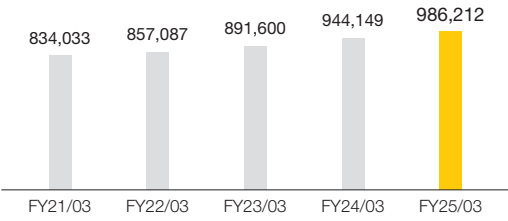


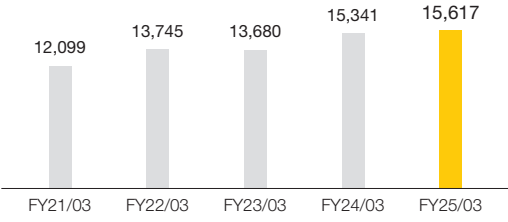
Financial Summary

| | FY15/03 | FY16/03 | FY17/03 | FY18/03 | FY19/03 | FY20/03 | FY21/03 | FY22/03 | FY23/03 | FY24/03 | FY25/03 |
|---|----------|----------|----------|----------|----------|----------|----------|---------|----------|----------|----------|
| Operating Results | | | | | | | | | | | |
| Net sales (¥ million) | 638,792 | 676,743 | 704,610 | 732,914 | 754,447 | 796,227 | 834,033 | 857,087 | 891,600 | 944,149 | 986,212 |
| Operating profit (¥ million) | 2,461 | 5,699 | 7,384 | 8,857 | 8,892 | 9,326 | 11,521 | 12,743 | 12,812 | 14,508 | 14,989 |
| Operating income margin (%) | 0.4 | 0.8 | 1.0 | 1.2 | 1.2 | 1.2 | 1.4 | 1.5 | 1.4 | 1.5 | 1.5 |
| Ordinary profit (¥ million) | 2,469 | 5,811 | 7,842 | 9,439 | 9,429 | 10,124 | 12,099 | 13,745 | 13,680 | 15,341 | 15,617 |
| Ordinary profit margin (%) | 0.4 | 0.9 | 1.1 | 1.3 | 1.2 | 1.3 | 1.5 | 1.6 | 1.5 | 1.6 | 1.6 |
| Profit attributable to owners of parent (¥ million) | 1,124 | 3,244 | 4,863 | 6,361 | 6,903 | 7,191 | 8,200 | 9,009 | 8,223 | 10,322 | 10,358 |
| Return on sales (%) | 0.2 | 0.5 | 0.7 | 0.9 | 0.9 | 0.9 | 1.0 | 1.1 | 0.9 | 1.1 | 1.1 |
| Financial State | | | | | | | | | | | |
| Total assets (¥ million) | 211,840 | 219,689 | 222,974 | 243,698 | 243,614 | 249,712 | 255,455 | 271,315 | 290,857 | 316,976 | 311,728 |
| Net assets (¥ million) | 53,911 | 55,941 | 59,613 | 71,472 | 80,515 | 82,901 | 91,017 | 96,172 | 102,066 | 109,719 | 116,557 |
| Equity ratio (%) | 25.4 | 25.5 | 26.7 | 29.3 | 33.0 | 33.2 | 35.6 | 35.4 | 35.1 | 34.6 | 37.4 |
| D/E ratio (times) | 1.2 | 1.1 | 0.9 | 0.7 | 0.5 | 0.5 | 0.4 | 0.4 | 0.4 | 0.3 | 0.3 |
| Cash Flows | | | | | | | | | | | |
| Cash flows from operating activities (¥ million) | 21,955 | 7,594 | 12,637 | 11,649 | 9,513 | 5,262 | 14,071 | 6,545 | 10,969 | 14,059 | 9,775 |
| Cash flows from investing activities (¥ million) | (6,775) | (3,360) | (3,155) | (2,924) | (880) | (2,742) | (5,157) | (7,205) | (4,281) | (5,305) | (6,363) |
| Cash flows from financing activities (¥ million) | (13,990) | (1,791) | (9,948) | (4,501) | (6,678) | (3,833) | (5,828) | (911) | (3,311) | (4,556) | (7,977) |
| Management Indicators | | | | | | | | | | | |
| ROA (%) | 1.2 | 2.6 | 3.5 | 4.0 | 3.9 | 4.1 | 4.8 | 5.2 | 4.9 | 5.0 | 5.0 |
| ROE (%) | 2.1 | 5.9 | 8.4 | 9.7 | 9.1 | 8.8 | 9.4 | 9.6 | 8.3 | 9.7 | 9.2 |
| Net income margin (%) | 0.18 | 0.48 | 0.69 | 0.87 | 0.91 | 0.90 | 0.98 | 1.05 | 0.92 | 1.09 | 1.05 |
| Total assets turnover (%) | 3.02 | 3.08 | 3.16 | 3.01 | 3.10 | 3.19 | 3.26 | 3.16 | 3.07 | 2.98 | 3.16 |
| Financial leverage (times) | 3.93 | 3.93 | 3.74 | 3.41 | 3.03 | 3.01 | 2.81 | 2.82 | 2.85 | 2.89 | 2.67 |
| Labor costs (¥ million) | 27,631 | 28,902 | 29,135 | 29,836 | 29,685 | 30,909 | 32,329 | 32,168 | 32,717 | 33,678 | 34,733 |
| Ratio of labor costs to net sales (%) | 4.3 | 4.3 | 4.1 | 4.1 | 3.9 | 3.9 | 3.9 | 3.8 | 3.7 | 3.6 | 3.5 |
| Packing and delivery expenses (¥ million) | 16,012 | 17,572 | 17,888 | 18,834 | 20,255 | 21,965 | 22,337 | 22,922 | 23,733 | 25,690 | 27,344 |
| Ratio of packing and delivery expenses to net sales (%) | 2.5 | 2.6 | 2.5 | 2.6 | 2.7 | 2.8 | 2.7 | 2.7 | 2.7 | 2.7 | 2.8 |
| Capital Investment | | | | | | | | | | | |
| Capital investment (¥million) | 7,943 | 3,845 | 4,383 | 6,828 | 3,325 | 4,988 | 5,525 | 7,353 | 5,848 | 4,402 | 7,466 |
| Depreciation and amortization (¥ million) | 4,317 | 4,526 | 4,452 | 4,353 | 4,455 | 4,281 | 4,290 | 4,522 | 4,604 | 4,610 | 4,768 |
| Per Share Data | | | | | | | | | | | |
| Cash dividend (¥) | 25 | 27.5 | 32.5 | 37.5 | 40 | 42.5 | 47.5 | 60.5 | 68 | 92.5 | 102 |
| Dividend payout ratio (%) | 68.5 | 26.1 | 19.6 | 18.8 | 20.1 | 20.6 | 19.8 | 22.9 | 28.2 | 30.5 | 33.0 |
| Earnings per share (EPS) (¥) | 36.48 | 105.22 | 165.48 | 199.56 | 198.86 | 206.52 | 240.29 | 263.82 | 240.78 | 303.02 | 309.55 |
| Book value per share (BPS) (¥) | 1,748.16 | 1,813.77 | 2,027.26 | 2,142.72 | 2,273.44 | 2,430.69 | 2,666.41 | 2815.68 | 2,988.51 | 3,252.26 | 3,490.50 |
| Number of employees | 2,917 | 2,914 | 2,926 | 3,023 | 3,016 | 2,984 | 2,997 | 2,972 | 2,924 | 2,893 | 2,923 |

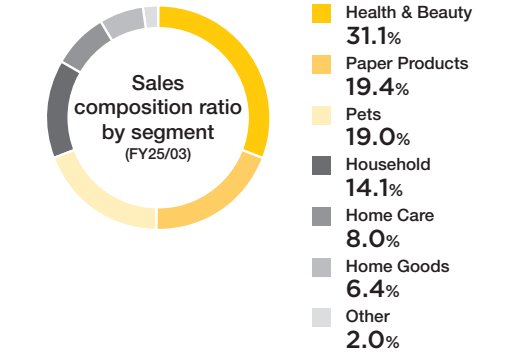
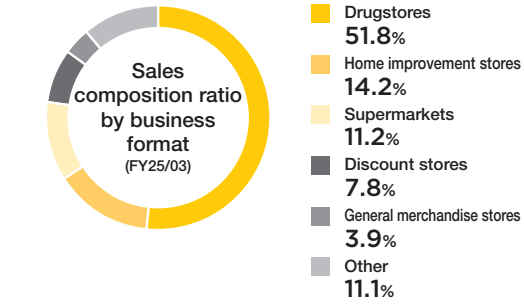
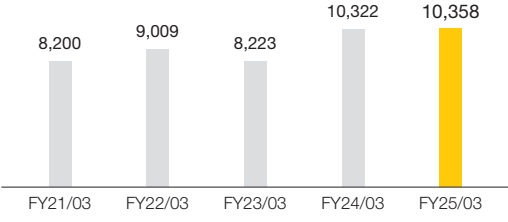
Net sales (¥ million)



Ordinary profit (¥ million)



Profit attributable to owners of parent (¥ million)



Notes: 1. The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) is applied for all figures for the fiscal year ended March 31, 2022 and later.
2. On January 1, 2024, the Company conducted a two-for-one split of its common shares. Figures for periods before the split have been converted to the figures after the stock split.

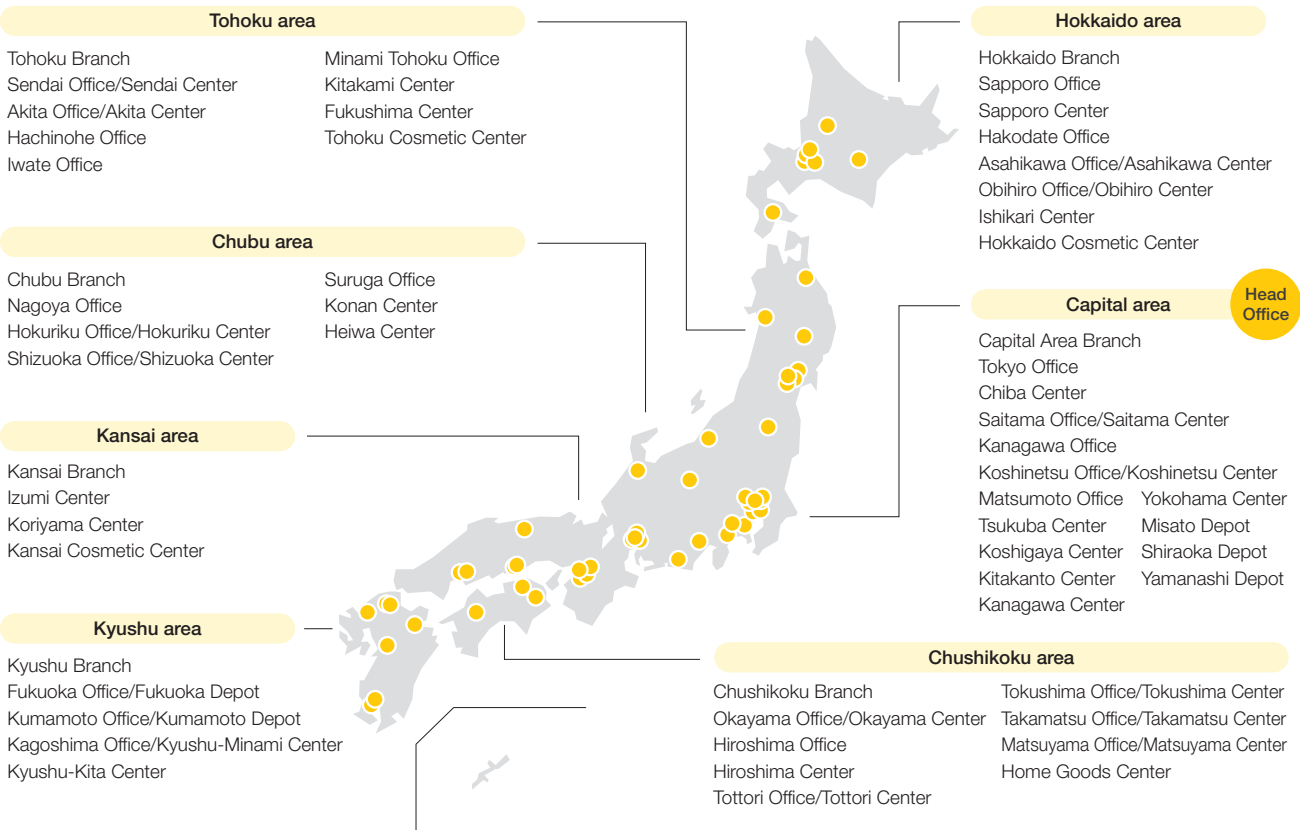
Company Information

Company Outline (FY25/03)

| | |
|-------------------------|---|
| Registered Company Name | ARATA CORPORATION |
| Head Office | East 21 Tower, 6-3-2 Toyo, Koto-ku, Tokyo 135-0016, Japan |
| Date Established | April 1, 2002 |
| Capital | ¥8,572 million |

| | |
|---|---|
| Stock Listing | Tokyo Stock Exchange Prime Market (securities code: 2733) |
| Shareholder Registry Administrator and Special Account Management Institution | Mitsubishi UFJ Trust and Banking Corporation |
| Number of Employees | 2,923 (non-consolidated: 1,960) |
| Website | https://www.arata-gr.jp/en/ |

Domestic Bases



Major Group Companies

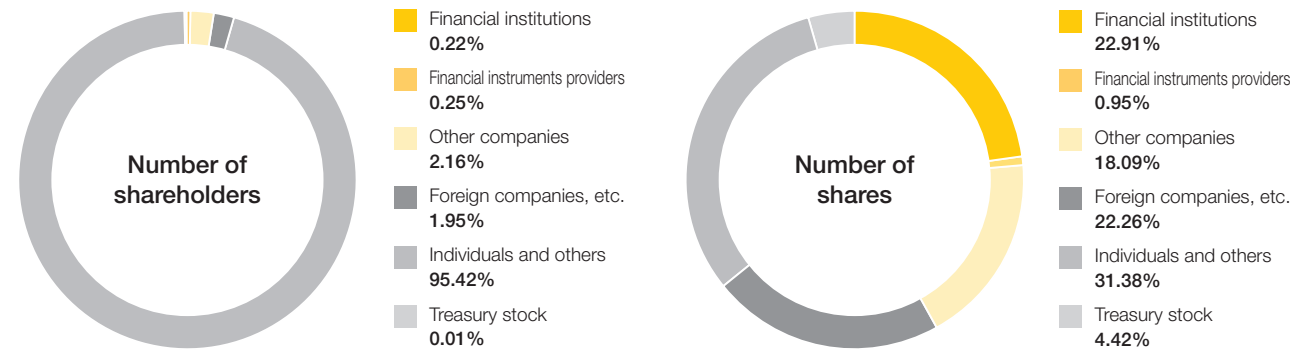
| | | |
|--------------------------|--|--|
| Domestic Group Companies | Japell Co., Ltd. | Wholesaling operations related to pet supplies |
| | Japell Partnership Service Co., Ltd. | Pet styling and grooming, recruiting of franchised stores |
| | PET LIBRARY Co., Ltd. | Sales of pets, pet foods, and pet-related products |
| | Mobby Co., Ltd. | Online sales of pet-related products |
| | Vet's Choice Japan Corporation | Import and sale of pet food and pet supplies, manufacture, purchase and sale of pet-related miscellaneous goods |
| Affiliates | ISM CORPORATION | Store management company |
| | D-Nee Cosmetic Co.,Ltd. | Import/export, manufacturing and sale of cosmetics |
| | Asahi Keshohin Hanbai Co., Ltd. | Wholesaling of cosmetics, perfumed soap, toothpaste, food and beverages, textile products, and miscellaneous goods |
| | JAPELL (HONG KONG) CO., LIMITED | Retailing, wholesaling, and import/export sales of pet-related products, as well as other related services |
| | Kairaotai (Shanghai) Trading Co., Ltd. | Wholesaling of pet-related products in the People's Republic of China and other related services |
| Overseas Group Companies | ARATA (THAILAND) CO., LTD. | Wholesale business in Thailand |
| | SIAM ARATA CO., LTD. | Wholesale business in Thailand |
| | ARATA VIETNAM COMPANY LIMITED | Wholesale business in Vietnam, etc. |
| | XIN LE HUA (GUANGZHOU) INTERNATIONAL TRADING CO., LTD. | Wholesaling and export of daily necessities and other products in the People's Republic of China |
| | | |

Stock Information (As of March 31, 2025)

Stock Information

| | | | | | |
|-----------------------------|------------|-------------------------|------------|------------------------|-------|
| Number of shares authorized | 60,000,000 | Number of shares issued | 36,057,424 | Number of shareholders | 8,841 |
|-----------------------------|------------|-------------------------|------------|------------------------|-------|

Shareholders & Shareholding Ratio



Major Shareholders

| | Number of shares held (thousands) | Shareholding ratio (%) |
|--|-----------------------------------|------------------------|
| The Master Trust Bank of Japan, Ltd. | 4,214 | 12.23 |
| Otowa Shokusan Co., Ltd. | 2,163 | 6.28 |
| ARATA Employee Shareholding Association | 1,403 | 4.07 |
| Custody Bank of Japan, Ltd. | 1,360 | 3.94 |
| BBH FOR FIDELITY LOW-PRICED STOCK FUND | 1,144 | 3.32 |
| The Nomura Trust and Banking Co., Ltd. | 1,082 | 3.14 |
| Custody Bank of Japan, Ltd. (Trust Account E) | 1,081 | 3.14 |
| Lion Corporation | 962 | 2.79 |
| Nobuyuki Hatanaka | 921 | 2.67 |
| STATE STREET BANK AND TRUST CLIENT OMNIBUS ACCOUNT OM02 505002 | 724 | 2.10 |

Notes: 1. The number of shares excludes fractional shares.
2. ARATA holds 1,592 thousand shares of treasury stock, but these are excluded from the major shareholders above. The 1,081 thousand shares held by Custody Bank of Japan, Ltd. (Trust Account E) related to the Board Benefit Trust (BBT) system are excluded from the 1,592 thousand shares of treasury stock.
3. Treasury stock is excluded when calculating the shareholding ratio.

Editorial Postscript

This report marks the eighth edition of the ARATA Integrated Report. For the first year of the Medium-Term Plan 2026, last year's report was created under the theme "TAKE ACTION," while for this year, the theme is "AX (ARATA Transformation)."

The five main members of the production team gathered information through dialogue and cooperation with the functional departments and area branches, while reaffirming to me that cooperation that transcends divisions and positions is ARATA's greatest strength. For the visual design and structure, we received tremendous support from the production company, helping evolve this into an even more replete report. I hope this integrated report will serve as a catalyst for more profound dialogue with stakeholders.

I would like to express my gratitude to all those who cooperated in creating this report as well as ask for candid feedback so that we may reflect it in next fiscal year's report.

Nobutaka Tsuchiya, Senior Executive Officer, General Manager of Corporate Governance Department

