

May 13, 2025

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

Company name: ARATA CORPORATION
 Listing: Tokyo Stock Exchange
 Securities code: 2733
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 Scheduled date of annual general meeting of shareholders: June 24, 2025
 Scheduled date to commence dividend payments: June 6, 2025
 Scheduled date to file annual securities report: June 20, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (For Institutional Investors, Analysts, and Financial Institutions)

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

1. Consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	986,212	4.5	14,989	3.3	15,617	1.8	10,358	0.4
March 31, 2024	944,149	5.9	14,508	13.2	15,341	12.1	10,322	25.5

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥11,650 million [(0.1)%]
 For the fiscal year ended March 31, 2024: ¥11,664 million [42.3%]

	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
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	309.55	-	9.2	5.0	1.5
March 31, 2024	303.02	298.19	9.7	5.0	1.5

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2025: ¥(9) million
 For the fiscal year ended March 31, 2024: ¥(112) million

Note: On January 1, 2024, the Company conducted a share split at a ratio of 2 shares per share of common shares. "Basic earnings per share" and "diluted earnings per share" are calculated on the assumption that the said share split was conducted at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	311,728	116,557	37.4	3,490.50
March 31, 2024	316,976	109,719	34.6	3,252.26

Reference: Equity
 As of March 31, 2025: ¥116,524 million
 As of March 31, 2024: ¥109,703 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	9,775	(6,363)	(7,977)	22,497
March 31, 2024	14,059	(5,305)	(4,556)	27,016

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 March 31, 2024	-	83.00	-	51.00	-	3,200	30.5	3.0
Fiscal year ended March 31, 2025	-	51.00	-	51.00	102.00	3,493	33.0	3.0
Fiscal year ending March 31, 2026 (Forecast)		56.00		56.00	112.00		32.0	

Note 1: The total amount of dividends includes dividends on shares held by Japan Custody Bank, Ltd. (Trust E Account) (61 million yen in the fiscal year ending March 31, 2024 and 85 million yen in the fiscal year ending March 31, 2025) in connection with the introduction of the Equity Benefit Trust (BBT) system.

Note2: The Company has conducted a stock split on January 1, 2024 at the ratio of two shares to one common share. Dividends for the second quarter of the fiscal year ending March 31, 2024 are the actual amount of dividends before the stock split.

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(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	%	
Six months ending September 30, 2025	515,000	4.8	8,900	8.9	9,120	6.4	5,930	2.1	177.20
Fiscal year ending March 31, 2026	1,000,000	1.4	17,280	15.3	18,000	15.3	11,700	12.9	349.60

* **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 March 31, 2025	36,057,424 shares
As of March 31, 2024	36,057,424 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2025	2,674,142 shares
As of March 31, 2024	2,325,948 shares

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

Fiscal year ended March 31, 2025	33,464,406 shares
Fiscal year ended March 31, 2024	34,065,288 shares

Note1: The Company has conducted a stock split on January 1, 2024 at the ratio of two shares to one common share. Assuming that the stock split occurred at the beginning of the previous fiscal year, the "average number of shares during the period" is calculated.

Note2: For the stocks that form the basis for calculating the information per share, please refer to the "Notes on Information per Share" on page 15.

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	795,485	4.2	11,413	10.8	12,558	8.0	7,292	(9.1)
March 31, 2024	763,475	4.9	10,303	10.1	11,624	9.3	8,019	21.4

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	217.93	-
March 31, 2024	235.42	231.67

Note: On January 1, 2024, the Company conducted a share split at a ratio of 2 shares per share of common shares. Assuming that the stock split occurred at the beginning of the previous fiscal year, "net income per share" and "net income per share adjusted for potential shares" are calculated.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	234,740	98,670	42.0	2,955.70
March 31, 2024	245,150	96,471	39.4	2,859.98

Reference: Equity

As of March 31, 2025: ¥98,670 million

As of March 31, 2024: ¥96,471 million

* 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

(Cautions on forward-looking statements, etc.)

Please note that the forecasted figures presented above are outlooks based on information currently available and include a considerable number of uncertain factors. Actual results may differ from the above forecasts due to changes in current conditions and other factors.

(How to obtain the contents of financial results briefing materials)

On Tuesday, May 13, 2025, the Company plans to hold a live-streamed briefing for institutional investors, analysts, and financial institutions.

The briefing materials will be posted on our website (<https://www.arata-gr.jp/ir/>). In addition, a video of the briefing will be posted on our website (<https://www.arata-gr.jp/ir/>) at a later date.

Consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	27,923	23,430
Notes and accounts receivable - trade	133,316	123,945
Merchandise	44,168	46,604
Accounts receivable - other	31,715	34,449
Other	5,820	5,280
Allowance for doubtful accounts	(198)	(4)
Total current assets	242,745	233,705
Non-current assets		
Property, plant and equipment		
Buildings and structures	52,173	53,341
Accumulated depreciation	(31,874)	(33,159)
Buildings and structures, net	20,298	20,181
Vehicles	55	60
Accumulated depreciation	(42)	(47)
Vehicles, net	12	13
Tools, furniture and fixtures	18,818	18,571
Accumulated depreciation	(15,687)	(16,009)
Tools, furniture and fixtures, net	3,131	2,562
Land	21,503	21,873
Leased assets	12,897	13,283
Accumulated depreciation	(7,576)	(8,244)
Leased assets, net	5,320	5,039
Construction in progress	95	3,269
Total property, plant and equipment	50,361	52,939
Intangible assets		
Software	3,642	4,480
Leased assets	46	44
Other	1,918	1,158
Total intangible assets	5,606	5,684
Investments and other assets		
Investment securities	12,875	12,659
Distressed receivables	37	37
Guarantee deposits	158	160
Deferred tax assets	640	482
Retirement benefit asset	1,868	3,228
Other	2,736	2,918
Allowance for doubtful accounts	(53)	(87)
Total investments and other assets	18,262	19,399
Total non-current assets	74,230	78,022
Total assets	316,976	311,728

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	120,748	110,949
Short-term borrowings	13,740	12,019
Current portion of bonds payable	-	200
Lease liabilities	909	935
Accounts payable - other	20,201	21,305
Accrued expenses	2,125	2,144
Income taxes payable	3,084	2,964
Provision for bonuses	1,850	1,742
Other	7,988	6,702
Total current liabilities	170,647	158,961
Non-current liabilities		
Bonds payable	5,000	5,700
Long-term borrowings	13,730	12,629
Lease liabilities	5,027	4,550
Deferred tax liabilities	49	809
Retirement benefit liability	8,432	7,365
Asset retirement obligations	1,749	2,554
Other	2,619	2,600
Total non-current liabilities	36,609	36,209
Total liabilities	207,257	195,171
Net assets		
Shareholders' equity		
Share capital	8,572	8,572
Capital surplus	27,876	28,413
Retained earnings	73,504	80,373
Treasury shares	(4,863)	(6,723)
Total shareholders' equity	105,089	110,634
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,880	4,562
Foreign currency translation adjustment	(44)	4
Remeasurements of defined benefit plans	(221)	1,323
Total accumulated other comprehensive income	4,614	5,889
Non-controlling interests	15	32
Total net assets	109,719	116,557
Total liabilities and net assets	316,976	311,728

Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	944,149	986,212
Cost of sales	851,730	889,991
Gross profit	92,418	96,221
Selling, general and administrative expenses	77,909	81,232
Operating profit	14,508	14,989
Non-operating income		
Interest income	4	6
Dividend income	220	240
Outsourcing service income	162	174
Supporting Income for Operating Activities	180	181
Income from sales of used paper	178	188
Commission income	150	148
Reversal of allowance for doubtful accounts	-	3
Other	553	442
Total non-operating income	1,450	1,385
Non-operating expenses		
Interest expenses	288	429
Share of loss of entities accounted for using equity method	112	9
Loss on sale of trade receivables	155	237
Other	60	81
Total non-operating expenses	616	757
Ordinary profit	15,341	15,617
Extraordinary income		
Gain on sale of non-current assets	0	29
Gain on sale of investment securities	81	9
Total extraordinary income	81	38
Extraordinary losses		
Loss on sale of non-current assets	62	5
Loss on retirement of non-current assets	22	23
Impairment losses	153	-
Other	0	-
Total extraordinary losses	238	29
Profit before income taxes	15,184	15,626
Income taxes - current	5,000	5,018
Income taxes - deferred	(156)	240
Total income taxes	4,844	5,258
Profit	10,340	10,367
Profit attributable to non-controlling interests	17	9
Profit attributable to owners of parent	10,322	10,358

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	10,340	10,367
Other comprehensive income		
Valuation difference on available-for-sale securities	1,015	(318)
Foreign currency translation adjustment	(37)	56
Remeasurements of defined benefit plans, net of tax	346	1,545
Total other comprehensive income	1,324	1,282
Comprehensive income	11,664	11,650
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,649	11,634
Comprehensive income attributable to non-controlling interests	15	16

Consolidated statement of changes in equity

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,568	27,872	65,812	(3,475)	98,779
Issuance of new shares	3	3			7
Dividends of surplus			(2,630)		(2,630)
Profit attributable to owners of parent			10,322		10,322
Purchase of treasury shares				(1,406)	(1,406)
Disposal of treasury shares				17	17
Net changes in items other than shareholders' equity					
Total changes during period	3	3	7,692	(1,388)	6,310
Balance at end of period	8,572	27,876	73,504	(4,863)	105,089

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	3,865	(9)	(568)	3,287	-	102,066
Issuance of new shares						7
Dividends of surplus						(2,630)
Profit attributable to owners of parent						10,322
Purchase of treasury shares						(1,406)
Disposal of treasury shares						17
Net changes in items other than shareholders' equity	1,015	(35)	346	1,326	15	1,342
Total changes during period	1,015	(35)	346	1,326	15	7,652
Balance at end of period	4,880	(44)	(221)	4,614	15	109,719

Consolidated statement of changes in equity

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,572	27,876	73,504	(4,863)	105,089
Issuance of new shares					
Dividends of surplus			(3,490)		(3,490)
Profit attributable to owners of parent			10,358		10,358
Purchase of treasury shares				(3,258)	(3,258)
Disposal of treasury shares		536		1,398	1,935
Net changes in items other than shareholders' equity					
Total changes during period	-	536	6,868	(1,860)	5,544
Balance at end of period	8,572	28,413	80,373	(6,723)	110,634

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	4,880	(44)	(221)	4,614	15	109,719
Issuance of new shares						
Dividends of surplus						(3,490)
Profit attributable to owners of parent						10,358
Purchase of treasury shares						(3,258)
Disposal of treasury shares						1,935
Net changes in items other than shareholders' equity	(318)	49	1,545	1,275	17	1,292
Total changes during period	(318)	49	1,545	1,275	17	6,837
Balance at end of period	4,562	4	1,323	5,889	32	116,557

Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	15,184	15,626
Depreciation	4,610	4,768
Impairment losses	153	-
Share-based payment expenses	-	96
Increase (decrease) in provision for bonuses	128	(107)
Increase (decrease) in allowance for doubtful accounts	7	(160)
Increase (decrease) in retirement benefit liability	46	36
Interest and dividend income	(225)	(246)
Interest expenses	288	429
Foreign exchange losses (gains)	(91)	(13)
Share of loss (profit) of entities accounted for using equity method	112	9
Loss (gain) on sale of non-current assets	62	(23)
Loss on retirement of non-current assets	22	23
Loss (gain) on sale of investment securities	(81)	(9)
Decrease (increase) in trade receivables	(18,612)	9,365
Decrease (increase) in inventories	(4,021)	(2,416)
Increase (decrease) in trade payables	21,901	(9,460)
Decrease (increase) in other assets	(3,373)	(2,557)
Increase (decrease) in other liabilities	1,751	123
Other, net	850	(371)
Subtotal	18,715	15,113
Interest and dividends received	223	245
Interest paid	(284)	(435)
Income taxes paid	(4,595)	(5,148)
Net cash provided by (used in) operating activities	14,059	9,775

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from investing activities		
Payments into time deposits	(923)	(930)
Proceeds from withdrawal of time deposits	1,131	905
Purchase of property, plant and equipment	(3,545)	(4,481)
Payments for retirement of property, plant and equipment	(56)	(154)
Proceeds from sale of property, plant and equipment	30	50
Purchase of intangible assets	(2,009)	(1,526)
Proceeds from sale of intangible assets	-	0
Purchase of investment securities	(189)	(196)
Proceeds from sale and redemption of investment securities	234	30
Loan advances	(3)	(9)
Proceeds from collection of loans receivable	31	28
Other, net	(6)	(79)
Net cash provided by (used in) investing activities	(5,305)	(6,363)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(7,166)	(1,986)
Proceeds from long-term borrowings	10,030	5,180
Repayments of long-term borrowings	(5,958)	(6,016)
Proceeds from issuance of bonds	4,972	982
Redemption of bonds	(5,993)	(100)
Proceeds from disposal of treasury shares	-	1,659
Purchase of treasury shares	(1,406)	(3,255)
Repayments of lease liabilities	(981)	(952)
Proceeds from sale and leaseback transactions	4,576	-
Dividends paid	(2,630)	(3,489)
Net cash provided by (used in) financing activities	(4,556)	(7,977)
Effect of exchange rate change on cash and cash equivalents	48	47
Net increase (decrease) in cash and cash equivalents	4,244	(4,518)
Cash and cash equivalents at beginning of period	22,771	27,016
Cash and cash equivalents at end of period	27,016	22,497

(Notes on segment information, etc.)

Since the Group is a single segment whose main business is the wholesale of daily necessities and cosmetics, the description is omitted.