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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

Improving gross profit ratio

**Record high Net sales**

**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	<b>235,239</b>	<b>245,604</b>	10,364	104.4	969,000	25.3
Gross profit	<b>23,221</b>	<b>24,726</b>	1,505	106.5	-	-
SG&A expenses	<b>18,873</b>	<b>20,016</b>	1,142	106.1	-	-
Operating income	<b>4,347</b>	<b>4,710</b>	362	108.3	16,300	28.9
Ordinary income	<b>4,669</b>	<b>5,057</b>	388	108.3	16,600	30.5
Profit attributable to owners of parent Quarterly Net profit	<b>3,190</b>	<b>3,438</b>	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%**

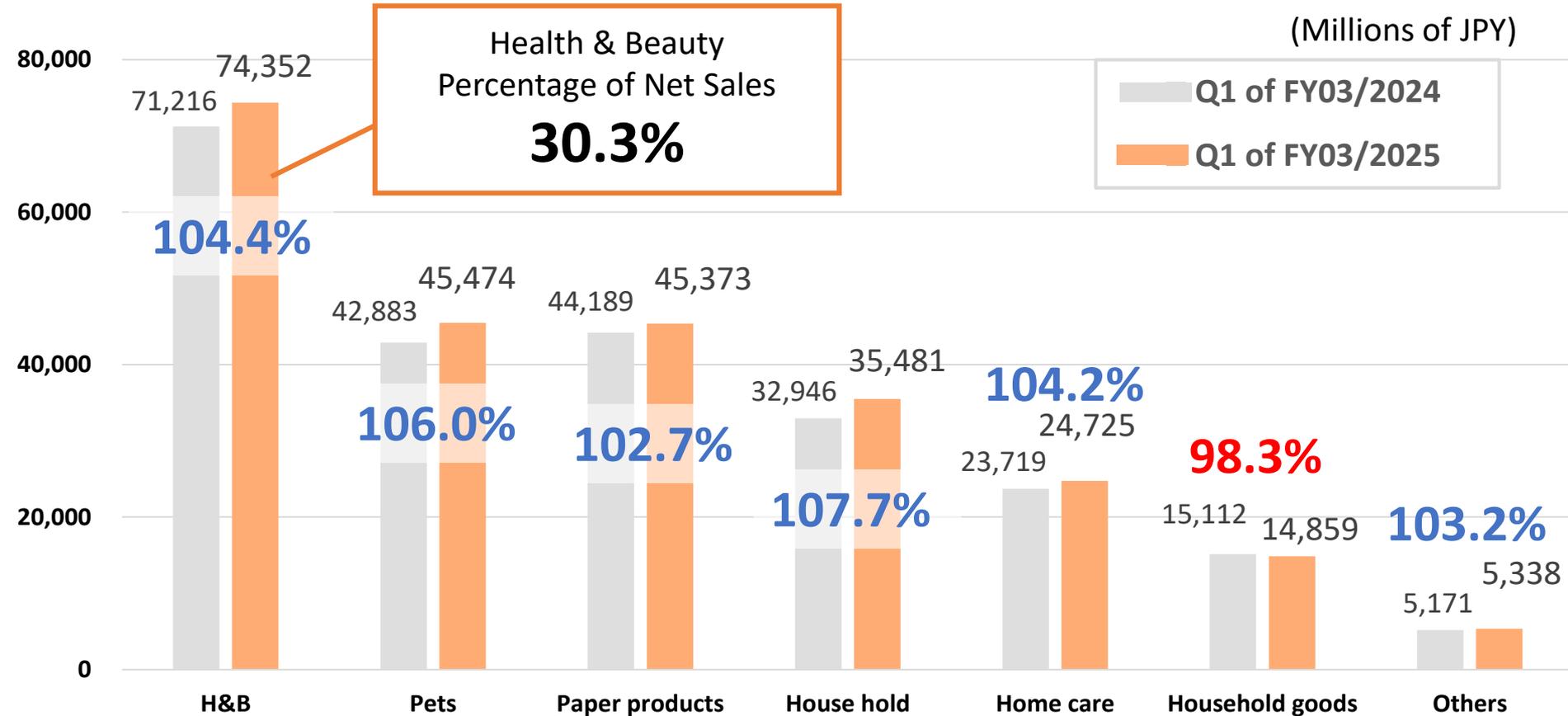
**SG&A ratio: 8.15% YoY +0.13 points**

- 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)

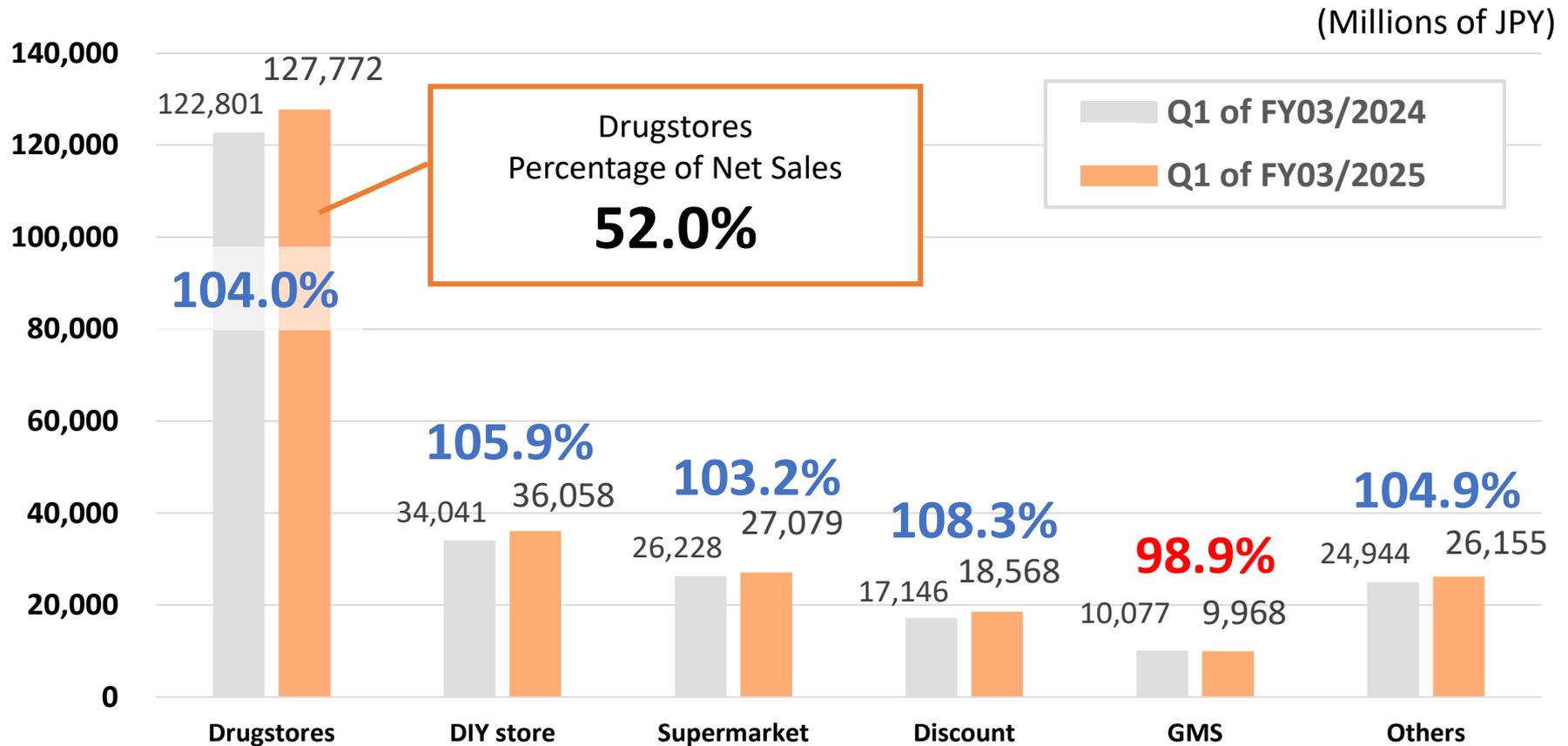


※From the 1Q of the current fiscal year, the product classification of categories has been partially changed.

- 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)



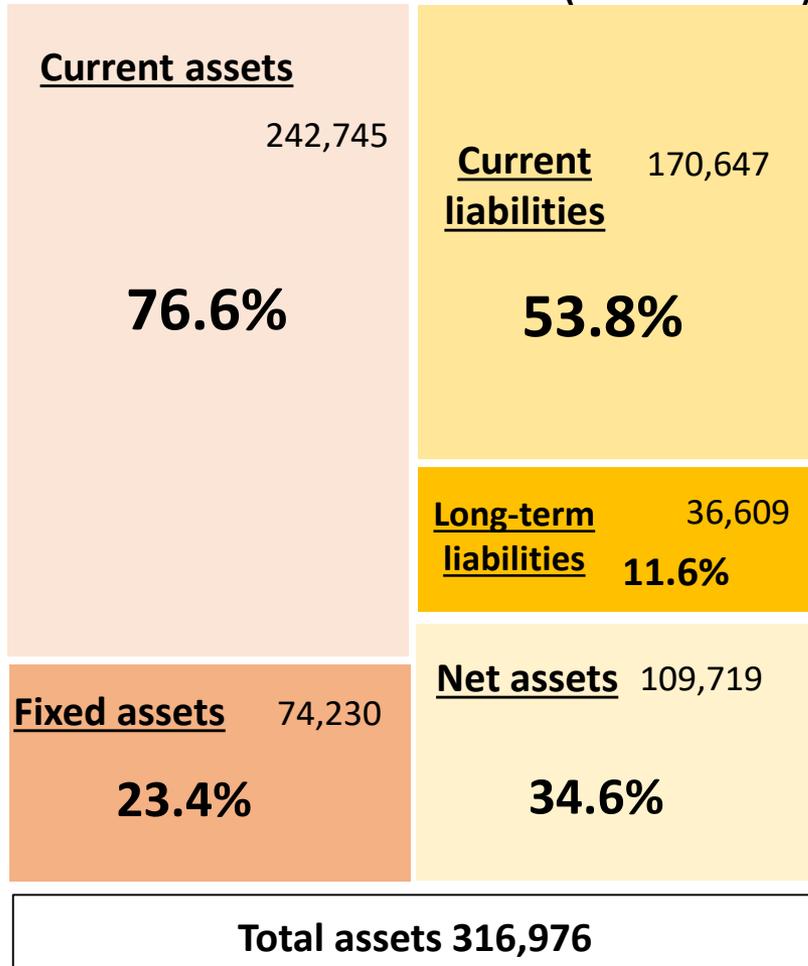
- Drugstore: Increase sales due to expanded transactions and strategic expansion of H&B



■ Consolidated Balance Sheets

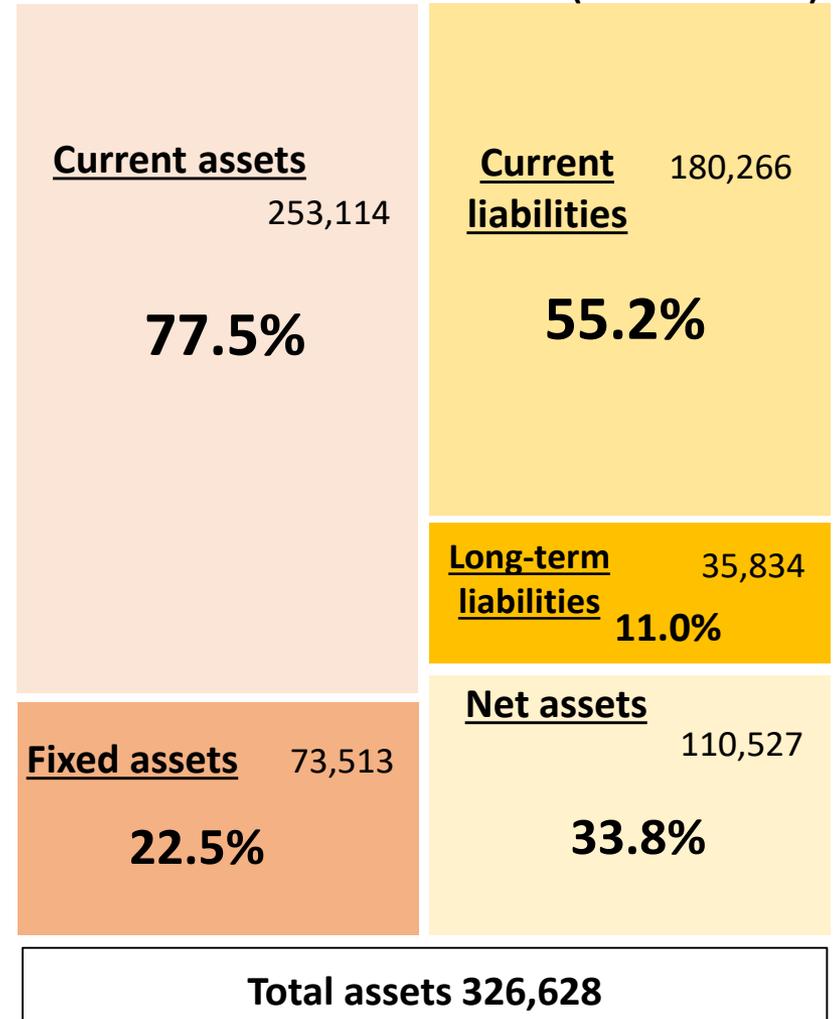
**FY03/2024**

(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	<b>245,604</b>	488,000	<b>50.3</b>	969,000	<b>25.3</b>
Operating income	<b>4,710</b>	8,650	<b>54.5</b>	16,300	<b>28.9</b>
Ordinary income	<b>5,057</b>	8,750	<b>57.8</b>	16,600	<b>30.5</b>
Profit attributable to owners of parent (Quarterly / Half) Net Income	<b>3,438</b>	5,800	<b>59.3</b>	11,000	<b>31.3</b>

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 m<sup>2</sup> (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

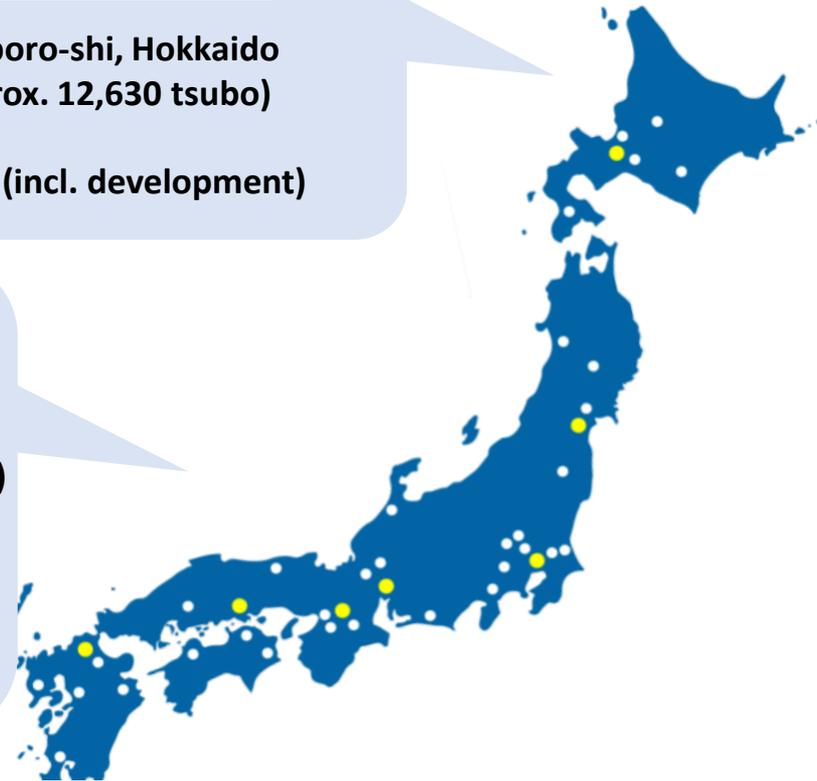
Land area: Approx. 17,754 m<sup>2</sup> (Total floor area: Approx. 38,498 m<sup>2</sup>)

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>

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