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For Immediate Release

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(Securities Code: 9842, TSE Prime Market)  
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## Notice on Disposal of Treasury Shares through Third-Party Allotment

ARCLANDS CORPORATION (hereinafter, the "Company") announces that its Board of Directors resolved at a meeting held today to dispose of its treasury shares through a third-party allotment (the "Treasury Share Disposal"). Details are as follows.

### 1. Outline of disposal

Date of disposal	October 3, 2025
Type and number of shares to be disposed of	525,486 shares of common stock
Disposal value	1,903 yen per share
Total disposal amount	999,999,858 yen
Allottee	Shinma Masamune (Director, Pets-first Holdings Co., Ltd.; Representative Director, Pets-first Co., Ltd.)
Method of disposal	By way of third party allotment
Other	The Treasury Share Disposal is conditional on filing under the Financial Instruments and Exchange Act taking effect.

### 2. Purpose and reason for disposal

As announced in the "Notice of Acquisition of Shares (Making Wholly Owned Subsidiary) of Pets-first Holdings Co., Ltd." dated February 28, 2025 and the "Notice of Completion of Acquisition of Shares (of Wholly Owned Subsidiary)" dated June 6, 2025, the Company made Pets-first Holdings Co., Ltd. (hereinafter, "PFHD") its subsidiary effective on June 6, 2025 by acquiring shares in PFHD from the allottee.

In connection with this initiative to make PFHD a wholly owned subsidiary, the Company decided that the corporate value of the entire ARCLANDS Group (hereinafter, the "Group") can be enhanced by allotting its shares to the allottee, who is a director of PFHD and a representative director of Pets-first Co., Ltd., a major subsidiary of PFHD, thus having

him make a certain level of commitment to the management of the Group, including PFHD and its subsidiaries, as its stakeholder. For these reasons, the Company will dispose of treasury shares through a third-party allotment to the allottee. In the share transfer agreement between the Company and the allottee for the acquisition of PFHD shares, it was agreed that the Company would pay one billion yen as part of the consideration for the transfer of PFHD shares on the anniversary of three months after June 6, 2025, the execution date of the share transfer, and based on this agreement, the Company paid one billion yen to the allottee on September 5, 2025. As a result of discussions with the allottee, it was decided that the allottee will use the money as the source of funds to pay for the entire amount of the Treasury Share Disposal.

The acquisition of PFHD shares by the Group is part of strategy to accelerate the growth of its pet-related business as a focus area following the Group's core housing and food businesses. Specifically, it was decided that the Group's competitive advantage in the pet business will be enhanced further by combining PFHD's high level of expertise in pet sales and know-how in building a transparent supply chain with the Company's nationwide network of home centers. In addition, the Group expects to enhance its presence and create profit-earning opportunities in the domestic pet market, which is estimated to be approximately two trillion yen. The purpose of the Treasury Share Disposal is to ensure continued involvement and incentive for the Group by the allottee, and the Company has decided that it will contribute to the sustainable growth and enhancement of the corporate value of the Group as a whole, including PFHD and its subsidiaries.

### 3. Amount of capital to be procured, use of funds, and expected timing of expenditure

#### (1) Total amount to be procured (approximate net funds)

Total disposal value	Estimated issuance expenses	Estimated net funds
999,999,858 yen	3,230,000 yen	996,769,858 yen

#### (2) Specific use of procured funds

The Treasury Share Disposal is implemented through a third-party allotment not for fundraising but solely for improving the corporate value of the entire Group, including PFHD and its subsidiaries, by allotting the Company's shares to the allottee, who is a director of PFHD and a representative director of Pets-first Co., Ltd., a major subsidiary of PFHD, in connection with the Company's acquisition of PFHD shares for making it a wholly owned subsidiary, thus having the allottee make a certain level of commitment to the management as a stakeholder of the overall Group. Therefore, the Company does not plan to use the proceeds from the Treasury Share Disposal for any specific business investment or working capital, and it will not have a significant impact on the Company's financial strategy.

### 4. Rational for use of funds

With regard to the funds to be raised through the Treasury Share Disposal, as described in "2. Purpose and reason for disposal" and "3. Amount of capital to be procured, use of funds, and expected timing of expenditure" above, the Treasury Share Disposal is aimed at having the allottee, who is a director of PFHD and a representative director of PFHD's main subsidiary, Pets-first Co., Ltd., make a certain level of commitment to the management of the Group including PFHD and its subsidiaries, and the Company believes that this will lead to an improvement in its corporate value and eventually contribute to the interests of the existing shareholders.

### 5. Reasonableness of disposal conditions, etc.

#### (1) Basis of calculation of disposition price and its details

The amount to be paid for the shares of common stock of the Company to be disposed of through the Treasury Share Disposal was set, upon consultation with the allottee, at 1,903 yen, the closing price of the shares of common stock of

the Company published by the Tokyo Stock Exchange, Inc. (hereinafter, "Tokyo Stock Exchange") on the trading day (September 12, 2025) immediately preceding the date of the Board of Directors' resolution regarding the Treasury Share Disposal.

The Company has set the amount to be paid at the closing price on the trading day immediately preceding the date of the resolution of the Board of Directors in compliance with the Japan Securities Dealers Association's guidelines for private placements to a third party (established on April 1, 2010), which says that in principle, the amount to be paid shall be the price on the trading day immediately preceding the date of the resolution of the Board of Directors multiplied by 0.9, or more. The Company has decided that the most recent stock price fairly reflects the Company's objective corporate value.

The amount to be paid for the shares to be disposed of through the Treasury Share Disposal represents a 3.20% premium over 1,844 yen (rounded to the nearest whole number; the same shall apply hereinafter to the calculation of the share price), which is the simple average closing price of the Company's common stock for the one-month period immediately preceding the trading day (September 12, 2025) immediately preceding the date of the Board of Directors resolution regarding the Treasury Share Disposal. It also represents a 7.33% premium over the simple average closing price of 1,773 yen for the immediately preceding three months, and a 9.75% premium over the simple average closing price of 1,734 yen for the immediately preceding six months, respectively, of the said date of the Board of Directors resolution.

Based on the above, the Company has determined that the method of determining the amount to be paid in for the Treasury Share Disposal is appropriate and reasonable, and that the amount to be paid in for the Treasury Share Disposal is not an amount that is particularly favorable to the allottee. Based on this judgment, the Board of Directors of the Company fully discussed and reviewed the terms and conditions for the Treasury Share Disposal, and resolved the Treasury Share Disposal with the approval of all directors who could participate in the resolution. In addition, three directors who are Audit & Supervisory Board members (all of whom are outside directors) who participated in the Board of Directors' meeting expressed the opinion that the amount to be paid for the Treasury Share Disposal complies with the Japan Securities Dealers Association's guidelines for private placements to a third party, and that the amount is not particularly favorable to the allottee and is legitimate.

## (2) Basis for the judgment that the allotment volume and scale of share dilution are reasonable

The number of shares for the Treasury Share Disposal is 525,486 (5,254 voting rights), which represents 0.81% of the total number of outstanding shares of 64,733,372 (614,631 total voting rights) before the Treasury Share Disposal (as of February 28, 2025). (The ratio to the total number of voting rights as of February 28, 2025 is 0.85%.)

However, as stated in "2. Purpose and reason for disposal" and "3. Amount of capital to be procured, use of funds, and expected timing of expenditure" above, the Treasury Share Disposal is intended to have the allottee, who is a director of PFHD and a representative director of PFHD's main subsidiary, Pets-first Co., Ltd., make a certain level of commitment to management of the Group, including PFHD and its subsidiaries, and the Company believes that this will lead to an improvement in its corporate value and eventually contribute to the interests of existing shareholders.

Based on the above, the Company has determined that the number of shares to be disposed of and the scale of dilution of the shares are reasonable.

## 6. Reasons for selection of the allottee

### (1) Outline of the allottee

Outline of the allottee	Name	Shinma Masamune
	Address	Karuizawa-cho, Kitasaku-gun, Nagano

	Role	Pets-first Holdings Co., Ltd. Director (Location: 1-24-12 Meguro, Meguro-ku, Tokyo) (Business description: Control and management of business activities of subsidiaries through acquisition and holding of shares and provision of management guidance and consultation, etc.) Representative Director, Pets-first Co., Ltd. (Location: 1-24-12 Meguro, Meguro-ku, Tokyo) (Business description: Pet shop management and pet sales, sales of pet food and pet supplies, wholesale sales of pets, etc.)
Relationship between the Company and the allottee	Capital relationship	Not applicable.
	Personnel relationship	Not applicable.
	Business relationship	Not applicable.
	Other noteworthy relationships	The allottee is a director of Pets-first Holdings Co., Ltd., a subsidiary of the Company, and a representative director of Pets-first Co., Ltd.

(2) Reason for selection of the allottee

As stated in "2. Purpose and reason for disposal" above, the purpose of the Treasury Share Disposal is to have the allottee, who is a director of PFHD and a representative director of Pets-first Co., Ltd., a major subsidiary of PFHD, make a certain level of commitment to management of the Group including PFHD and its subsidiaries. The Company believes that this will lead to an improvement in the corporate value of the Company and eventually contribute to the interests of the existing shareholders.

(3) Holding policy of the allottee

The Company has verbally confirmed that the allottee intends to hold shares in the Company to be acquired through the Treasury Share Disposal over the medium to long term.

With respect to the Treasury Share Disposal, the Company will obtain a pledge that if the allottee has transferred shares in the Company he holds to a third party during the period of two years from the payment date (the date on which the payment for the Treasury Share Disposal is made; hereinafter referred to as the "Payment Date"), the allottee shall report the details of such transfer in writing to the Company and agree that the Company will report the details of such report to the Tokyo Stock Exchange and that such reports will be made available for public inspection.

(4) Confirmation of assets required for payment by the allottee

As described in "2. Purpose and reason for disposal" above, the Company paid one billion yen to the allottee on September 5, 2025 as part of the consideration for the transfer of PFHD shares, and the allottee is scheduled to make payment for the Treasury Share Disposal using such money as the source of funds. The Company has therefore determined that there will be no problem with the assets required for the payment of the total amount to be paid in for the Treasury Share Disposal.

(5) Actual status of the allottee

The Company requested KIGYOU SERVICE Co., Ltd. (1-10-16 Nishitenma, Kita-ku, Osaka-shi, Osaka; Tetsuo Yoshimoto, President), a specialized third-party investigative organization, to do an investigation to find whether or not the allottee is an antisocial force and whether or not the allottee has any relationship with antisocial forces, and the Company received an investigative report from this organization. In the said investigative report, there was no report to the effect that the allottee is an antisocial force or has any relationship with antisocial forces.

As a result, the Company has determined that the allottee has no relationship with antisocial forces.

7. Major shareholders and shareholding ratios after disposal

Before disposal (as of February 28, 2025)		After disposal	
Name	Ratio of the number of shares owned (%)	Name	Ratio of the number of shares owned (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	9.09	The Master Trust Bank of Japan, Ltd. (Trust account)	9.02
Musashi Ltd.	6.20	Musashi Ltd.	6.14
Arclands Business Partners' Shareholding Association	3.39	Arclands Business Partners' Shareholding Association	3.37
Katsuji Sakamoto	2.42	Katsuji Sakamoto	2.40
Custody Bank of Japan, Ltd. (Trust Account)	2.27	Custody Bank of Japan, Ltd. (Trust Account)	2.25
Arclands employee shareholding association	2.17	Arclands employee shareholding association	2.15
Haruhiko Sakamoto	2.00	Haruhiko Sakamoto	1.98
BBH for Fidelity Low Price Stock Fund (Standing proxy: MUFG Bank, Ltd.)	1.72	BBH for Fidelity Low Price Stock Fund (Standing proxy: MUFG Bank, Ltd.)	1.71
Yoji Sakamoto	1.69	Yoji Sakamoto	1.68
The Nomura Trust and Banking Co., Ltd. (trust account)	1.54	The Nomura Trust and Banking Co., Ltd. (trust account)	1.53

\*The major shareholder ratio and shareholding ratio after the disposal are based on the shareholder register as of the end of February 2025.

\*The share ownership ratio is the percentage of the number of shares held to the total number of shares issued (excluding treasury shares).

## 8. Future outlook

The impact of the Treasury Share Disposal on the Company's consolidated financial results for the fiscal year ending February 28, 2026 is expected to be minor. If the Company anticipates anything that will have a noteworthy impact on its results, it will inform you without delay.

## 9. Matters regarding procedures pertaining to the Code of Corporate Conduct

The share dilution rate resulting from the Treasury Share Disposal is less than 25%, and no change in controlling shareholders or the similar parties is expected as a result of this disposal.

Therefore, in light of the purport of the Code of Corporate Conduct that is based on Rule 432 of the Securities Listing Regulations stipulated by Tokyo Stock Exchange, the Treasury Share Disposal does not fall under the category of a third-party allotment, etc. with significant dilution, and does not require any special measures from the perspective of protecting shareholders' interests and confirming their intentions.

Therefore, the Company has determined that it is not necessary to obtain an opinion from an independent third party or to implement procedures to confirm the intent of shareholders with respect to the Treasury Share Disposal.

## 10. Performance and equity finance over the past three Years

### (1) Financial results for the past three years (Consolidated: Japanese GAAP)

	Unit	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024	Fiscal year ended February 28, 2025
Net sales	Million yen	313,487	310,697	315,727
Operating profit	Million yen	18,911	16,113	16,231
Ordinary profit	Million yen	19,176	16,594	19,169
Profit attributable to owners of parent	Million yen	9,663	9,125	10,126
Basic earnings per share	Yen	238.26	177.18	162.55
Dividend per share	Yen	40.00	40.00	40.00
Net assets per share	Yen	2,591.39	1,866.13	1,940.00

### (2) Conditions of equity financing in the last three years

The following transactions are applicable to equity financing in the last three years.

- 23,351,686 new shares issued in connection with a share exchange to make ARCLAND SERVICE HOLDINGS CO., LTD. a wholly owned subsidiary (share exchange ratio 1:1.87)

Methods	Issuance of new shares through stock exchange
Time	September 1, 2023
Total number of shares issued and outstanding before the share exchange	41,381,686 shares
Total number of common shares issued as a result of the share exchange	23,351,686 shares
Total number of shares issued and outstanding after the share exchange	64,733,372 shares

Financing amount (net funds)	Not applicable (no cash inflows)
Use and appropriation of funds	<p>Since the purpose is not to raise funds, there is no initial or planned use of funds.</p> <p>There is also no fact of appropriation of funds.</p>

(3) Share prices at the end of the three most recent fiscal years

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024	Fiscal year ended February 28, 2025
Closing price	1,441 yen	1,682 yen	1,620 yen

(4) Share price trends in the past six months

	March 2025	April 2025	May 2025	June 2025	July 2025	August 2025
Closing price	1,655 yen	1,734 yen	1,709 yen	1,768 yen	1,744 yen	1,810 yen

11. Disposal guidelines

As described in "1. Outline of disposal"