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October 13, 2026

# Consolidated Financial Results for the Six Months Ended August 31, 2026 (Under Japanese GAAP)

Company name: ARCLANDS CORPORATION
Listing: Tokyo Stock Exchange
Securities code: 9842
URL: https://www.arclands.co.jp/
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Scheduled date to file semi-annual securities report: October 13, 2026
Scheduled date to commence dividend payments: October 19, 2026
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

## 1. Consolidated financial results for the six months ended August 31, 2026 (from March 1, 2026 to August 31, 2026)

### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|---|---|---|---|---|---|---|---|---|
| Six months ended | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| August 31, 2026 | 183,522 | 7.4 | 9,938 | 17.1 | 10,059 | 19.3 | 5,921 | 9.7 |
| August 31, 2025 | 170,933 | 7.4 | 8,488 | (16.6) | 8,431 | (17.1) | 5,397 | (14.0) |

Note: Comprehensive income For the six months ended August 31, 2026: ¥5,920 million [7.4%]
For the six months ended August 31, 2025: ¥5,514 million [(16.3)%]

| | Basic earnings per share | Diluted earnings per share |
|---|---|---|
| Six months ended | Yen | Yen |
| August 31, 2026 | 94.26 | - |
| August 31, 2025 | 86.64 | - |

Note: In the interim period of the fiscal year ending February 28, 2026, the provisional accounting treatment for the business combination was finalized, and the relevant figures for the interim period of the fiscal year ending February 28, 2026 reflect the details of the finalization of the provisional accounting treatment.

### (2) Consolidated financial position

| | Total assets | Net assets | Equity-to-asset ratio | Net assets per share |
|---|---|---|---|---|
| As of | Millions of yen | Millions of yen | % | Yen |
| August 31, 2026 | 353,272 | 130,872 | 36.9 | 2,072.25 |
| February 28, 2026 | 343,929 | 126,171 | 36.5 | 1,997.87 |

Reference: Equity
As of August 31, 2026: ¥130,184 million
As of February 28, 2026: ¥125,512 million

## 2. Cash dividends

| | Annual dividends per share | | | | |
|---|---|---|---|---|---|
| | First quarter-end | Second quarter-end | Third quarter-end | Fiscal year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended February 28, 2026 | - | 20.00 | - | 20.00 | 40.00 |
| Fiscal year ending February 28, 2027 | - | 20.00 | | | |
| Fiscal year ending February 28, 2027 (Forecast) | | | | 20.00 | 40.00 |

Note: Revisions to the forecast of cash dividends most recently announced: None

## 3. Forecast of consolidated financial results for the fiscal year ending February 28, 2027 (from March 1, 2026 to February 28, 2027)

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Basic earnings per share |
|---|---|---|---|---|---|---|---|---|---|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Fiscal year ending February 28, 2027 | 360,000 | 5.6 | 17,000 | 31.1 | 16,500 | 29.3 | 10,000 | 68.0 | 159.97 |

Note: Revisions to the earnings forecasts most recently announced: None

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

| | |
|---|---|
| As of August 31, 2026 | 64,733,372 shares |
| As of February 28, 2026 | 64,733,372 shares |

(ii) Number of treasury shares at the end of the period

| | |
|---|---|
| As of August 31, 2026 | 1,910,712 shares |
| As of February 28, 2026 | 1,910,354 shares |

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

| | |
|---|---|
| Six months ended August 31, 2026 | 62,822,780 shares |
| Six months ended August 31, 2025 | 62,298,635 shares |

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information available to the Company and on certain assumptions deemed to be reasonable. Actual financial results may differ from the results anticipated in the statements due to various factors. For the conditions on which earnings forecasts are predicated and precautions for using earnings forecasts, please refer to "1. Qualitative Information on the Interim Financial Results (3) Explanation of Forward-Looking Information such as Consolidated Earnings Forecasts."

## Semi-annual consolidated balance sheet

(Millions of yen)

| | As of February 28, 2026 | As of August 31, 2026 |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 20,403 | 20,935 |
| Notes and accounts receivable - trade | 14,551 | 16,095 |
| Merchandise and finished goods | 56,284 | 54,565 |
| Other | 6,072 | 6,608 |
| Allowance for doubtful accounts | (214) | (213) |
| Total current assets | 97,097 | 97,991 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 109,686 | 112,596 |
| Land | 45,199 | 54,243 |
| Leased assets, net | 16,766 | 16,266 |
| Other, net | 5,716 | 5,256 |
| Total property, plant and equipment | 177,369 | 188,362 |
| Intangible assets | | |
| Goodwill | 17,865 | 16,942 |
| Trademark right | 10,493 | 10,165 |
| Other | 7,739 | 7,292 |
| Total intangible assets | 36,098 | 34,399 |
| Investments and other assets | | |
| Investment securities | 3,272 | 3,359 |
| Leasehold and guarantee deposits | 25,210 | 24,477 |
| Other | 4,941 | 4,743 |
| Allowance for doubtful accounts | (59) | (62) |
| Total investments and other assets | 33,364 | 32,519 |
| Total non-current assets | 246,832 | 255,281 |
| Total assets | 343,929 | 353,272 |

(Millions of yen)

| | As of February 28, 2026 | As of August 31, 2026 |
|---|---|---|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 35,698 | 35,843 |
| Electronically recorded obligations - operating | 9,473 | 9,046 |
| Short-term borrowings | 36,655 | 48,800 |
| Current portion of long-term borrowings | 9,996 | 29,244 |
| Lease liabilities | 1,797 | 1,782 |
| Income taxes payable | 6,115 | 4,483 |
| Provision for bonuses | 2,108 | 2,226 |
| Provision for shareholder benefit program | 277 | 289 |
| Contract liabilities | 1,179 | 1,406 |
| Asset retirement obligations | 0 | 2 |
| Other | 18,858 | 16,357 |
| Total current liabilities | 122,160 | 149,482 |
| Non-current liabilities | | |
| Long-term borrowings | 46,052 | 24,729 |
| Lease liabilities | 22,346 | 21,690 |
| Long-term guarantee deposits | 15,861 | 15,243 |
| Retirement benefit liability | 460 | 481 |
| Asset retirement obligations | 6,358 | 6,327 |
| Other | 4,516 | 4,444 |
| Total non-current liabilities | 95,596 | 72,917 |
| Total liabilities | 217,757 | 222,400 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 6,462 | 6,462 |
| Capital surplus | 11,605 | 11,604 |
| Retained earnings | 109,645 | 114,347 |
| Treasury shares | (2,571) | (2,572) |
| Total shareholders' equity | 125,143 | 129,843 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 445 | 450 |
| Foreign currency translation adjustment | (127) | (124) |
| Deferred gains or losses on hedges | 50 | 15 |
| Total accumulated other comprehensive income | 368 | 341 |
| Non-controlling interests | 659 | 687 |
| Total net assets | 126,171 | 130,872 |
| Total liabilities and net assets | 343,929 | 353,272 |

## Semi-annual consolidated statement of income

(Millions of yen)

| | Six months ended August 31, 2025 | Six months ended August 31, 2026 |
|---|---|---|
| Net sales | 170,933 | 183,522 |
| Cost of sales | 106,129 | 113,731 |
| Gross profit | 64,803 | 69,791 |
| Operating revenue | | |
| Lease revenue | 7,823 | 7,873 |
| Other | 140 | 108 |
| Operating gross profit | 72,767 | 77,772 |
| Selling, general and administrative expenses | 64,279 | 67,834 |
| Operating profit | 8,488 | 9,938 |
| Non-operating income | | |
| Interest income | 28 | 32 |
| Dividend income | 16 | 20 |
| Purchase discounts | 33 | 31 |
| Foreign exchange gains | 62 | 122 |
| Income from exited tenant | 31 | 290 |
| Share of profit of entities accounted for using equity method | 83 | 79 |
| Other | 275 | 277 |
| Total non-operating income | 530 | 854 |
| Non-operating expenses | | |
| Interest expenses | 531 | 658 |
| Other | 55 | 74 |
| Total non-operating expenses | 587 | 733 |
| Ordinary profit | 8,431 | 10,059 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 664 | 1 |
| Total extraordinary income | 664 | 1 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 43 | 24 |
| Loss on store closings | 60 | 55 |
| Dismantlement expanses | 78 | 24 |
| Other | 47 | 38 |
| Total extraordinary losses | 230 | 143 |
| Profit before income taxes | 8,865 | 9,918 |
| Income taxes - current | 6,588 | 4,091 |
| Income taxes - deferred | (3,147) | (121) |
| Total income taxes | 3,440 | 3,969 |
| Profit | 5,424 | 5,948 |
| Profit attributable to non-controlling interests | 27 | 26 |
| Profit attributable to owners of parent | 5,397 | 5,921 |

## Semi-annual consolidated statement of comprehensive income

(Millions of yen)

| | Six months ended August 31, 2025 | Six months ended August 31, 2026 |
|---|---|---|
| Profit | 5,424 | 5,948 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 95 | 4 |
| Foreign currency translation adjustment | 0 | 3 |
| Deferred gains or losses on hedges | (2) | (35) |
| Share of other comprehensive income of entities accounted for using equity method | (3) | (0) |
| Total other comprehensive income | 90 | (27) |
| Comprehensive income | 5,514 | 5,920 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 5,486 | 5,894 |
| Comprehensive income attributable to non-controlling interests | 28 | 26 |

## Semi-annual consolidated statement of cash flows

(Millions of yen)

| | Six months ended August 31, 2025 | Six months ended August 31, 2026 |
|---|---|---|
| Cash flows from operating activities | | |
| Profit before income taxes | 8,865 | 9,918 |
| Depreciation | 5,839 | 6,507 |
| Amortization of goodwill | 885 | 922 |
| Increase (decrease) in provision for bonuses | 190 | 118 |
| Interest and dividend income | (44) | (53) |
| Interest expenses | 531 | 658 |
| Loss (gain) on sale of non-current assets | (664) | (1) |
| Decrease (increase) in trade receivables | (1,635) | (1,544) |
| Decrease (increase) in inventories | (2,541) | 1,707 |
| Decrease (increase) in other assets | (957) | (642) |
| Increase (decrease) in trade payables | 4,569 | (69) |
| Increase (decrease) in other liabilities | 689 | (1,940) |
| Other, net | 142 | 428 |
| Subtotal | 15,870 | 16,009 |
| Interest and dividends received | 37 | 47 |
| Interest paid | (507) | (633) |
| Income taxes paid | (3,115) | (5,661) |
| Net cash provided by (used in) operating activities | 12,284 | 9,762 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (11,099) | (16,677) |
| Proceeds from sale of property, plant and equipment | 20,593 | 2 |
| Purchase of intangible assets | (749) | (444) |
| Payments of leasehold and guarantee deposits | (275) | (66) |
| Proceeds from refund of leasehold and guarantee deposits | 123 | 204 |
| Guarantee deposits received | 599 | 516 |
| Refund of guarantee deposits received | (64) | (537) |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | (6,120) | - |
| Other, net | (526) | (116) |
| Net cash provided by (used in) investing activities | 2,481 | (17,119) |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | 191 | 12,144 |
| Proceeds from long-term borrowings | 15,125 | - |
| Repayments of long-term borrowings | (20,773) | (2,075) |
| Repayments of lease liabilities | (900) | (924) |
| Dividends paid | (1,245) | (1,256) |
| Other, net | (0) | (0) |
| Net cash provided by (used in) financing activities | (7,604) | 7,886 |
| Effect of exchange rate change on cash and cash equivalents | (1) | 0 |
| Net increase (decrease) in cash and cash equivalents | 7,160 | 530 |
| Cash and cash equivalents at beginning of period | 18,044 | 20,384 |
| Cash and cash equivalents at end of period | 25,205 | 20,914 |

(Notes on segment information, etc.)

Segment Information

I. Previous interim consolidated accounting period (March 1, 2025 to August 31, 2025)

1. Information on sales and the amount of profit or loss for each reported segment

(Millions of yen)

| | Reportable segments | | | | | Other (Note)2 | Adjustment amount (Note) 3 | Interim Consolidated Statements of Income (Note)4 |
|---|---|---|---|---|---|---|---|---|
| | Retail Business | Wholesale Business | Food Service Business | Real Estate Business | Total | | | |
| Operating Revenue (Note)1 | | | | | | | | |
| (1) Sales revenue to external customers | 139,416 | 2,064 | 29,621 | 7,248 | 178,350 | 547 | - | 178,897 |
| (2) Internal operating revenue or transfers between segments | 3 | 3,495 | - | 992 | 4,491 | - | (4,491) | - |
| Total | 139,419 | 5,560 | 29,621 | 8,240 | 182,841 | 547 | (4,491) | 178,897 |
| Segment Profit | 3,811 | 236 | 2,585 | 1,727 | 8,361 | 46 | 80 | 8,488 |

Note: 1. Operating revenue includes net sales and operating income.

2. The "Other" category is a business segment that is not included in the reporting segment and includes the fitness business.

3. The adjustment amount is due to the elimination of inter-segment transactions.

4. Segment profit is adjusted to operating income in the interim consolidated statements of income.

2. Information on impairment losses or goodwill on fixed assets by reporting segment

(Significant impairment loss on fixed assets)

Not applicable.

(Significant fluctuations in the amount of goodwill)

In the Retail segment, the acquisition of shares in Pets First Holdings Co., Ltd. resulted in goodwill of 3,523 million yen in the interim consolidated accounting period. The amount of goodwill is the figure after reflecting the important revision of the initial allocation of acquisition costs due to the finalization of the provisional accounting treatment.

(Significant Negative Goodwill Accrual)

Not applicable.

II. Interim Consolidated Accounting Period (March 1, 2026 to August 31, 2026)

1. Information on sales and the amount of profit or loss for each reported segment

(Millions of yen)

| | Reportable segments | | | | | Other (Note)2 | Adjustment amount (Note) 3 | Interim Consolidated Statements of Income (Note)4 |
|---|---|---|---|---|---|---|---|---|
| | Retail Business | Wholesale Business | Food Service Business | Real Estate Business | Total | | | |
| Operating Revenue (Note)1 | | | | | | | | |
| (1) Sales revenue to external customers | 152,088 | 1,812 | 29,689 | 7,305 | 190,895 | 607 | - | 191,503 |
| (2) Internal operating revenue or transfers between segments | 5 | 3,384 | - | 1,056 | 4,446 | - | (4,446) | - |
| Total | 152,094 | 5,197 | 29,689 | 8,361 | 195,342 | 607 | (4,446) | 191,503 |
| Segment Profit | 5,286 | 183 | 2,664 | 1,642 | 9,776 | 70 | 91 | 9,938 |

Note: 1. Operating revenue includes net sales and operating income.

2. The "Other" category is a business segment that is not included in the reporting segment and includes the fitness business.

3. The adjustment amount is due to the elimination of inter-segment transactions.

4. Segment profit is adjusted to operating income in the interim consolidated statements of income.

2. Information on impairment losses or goodwill on fixed assets by reporting segment

(Significant impairment loss on fixed assets)

Not applicable.

(Significant fluctuations in the amount of goodwill)

Not applicable.

(Significant Negative Goodwill Accrual)

Not applicable.