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Long-Term Management Vision 2030

Achieving dreams,

changing lives.

2026

Accelerating growth

AX

The theme for the Integrated Report 2025 is "AX (ARATA Transformation)."

The fiscal year ended March 31, 2025, the second year of the Medium-Term Management Plan 2026, was a year in which we strove toward transformation in an effort to achieve sustainable growth by taking the initiatives in TAKE ACTION launched in the previous year to transform our work and organization, rebuild our management foundation, and leverage the assets we have cultivated.

This report showcases our strategies and initiatives for accelerating growth to achieve the Medium-Term Management Plan 2026, then the Long-Term Management Vision 2030 and beyond.



ARATAN, the ARATA mascot

Editorial Policy

In FY2018, the ARATA Group issued its inaugural integrated report, aiming to communicate to shareholders, investors, and all other stakeholders in an easy-to-understand manner the management strategies aimed at increasing corporate value. This report presents information that is highly important to the Group, including Group business activities, financial information, and non-financial information critical to explaining the growth strategies in the Medium-Term Management Plan in a compact manner based on comprehensive considerations.

The Group will revise the content of this report every year in the hope of enhancing it as a tool to facilitate dialogue with all stakeholders.

> Reference Guideline **Guidance for Collaborative** Value Creation (Ministry of Economy, Trade,

and Industry)



Themes in the Integrated Reports Aimed at "Accelerating Growth" in the Medium-Term Management Plan 2026



Integrated Report 2024 On the front cover, ARATAN holds

mascara from our original cosmetics brand 3650 (san roku go zero), highlighting our new role as a manufacturer.



Integrated Report 2025

On the front cover, ARATAN passes the baton, representing the transformation to the organization wrought by the change in president in April 2025.

Organizations Covered

ARATA CORPORATION and Group Companies

Period Covered by This Report

April 1, 2024-March 31, 2025

The report includes some activities from the fiscal year ending March 31, 2026.

Caution Regarding Forward-Looking Statements

This report contains forward-looking statements about future plans, strategies, and operating performance forecasts. While these statements were created based on reliable information at the time, they include risks and uncertainties, and ARATA CORPORATION bears no responsibility for their accuracy or completeness. Actual results may differ substantially from the Company's outlook.

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01

Our Purpose & Mission at ARATA

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Our Purpose & Mission at ARATA

ARATA CORPORATION is one of Japan's largest wholesale trading companies dealing in daily necessities and cosmetics.

A large number of wholesalers from across Japan joined together to form ARATA in 2002.

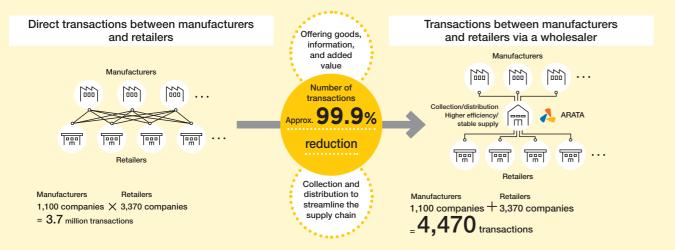
We serve as a bridge between manufacturers and retailers, providing a stable supply of high-quality products to deliver both everyday essentials as well as products for abundant and comfortable living as a part of consumers' daily lives.



The Role of Wholesalers: Collection and Distribution

As a wholesaler of daily necessities and cosmetics, ARATA plays a vital role in delivering products that are a part of people's lives anytime, anywhere throughout Japan.

By collecting and distributing goods between manufacturers and retailers, we help streamline the supply chain while providing not only products but information and added value as well. Among consumer goods, the daily necessities and cosmetics we carry are particularly diverse among our consumer goods and often involve small lots and frequent transactions, requiring us to build logistics systems that are more advanced yet lower in cost.



Management Philosophy

Continue to serve the world

Our ways of life are changing dramatically. ARATA's mission is to be a company that not only delivers products that meet the needs of these changing times, but also achieves the dream of "comfortable living now and forever." Based on the steadfast management philosophy of "continuing to serve the world," ARATA continues to deliver new value to make life even more abundant and comfortable.

The Value ARATA Provides

Social/Environmental

- Streamlining of the supply chain
- Fewer deliveries for a lower environmental impact
- Address labor shortages
- Revitalization of local economies
- Stable supply during disasters

Manufacturers

- Fewer transactions
- Expanded sales channels and stable supply
- Support for sales promotions
- Capture market trendsLower inventory risks

ARATA

Wholesaler

- Collection and distribution
- Inventory storageFinancial functions
- Selection of quality products
- Proposals made with a high level of expertise
- Extensive data and market analysis
- Sales floor creation

Consumers

- Able to get necessary products anytime, anywhere
- Diverse product options
- Products purchased at fair prices
- Encounter new products

Retailers

- Fewer transactions
- Replete assortment of products
- Sales floor proposals and support for sales promotions
- Capture market trends
- Improved cash flow

Fulfilling Our Social Mission, Even in an Emergency

Pandemic Response

Amid increased demand for hygiene products such as masks and continued product shortages during the COVID-19 pandemic that began in 2020, we identified high-quality products and maintained a continuous supply to fulfill our mission of delivering safe and secure products to consumers.

While the economy stagnated due to fewer opportunities to go out and lower sales of cosmetics, and many companies experienced poor performance, ARATA made agile product proposals in line with changing consumer purchasing trends and has continued to increase its performance.

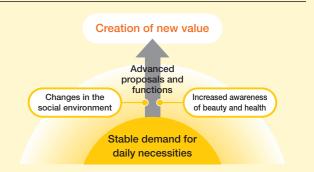
Response to the Noto Peninsula Earthquake

The Noto Peninsula Earthquake on January 1, 2024 affected our Hokuriku office and center, bringing shipments to a temporary halt. After checking employee safety, employees from the affected office and center as well as those from nearby areas participated in recovery efforts in order to deliver essential goods as quickly as possible, resuming shipments on the afternoon of the following day, January 2.

Even in this disaster, we implemented our BCP in an optimal manner to fulfill our duties to society as a wholesaler.

Meeting Changing Demand

The daily necessities and cosmetics ARATA carries are indispensable to people's lives and thus enjoy stable demand. In addition to this stable business environment, rapid changes to the social environment in recent years have led to increased consumer awareness of beauty and health, with a growing preference for related products. This has led to greater demand for more advanced product proposals and distribution. ARATA will continue to respond to social changes in a swift, agile manner as we strive to deliver even greater value.



03

Strategy for Value Creation Value Creation Business Model History of Value Creation

History of Value Creation

ARATA was formed by consolidating the long histories and traditions of a number of powerful wholesalers from across Japan into a single entity.

Since then, we have implemented mergers to expand our area of coverage, established subsidiaries to strengthen our product segments and boost our capabilities, listed our shares on the Tokyo Stock Exchange, and expanded our operations overseas.

Going forward, we will make progress as a company that

contributes to the daily lives of consumers in Japan and the rest of Asia and continues to serve the world.

2000s

Nationwide response to upsizing of retailers and strengthening product segments

- Establish a nationwide logistics network
- Boost proposal capabilities in partnership with subsidiaries (in-store support, segment development, etc.)

2010s

Strengthening management foundation for sustainable value creation

• Earn social trust

■ Net sales (left axis) — Ordinary profit (right axis)

- Strengthen organizational structure
- Expand overseas

Response to lifestyle changes

Value Created by ARATA to Address Social Issues

Going From an "Intermediary" to the

"Core" of the Supply Chain

and diversification

- Pandemic response
- Distinctive product proposals
- Build our role as a manufacturer leveraging our strengths in wholesale

Respond to social changes and deliver even greater value

2002

Established the holding company ARATA CORPORATION through the merger of Daika K.K., Ito-I Co., Ltd., and Sunvic Co., Ltd.



Established ARATA CORPORATION

2004

(¥ billion)

1,000

Transitioned to an operating company following the integration of Tokukura

Net Sales and Ordinary Profit (Consolidated)

2005

Made Japell Co., Ltd. into a subsidiary

Established ISM CORPORATION

Launched first product under ARATA's own private brand "addgood"

Concluded a business cooperation agreement with NIPPON ACCESS, INC. and Alfresa Holdings Corporation

2011

Listed on the Second Section of the Tokyo Stock Exchange

Listed on the First Section of the Tokyo Stock Exchange



Listed on the First Section of the Tokyo Stock Exchange

2012

2020s

Established Kairaotai (Shanghai) Trading Co., Ltd. in Shanghai, China (Its shares were transferred to Japell Co., Ltd. in March 2024) Established JAPELL (HONG KONG) CO., LIMITED in Hong Kong, China

Established ARATA (THAILAND) CO., LTD. in Bangkok, Thailand

Established joint venture SIAM ARATA CO.. LTD. with Saha Group Co., Ltd. in Bangkok, Thailand

2020

Established ARATA VIETNAM COMPANY LIMITED in Ho Chi Minh City, Vietnam

2020

Established Long-Term Management Vision 2030

Established D-Nee Cosmetic Co.,Ltd.

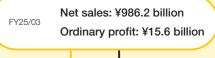
Moved to the Prime Market following the Tokyo Stock Exchange's restructuring of markets

Medium-Term Net sales: ¥1 trillion Management Ordinary profit: ¥18.0 billion

Established Medium-Term Management Plan 2026

2024

Established XIN LE HUA (GUANGZHOU) INTERNATIONAL TRADING CO., LTD. in Guangzhou, China



(¥ billion) 25 944 1 857.0



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