Consolidated Financial Results for the Three Months Ended June 30, 2026 (Based on Japanese GAAP)

August 4, 2026

Company name: **Axial Retailing Inc.**
Stock exchange listings: Tokyo, Prime
Securities code: 8255
URL: https://www.axial-r.com/
Representative: Kazuhiko Hara, President and Representative Director, CEO
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Scheduled date to commence dividend payments: None
Preparation of supplementary material on financial results: None
Holding of financial results briefing: None

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

(1) Consolidated operating results (cumulative)

(% change YoY)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	72,725	2.1	2,541	-7.6	2,647	-6.6	1,720	-10.4
June 30, 2025	71,244	7.1	2,749	3.6	2,835	2.5	1,919	2.5

Note: Comprehensive income
Three months ended June 30, 2026: 1,672 million yen [-15.4%]
Three months ended June 30, 2025: 1,976 million yen [3.2%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	19.45	—
June 30, 2025	21.62	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2026	141,229	94,711	67.1
March 31, 2026	144,145	95,218	66.1

Reference: Net assets attributable to owners of parent
As of June 30, 2026: 94,711 million yen
As of March 31, 2026: 95,218 million yen

2. Cash Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year	Yen	Yen	Yen	Yen	Yen
Ended March 31, 2026	—	13.00	—	16.00	29.00
Ending March 31, 2027	—				
Ending March 31, 2027 (Forecast)		13.00	—	16.00	29.00

Note: Revision of cash dividend forecast for this period: None

**3. Consolidated financial forecast for the fiscal year ending March 31, 2027
(from April 1, 2026 to March 31, 2027)**

(% change YoY)

	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 September 30, 2026	149,000	1.6	5,500	-6.6	5,600	-7.1	3,800	-6.3	42.90
Fiscal year Ending March 31, 2027	300,000	1.5	11,700	-4.0	12,000	-6.2	8,000	-9.1	90.31

Note: Change from the latest released earnings forecasts: 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, accounting estimates and retrospective restatement
   - 3.1. Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
   - 3.2. Changes in accounting policies due to other reasons: None
   - 3.3. Changes in accounting estimates: None
   - 3.4. Restatement: None

4. Number of issued shares (common stock)
   - 4.1. Total number of issued shares at the end of the period (including treasury shares)
     - As of June 30, 2026: 93,552,156 shares
     - As of March 31, 2026: 93,552,156 shares
   - 4.2. Number of treasury shares at the end of the period
     - As of June 30, 2026: 5,681,493 shares
     - As of March 31, 2026: 4,964,748 shares
   - 4.3. Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)
     - Three months ended June 30, 2026: 88,430,769 shares
     - Three months ended June 30, 2025: 88,776,402 shares

Cautions:

1. Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

2. Explanation relating to the appropriate use of earnings forecasts, and other noteworthy items
Forward-looking statements in this earnings release, such as forecasts of results of operations, are based on the information currently available and certain assumptions that we regard as reasonable and therefore actual results may differ materially from those contained in or suggested by any forward-looking statements.

3. This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Consolidated Financial Statements
1 Consolidated Balance Sheet

(Yen million)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	30,436	28,776
Accounts receivable - trade	6,001	5,610
Contract assets	3	13
Lease investment assets	279	259
Merchandise and finished goods	6,313	6,673
Work in process	40	71
Raw materials and supplies	396	420
Income tax refund receivable	6	2
Other	4,351	3,837
Allowance for doubtful accounts	-4	-3
Total current assets	47,826	45,660
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	48,061	47,580
Machinery, equipment and vehicles, net	1,120	1,966
Land	21,015	21,015
Leased assets, net	1,221	1,178
Construction in progress	2,035	843
Other, net	3,237	3,332
Total property, plant and equipment	76,692	75,917
Intangible assets		
Goodwill	0	0
Other	3,259	3,290
Total intangible assets	3,260	3,291
Investments and other assets		
Investment securities	4,852	4,827
Long-term loans receivable	3	3
Retirement benefit asset	1,015	1,017
Deferred tax assets	3,406	3,593
Lease and guarantee deposits	6,262	6,158
Other	840	775
Allowance for doubtful accounts	-15	-15
Total investments and other assets	16,366	16,359
Total non-current assets	96,319	95,568
Total assets	144,145	141,229

(Yen million)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	19,298	19,583
Contract liabilities	700	693
Lease obligations	279	280
Income taxes payable	2,270	1,165
Provision for bonuses for directors (and other officers)	322	76
Provision for bonuses	2,260	2,983
Other	10,179	8,272
Total current liabilities	35,309	33,055
Non-current liabilities		
Lease obligations	1,782	1,712
Asset retirement obligations	6,197	6,178
Long-term guarantee deposits	5,528	5,465
Retirement benefit liability	1	1
Other	108	105
Total non-current liabilities	13,617	13,462
Total liabilities	48,927	46,518
Net assets		
Shareholders' equity		
Share capital	3,159	3,159
Capital surplus	15,749	15,749
Retained earnings	77,954	78,257
Treasury shares	-4,727	-5,489
Total shareholders' equity	92,136	91,677
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,483	2,466
Adjustments related to retirement benefits	598	567
Total accumulated other comprehensive income	3,081	3,034
Total net assets	95,218	94,711
Total liabilities and net assets	144,145	141,229

2 Consolidated Statements of Income and Comprehensive Income

Consolidated Income Statement

(Yen million)

	Three Months ended June 30, 2025	Three Months ended June 30, 2026
Net sales	71,244	72,725
Cost of sales	50,979	52,180
Gross profit	20,264	20,544
Selling, general and administrative expenses		
Employees' salaries	2,701	2,747
Miscellaneous salaries and wages	5,210	5,511
Provision for bonuses for directors (and other officers)	81	76
Provision for bonuses	1,021	1,003
Retirement benefit expenses	167	135
Rent expenses on land and buildings	1,383	1,356
Depreciation	1,292	1,351
Amortization of goodwill	0	0
Provision of allowance for doubtful accounts	0	—
Other	5,655	5,820
Total selling, general and administrative expenses	17,514	18,003
Operating profit	2,749	2,541
Non-operating income		
Interest income	6	5
Dividend income	58	76
Penalty income	55	1
Other	28	35
Total non-operating income	148	120
Non-operating expenses		
Interest expenses	11	7
Commission for purchase of treasury shares	49	5
Other	1	1
Total non-operating expenses	62	14
Ordinary profit	2,835	2,647
Extraordinary income		
Gain on sale of non-current assets	—	1
Total extraordinary income	—	1
Extraordinary losses		
Loss on retirement of non-current assets	6	0
Impairment losses	0	0
Total extraordinary losses	6	0
Profit before income taxes	2,828	2,648
Income taxes - current	1,051	1,093
Income taxes - deferred	-142	-165
Total income taxes	908	927
Net profit	1,919	1,720
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	1,919	1,720

Consolidated Comprehensive Income Statement

(Yen million)

	Three Months ended June 30, 2025	Three Months ended June 30, 2026
Net profit	1,919	1,720
Other comprehensive income		
Valuation difference on available-for-sale securities	77	-16
Adjustments related to retirement benefits	-20	-30
Total other comprehensive income	56	-47
Comprehensive income	1,976	1,672
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,976	1,672
Comprehensive income attributable to non-controlling interests	—	—

3　Consolidated Cash Flow Statement

(Yen million)

	Three Months ended June 30, 2025	Three Months ended June 30, 2026
Cash flows from operating activities		
Profit before income taxes	2,828	2,648
Depreciation	1,421	1,481
Impairment losses	0	0
Amortization of goodwill	0	0
Increase (decrease) in allowance for doubtful accounts	0	-0
Increase (decrease) in provision for bonuses for directors (and other officers)	-235	-245
Increase (decrease) in provision for bonuses	615	723
Incease (decrease) in net defined benefit asset and liability	-29	-46
Interest and dividend income	-65	-82
Interest expenses	11	7
Loss (gain) on sale of non-current assets	—	-1
Loss on retirement of non-current assets	6	0
Decrease (increase) in trade receivables	487	391
Decrease (increase) in inventories	-183	-413
Increase (decrease) in trade payables	368	285
Decrease (increase) in consumption taxes receivable / payable	177	-335
Decrease (increase) in lease investment assets	21	21
Other	397	324
Subtotal	5,824	4,760
Interest and dividends received	58	77
Interest paid	-9	-6
Income taxes paid	-1,535	-2,056
Net cash provided by (used in) operating activities	4,337	2,774
Cash flows from investing activities		
Purchase of property, plant and equipment	-1,187	-2,247
Proceeds from sale of property, plant and equipment	—	3
Purchase of intangible assets	-102	-132
Expenditure on loans	-0	-0
Proceeds from collection of loans receivable	0	0
Net increase (decrease) in payment for lease and guarantee deposits	131	110
Other	-25	53
Net cash provided by (used in) investing activities	-1,183	-2,213
Cash flows from financing activities		
Repayment of lease obligations	-68	-69
Purchase of treasury shares	-1,282	-767
Dividends paid	-1,399	-1,384
Net cash provided by (used in) financing activities	-2,750	-2,220
Net increase (decrease) in cash and cash equivalents	403	-1,660
Cash and cash equivalents at beginning of period	21,887	30,436
Cash and cash equivalents at end of period	22,290	28,776