



## **ARATA Corporation**

Earnings Investor Briefing for FY2020

May 12, 2021

## Event Summary

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<b>[Company Name]</b>	ARATA Corporation	
<b>[Company ID]</b>	2733-QCODE	
<b>[Event Language]</b>	JPN	
<b>[Event Type]</b>	Earnings Announcement	
<b>[Event Name]</b>	Earnings Investor Briefing for FY2020	
<b>[Fiscal Period]</b>	FY2020 Annual	
<b>[Date]</b>	May 12, 2021	
<b>[Number of Pages]</b>	24	
<b>[Time]</b>	12:00 – 12:16 (Total: 16 minutes, Presentation: 16 minutes)	
<b>[Venue]</b>	Webcast	
<b>[Venue Size]</b>		
<b>[Participants]</b>		
<b>[Number of Speakers]</b>	1	
	Hiroaki Suzaki	Representative Director and President

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## Presentation

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**Suzaki:** Thank you very much for watching. I am Hiroaki Suzaki, Representative Director, President, and Executive Officer of ARATA Co., Ltd.

### 発表のポイント



#### ① 2021年3月期 実績

- ・ 連結損益計算書 目標達成、過去最高
- ・ 連結貸借対照表
- ・ 自己資本比率とROE、配当

#### ② 2021年3月期要因 および 2022年3月期業績予想

- ・ カテゴリー別、業態別実績
- ・ コロナ禍の変化に対応する当社の取引構造
- ・ 2022年3月期 業績予想

#### ③ 中期経営計画2023

- ・ 中期経営計画2023目標数値 および 概略
- ・ 成長性の拡大、生産性の改善
- ・ ESGの取り組み

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The points of the presentation are the following 3 points, as you can see.

The first one is the results for the FY ended March 31, 2021.

The second one is the factors for the FY ending March 31, 2021 and earnings forecasts for the FY ending March 31, 2022.

The third one, I would like to explain the Medium-Term Management Plan 2023.

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## ■ 連結損益計算書

(単位：百万円)

	2020年3月期	2021年3月期 実績		2021年3月期 予想	
		金額	前年比 (%)	金額	予想実績比 (%)
売上高	796,227	834,033	104.7	814,000	102.5
売上総利益	81,833	85,708	104.7	-	-
販管費	72,507	74,186	102.3	-	-
営業利益	9,326	11,521	123.5	10,800	106.7
経常利益	10,124	12,099	119.5	11,300	107.1
親会社株主に 帰属する 当期純利益	7,191	8,200	114.0	7,700	106.5

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First, I would like to talk about the results for the FY ended March 31, 2021.

The consolidated statements of income are as you can see.

Net sales, gross profit, operating income, ordinary income, and net income attributable to the shareholder, as well as the parent company, were all higher than the previous year.

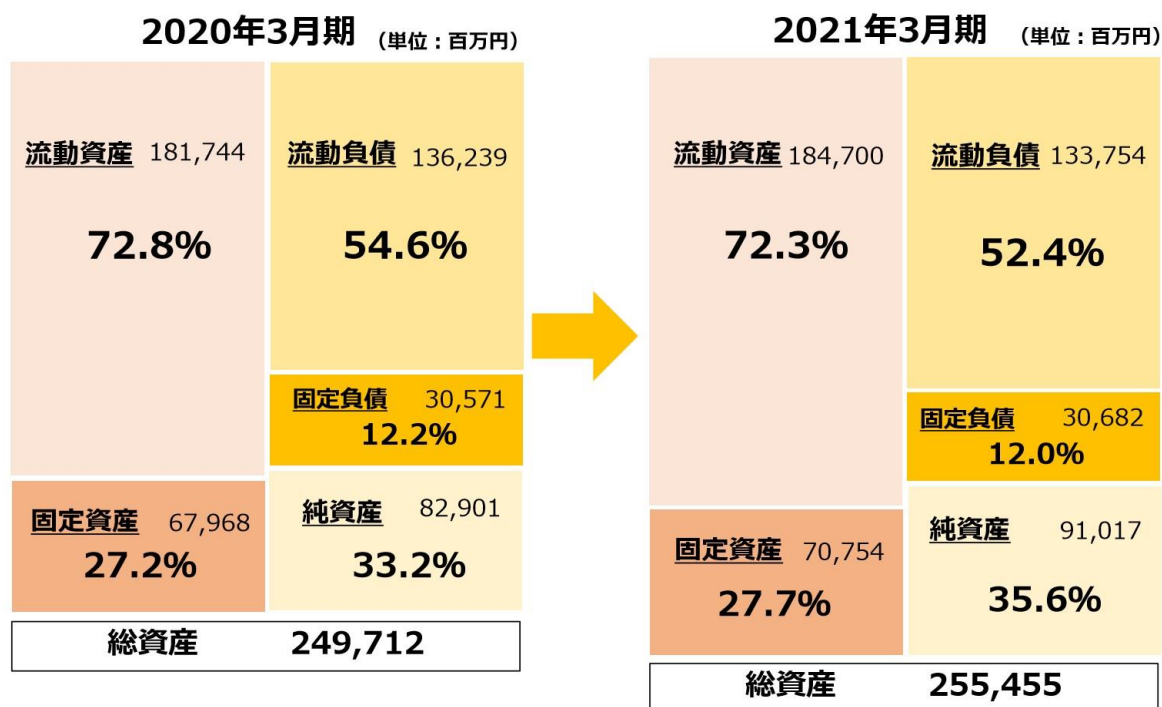
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## ■ 連結貸借対照表



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Consolidated balance sheets are as you can see.

Total assets were JPY255,455 million, an increase of approximately JPY5.7 billion from the end of the previous fiscal year.

Net assets were JPY91,017 million, an increase of approximately JPY8.1 billion from the end of the previous fiscal year.

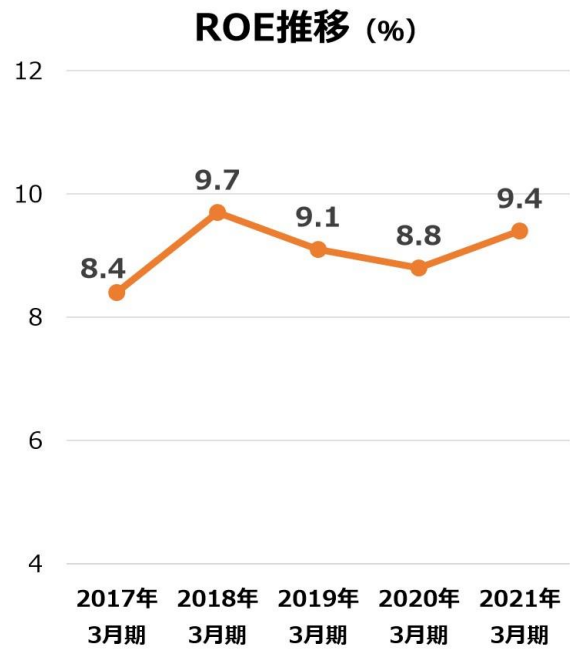
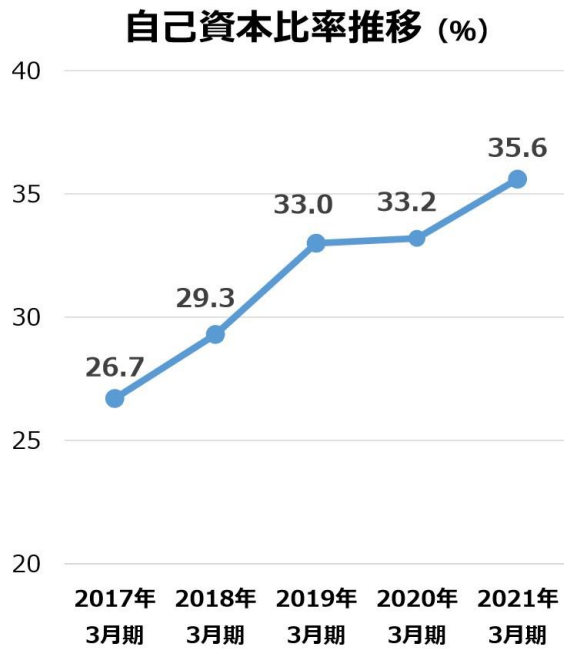
Equity ratio was 35.6%.

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## ■ 自己資本比率とROE



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This is a graph of capital adequacy ratio and ROE transition over the past 5 years.

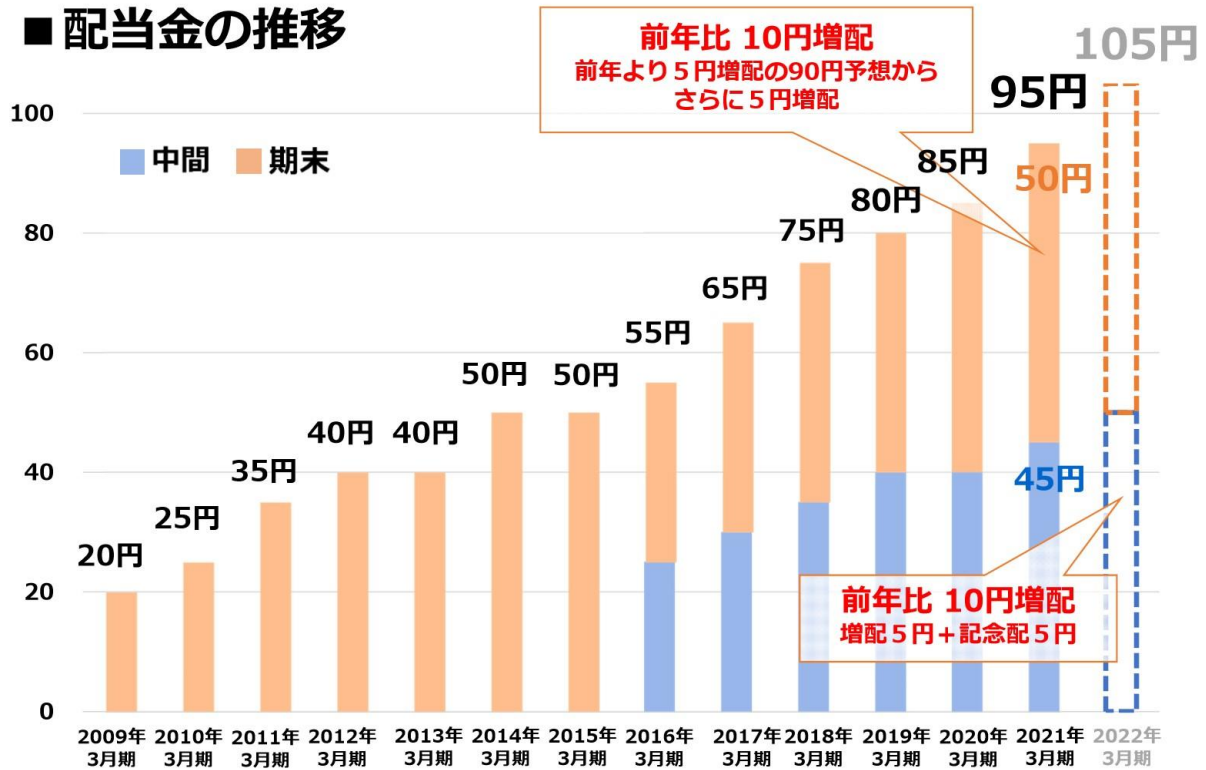
The capital adequacy ratio has been improving steadily, and ROE has remained at a level of 9%.

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## ■ 配当金の推移



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We will explain dividends.

The Company's basic policy is stable dividends, and after securing necessary internal reserves, and taking into account the profits of each fiscal year, the Company uses the dividends as a source of financial resources.

The dividend forecast for the FY ending March 31, 2021 was JPY90 for the full year, which is an increase of JPY5 from the previous year. But the year-end dividend was further increased by JPY5 to JPY95 for the full year.

In addition to increasing dividends by JPY5, we plan to pay another dividend of JPY5 for the 20th anniversary of the Company establishment for the FY ending March 31, 2022, and eventually to JPY105 for the full year.

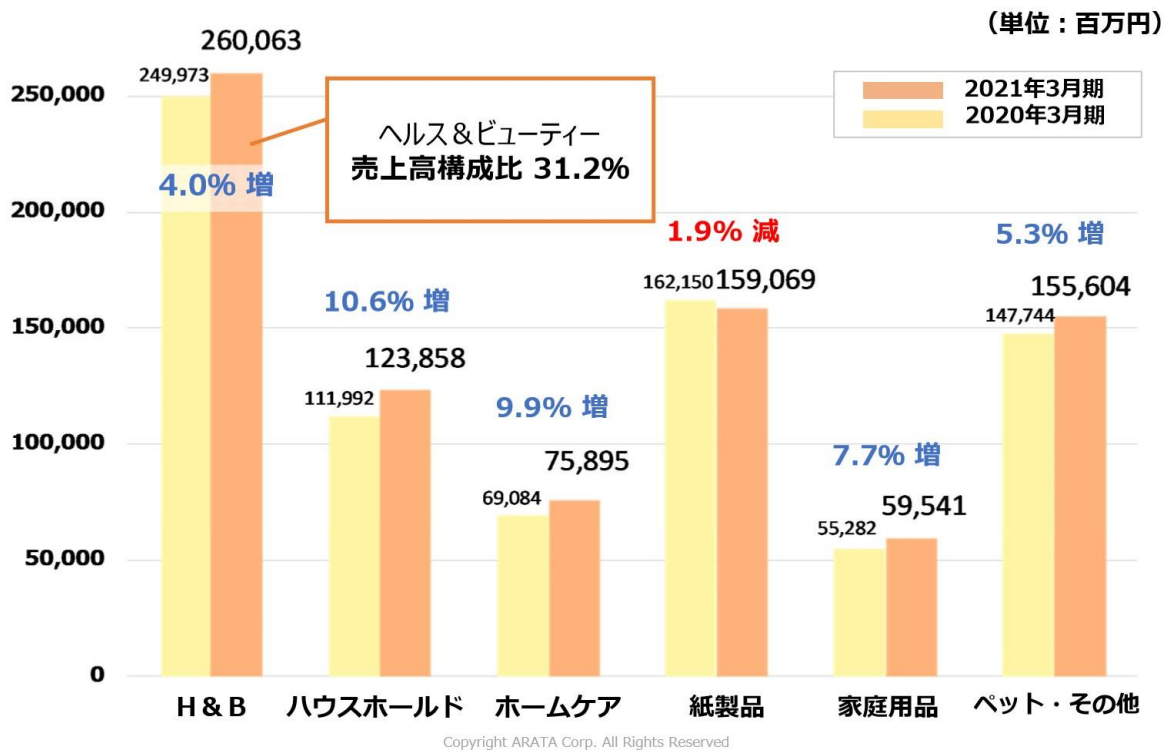
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## ■ カテゴリー別売上高（前年比較）



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Next, I would like to explain the factors for the FY ending March 31, 2021 and our earnings forecasts for the FY ending March 31, 2022.

Sales by category are as you can see.

Health & Beauty, which accounts for 31.2% of the total, includes hygiene-related products, such as masks and hand soaps, and has 30% growth due to corona disasters, while cosmetics and other products have been sluggish due to self-restraint at home and mask wearing.

Household for detergents, et cetera, increased significantly to 10.6%.

In addition to the continued strong performance of large-capacity refill products, the growth of high-performance detergents with high disinfection effects due to increased awareness of infectious disease countermeasures is a factor.

As for home care, demand for pest control has increased due to longer hours at home, and insecticides and other products are up 9.9%.

The previous year's cracking of paper products was largely due to panic demand for tissue paper and toilet paper from February to March 2020.

In addition, household goods and pet products are expanding steadily.

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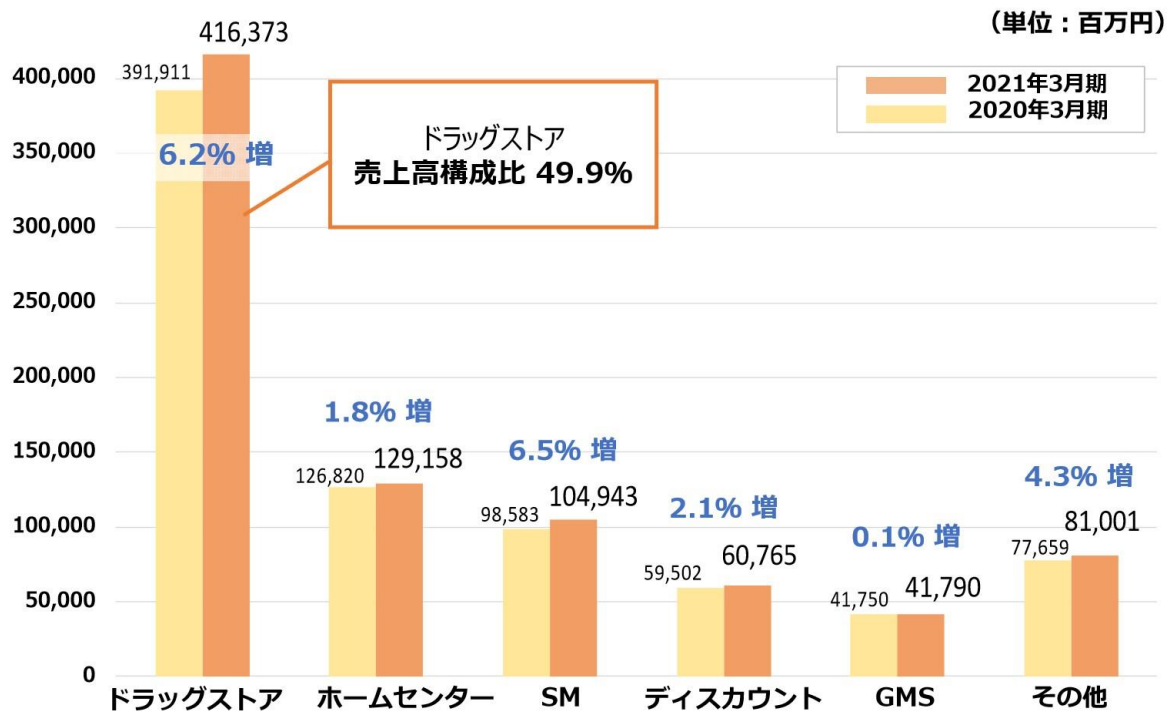
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## ■ 業態別売上高（前年比較）



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In sales by business type, drugstores increased by 6.2%, significantly higher than the previous year, as has been the trend in the past few years.

In addition, sales at supermarkets increased by 6.5% from the previous year due to changes in purchasing behavior due to the corona disaster.

Even in the face of severe economic conditions throughout society, we were 100% more than the previous year in all business areas.

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## ■ 2021年3月期 要因

### コロナ禍で大きく変化する需要



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We handle a wide range of products, and do business with retailers in various business categories throughout Japan. With this broad trading structure, we have flexibly responded to major changes in demand and purchasing behavior due to corona disasters.

In addition, in order to have a social mission to handle daily necessities, we have been improving the environment for systems and logistics from the perspective of BCP.

As a result, we were able to start online meetings and business negotiations smoothly from the early days of corona disaster, and continue sales activities without delaying communication between our business partners and the Company.

In addition, we are continuously operating distribution centers with sufficient infection control.

Our foundation and functions, which we have built from the perspective of stable and sustainable business growth, have been successful.

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## ■ 2022年3月期 業績予想

	「収益認識に関する 会計基準」適用後の 金額	2021年3月期に当該会計基準 を適用し算出した 前年比
売上高	8,310億円	100.1%
営業利益	115億円	100.7%
経常利益	121億円	100.0%
親会社株主に 帰属する 当期純利益	80億円	97.6%

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Our earnings forecast for the FY ending March 31, 2022 is approximately the same as for the FY ending March 31, 2021.

The figures are the amounts after accounting standards for revenue recognition applied from the FY ended March 31, 2022, and the YoY rate of change is compared to the figures that applied the same standard in the FY ended March 31, 2021.

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## ■ 中期経営計画2023 目標数値

### 2021年3月期 実績

売上高	営業利益	経常利益	ROE
<b>8,340億円</b>	<b>115億円</b>	<b>120億円</b>	<b>9.4%</b>

売上高以外は、初年度で中計の目標達成

### 中計最終年度2023年3月期 目標数値

売上高	営業利益	経常利益	ROE
<b>8,450億円</b>	<b>115億円</b>	<b>120億円</b>	<b>9%台</b>

※「収益認識に関する会計基準」等を適用していない数値

Finally, I would like to explain the Medium-Term Management Plan 2023.

The target figures for the FY ending March 31, 2023, the final year of the medium-term management plan, were JPY845 billion in sales, JPY11.5 billion in operating income, JPY12.0 billion in ordinary income, and 9% ROE.

But as a result of strong results for the FY ended March 31, 2021, we achieved our targets for operating income, ordinary income, and ROE in the first year.

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## ■ 中期経営計画2023 目標数値

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売上高	営業利益	経常利益	ROE
8,450億円	115億円	120億円	9%台

上期中に修正開示予定

※「収益認識に関する会計基準」等を適用していない数値

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In response to this, we are currently reviewing our targets for the FY ending March 31, 2023, which is the final FY, and plan to disclose them during the first half of the FY ending March 31, 2022, which is currently underway.

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## ■長期ビジョンと中期経営計画



中長期的な成長に向けて、  
10年先のありたい姿 = 「長期経営ビジョン」で方針を示し、  
中期経営計画をマイルストーンとして置く。

### 長期経営ビジョン2030を主眼とした戦略

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In August of 2019, we formulated the Long-Term Management Vision 2030, and the ongoing Medium-Term Management Plan 2023 is positioned as the first milestone in our long-term vision.

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## ■長期・中期 戦略

卸事業を主軸としながら、社会課題の解決に向けて様々な流通機能を備え、生活者の豊かな生活の実現に向けて中心的な役割を果たす。  
「成長性の拡大」・「生産性の改善」・「経営健全性の強化」

### 長期経営ビジョン2030に向け事業領域を拡げていく



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With regard to our long-term and medium-term strategies, we will continue to expand our business domain over the course of 10 years, with functions aimed at solving changing environmental and social issues, with a focus on wholesale business.

By continuing to improve productivity while strengthening management soundness as the core, we will refine efficiency and lead to expansion of growth ability and various business strategies.

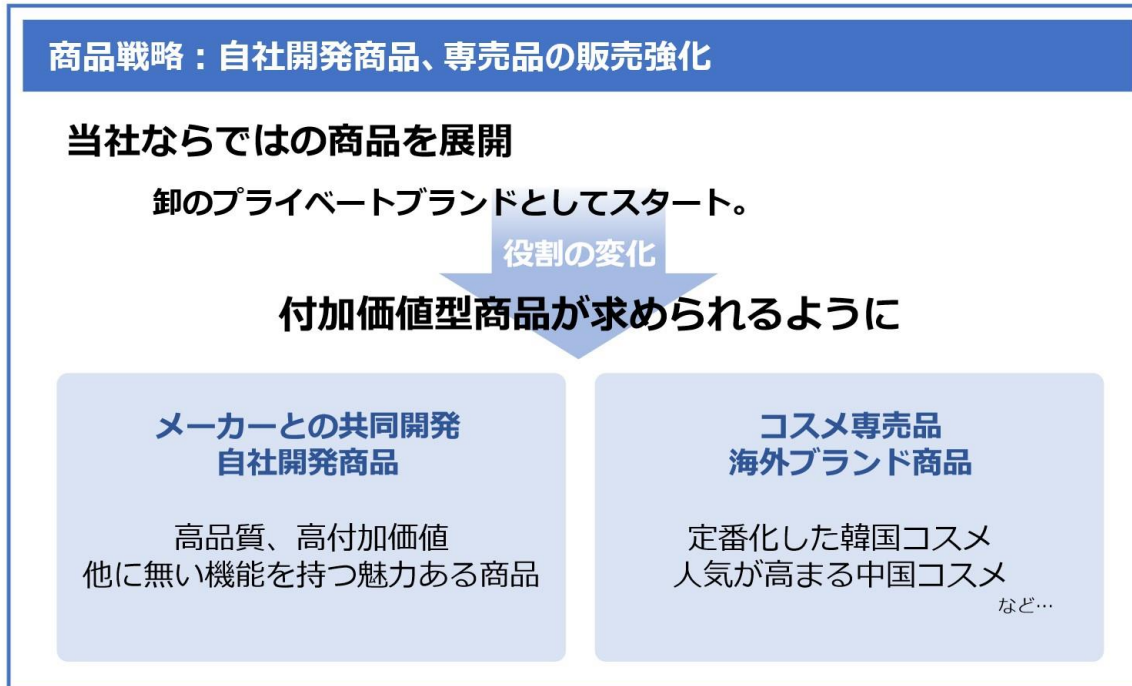
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## ■ 成長性の拡大



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In order to expand growth ability, we are strengthening our own products development and exclusive products as a product strategy.

It is a self-developed product that started as a service for retailers who do not have PB, but with the change of the environment, value-added products are required.

We aim to break away from wholesale private brands and establish them as attractive and unique brands.

In addition, we have recently started initiatives such as handling popular overseas brand cosmetics as exclusive products, and we can expect it as one of our product strategies.

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## ■ 成長性の拡大



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With regard to overseas business, we concluded a comprehensive business alliance with The Shuu Ue Group in China in September 2020, and are currently in discussions for a capital alliance.

In order to respond to the huge market of China, collaboration with leading local partners is effective, and we are promoting partnership strategies while focusing on the functions of the Shuu Ue Group and our company, and are searching for new strategies, such as product development utilizing our excellent in-house factories.

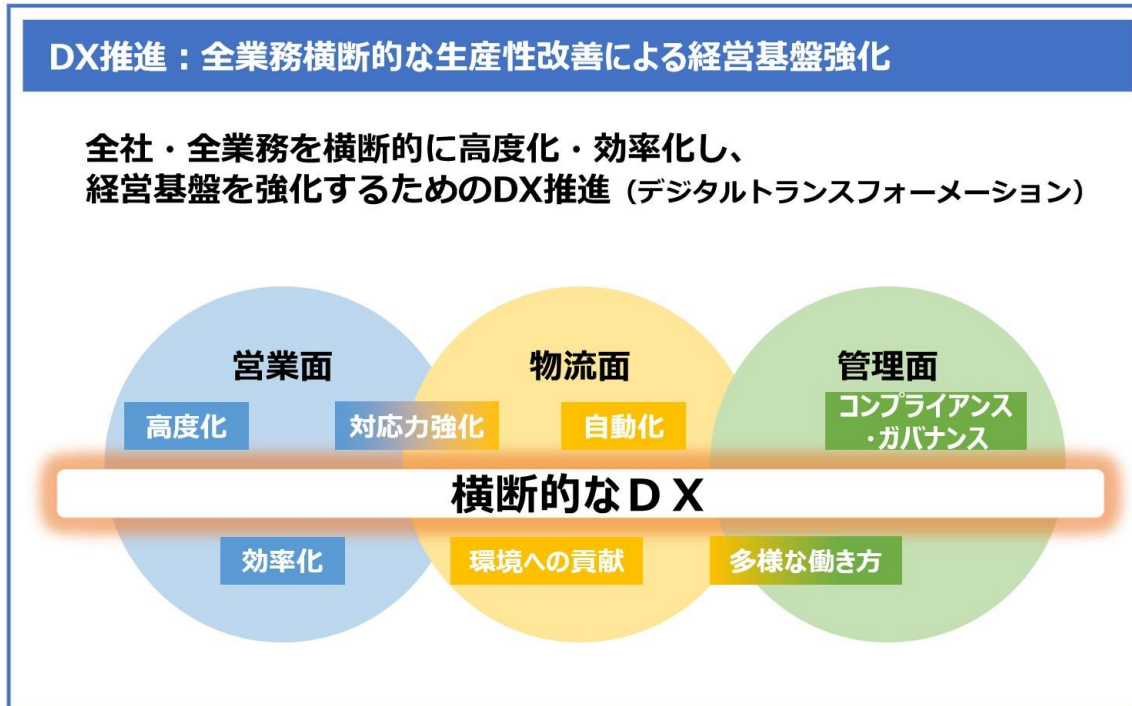
In October 2020, we established a local subsidiary in Vietnam.

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## ■ 生産性の改善



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In addition, in order to improve productivity, we will strengthen our management base by leading to sophistication and efficiency through cross-sectional DX that responds to all operations such as sales, logistics, and management.

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## ■ ESGへの取り組み

長期経営ビジョン2030の社会的価値創出に向けた活動を実施し、  
社会課題の解決、SDGsの目標達成に貢献。



各活動や数値について統合報告書やコーポレートサイトで定期的に開示

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Next, I would like to talk about ESG initiatives.

With a view to contributing to the achievement of each SDGs goal, we are promoting activities by broadly divided into 3 goals.

The first is environmental initiatives through a virtuous cycle in the supply chain.

The second is our efforts toward human resources.

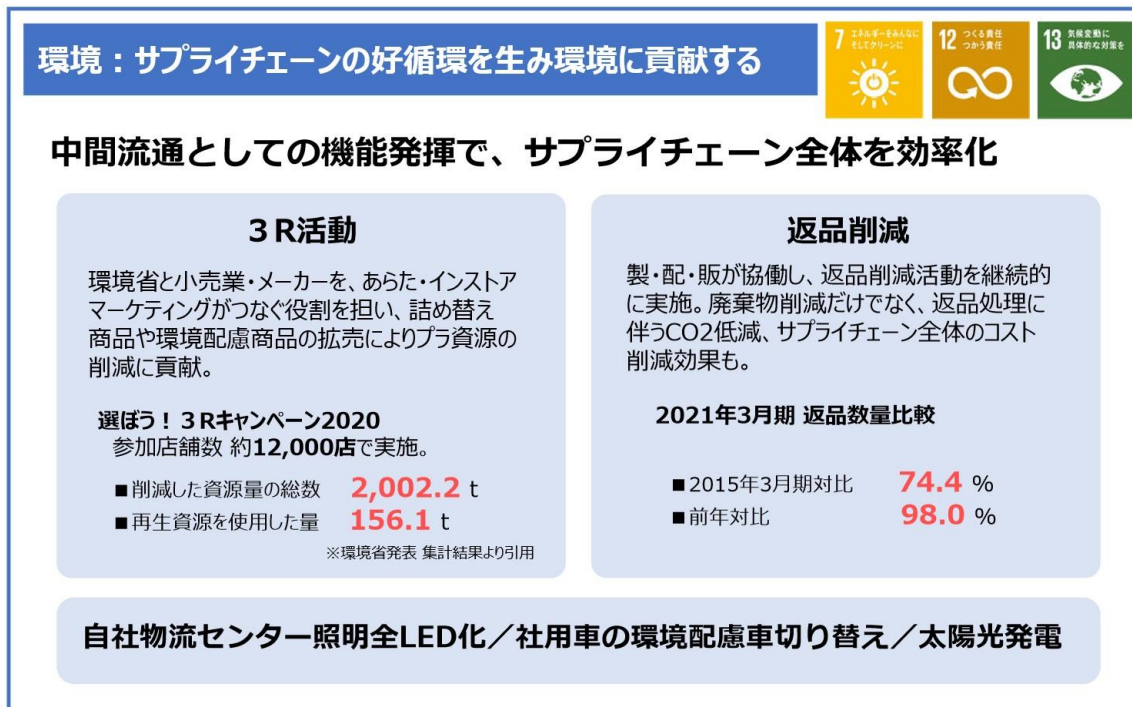
The third is efforts to contribute to local communities.

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## ■ ESGへの取り組み



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Contributing to the environment is achieved by streamlining the entire supply chain by demonstrating its function as an intermediate distribution.

Regarding 3R activities that play a role of connecting the Ministry of the Environment with retailers and manufacturers, Choose! 3R Campaign has been implemented at approximately 12,000 stores nationwide, reducing the amounts of resources.

We have positioned the return reduction activities we have been promoting so far as an important initiative for a virtuous cycle throughout the supply chain, and we are steadily reducing them year by year. In addition to reducing waste, it also reduces CO2 emissions and costs for trucking in return processing.

In addition, we have completed the switch of our logistics center lighting to LEDs, and we are systematically promoting the switch of company vehicles to environmentally friendly vehicles.

We implement various measures as environmentally friendly wholesalers by reducing energy consumption, such as the implementation of solar power generation.

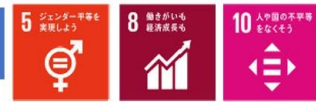
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## ■ ESGへの取り組み

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すべての社員にとって、働きやすく長く活躍できる環境を構築する

◎ 女性活躍、次世代育成支援に基づく国の各種認定取得に向け  
目標設定、環境整備、制度改革の実施

女性平均勤続年数の長期化、女性管理職比率の向上につなげる

◎ 嘱託社員・パート従業員の福利厚生の充実化

⇒ 総合福祉団体定期保険の付帯サービスを、保険の加入有無に関わらず全嘱託・パート従業員に提供

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As an initiative for human resources, we aim to be a company that is rewarding for employees.

In order to create a workplace environment that is easy for all employees to work in and can play an active role for a long time, and to make it visible.

We will set targets for obtaining various certifications in any country, improve the environment, and expand the system, leading to the improvement of the ratio of female managers, which is one of our issues.

In addition, we are enhancing welfare benefits for part-time employees who support the stable operation of our distribution centers.

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## ■ ESGへの取り組み



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In addition, as a contribution of the local community, we have participated in cleanup activities in each region and accepted students' work experiences, and we will continue to promote exchanges with the communities where people working at our company live.

In addition, we will strengthen our relationships with local communities from the perspective of BCP, such as by partnering with the city on agreements to supply daily goods in the event of an emergency.

In the FY ended March 31, 2021, we started supporting sora petit kids camp, which operates campsites for children fighting in-difficult diseases and their families, and will implement system design to contribute to the local community.

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## ■ ESGへの取り組み

### ガバナンス強化

#### 監査等委員会設置会社への移行（2021年6月総会）

- ・ 経営の透明性及び監督機能の強化
- ・ 意思決定の迅速化及び取締役会の改革推進
- ・ 独立社外役員の積極的経営参加
- ・ 三位一体によるガバナンス強化・経営力強化

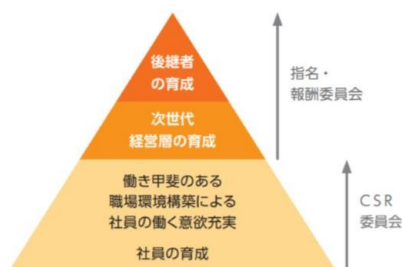
#### 指名・報酬委員会による次期経営層の育成

##### 2020年3月期

- ・ 後継者育成プランの立案、検証

##### 2021年3月期

- ・ 次期経営層によるグループ討議の実施（2020年11月）
- ・ 経営幹部の目標に対する自己評価実施



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Finally, I would like to explain our efforts to strengthen governance. As disclosed in a timely manner on March 23, 2021, a proposal for the transition to a company with an Audit and Supervisory Committee will be submitted at the Ordinary General Meeting of Shareholders scheduled to be held next month.

The aim is to further strengthen governance and strengthen management capabilities through management transparency, strengthening supervisory functions, speeding up decision-making, promoting reform of the Board of Directors, actively supervising independent outside directors, and the triangular management capabilities of directors who are not audit and supervisory committee members, directors who are audit and supervisory committee members, and nominating and compensation committees.

In the FY ended March 31, 2021, the Nominating and Compensation Committee held group discussions in addition to its activities so far as an effort to develop the next management team. We will continue to implement initiatives to develop for the next management and successors.

With the above, that's all for my presentation. Thank you very much for your participation.

[END]

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