

April 13, 2026

Consolidated Financial Results for the Fiscal Year Ended February 28, 2026 (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
 Inquiries: Koichi Furukawa, Vice Chairman,CFO
 Telephone: +81-11-530-1000
 Scheduled date of annual general meeting of shareholders: May 26, 2026
 Scheduled date to commence dividend payments: May 27, 2026
 Scheduled date to file annual securities report: May 25, 2026
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (For Institutional Investors and Investment Analysts)

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

1. Consolidated financial results for the fiscal year ended February 28, 2026 (from March 1, 2025 to February 28, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
February 28, 2026	626,957	3.1	17,632	10.6	19,161	9.2	12,445	12.5
February 28, 2025	608,284	2.8	15,936	(5.3)	17,540	(4.9)	11,063	(6.0)

Note: Comprehensive income For the fiscal year ended February 28, 2026: ¥18,555 million [82.5%]
 For the fiscal year ended February 28, 2025: ¥10,169 million [(30.5)%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
February 28, 2026	231.36	-	6.5	6.6	2.8
February 28, 2025	204.96	-	6.1	6.3	2.6

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended February 28, 2026: ¥51 million
 For the fiscal year ended February 28, 2025: ¥53 million

(2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
February 28, 2026	300,714	196,142	65.2	3,681.33
February 28, 2025	282,662	184,037	65.1	3,409.33

Reference: Equity
 As of February 28, 2026: ¥196,142 million
 As of February 28, 2025: ¥184,037 million

(3) Consolidated cash flows

Fiscal year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
February 28, 2026	26,302	(7,335)	(7,872)	91,130
February 28, 2025	19,384	(11,490)	(2,590)	80,035

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended February 28, 2025	-	34.00	-	40.00	74.00	3,994	36.1	2.2
Fiscal year ended February 28, 2026	-	37.00	-	45.00	82.00	4,395	35.4	2.3
Fiscal year ending February 28, 2027 (Forecast)		41.00		41.00	82.00		35.2	

Note: The year-end dividend per share for the fiscal year ended February 28, 2026 was changed from ¥43 to ¥45. For details, please refer to the "Notice Concerning Dividends (Increase) of Surplus (Change in Disclosure Matters)" announced today (April 13, 2026).

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
Six months ending August 31, 2026	323,500	3.1	8,430	5.6	9,200	5.0	6,000	5.0	112.61
Fiscal year ending February 28, 2027	648,000	3.4	18,000	2.1	19,600	2.3	12,400	(0.4)	232.73

* **Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) 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
- (3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of February 28, 2026	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 February 28, 2026	4,369,516 shares
As of February 28, 2025	3,669,445 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended February 28, 2026	53,793,714 shares
Fiscal year ended February 28, 2025	53,980,526 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended February 28, 2026 (from March 1, 2025 to February 28, 2026)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
February 28, 2026	22,164	137.6	15,627	426.5	14,568	319.1	12,732	266.5
February 28, 2025	9,330	7.2	2,968	9.5	3,475	12.8	3,474	12.9

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
February 28, 2026	236.68	-
February 28, 2025	64.36	-

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
February 28, 2026	104,944	67,390	64.2	1,264.79
February 28, 2025	105,211	59,490	56.5	1,102.04

Reference: Equity

As of February 28, 2026: ¥67,390 million

As of February 28, 2025: ¥59,490 million

2. Non-consolidated earnings forecast for the fiscal year ending February 28, 2027 (March 1, 2026 ~ February 28, 2027)

(Percentages indicate year-on-year changes.)

Six months ending	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
August 31, 2026	5,392	4.7	1,850	(2.2)	2,099	(6.2)	2,094	(6.4)	39.31
Fiscal year ending February 28, 2027	10,780	(51.4)	4,300	(72.5)	4,900	(66.4)	4,890	(61.6)	91.78

* Financial results reports are exempt from audit 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 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.

Please refer to “(4) Future outlook” of “1. Overview of Operating Results and Others” on page 6 of the attached materials for the conditions that form the assumptions for the forecasts of financial results and cautions concerning the use thereof.

(Method of accessing supplementary material on financial results and contents of the financial results briefing)

Supplementary financial results materials will be posted on the Company's website on Monday, April 13, 2026.

The Company plans to hold a financial results briefing for analysts in the form of a web conference on Tuesday, April 14, 2026. The financial results briefing materials to be used on the day will be posted on the Company's website on the same day.

Consolidated balance sheet

(Millions of yen)

	As of February 28, 2025	As of February 28, 2026
Assets		
Current assets		
Cash and deposits	80,089	91,183
Accounts receivable - trade	6,980	7,593
Inventories	19,887	21,105
Other	9,422	9,661
Allowance for doubtful accounts	(92)	(107)
Total current assets	116,286	129,436
Non-current assets		
Property, plant and equipment		
Buildings and structures	156,691	158,860
Accumulated depreciation and impairment	(111,271)	(114,923)
Buildings and structures, net	45,420	43,936
Tools, furniture and fixtures	35,846	38,254
Accumulated depreciation and impairment	(27,680)	(30,571)
Tools, furniture and fixtures, net	8,165	7,682
Land	76,659	77,502
Leased assets	9,746	9,036
Accumulated depreciation and impairment	(5,187)	(4,943)
Leased assets, net	4,558	4,093
Construction in progress	115	121
Other	2,133	2,112
Accumulated depreciation and impairment	(1,865)	(1,920)
Other, net	268	192
Total property, plant and equipment	135,188	133,528
Intangible assets		
Software	4,974	3,026
Software in progress	17	726
Other	328	324
Total intangible assets	5,321	4,077
Investments and other assets		
Investment securities	10,461	13,523
Long-term loans receivable	21	13
Retirement benefit asset	2,691	8,593
Leasehold and guarantee deposits	10,088	9,878
Deferred tax assets	2,069	1,216
Other	549	473
Allowance for doubtful accounts	(16)	(28)
Total investments and other assets	25,865	33,671
Total non-current assets	166,375	171,277
Total assets	282,662	300,714

	As of February 28, 2025	As of February 28, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	31,862	32,853
Short-term borrowings	10,584	10,663
Lease liabilities	1,166	1,046
Accounts payable - other	5,637	5,877
Accrued expenses	5,877	6,813
Income taxes payable	2,854	4,022
Accrued consumption taxes	1,148	2,144
Provision for bonuses	3,062	3,420
Provision for point card certificates	605	644
Contract liabilities	3,837	4,070
Other	1,749	2,096
Total current liabilities	68,386	73,654
Non-current liabilities		
Long-term borrowings	13,797	13,486
Lease liabilities	4,597	4,137
Retirement benefit liability	520	524
Deferred tax liabilities	423	1,966
Provision for retirement benefits for directors (and other officers)	562	567
Long-term guarantee deposits	4,113	4,039
Asset retirement obligations	5,976	6,008
Other	246	186
Total non-current liabilities	30,238	30,917
Total liabilities	98,624	104,571
Net assets		
Shareholders' equity		
Share capital	21,205	21,205
Capital surplus	24,996	24,996
Retained earnings	145,107	153,396
Treasury shares	(9,006)	(11,300)
Total shareholders' equity	182,302	188,297
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	827	3,335
Remeasurements of defined benefit plans	907	4,509
Total accumulated other comprehensive income	1,734	7,845
Total net assets	184,037	196,142
Total liabilities and net assets	282,662	300,714

Consolidated statement of income

(Millions of yen)

	Fiscal year ended February 28, 2025	Fiscal year ended February 28, 2026
Net sales	608,284	626,957
Cost of sales	455,344	469,142
Gross profit	152,939	157,815
Selling, general and administrative expenses		
The advertising decoration cost	4,588	4,730
a store rental	7,205	7,028
Remuneration for directors (and other officers)	664	665
Salaries and allowances	60,245	62,658
Provision for bonuses	3,032	3,328
Provision for retirement benefits for directors (and other officers)	57	56
Provision for point card certificates	1,442	1,501
Retirement benefit expenses	976	899
Utilities expenses	12,574	12,329
Taxes and dues	3,037	3,147
Depreciation	10,359	10,487
Amortization of goodwill	66	-
Other	32,750	33,350
Total selling, general and administrative expenses	137,002	140,183
Operating profit	15,936	17,632
Non-operating income		
Interest income	41	65
Dividend income	245	303
Share of profit of entities accounted for using equity method	53	51
Outsourcing service income	716	711
Subsidy income	80	50
Other	698	613
Total non-operating income	1,835	1,796
Non-operating expenses		
Interest expenses	150	180
Provision of allowance for doubtful accounts	24	26
Other	56	60
Total non-operating expenses	231	267
Ordinary profit	17,540	19,161

	Fiscal year ended February 28, 2025	Fiscal year ended February 28, 2026
Extraordinary income		
Gain on sale of non-current assets	6	0
Compensation income	72	31
Gain on sale of investment securities	-	72
Gain on reversal of asset retirement obligations	18	-
Other	-	0
Total extraordinary income	97	103
Extraordinary losses		
Loss on sale and retirement of non-current assets	57	41
Loss on store closings	2	51
Impairment losses	1,123	951
Other	52	43
Total extraordinary losses	1,236	1,087
Profit before income taxes	16,402	18,178
Income taxes - current	5,006	5,986
Income taxes - deferred	332	(253)
Total income taxes	5,338	5,732
Profit	11,063	12,445
Profit attributable to owners of parent	11,063	12,445

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended February 28, 2025	Fiscal year ended February 28, 2026
Profit	11,063	12,445
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,067)	2,507
Remeasurements of defined benefit plans, net of tax	173	3,601
Share of other comprehensive income of entities accounted for using equity method	(0)	1
Total other comprehensive income	(894)	6,110
Comprehensive income	10,169	18,555
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,169	18,555
Comprehensive income attributable to non-controlling interests	-	-

Consolidated statement of changes in equity

Fiscal year ended February 28, 2025

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income			Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	21,205	24,996	137,984	(9,005)	175,180	1,894	734	2,628	177,809
Changes during period									
Dividends of surplus			(3,940)		(3,940)				(3,940)
Profit attributable to owners of parent			11,063		11,063				11,063
Purchase of treasury shares				(0)	(0)				(0)
Disposal of treasury shares		0		0	0				0
Net changes in items other than shareholders' equity						(1,067)	173	(894)	(894)
Total changes during period	-	0	7,122	(0)	7,122	(1,067)	173	(894)	6,228
Balance at end of period	21,205	24,996	145,107	(9,006)	182,302	827	907	1,734	184,037

Consolidated statement of changes in equity

Fiscal year ended February 28, 2026

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income			Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	21,205	24,996	145,107	(9,006)	182,302	827	907	1,734	184,037
Changes during period									
Dividends of surplus			(4,156)		(4,156)				(4,156)
Profit attributable to owners of parent			12,445		12,445				12,445
Purchase of treasury shares				(2,294)	(2,294)				(2,294)
Disposal of treasury shares		0		0	0				0
Net changes in items other than shareholders' equity						2,508	3,601	6,110	6,110
Total changes during period	-	0	8,288	(2,294)	5,994	2,508	3,601	6,110	12,105
Balance at end of period	21,205	24,996	153,396	(11,300)	188,297	3,335	4,509	7,845	196,142

Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended February 28, 2025	Fiscal year ended February 28, 2026
Cash flows from operating activities		
Profit before income taxes	16,402	18,178
Depreciation	10,404	10,525
Impairment losses	1,123	951
Amortization of goodwill	66	-
Interest and dividend income	(287)	(369)
Interest expenses	150	180
Loss (gain) on sale and retirement of non-current assets	51	41
Loss (gain) on sale of investment securities	-	(72)
Share of loss (profit) of entities accounted for using equity method	(53)	(51)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	37	2
Increase (decrease) in retirement benefit liability	(1,235)	(2,300)
Increase (decrease) in provision for bonuses	19	358
Increase (decrease) in allowance for doubtful accounts	(0)	26
Increase (decrease) in provision for point card certificates	(11)	39
Increase (decrease) in contract liabilities	(117)	233
Decrease (increase) in trade receivables	(261)	(613)
Decrease (increase) in inventories	(1,782)	(1,218)
Decrease (increase) in other current assets	(49)	(302)
Increase (decrease) in trade payables	176	990
Increase (decrease) in other current liabilities	377	1,486
Increase (decrease) in accrued consumption taxes	(622)	996
Decrease (increase) in guarantee deposits	34	70
Other, net	277	194
Subtotal	24,700	29,347
Interest and dividends received	256	343
Interest paid	(134)	(172)
Income taxes paid	(5,438)	(3,215)
Net cash provided by (used in) operating activities	19,384	26,302

	Fiscal year ended February 28, 2025	Fiscal year ended February 28, 2026
Cash flows from investing activities		
Payments into time deposits	(43)	(0)
Proceeds from withdrawal of time deposits	43	-
Purchase of property, plant and equipment	(11,057)	(6,797)
Proceeds from sale of property, plant and equipment	25	30
Purchase of intangible assets	(932)	(1,144)
Purchase of investment securities	(33)	(10)
Proceeds from sale of investment securities	113	552
Loan advances	(5)	(3)
Proceeds from collection of loans receivable	12	11
Payments of guarantee deposits	(239)	(124)
Proceeds from refund of guarantee deposits	753	165
Refund of guarantee deposits received	(114)	(73)
Guarantee deposits received	43	60
Other, net	(54)	(1)
Net cash provided by (used in) investing activities	(11,490)	(7,335)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(290)	(100)
Proceeds from long-term borrowings	9,000	9,000
Repayments of long-term borrowings	(6,315)	(9,131)
Purchase of treasury shares	(0)	(2,299)
Dividends paid	(3,934)	(4,156)
Other, net	(1,049)	(1,185)
Net cash provided by (used in) financing activities	(2,590)	(7,872)
Net increase (decrease) in cash and cash equivalents	5,303	11,094
Cash and cash equivalents at beginning of period	74,731	80,035
Cash and cash equivalents at end of period	80,035	91,130

(Notes on segment information, etc.)

Segment Information

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

Related Information

The previous fiscal year (March 1, 2024 to February 28, 2025)

1. Product and Service Information

Revenue to external customers in a single product or service segment exceeds 90% of operating sales in the consolidated statements of income, so the description is omitted.

2. Regional Information

(1) Net sales

Since there are no sales to external customers outside of Japan, there is no such matter.

(2) Property, plant and equipment

Since there are no property, plant and equipment located outside of Japan, there is no applicable matter.

3. Information per main customer

There is no mention of sales to external customers because there are no counterparties that account for more than 10% of sales in the consolidated statements of income.

The current fiscal year (March 1, 2025 to February 28, 2026)

1. Product and Service Information

Revenue to external customers in a single product or service segment exceeds 90% of operating sales in the consolidated statements of income, so the description is omitted.

2. Regional Information

(1) Net sales

Since there are no sales to external customers outside of Japan, there is no such matter.

(2) Property, plant and equipment

Since there are no property, plant and equipment located outside of Japan, there is no applicable matter.

3. Information per main customer

There is no mention of sales to external customers because there are no counterparties that account for more than 10% of sales in the consolidated statements of income.

Information on impairment losses on fixed assets by reporting segment

The previous fiscal year (March 1, 2024 to February 28, 2025)

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

The current fiscal year (March 1, 2025 to February 28, 2026)

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

Information on amortization and unamortized balances of goodwill by reporting segment

The previous fiscal year (March 1, 2024 to February 28, 2025)

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

The current fiscal year (March 1, 2025 to February 28, 2026)

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

Information on Negative Goodwill Accrual Gains by Reporting Segment

The previous fiscal year (March 1, 2024 to February 28, 2025)

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

The current fiscal year (March 1, 2025 to February 28, 2026)

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