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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
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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.