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ARATA Corporation

Q1 of Fiscal Year Ending March 2025 Financial Results





■ Q1 of FY03/2025 Highlights

Market Environment

Due to the 2024 issue of Logistics
and labor shortage
Rising logistics costs

Due to the depreciation of the yen
and the rise in crude oil prices
Soaring utility costs
Raw material cost increase

Inbound travel
Increase in opportunities to go out
Increase in the flow of people
such as foreign tourists visiting
Japan



Q1 of FY03/2025

Implementation of the Medium-Term Management Plan 2026

Promotion of category strategies



Record high Net sales

Improving gross profit ratio



Record high
Ordinary income



■ Consolidated Statements of Income

(Millions of JPY)	Q1 of FY03/2024	Q1 of FY03/2025	YoY change		Planning	Progress rate
	Results	Results	Change	Rate (%)		Rate (%)
Net sales	235,239	245,604	10,364	104.4	969,000	25.3
Gross profit	23,221	24,726	1,505	106.5	-	-
SG&A expenses	18,873	20,016	1,142	106.1	-	-
Operating income	4,347	4,710	362	108.3	16,300	28.9
Ordinary income	4,669	5,057	388	108.3	16,600	30.5
Profit attributable to owners of parent Quarterly Net profit	3,190	3,438	248	107.8	11,000	31.3



■ Q1 of FY03/2025 factors

Record high net sales

Net Sales : JPY245.604 billion YoY: +JPY10.364 billion 104.4%

Q1 of FY03/2025 Cumulative

Net Sales YoY **104.4%** **Increased for 10 consecutive years**

Implementation of category strategies in response to environmental changes

Expand sales in the focus categories (H&B and pets) under the medium-term plan

→Development of cosmetics and other products in line with the increase in human flows and the rise in inbound demand

→ Increase sales of Monopoly and preferred distribution products

→Expand sales of pet-related products by subsidiary JAPPELL Co., Ltd.

Steady Growth under the Medium-Term Management Plan 2026



■ Q1 of FY03/2025 factors

Record high Ordinary income

Ordinary income: JPY5.057 billion YoY: +JPY388 million 108.3%

Gross profit : JPY24.726 billion YoY: +JPY1.505 billion 106.5%

Gross margin: 10.07% YoY +0.20 points

+Factors: Strong sales of exclusive cosmetics (strong sales of Asian cosmetics)

Improve unit prices (expand sales of high-volume and high-price products)

-Factors: Increase in transactions of companies that have generated logistics center fees

SG&A expenses: JPY20.016 billion YoY: +JPY1.142 billion 106.1%

SG&A ratio: 8.15% YoY +0.13 points

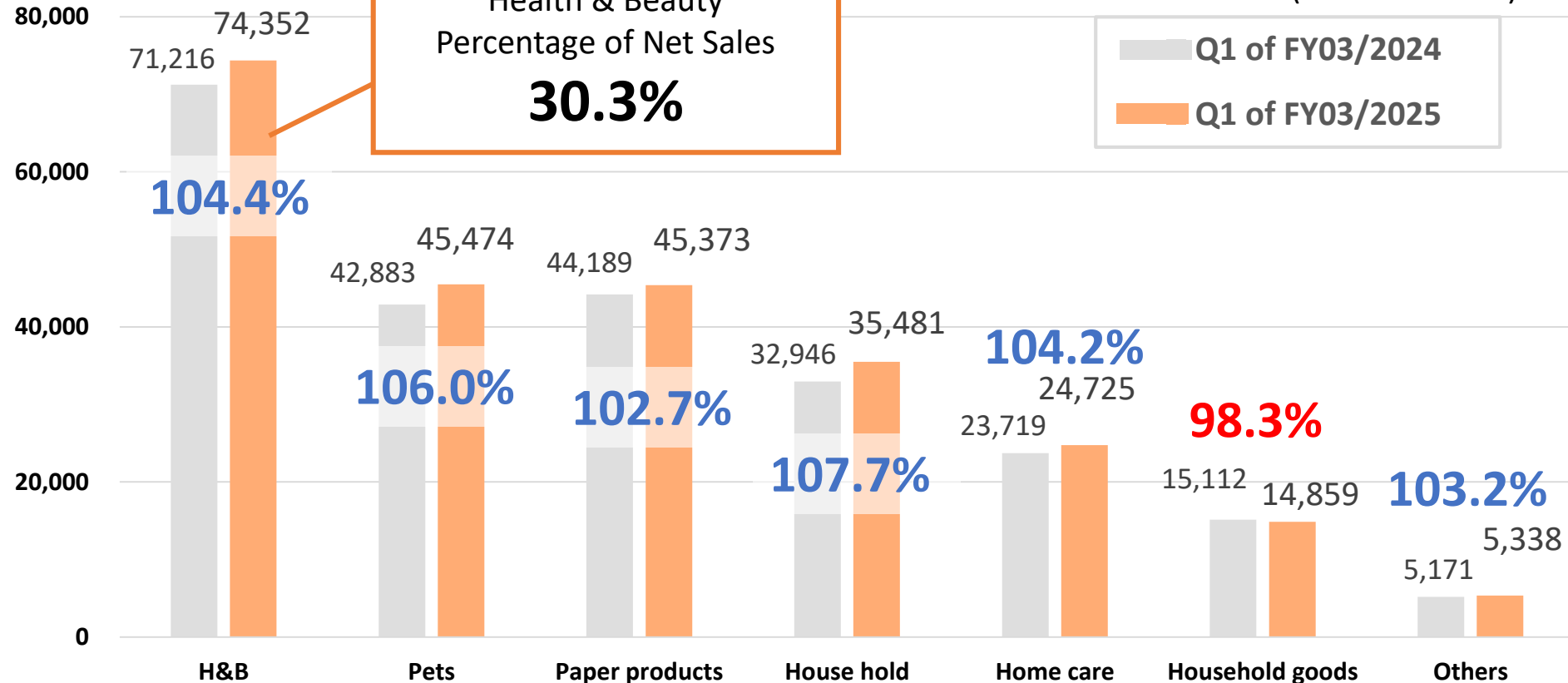
- Increase in logistics costs due to soaring fuel costs and the 2024 issue of Logistics, etc.
- Increase in expenses for promotion of medium-term plan measures
- Increase in personnel costs of employees

⇔ Decrease in personnel expense ratio by improving warehouse and operational productivity through the implementation of IT Medium-Term Management Plan measures



■ Sales by Category (YoY)

(Millions of JPY)

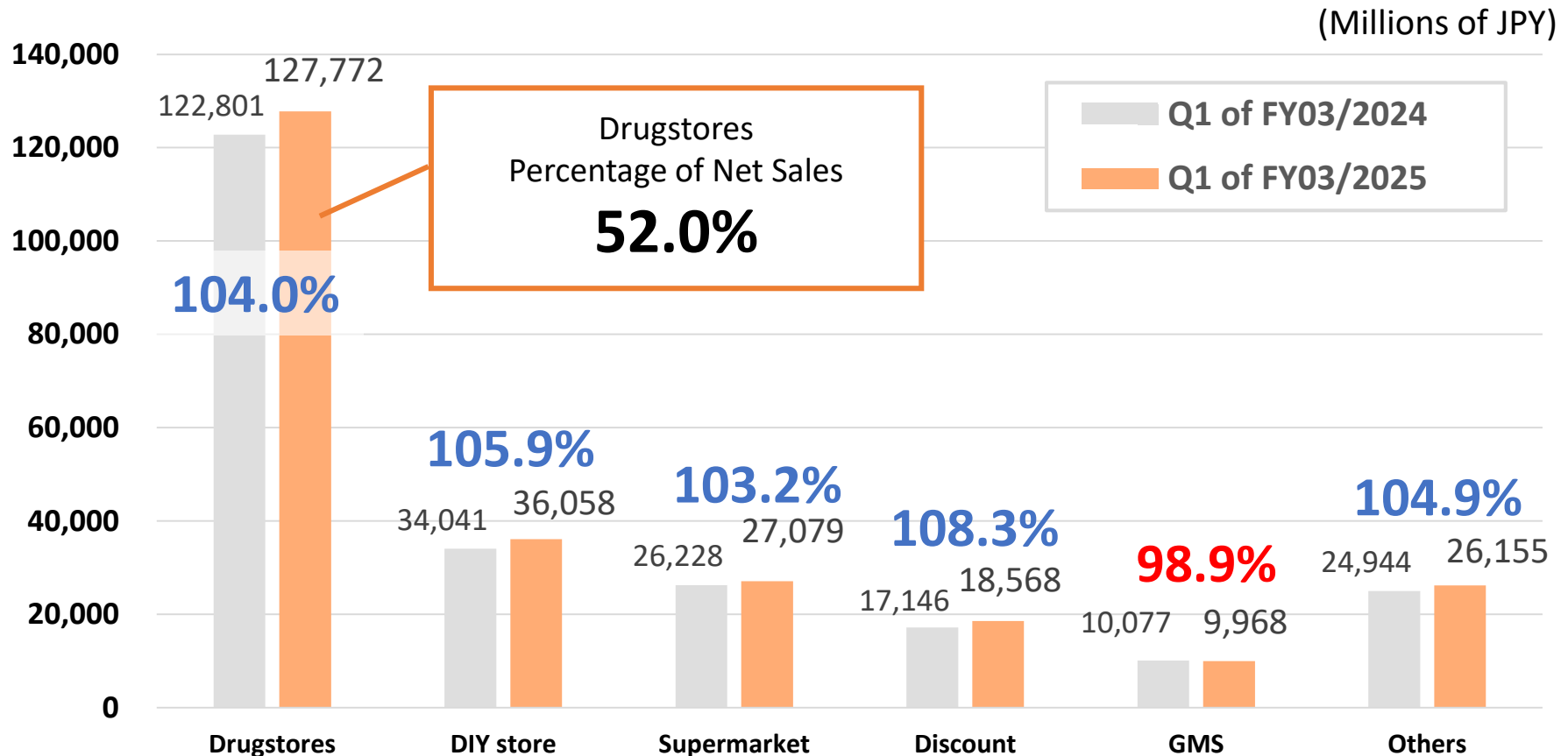


※From the 1Q of the current fiscal year, the product classification of categories has been partially changed.

- H&B: Increase in sales of high-priced products, makeup cosmetics due to increased opportunities to go out
- Pets: Improved unit prices and Increase in sales of high value-added foods due to the aging of pets



■ Sales by Business Category (YoY)



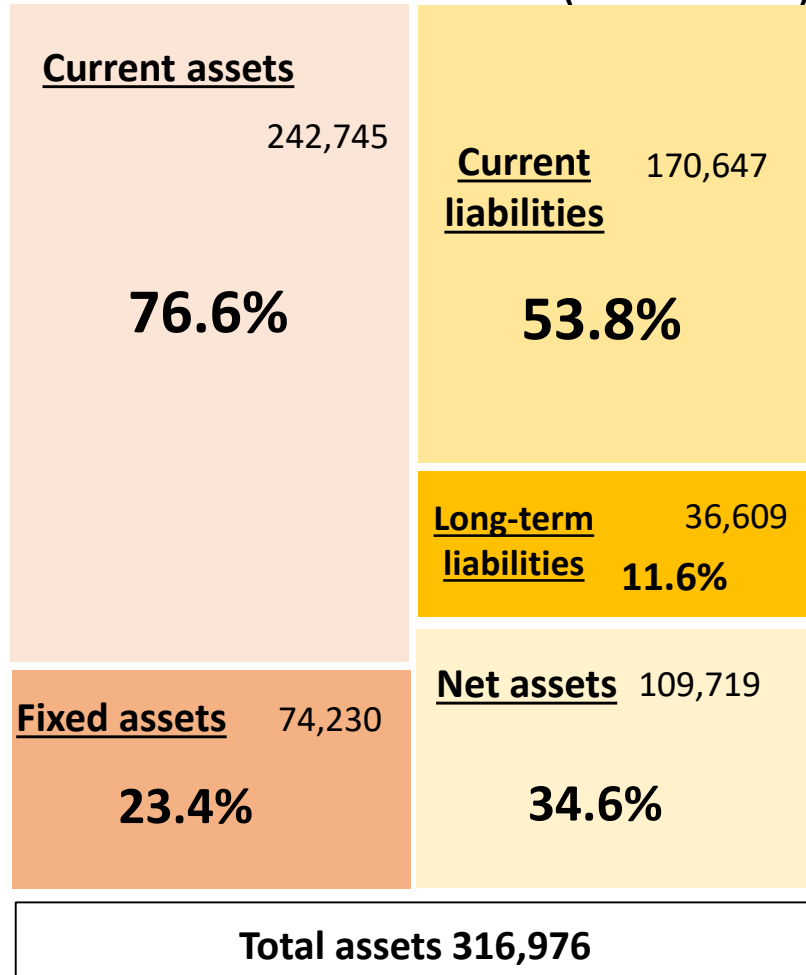
- Drugstore: Increase sales due to expanded transactions and strategic expansion of H&B



■ Consolidated Balance Sheets

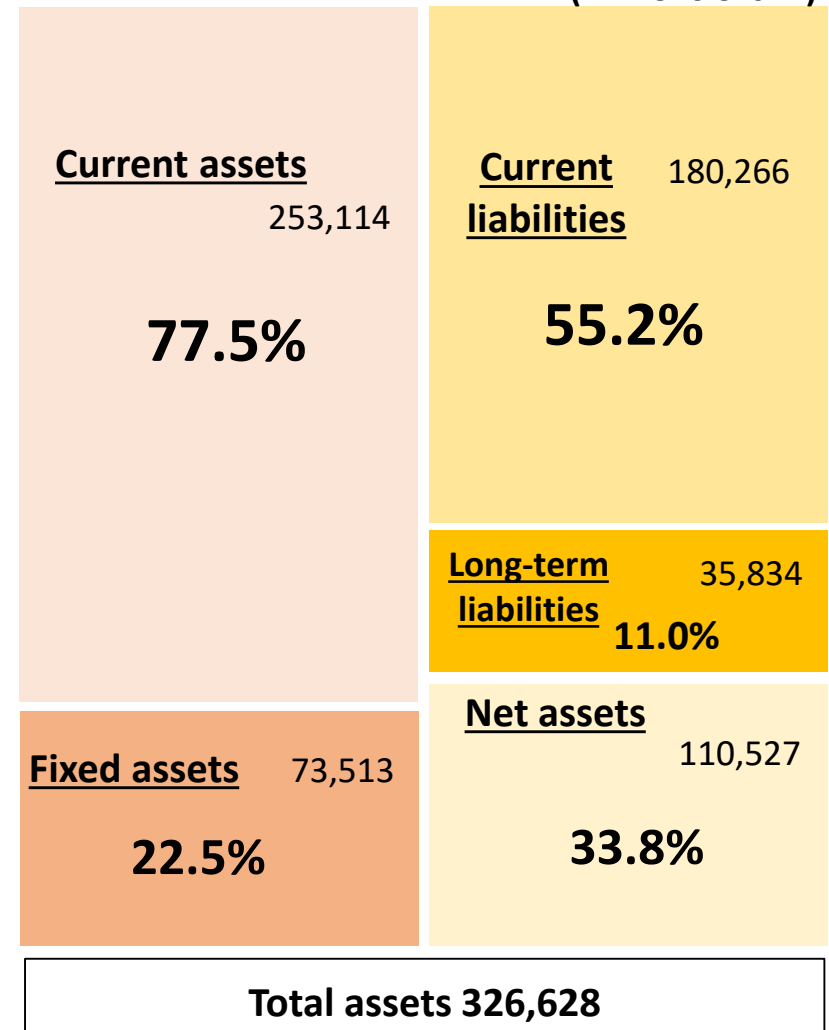
FY03/2024

(Millions of JPY)



Q1 of FY03/2025

(Millions of JPY)





■ Forecasts for FY03/2025

(Millions of JPY)	Q1 of FY03/2025 Results	Q2 of FY03/2025 forecast	Progress(%)	Year-end forecast	Progress(%)
Net sales	245,604	488,000	50.3	969,000	25.3
Operating income	4,710	8,650	54.5	16,300	28.9
Ordinary income	5,057	8,750	57.8	16,600	30.5
Profit attributable to owners of parent (Quarterly / Half) Net Income	3,438	5,800	59.3	11,000	31.3

At the end of Q1

Achieved 50% of Q2 forecast



Steady progress toward Year-end forecast



Topics



■ Building a Logistics Infrastructure to Support Growth: Development of New Logistics Centers

Strengthen logistics system to respond to growth strategies in Long-Term Management Vision 2030

Land acquisition at the new Hokkaido Center

Location: Okadama Cho, Higashi-ku, Sapporo-shi, Hokkaido

Purchased area: Approx. 41,754 m² (Approx. 12,630 tsubo)

Acquisition date: July 9, 2024

Land investment: Approx. JPY1.35 billion (incl. development)

Establishment of a new Kansai center

Building name: ARATA Kansai New Center (tentative)

Address: 5-chome, Yada, Higashi Sumiyoshi-ku, Osaka

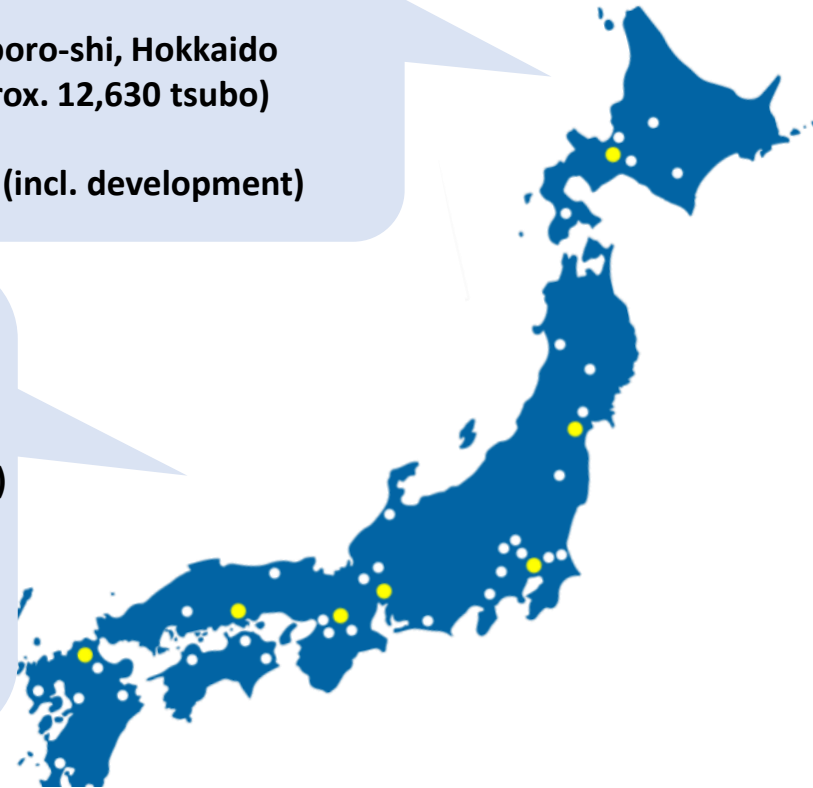
Land area: Approx. 17,754 m² (Total floor area: Approx. 38,498 m²)

Scheduled to start operation: 2028

Floors: 4 floors above ground

BTS (build-to-suit) logistics facilities

Plans to introduce state-of-the-art materials handling equipment



For details, please refer to the press release released on July 11 and 29, 2024.

<https://ssl4.eir-parts.net/doc/2733/tdnet/2473167/00.pdf>

<https://ssl4.eir-parts.net/doc/2733/tdnet/2478645/00.pdf>



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**We are waiting for your questions on financial results
and requests for IR interviews.**