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ARATA CORPORATION

Q1 of Fiscal year ending March 2027

Financial results presentation materials

August 7, 2026

ARATA CORPORATION

Progress of Q1 is in line with the plan for the FY27/3
Continue to drive the Medium-Term Management Plan 2030 Strategy and strengthen the profit structure

Net sales : Record highs for the 12th consecutive year

Profits : The growth in SG&A ratio outpaced the gross profit margin, resulting in year-on-year declines across all profit levels

Net sales

JPY263.7 billion

YoY 105.0%

- Increased due to new consolidation of msh Inc. and Polite Inc.
- Expansion of in-store share
- Strong sales of exclusive and preferential distribution items

Operating profit

JPY3.0 billion

YoY 76.1%

- Decline in gross profit margin
  →Increase in center fee and rebates
- Increase in SG&A expenses

Ordinary profit

JPY3.1 billion

YoY 75.9%

- Increase in interest expense due to a rise in interest rates

Profit attributable to owners of parent

JPY2.0 billion

YoY 73.0%

EBITDA

JPY4.4 billion

YoY 84.7%

- Depreciation expense approx. JPY1.15 billion
- Goodwill account approx. JPY180 million

Q1 FY27/3 Results Summary

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(Millions of JPY)	Q1 FY26/3 Results	Q1 FY27/3 Results	FY27/3 Target	Progress rate	YoY change	
				Rate (%)	Changes	Rate (%)
Net sales	251,192	**263,755**	1,030,000	25.6%	+12,562	105.0
Gross profit	24,909 (9.9)	**25,681** **(9.7)**	-	-	+771 (▲0.2p)	103.1
SG&A expenses	20,843 (8.3)	**22,586** **(8.6)**	-	-	+1,742 (+0.3p)	108.4
Operating profit	4,065 (1.6)	**3,095** **(1.2)**	11,000 (1.1)	28.1%	▲970 (▲0.4p)	76.1
Ordinary profit	4,152 (1.7)	**3,152** **(1.2)**	10,500 (1.0)	30.0%	▲1,000 (▲0.5p)	75.9
Profit attributable to owners of the parent	2,792 (1.1)	**2,039** **(0.8)**	7,000 (0.7)	29.1%	▲753 (▲0.3p)	73.0
EBITDA	5,241 (2.1)	**4,438** **(1.7)**	-	-	▲803 (▲0.4p)	84.7

*Figures in parentheses are percentages of sales.
*Targets announced on May 14, 2026

Q1 FY27/3 Factors for Changes in Operating profit

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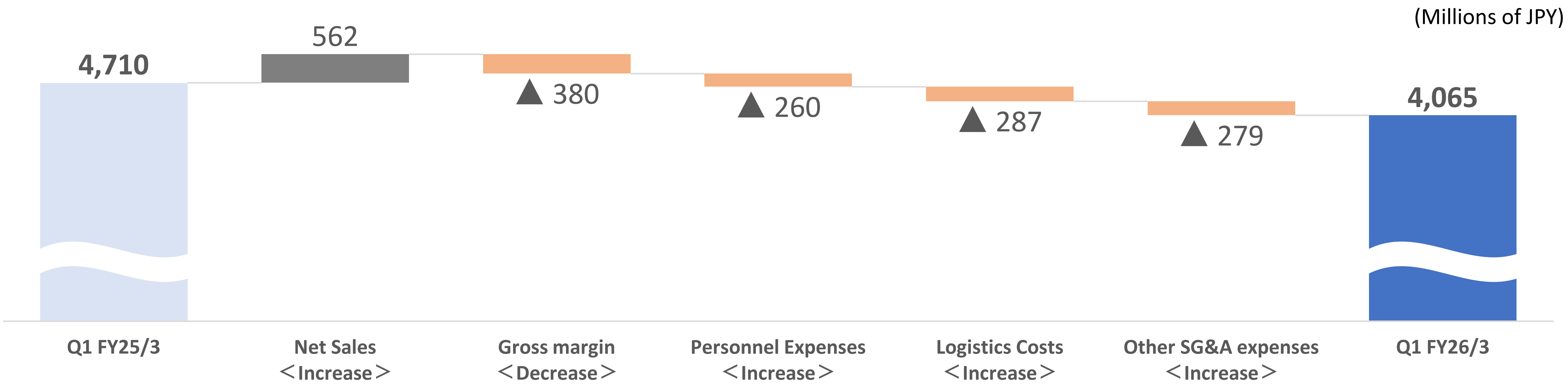
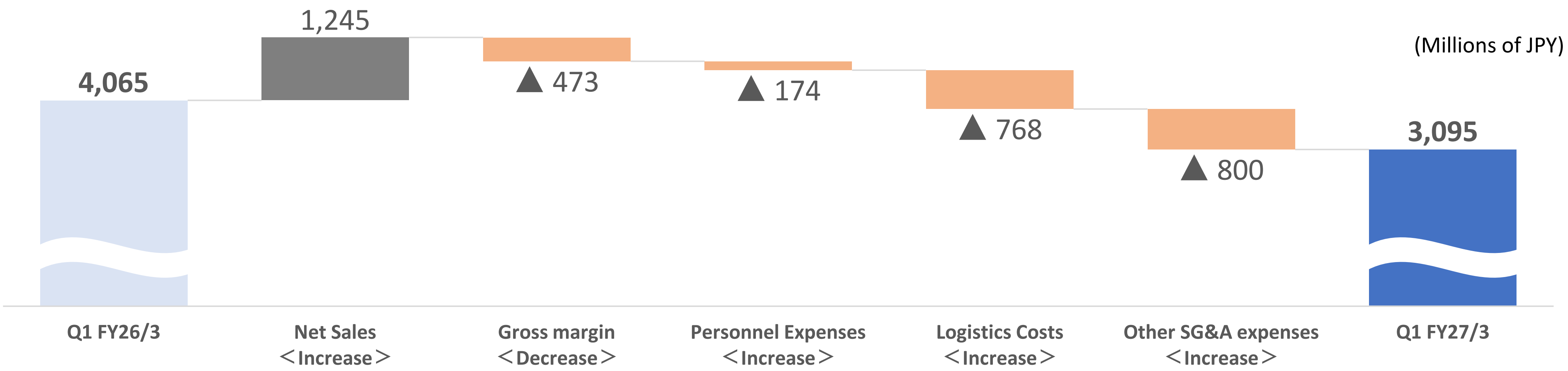
Q1 FY26/3



Q1 FY27/3



Net Sales by Category (YoY)

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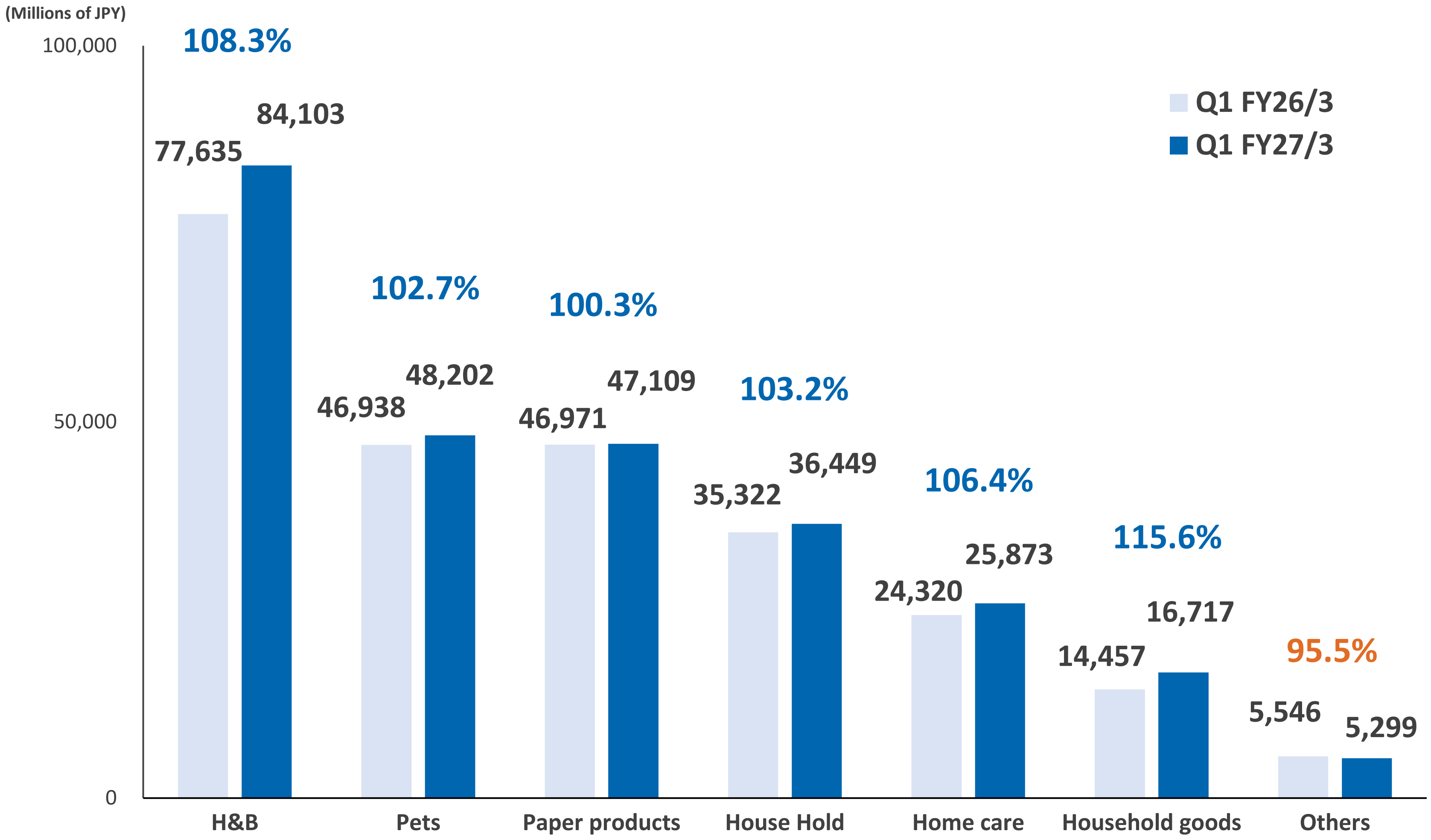


H&B

- Expansion of in-store share
- Strong sales of exclusive and preferential distribution items
- Impact of new consolidation of msh Inc. and Polite Inc.

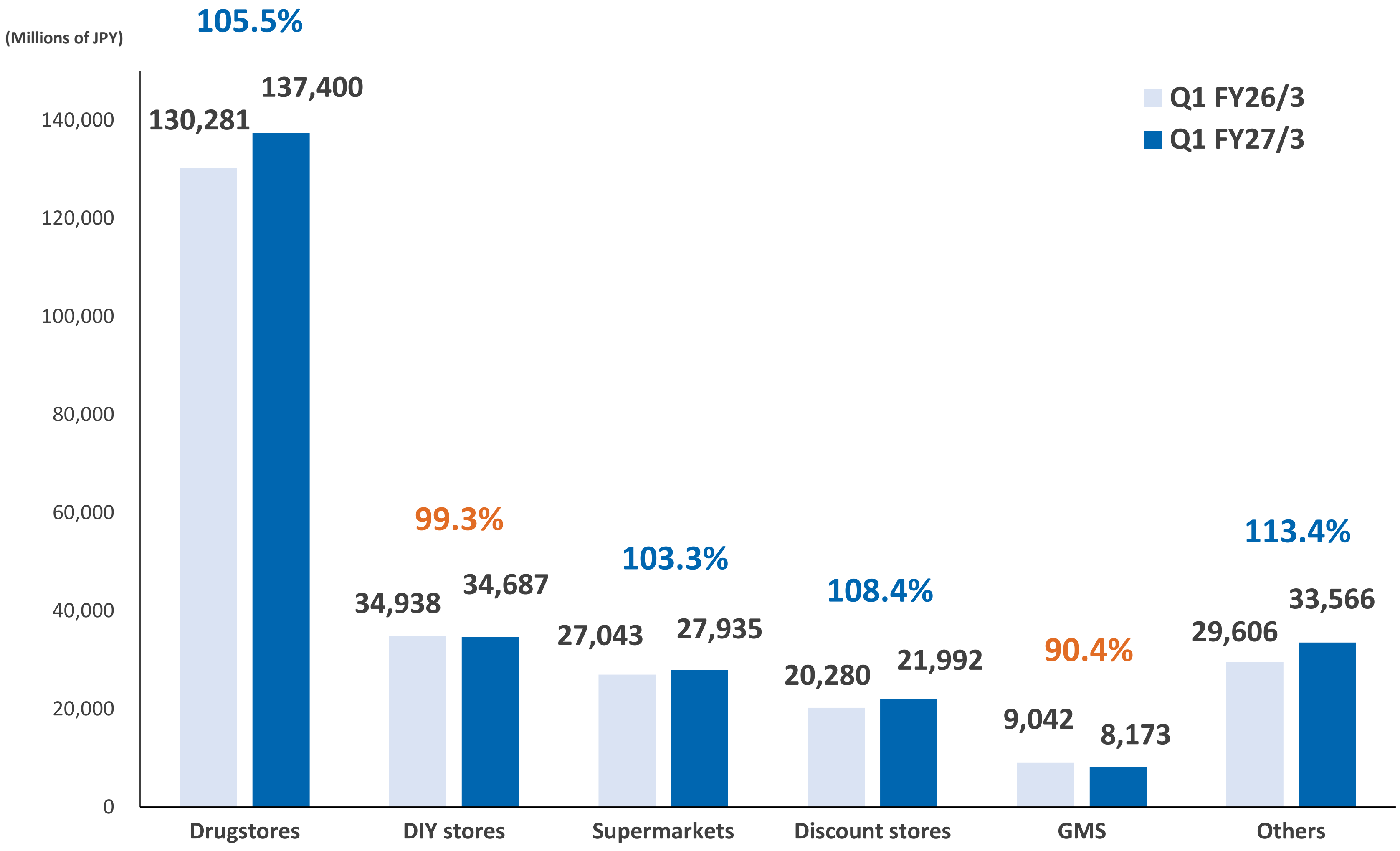
Home Care

- Expansion of in-store share
- Shift to high-value-added air fresheners and deodorizing products
- Expansion of mobile accessory distribution

Household goods

- Temporary demand for kitchen consumables arises due to the situation in the Middle East

Net Sales by Business Category (YoY)



Drugstores

・Increase due to inbound demand
・Expansion of in-store share

Discount Stores

・Increase due to inbound demand
・Expansion of in-store share
・Changes in Consumption Behavior due to Increased Price Sensitivity

Others

・Impact of new consolidation of msh Inc. and Polite Inc.
・Expansion of in-store share at convenience stores and variety stores

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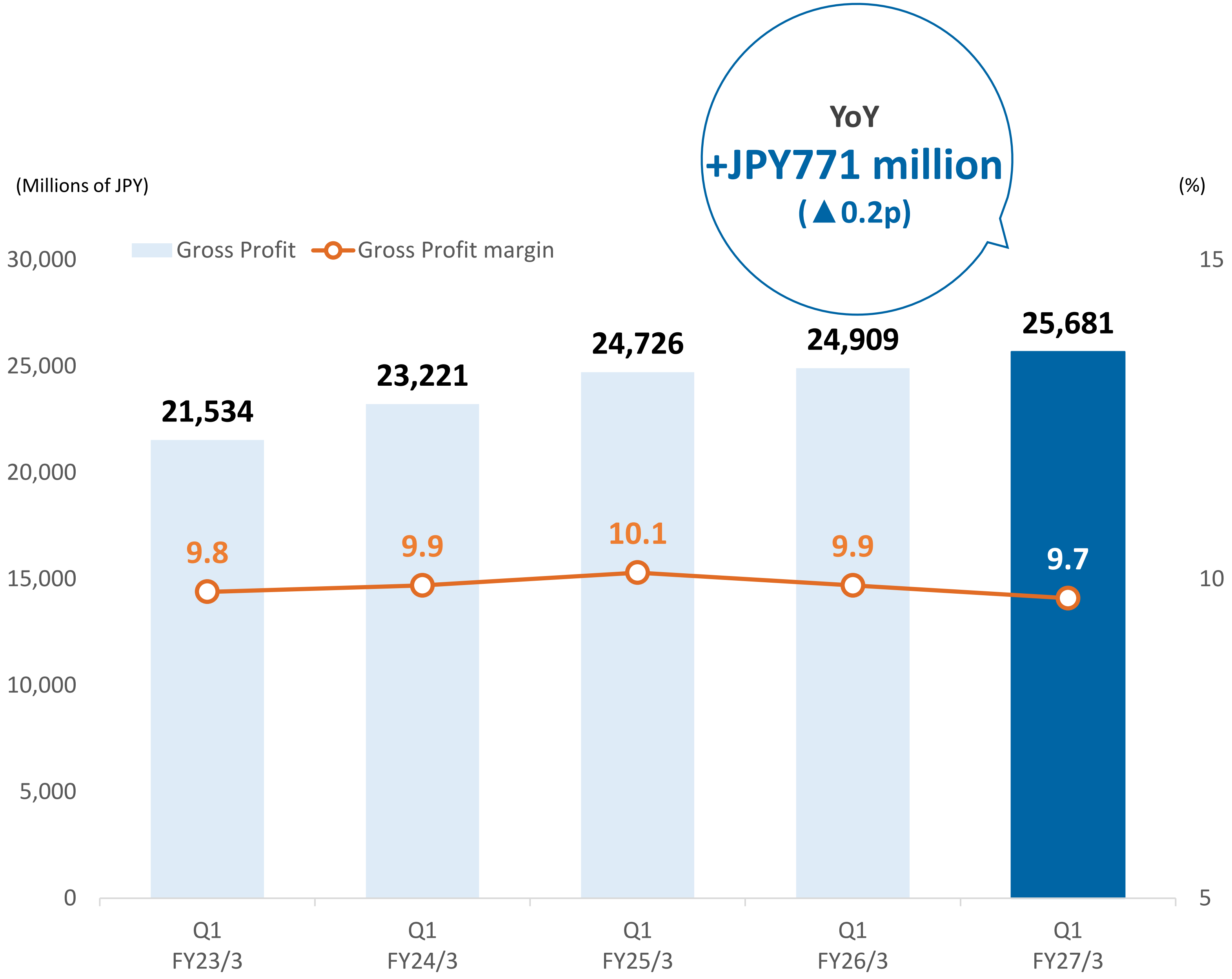


Point

Gross profit margin declined due to an increase in center fees, etc.

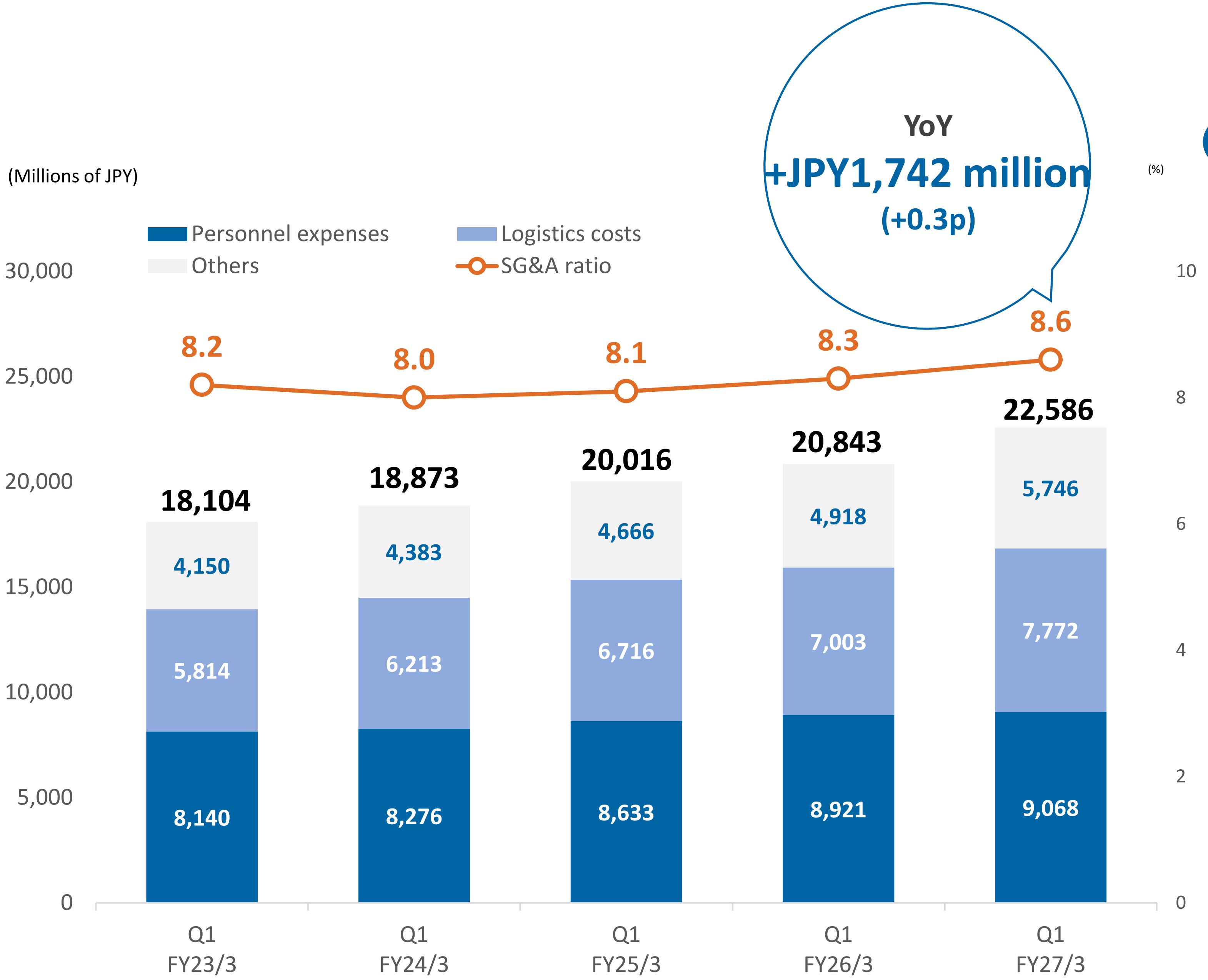
Internal factors

・Increase in gross profit due to increase in sales
・Expansion of highly profitable cosmetics
・Increase in the sales ratio of exclusive and preferential distribution items
・New consolidation of msh Inc. and Polite Inc., Companies with High Gross Profit Margins

External factors

・Increase in center fees and rebates
・Decrease in gross profit margin due to environmental changes in the distribution industry

Q1 FY27/3 SG&A Expenses



Point

Impact of M&A and increase in various expenses due to inflation

Internal factors

・Generation of goodwill, etc. due to M&A
・Impact of new consolidation of msh Inc. and Polite Inc.

External factors

・Personnel expenses for part-time employees due to an increase in minimum wages Increase
・Increase in logistics outsourcing fees and freight and storage fees

Q1 FY27/3 Consolidated Balance Sheets

ARATA CORPORATION

FY26/3 (Millions of JPY)

Assets		Liabilities and net assets	
Current assets	256,312 (73.1%)	Current liabilities	178,533 (50.9%)
		Long-term liabilities	47,855 (13.7%)
Fixed assets	94,238 (26.9%)	Net assets	124,162 (35.4%)

Total assets: 350,551

Q1 FY27/3 (Millions of JPY)

Assets		Liabilities and net assets	
Current assets	260,228 (73.2%)	Current liabilities	183,870 (51.7%)
		Long-term liabilities	47,597 (13.4%)
Fixed assets	95,112 (26.8%)	Net assets	123,872 (34.9%)

Total assets: 355,340

Main factors

- Current assets +JPY3,916 million

(+) Notes and accounts receivable JPY15,894 million
Merchandise JPY1,370 million
(-) Cash and deposits JPY14,902 million

- Fixed assets +JPY873 million

(+) Buildings and structures JPY1,594 million

- Current liabilities +JPY5,337 million

(+) Short-term loans payable JPY10,008 million
(-) Notes and accounts payable JPY4,966 million

- Long-term liabilities ▲ JPY257 million

(-) Long-term debt JPY401 million

- Net assets ▲ JPY290 million

*During the first quarter of the fiscal year ending March 31, 2027, the Company finalized the provisional accounting treatment for business combinations, and the figures for the fiscal year ended March 31, 2026 reflect the finalization of the provisional accounting treatment.

ARATA CORPORATION

Achieved 50% progress against Q2 target and 25% progress against the full-year target
Progressing according to plan

(Millions of JPY)	Q1 FY27/3 Results	Q2 FY27/3 Target	Progress rate	FY27/3 Full-Year Target	Progress rate
Net sales	263,755	518,000	50.9%	1,030,000	25.6%
Operating profit	3,095 (1.2)	5,680 (1.1)	54.5%	11,000 (1.1)	28.1%
Ordinary profit	3,152 (1.2)	5,530 (1.1)	57.0%	10,500 (1.0)	30.0%
Profit attributable to owners of the Parent	2,039 (0.8)	3,530 (0.7)	57.8%	7,000 (0.7)	29.1%

*Figures in parentheses are percentages of sales.

Points for Achieving the Plan

Continue to drive the Medium-Term Management Plan 2030 Strategy and strengthen the profit structure

- Improve gross profit margin and SG&A ratio by promoting Strategies for a Stronger Organization

Renewal of corporate website to strengthen information dissemination

In August 2026, we completely revamped the Japanese version of our corporate website.
Through faster and more comprehensive information disclosure, we will build greater stakeholder trust and strive to further enhance corporate value.

Point

1. Improved information dissemination

In addition to "Shareholder and Investor (IR) Information" and "Sustainability Information," which were renovated in advance in June, we substantially enhanced the content of "Hayawakari ARATA (ARATA at a Glance)" and "Business Introduction." We will update the information in a timely manner.

2. Design that expresses integrity based on the corporate color "Blue"

We have revamped our designs with high visibility, reflecting our corporate integrity as a company that supports infrastructure and the momentum toward the next growth phase.

3. Top page design to visualize active information transmission

We have implemented a feature that counts and visualizes our "Annual Number of Topic Updates," demonstrating our commitment to strengthening information dissemination.

Public schedules

June 2026	Advance renewal of IR and Sustainability sections	
August 2026	Complete revamp of the Japanese corporate website	
Around November 2026	Planned renewal of the English corporate website	

For details, please refer to the press release issued on August 7.

ESG assessment

Rating agency	Rating Name	FY24/3	FY25/3	FY26/3	Positioning
MSCI (U.S.)	**ESG Rating**	AA	AAA	**AAA**	7-point evaluation CCC / B / BB / BBB / A / AA / **AAA**
FTSE (U.K.)	**ESG Rating**	1.7	2.3	**3.0**	0-5 scale 0 ← **3.0** → 5.0
Sustainalytics (Netherlands)	**ESG Risk Rating**	14.8	14.3 (As of May 2025)	—	Lower is better Negligible 0-10 / **Low 10-20** / Medium 20-30 / High 30-40 / Severe 40+
CDP (U.K.)	**CDP Climate Change**	C	B	**B**	8-point evaluation D- / D / C- / C / B- / **B** / A- / A

Our company has been selected as a constituent of the following ESG indexes adopted by GPIF:

- MSCI Japan ESG Select Leaders Index
- FTSE JPX Blossom Japan Sector Relative Index
- S&P/JPX Carbon Efficient Index

ARATA CORPORATION

Forward-looking statements

- This material is provided for informational purposes only and does not solicit any action. This material (including business plans) was prepared by the company based on reliable information available at the time, and includes risks and uncertainties; ARATA CORPORATION bears no responsibility for its accuracy or completeness.

- Please use it at your own discretion. ARATA CORPORATION assumes no responsibility for any losses that may arise from making investment decisions based entirely on the outlook or target figures included in this material.

IR inquiries

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We welcome your questions about our financial results and requests for IR meetings.

ARATA CORPORATION