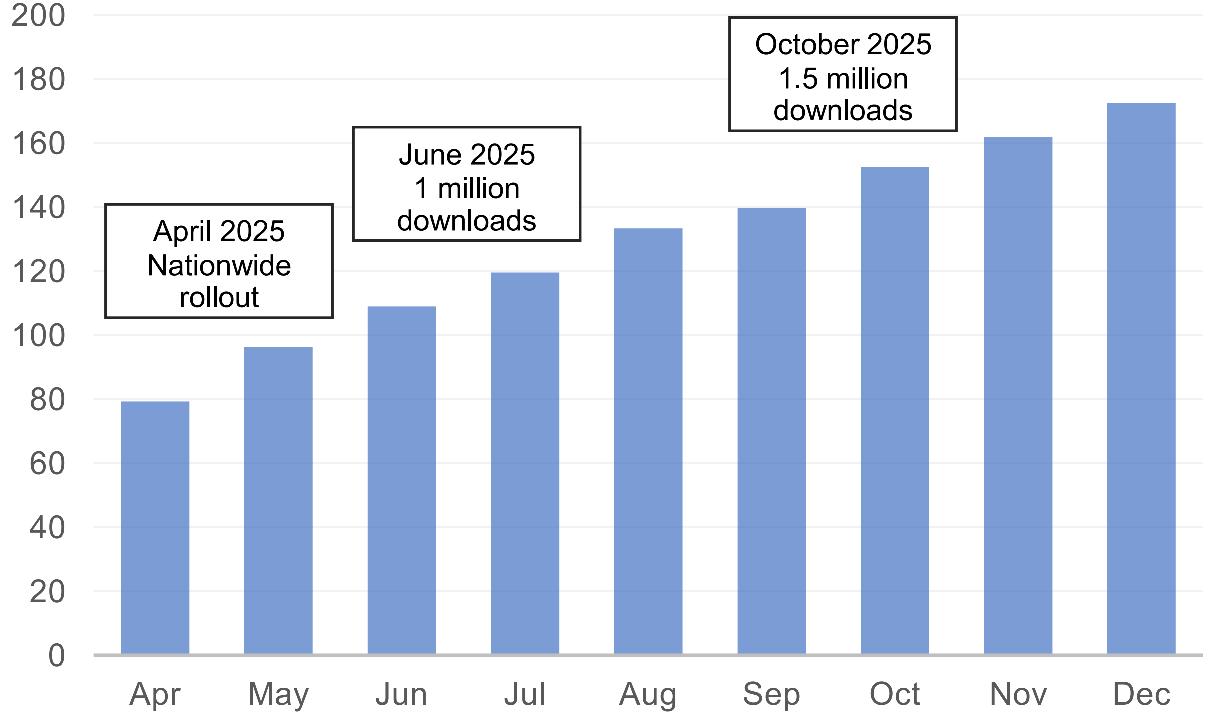
- **Reintroduction of drive-through model**

- **Promotion of DX**

Creating loyal users from repeat customers by improving convenience

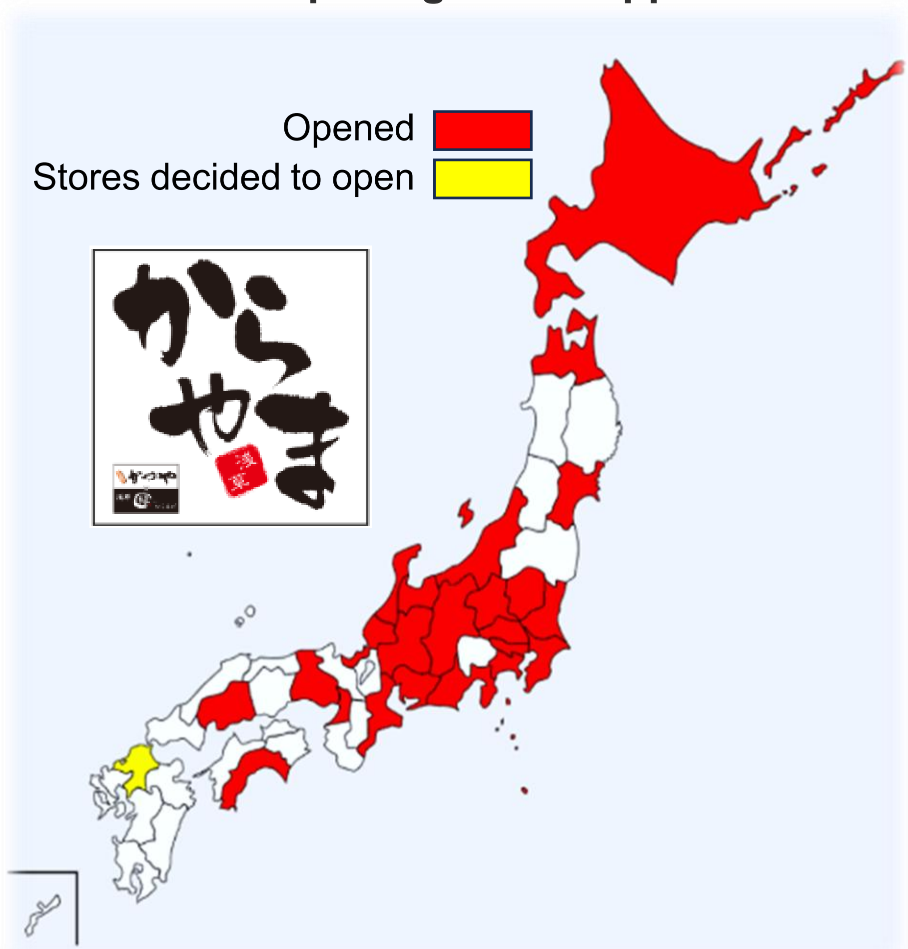
Number of App downloads as of the end of December: approx. 1.72 million

The number of online orders is increasing dramatically.



Acceleration of New Store Openings
- Become the No. 1 Karaage Chain

New store openings in untapped areas



First entry into Kyushu –
Karayama Hakata Higashinaka store
Opened on April 10, 2026 (Friday)

Introduction of Karayama App

Full rollout planned from July 2026

Introduce attractive new menu items

Karaage + Ginger Pork | **Popular Fair Menu**

+

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Building the Next Brand Under the Multi-Business-Axis Strategy

ごちとん

肉めし 岡もと

mango tree cafe

+

Development of multi-brand store formats and new business axes

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New business axis

タレカツ食堂
たれとん

February 2, 2026 (Monday)
Shimbashi store opens

Second store: Nakano-Kitaguchi store opening in May, multiple store openings planned within the year

Transformation into a comprehensive food company

Frozen food production

New Cosmic SY plant to be completed in November 2027

Production capacity to more than double the current capacity

Frozen food sales

Expansion of frozen food sales channels

Katsuya Brand
Other brands, etc.

5. Restructuring of Overseas Business Model

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Accelerating expansion into untapped areas and increasing store count

85 stores in 6 Asian countries (as of December 2025)

Concluded a franchise affiliation agreement for the first Katsuya store in the Philippines!

Concerning the Signing of a Memorandum of Understanding Regarding the Business Integration With JOYFUL HONDA CO., LTD.

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Objective and Significance of the Business Integration

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Changes in the external environment	Consumers: Their values are diversifying, and they demand highly convenient and specialized products and services.
	Competitors: Competition is intensifying due to entry from different industries and the expansion of the e-commerce market.

An integration between two companies rooted in customer-oriented store operations, pursuing unique identity and region-specific appeal.

Achievement of greater convenience and comfortable shopping experience
Leveraging of the strengths of both companies,
promoting the sustainable development of the businesses and stores

Establishment of the number one home center in Japan under a “Specialty Store Clustered Home Center Concept”
encompassing not only the two companies but also the top local home centers nationwide

Expected Benefits From the Business Integration

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i. Collaboration on product deployment and procurement functions

- Mutual supply and sale of private brand products
- Reduction of procurement costs by leveraging merits of scale

ii. Collaboration on customer base and marketing functions

- Enabling the proposal of optimal products and services to each customer through advanced marketing functions

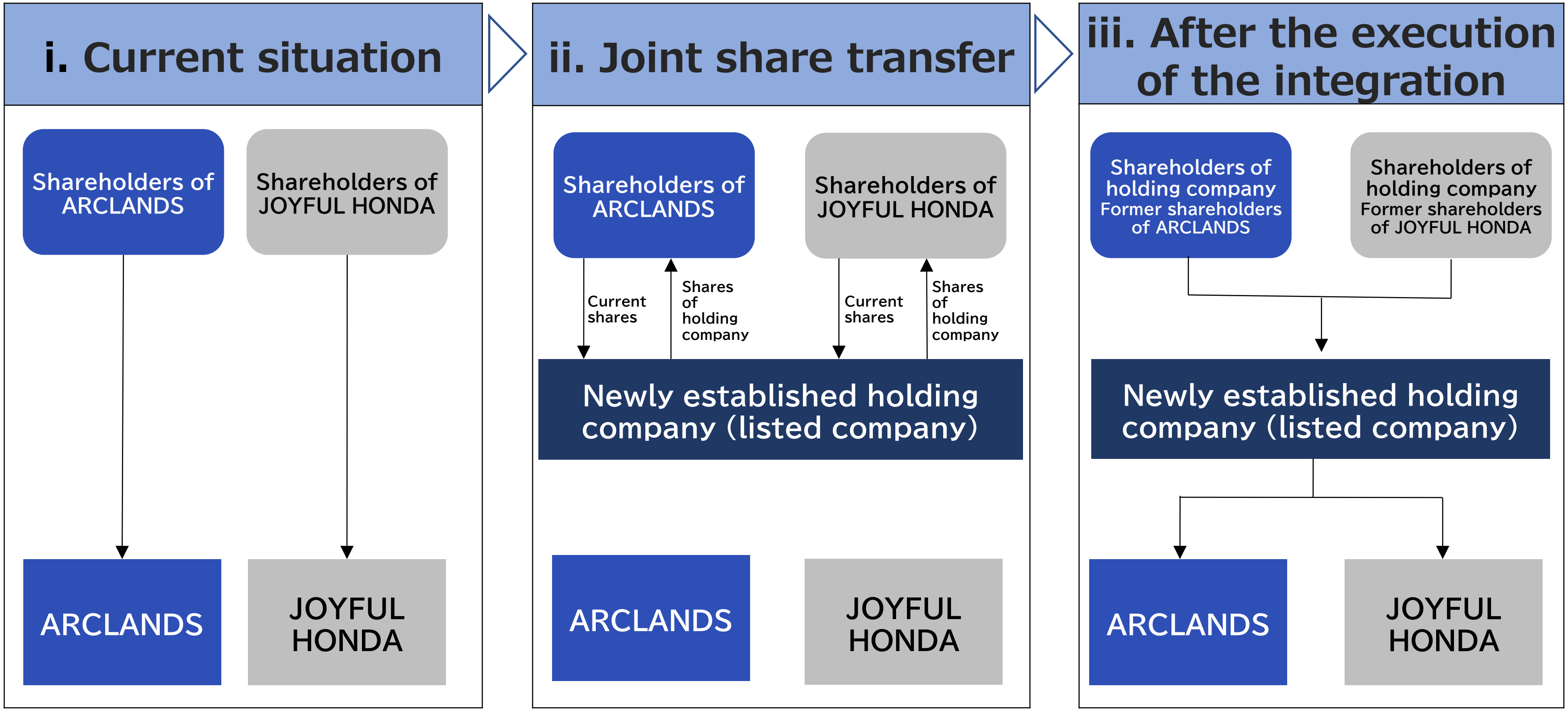
iii. Sharing of store development and operational expertise

- Improvement of sales and profitability through the sharing of store development and operational expertise between the two companies
- Development of new format specialty stores focused on specific areas

iv. Optimization of the business foundation functions

- Building a value chain that maximizes scale advantages and strengthening the business foundation through the sharing, integration, and optimization of logistics, IT, headquarters functions, etc.

Integration Scheme/Ratio



Share transfer ratio

ARCLANDS		JOYFUL HONDA
1	:	1.15

Major Future Schedule

Signing of a memorandum of understanding (both companies)	April 14, 2026
Conclusion of final agreement and preparation of share transfer plan (both companies)	First half of July 2026 (Planned)
Extraordinary general meeting of shareholders for approval of share transfer plan(ARCLANDS)	Second half of September 2026 (Planned)
Annual general meeting of shareholders for approval of share transfer plan (JOYFUL HONDA)	Second half of September 2026 (Planned)
Tokyo Stock Exchange final trading date (both companies)	February 24, 2027 (Planned)
Tokyo Stock Exchange delisting date (both companies)	February 25, 2027 (Planned)
Effective date (Registration date and listing date of the joint holding company)	March 1, 2027 (Planned)

Fulfillment in your life. Fulfillment in your heart.

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