

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2024 (Based on Japanese GAAP)

August 7, 2024

Company name: ARATA CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 2733 URL <https://www.arata-gr.jp/>
 Representative: Representative Director and President Hiroaki Suzuki
 senior officer,
 Inquiries: Head of Corporate Governance Headquarters Nobutaka Tsuchiya TEL 03-5635-2800
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

(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	%
Three months ended June 30, 2024	245,604	4.4	4,710	8.3	5,057	8.3	3,438	7.8
Three months ended June 30, 2023	235,239	6.9	4,347	26.8	4,669	23.9	3,190	25.3

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2024	102.37	–
Three months ended June 30, 2023	93.37	88.60

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2024	326,628	110,527	33.8	3,295.32
As of March 31, 2024	316,976	109,719	34.6	3,252.26

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2024	–	83.00	–	51.00	–
Year ending March 31, 2025	–				
Year ending March 31, 2025 (Forecast)		51.00	–	51.00	102.00

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	488,000	3.5	8,650	8.5	8,750	3.9	5,800	2.0	170.26
Full year	969,000	2.6	16,300	12.3	16,600	8.2	11,000	6.6	322.91

4. Notes

- (1) Significant changes in the scope of consolidation during the three months ended June 30, 2024: No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of June 30, 2024	36,057,424 shares	As of March 31, 2024	36,057,424 shares
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Number of treasury shares at the end of the period

As of June 30, 2024	2,522,314 shares	As of March 31, 2024	2,325,948 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2024	33,586,089 shares	Three months ended June 30, 2023	34,168,029 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	27,923	25,868
Notes and accounts receivable - trade	133,316	138,658
Merchandise	44,168	45,322
Accounts receivable - other	31,715	37,312
Other	5,820	6,147
Allowance for doubtful accounts	(198)	(195)
Total current assets	242,745	253,114
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	20,298	20,174
Land	21,503	21,500
Other, net	8,559	8,235
Total property, plant and equipment	50,361	49,909
Intangible assets	5,606	5,561
Investments and other assets		
Investment securities	12,875	12,578
Deferred tax assets	640	581
Retirement benefit asset	1,868	1,952
Other	2,932	2,986
Allowance for doubtful accounts	(53)	(57)
Total investments and other assets	18,262	18,041
Total non-current assets	74,230	73,513
Total assets	316,976	326,628

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	120,748	125,872
Short-term borrowings	13,740	17,987
Income taxes payable	3,084	1,592
Provision for bonuses	1,850	989
Other	31,224	33,824
Total current liabilities	170,647	180,266
Non-current liabilities		
Bonds payable	5,000	5,000
Long-term borrowings	13,730	12,986
Deferred tax liabilities	49	119
Retirement benefit liability	8,432	8,450
Other	9,396	9,278
Total non-current liabilities	36,609	35,834
Total liabilities	207,257	216,100
Net assets		
Shareholders' equity		
Share capital	8,572	8,572
Capital surplus	27,876	27,937
Retained earnings	73,504	75,188
Treasury shares	(4,863)	(5,576)
Total shareholders' equity	105,089	106,122
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,880	4,640
Foreign currency translation adjustment	(44)	(60)
Remeasurements of defined benefit plans	(221)	(194)
Total accumulated other comprehensive income	4,614	4,386
Non-controlling interests	15	18
Total net assets	109,719	110,527
Total liabilities and net assets	316,976	326,628

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	235,239	245,604
Cost of sales	212,018	220,877
Gross profit	23,221	24,726
Selling, general and administrative expenses	18,873	20,016
Operating profit	4,347	4,710
Non-operating income		
Interest income	0	1
Dividend income	86	90
Share of profit of entities accounted for using equity method	—	0
Outsourcing service income	41	39
Reversal of allowance for doubtful accounts	0	4
Foreign exchange gains	88	95
Other	241	262
Total non-operating income	459	493
Non-operating expenses		
Interest expenses	67	89
Share of loss of entities accounted for using equity method	31	—
Loss on sale of trade receivables	38	47
Other	1	8
Total non-operating expenses	138	146
Ordinary profit	4,669	5,057
Extraordinary income		
Gain on sale of non-current assets	0	—
Gain on sale of investment securities	46	—
Total extraordinary income	46	—
Extraordinary losses		
Loss on sale of non-current assets	1	1
Loss on retirement of non-current assets	13	2
Total extraordinary losses	14	4
Profit before income taxes	4,700	5,053
Income taxes - current	1,280	1,395
Income taxes - deferred	220	214
Total income taxes	1,501	1,609
Profit	3,199	3,443
Profit attributable to non-controlling interests	9	5
Profit attributable to owners of parent	3,190	3,438

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit	3,199	3,443
Other comprehensive income		
Valuation difference on available-for-sale securities	340	(240)
Foreign currency translation adjustment	(12)	(15)
Remeasurements of defined benefit plans, net of tax	37	27
Total other comprehensive income	365	(228)
Comprehensive income	3,565	3,215
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,562	3,210
Comprehensive income attributable to non-controlling interests	2	4