

July 1, 2025

Consolidated Financial Results for the Three Months Ended May 31, 2025 (Under Japanese GAAP)

Company name: ARCLANDS CORPORATION
 Listing: Tokyo Stock Exchange
 Securities code: 9842
 URL: <https://www.arclands.co.jp/>
 Representative: Yoshifumi Sato, President and COO
 Inquiries: Kimitoshi Ino, Director, Administration General Manager
 Telephone: +81-48-610-0641
 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

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

1. Consolidated financial results for the three months ended May 31, 2025 (from March 1, 2025 to May 31, 2025)

(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 31, 2025	81,526	2.5	4,214	(14.7)	4,308	(13.6)	2,885	(7.2)
May 31, 2024	79,540	1.7	4,939	17.5	4,987	16.4	3,108	(29.2)

Note: Comprehensive income For the three months ended May 31, 2025: ¥2,878 million [(13.2)%]
 For the three months ended May 31, 2024: ¥3,317 million [(29.4)%]

	Basic earnings per share		Diluted earnings per share	
	Yen	Yen	Yen	Yen
Three months ended				
May 31, 2025	46.32	-	-	-
May 31, 2024	49.89	-	-	-

(2) Consolidated financial position

	Total assets		Net assets		Equity-to-asset ratio		Net assets per share	
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	%	Yen	Yen	
As of								
May 31, 2025	330,732	123,097	123,097	123,097	37.0	1,965.86	1,965.86	
February 28, 2025	334,645	121,467	121,467	121,467	36.1	1,940.00	1,940.00	

Reference: Equity
 As of May 31, 2025: ¥122,470 million
 As of February 28, 2025: ¥120,859 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, 2025	-	20.00	-	20.00	40.00
Fiscal year ending February 28, 2026	-				
Fiscal year ending February 28, 2026 (Forecast)		20.00		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, 2026 (from March 1, 2025 to February 28, 2026)

(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	
Six months ending August 31, 2025	166,500	4.6	10,000	(1.8)	9,800	(3.6)	6,000	(4.4)	96.31	
Fiscal year ending February 28, 2026	335,000	6.1	19,300	18.9	19,000	(0.9)	11,600	14.5	186.19	

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 quarterly 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 May 31, 2025	64,733,372 shares
As of February 28, 2025	64,733,372 shares

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

As of May 31, 2025	2,434,714 shares
As of February 28, 2025	2,434,592 shares

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

Three months ended May 31, 2025	62,298,770 shares
Three months ended May 31, 2024	62,303,550 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: nothing

* 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. Please refer to "(3) Explanation on consolidated earnings forecasts and other forward-looking statements" of "1. Qualitative Information on Quarterly Financial Results" on page 3 of the attached materials for the conditions that form the assumptions for the earnings forecasts and cautions concerning the use thereof.

Quarterly consolidated balance sheet

(Millions of yen)

	As of February 28, 2025	As of May 31, 2025
Assets		
Current assets		
Cash and deposits	18,053	16,241
Notes and accounts receivable - trade	10,912	12,654
Merchandise and finished goods	52,741	57,228
Other	5,568	6,280
Allowance for doubtful accounts	(37)	(31)
Total current assets	87,237	92,374
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	96,490	105,972
Land	62,924	45,096
Leased assets, net	17,217	17,400
Other, net	8,557	7,086
Total property, plant and equipment	185,189	175,555
Intangible assets		
Goodwill	16,096	15,706
Trademark right	7,433	7,320
Other	7,291	7,381
Total intangible assets	30,821	30,408
Investments and other assets		
Investment securities	2,785	2,860
Leasehold and guarantee deposits	24,746	24,780
Other	3,910	4,811
Allowance for doubtful accounts	(45)	(58)
Total investments and other assets	31,396	32,393
Total non-current assets	247,407	238,357
Total assets	334,645	330,732

	As of February 28, 2025	As of May 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	32,706	39,136
Electronically recorded obligations - operating	9,798	12,299
Short-term borrowings	28,800	25,800
Current portion of long-term borrowings	26,004	10,004
Current portion of bonds payable	100	-
Lease liabilities	1,708	1,779
Income taxes payable	3,532	5,198
Provision for bonuses	1,954	3,081
Provision for shareholder benefit program	276	183
Provision for retirement benefits for directors (and other officers)	180	-
Contract liabilities	635	674
Other	14,794	14,863
Total current liabilities	120,491	113,020
Non-current liabilities		
Long-term borrowings	42,014	46,513
Lease liabilities	22,980	23,056
Long-term guarantee deposits	15,359	15,470
Retirement benefit liability	427	435
Asset retirement obligations	5,737	6,014
Other	6,167	3,124
Total non-current liabilities	92,686	94,614
Total liabilities	213,178	207,634
Net assets		
Shareholders' equity		
Share capital	6,462	6,462
Capital surplus	11,312	11,313
Retained earnings	106,285	107,925
Treasury shares	(3,276)	(3,276)
Total shareholders' equity	120,784	122,425
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	198	212
Foreign currency translation adjustment	(124)	(166)
Total accumulated other comprehensive income	74	45
Non-controlling interests	607	626
Total net assets	121,467	123,097
Total liabilities and net assets	334,645	330,732

Quarterly consolidated statement of income

(Millions of yen)

	Three months ended May 31, 2024	Three months ended May 31, 2025
Net sales	79,540	81,526
Cost of sales	49,623	50,751
Gross profit	29,917	30,775
Operating revenue		
Lease revenue	3,518	3,886
Other	45	71
Operating gross profit	33,481	34,732
Selling, general and administrative expenses	28,542	30,517
Operating profit	4,939	4,214
Non-operating income		
Interest income	12	12
Dividend income	111	0
Purchase discounts	33	16
Foreign exchange gains	-	82
Share of profit of entities accounted for using equity method	66	59
Other	116	214
Total non-operating income	341	386
Non-operating expenses		
Interest expenses	282	247
Foreign exchange losses	7	-
Other	3	45
Total non-operating expenses	292	292
Ordinary profit	4,987	4,308
Extraordinary income		
Gain on sale of non-current assets	0	654
Total extraordinary income	0	654
Extraordinary losses		
Loss on retirement of non-current assets	2	26
Loss on store closings	103	51
Dismantlement expenses	8	73
Provision of allowance for doubtful accounts	70	-
Other	0	22
Total extraordinary losses	184	174
Profit before income taxes	4,803	4,788
Income taxes - current	1,797	4,964
Income taxes - deferred	(121)	(3,082)
Total income taxes	1,676	1,882
Profit	3,127	2,906
Profit attributable to non-controlling interests	18	20
Profit attributable to owners of parent	3,108	2,885

Quarterly consolidated statement of comprehensive income

(Millions of yen)

	Three months ended May 31, 2024	Three months ended May 31, 2025
Profit	3,127	2,906
Other comprehensive income		
Valuation difference on available-for-sale securities	174	13
Foreign currency translation adjustment	12	(39)
Share of other comprehensive income of entities accounted for using equity method	3	(1)
Total other comprehensive income	189	(27)
Comprehensive income	3,317	2,878
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,298	2,856
Comprehensive income attributable to non-controlling interests	18	21

(Notes on segment information, etc.)

Segment Information

I. the three months of the previous fiscal year (March 1, 2024 to May 31, 2024)

1. Information on operating revenues and amounts of profits or losses for each reported segment

(in millions of yen)

	Reportable segments					Other (Note)2	Adjustment amount (Note) 3	Quarterly 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	64,776	1,329	13,451	3,298	82,855	248	-	83,104
(2) Internal operating revenue or transfers between segments	1	1,485	-	479	1,965	-	(1,965)	-
Total	64,778	2,814	13,451	3,777	84,821	248	(1,965)	83,104
Segment Profit	2,092	259	1,727	794	4,873	13	52	4,939

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 quarterly 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.

II. the three months of the current fiscal year (March 1, 2025 to May 31, 2025)

1. Information on operating revenues and amounts of profits or losses for each reported segment

(in millions of yen)

	Reportable segments					Other (Note)2	Adjustment amount (Note) 3	Quarterly 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	65,821	1,055	14,754	3,579	85,212	272	-	85,484
(2) Internal operating revenue or transfers between segments	1	1,756	-	489	2,246	-	(2,246)	-
Total	65,823	2,811	14,754	4,068	87,458	272	(2,246)	85,484
Segment Profit	1,870	129	1,309	828	4,137	19	57	4,214

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

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

4. Segment profit is adjusted to operating income in the quarterly 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.

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