

January 8, 2026

Consolidated Financial Results for the Nine Months Ended November 30, 2025 (Under Japanese GAAP)

Company name: ARCS COMPANY,LIMITED
 Listing: Tokyo Stock Exchange / Sapporo Stock Exchange
 Securities code: 9948
 URL: <https://www.arcs-g.co.jp/>
 Representative: Kiyoshi Yokoyama, Chairman,CEO
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 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 nine months ended November 30, 2025 (from March 1, 2025 to November 30, 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	%
Nine months ended								
November 30, 2025	464,771	3.4	11,889	18.2	13,057	15.7	8,498	20.6
November 30, 2024	449,634	3.0	10,058	(9.3)	11,281	(8.6)	7,044	(10.9)

Note: Comprehensive income For the nine months ended November 30, 2025: ¥10,070 million [76.2%]
 For the nine months ended November 30, 2024: ¥5,714 million [(41.3)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended		
November 30, 2025	157.54	-
November 30, 2024	130.49	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of			
November 30, 2025	290,505	188,700	65.0
February 28, 2025	282,662	184,037	65.1

Reference: Equity
 As of November 30, 2025: ¥188,700 million
 As of February 28, 2025: ¥184,037 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	-	34.00	-	40.00	74.00
Fiscal year ending February 28, 2026	-	37.00	-		
Fiscal year ending February 28, 2026 (Forecast)				37.00	74.00

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
Fiscal year ending February 28, 2026	623,000	2.4	16,400	2.9	18,000	2.6	11,200	1.2	207.48

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: Yes

For details, please refer to Appendix P.10 "2. Quarterly Consolidated Financial Statements and Notes (4) Notes on Quarterly Consolidated Financial Statements (Notes on Accounting Procedures Specific to the Preparation of Quarterly Consolidated Financial Statements)" are available.

(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: Yes

(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 November 30, 2025	57,649,868 shares
As of February 28, 2025	57,649,868 shares

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

As of November 30, 2025	4,059,423 shares
As of February 28, 2025	3,669,445 shares

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

Nine months ended November 30, 2025	53,943,736 shares
Nine months ended November 30, 2024	53,980,550 shares

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

* 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 currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual financial results, etc. may differ substantially due to various factors.

For the conditions on which earnings forecasts are predicated and precautions for using earnings forecasts, please refer to Appendix P.4 "1. Summary of Operating Results, etc. (3)

Explanation of Forward-Looking Information such as Consolidated Earnings Forecasts."

(Method of accessing supplementary material on financial results)

Supplementary financial results materials will be posted on the Company's website on Thursday, January 8, 2026.

Quarterly consolidated balance sheet

(Millions of yen)

	As of February 28, 2025	As of November 30, 2025
Assets		
Current assets		
Cash and deposits	80,089	82,925
Accounts receivable - trade	6,980	8,808
Inventories	19,887	21,652
Accounts receivable - other	5,345	4,049
Other	4,076	5,505
Allowance for doubtful accounts	(92)	(103)
Total current assets	116,286	122,837
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	45,420	44,792
Tools, furniture and fixtures, net	8,165	8,259
Land	76,659	77,829
Leased assets, net	4,558	4,312
Other, net	384	250
Total property, plant and equipment	135,188	135,444
Intangible assets		
Software	4,974	3,439
Software in progress	17	729
Other	328	325
Total intangible assets	5,321	4,495
Investments and other assets		
Investment securities	10,461	12,096
Leasehold and guarantee deposits	10,088	10,090
Retirement benefit asset	2,691	3,245
Deferred tax assets	2,069	1,804
Other	571	508
Allowance for doubtful accounts	(16)	(16)
Total investments and other assets	25,865	27,728
Total non-current assets	166,375	167,668
Total assets	282,662	290,505

	As of February 28, 2025	As of November 30, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	31,862	37,061
Short-term borrowings	10,584	11,510
Lease liabilities	1,166	1,070
Accounts payable - other	5,637	5,824
Accrued expenses	5,877	7,642
Income taxes payable	2,854	2,356
Accrued consumption taxes	1,148	1,695
Provision for bonuses	3,062	1,709
Provision for point card certificates	605	744
Contract liabilities	3,837	4,947
Other	1,749	2,924
Total current liabilities	68,386	77,487
Non-current liabilities		
Long-term borrowings	13,797	7,918
Lease liabilities	4,597	4,314
Retirement benefit liability	520	535
Provision for retirement benefits for directors (and other officers)	562	553
Long-term guarantee deposits	4,113	4,067
Asset retirement obligations	5,976	6,000
Other	670	929
Total non-current liabilities	30,238	24,318
Total liabilities	98,624	101,805
Net assets		
Shareholders' equity		
Share capital	21,205	21,205
Capital surplus	24,996	24,996
Retained earnings	145,107	149,448
Treasury shares	(9,006)	(10,257)
Total shareholders' equity	182,302	185,392
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	827	2,356
Remeasurements of defined benefit plans	907	950
Total accumulated other comprehensive income	1,734	3,307
Total net assets	184,037	188,700
Total liabilities and net assets	282,662	290,505

Quarterly consolidated statement of income

(Millions of yen)

	Nine months ended November 30, 2024	Nine months ended November 30, 2025
Net sales	449,634	464,771
Cost of sales	337,221	348,375
Gross profit	112,413	116,395
Selling, general and administrative expenses		
The advertising decoration cost	3,431	3,544
A store rental	5,416	5,263
Provision for point card certificates	1,071	1,150
Remuneration for directors (and other officers)	499	499
Salaries and allowances	45,391	47,324
Provision for bonuses	1,936	2,026
Provision for retirement benefits for directors (and other officers)	43	42
Retirement benefit expenses	736	686
Utilities expenses	9,159	9,142
Taxes and dues	2,326	2,388
Depreciation	7,773	7,768
Amortization of goodwill	61	-
Other	24,507	24,668
Total selling, general and administrative expenses	102,355	104,505
Operating profit	10,058	11,889
Non-operating income		
Interest income	25	40
Dividend income	183	236
Share of profit of entities accounted for using equity method	49	50
Outsourcing service income	539	534
Other	584	487
Total non-operating income	1,381	1,349
Non-operating expenses		
Interest expenses	109	136
Other	48	44
Total non-operating expenses	157	180
Ordinary profit	11,281	13,057
Extraordinary income		
Gain on sale of non-current assets	5	0
Compensation income	19	30
Gain on reversal of asset retirement obligations	10	-
Gain on sale of investment securities	-	72
Other	-	0
Total extraordinary income	35	103
Extraordinary losses		
Loss on sale and retirement of non-current assets	43	29
Loss on store closings	2	45
Other	32	14
Total extraordinary losses	78	89
Profit before income taxes	11,238	13,071
Income taxes	4,193	4,573
Profit	7,044	8,498
Profit attributable to owners of parent	7,044	8,498

Quarterly consolidated statement of comprehensive income

(Millions of yen)

	Nine months ended November 30, 2024	Nine months ended November 30, 2025
Profit	7,044	8,498
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,391)	1,528
Remeasurements of defined benefit plans, net of tax	62	43
Share of other comprehensive income of entities accounted for using equity method	(0)	0
Total other comprehensive income	(1,329)	1,572
Comprehensive income	5,714	10,070
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,714	10,070
Comprehensive income attributable to non-controlling interests	-	-

Quarterly consolidated statement of cash flows

(Millions of yen)

	Nine months ended November 30, 2024	Nine months ended November 30, 2025
Cash flows from operating activities		
Profit before income taxes	11,238	13,071
Depreciation	7,806	7,796
Interest and dividend income	(208)	(277)
Interest expenses	109	136
Increase (decrease) in provision for bonuses	(1,628)	(1,352)
Increase (decrease) in provision for point card certificates	66	139
Increase (decrease) in contract liabilities	636	1,110
Decrease (increase) in trade receivables	(1,238)	(1,827)
Decrease (increase) in inventories	(3,235)	(1,765)
Increase (decrease) in trade payables	4,444	5,198
Increase (decrease) in accrued consumption taxes	(812)	547
Other, net	4,121	2,291
Subtotal	21,298	25,068
Interest and dividends received	193	264
Interest paid	(103)	(134)
Income taxes paid	(5,832)	(5,030)
Net cash provided by (used in) operating activities	15,556	20,167
Cash flows from investing activities		
Purchase of property, plant and equipment	(9,350)	(5,696)
Proceeds from sale of property, plant and equipment	59	30
Purchase of intangible assets	(743)	(1,032)
Payments of guarantee deposits	(221)	(68)
Proceeds from refund of guarantee deposits	227	138
Refund of guarantee deposits received	(91)	(57)
Guarantee deposits received	33	48
Payments into time deposits	(43)	(0)
Proceeds from withdrawal of time deposits	43	-
Other, net	50	544
Net cash provided by (used in) investing activities	(10,035)	(6,093)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(340)	(500)
Proceeds from long-term borrowings	2,000	-
Repayments of long-term borrowings	(4,049)	(4,452)
Purchase of treasury shares	(0)	(1,254)
Dividends paid	(3,905)	(4,125)
Other, net	(782)	(905)
Net cash provided by (used in) financing activities	(7,078)	(11,238)
Net increase (decrease) in cash and cash equivalents	(1,556)	2,836
Cash and cash equivalents at beginning of period	74,731	80,035
Cash and cash equivalents at end of period	73,175	82,871

(Notes on segment information, etc.)

Segment Information

I. the nine months of the previous fiscal year (March 1, 2024 to November 30, 2024)

The Group is a single segment of the retail-related business, so it is omitted.

II. the nine months of the current fiscal year (March 1, 2025 to November 30, 2025)

The Group is a single segment of the retail-related business, so it is omitted.