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# **ARATA Corporation**

## **Q1 of Fiscal Year Ending March 2026 Financial Results**





## ■ Q1 FY03/2026 Highlights

### Q1 FY03/2026

#### **Net Sales Mark 11th Consecutive Record High, While Profits Decline Year-on-Year.**

Sales of summer products (insecticides, laundry detergents, etc.) were delayed in Q1 due to temperatures lower than last year in April-May

- Decrease in gross profit margin/Increase in SG&A ratio due to inability to absorb SG&A increase



#### **Toward the Achievement of Year-End Targets**

- Sales of summer products are showing signs of recovery since June
- Further expansion of exclusive and preferential distribution items
- Promoting Efforts to Improve Logistics Efficiency
  - Sales and profits expected to improve from Q2 onwards
- In H2 FY03/2026, expand sales by expanding in-store share and achieve the effects of IT Medium-Term Management Plan
  - Aim to achieve year-end targets



## ■ Consolidated Statements of Income

(Millions of JPY)	Q1 FY03/2025 Results	Q1 FY03/2026 Results	YoY change		Planning	Progress rate
			Change	Rate (%)		rate (%)
Net sales	245,604	251,192	5,587	102.3	1,000,000	25.1
Gross profit	24,726	24,909	182	100.7	-	-
SG&A expenses	20,016	20,843	827	104.1	-	-
Operating income	4,710	4,065	▲ 644	86.3	17,280	23.5
Ordinary income	5,057	4,152	▲ 904	82.1	18,000	23.1
Profit attributable to owners of parent Quarterly Net profit	3,438	2,792	▲ 645	81.2	11,700	23.9



## ■ Q1 FY03/2026 Factors

**Net sales: Record highs achieved for the 11th consecutive year**

**Net Sales : JPY251.192 billion      YoY: +JPY5.587 billion      102.3%**

**Q1 FY03/2026 Cumulative      Net sales YoY **102.3%****

- Success of existing focus categories (H&B and pets)
- Expand sales of exclusive and preferential distribution items
- Improvement of product unit price
- Increase in sales of large-volume products and high value-added products
- Increase in sales of cosmetics, mainly skincare products
- Sales expansion due to inbound demand
- Delay in sales of summer products due to temperatures lower than last year in April-May

**Although the Medium-Term Management Plan 2026 Strategy proceeded smoothly, sales growth slowed due to weather factors.**



## ■ Q1 FY03/2026 Factors

**Ordinary income: JPY4.152 billion      YoY: JPY904 million      ▲ 82.1%**

**Gross profit : JPY24.909 billion      YoY: +JPY182 million      100.7%**

**Gross margin: 9.92%      YoY ▲ 0.15 points**

+Factors: Strong sales of exclusive basic cosmetics, etc./Improvement in unit prices

-Factors: Delay in sales of summer products with high gross margins

Increase in transactions with companies generating logistics center fees.

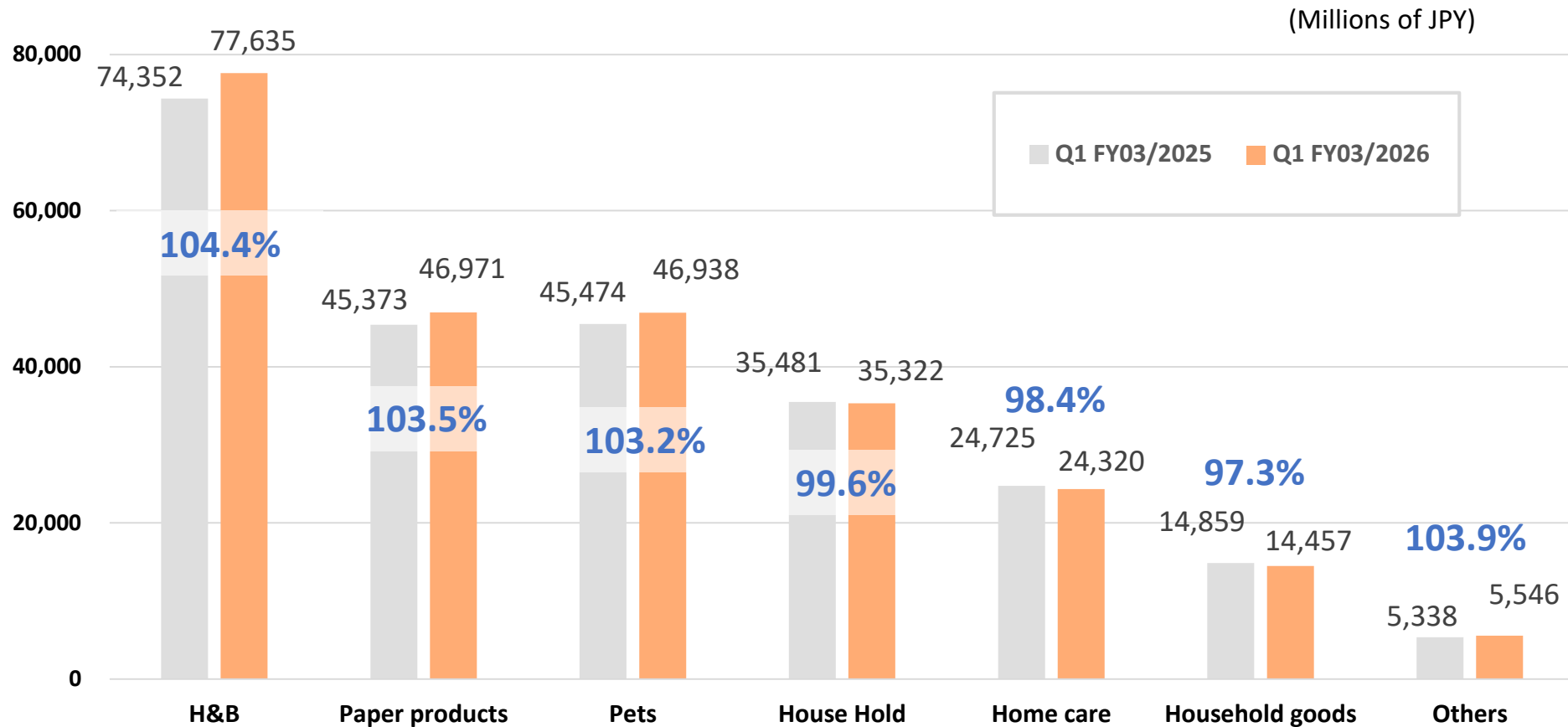
**SG&A expenses: JPY20.843 billion      YoY: +JPY827 million      104.1%**

**SG&A ratio: 8.30%      YoY +0.15 points**

- Higher fares due to the impact of the 2024 problem
- Increase in logistics costs due to increase in sales volume
- Increase in personnel costs due to human capital investment
  - To improve the treatment of permanent and part-time employees
- Delay in sales of summer products impacted the increase in SG&A ratio.



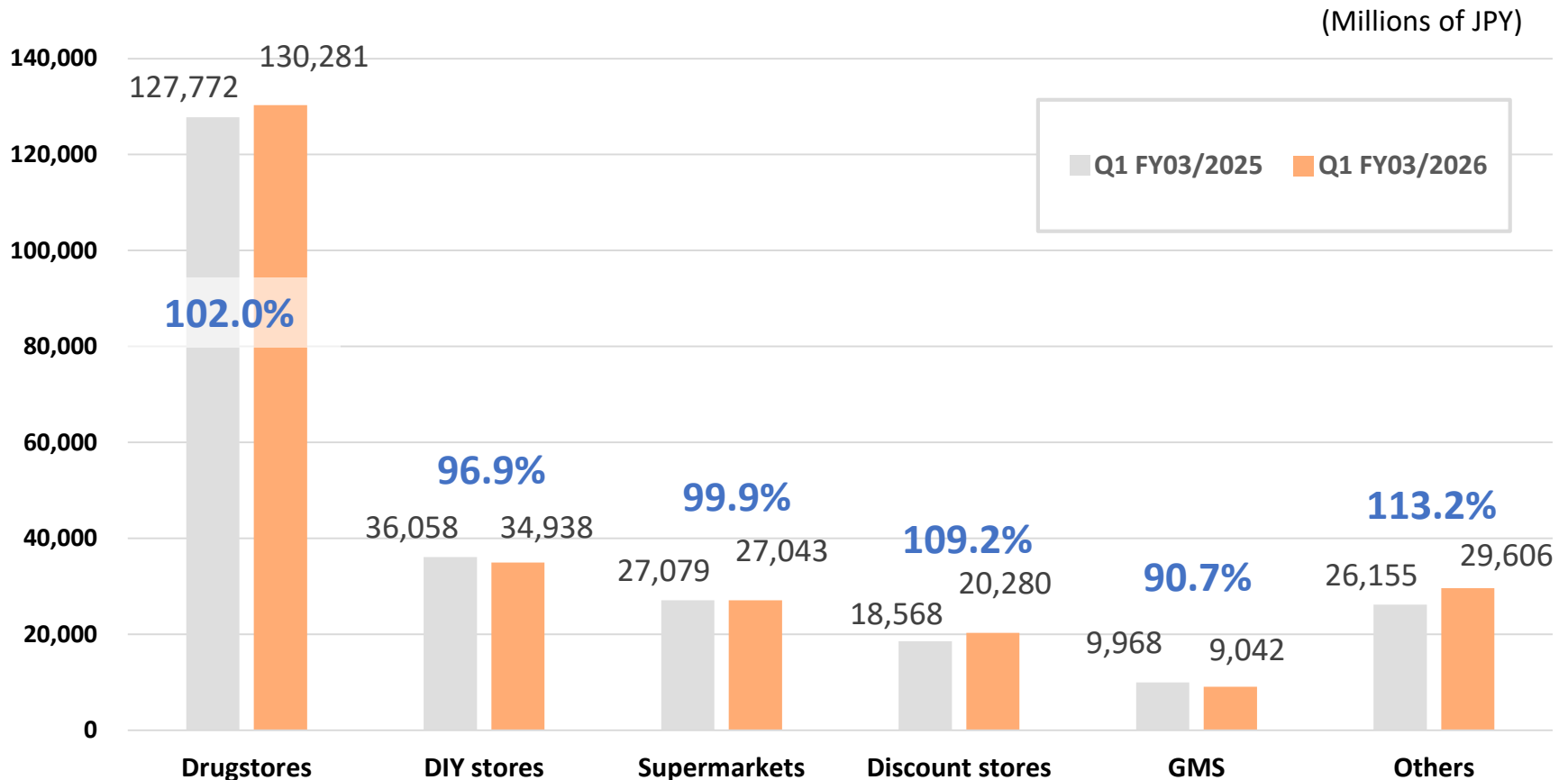
## ■ Net Sales by Category (YoY)



- H&B: Increase in sales of cosmetics, mainly skincare products
- Home Care: Delay in sales of summer merchandise due to temperatures lower than last year in April-May



## ■ Net Sales by Business Category (YoY)



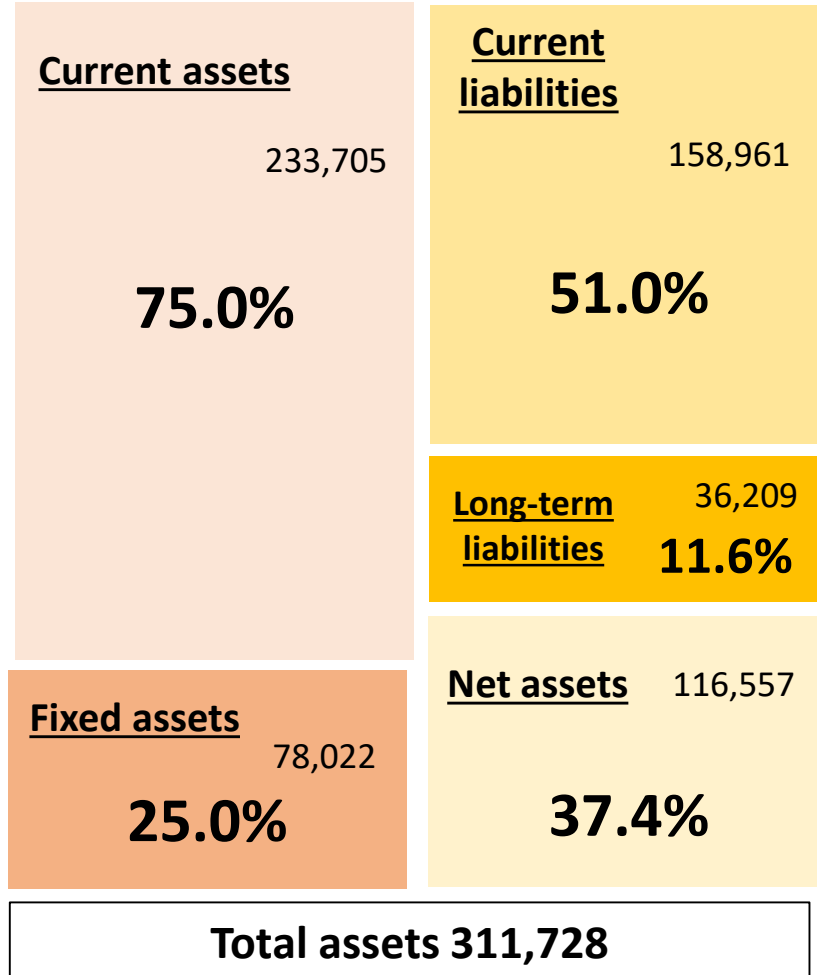
- Inbound demand: Drugstores, discount stores
- New transactions: Others (convenience stores)



## ■ Consolidated Balance Sheets

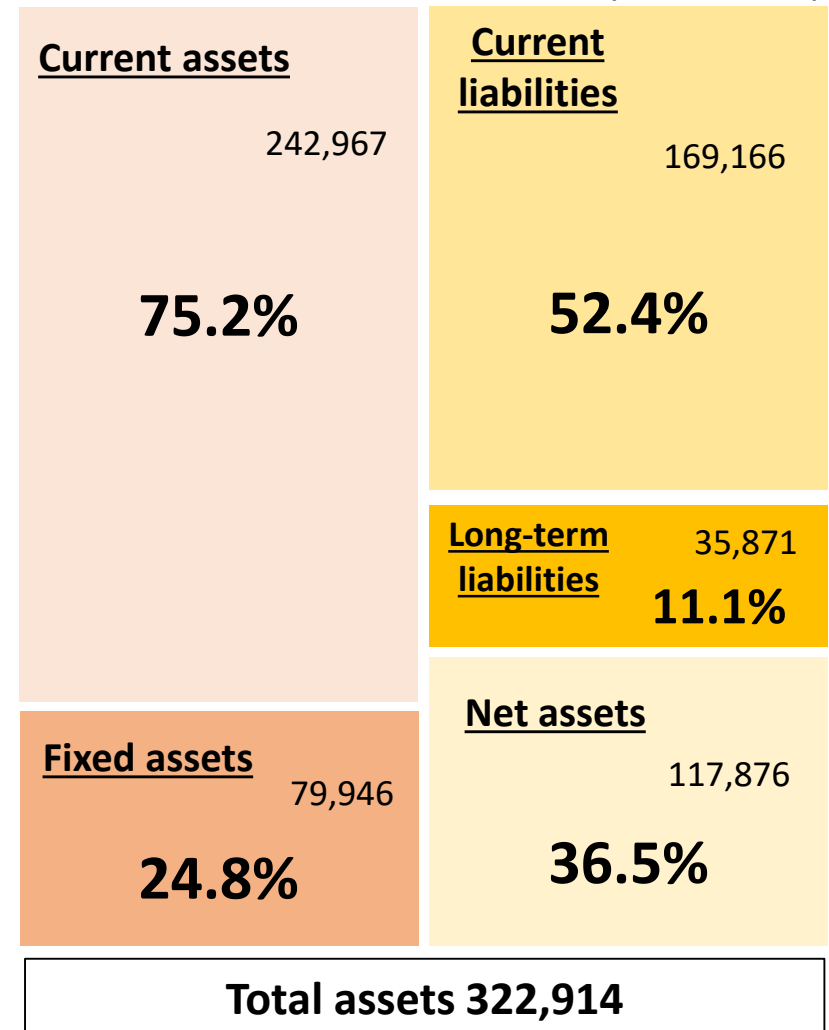
FY03/2025

(Millions of JPY)



Q1 FY03/2026

(Millions of JPY)







## ■ Toward the Achievement of Year-End Targets

- Sales of summer products are showing signs of recovery since June.
- Further expansion of exclusive and preferential distribution items
- Promoting Efforts to Improve Logistics Efficiency
  - Streamlining the entire supply chain through joint delivery with other companies
  - Reorganization of logistics network in areas with increased shipments  
(Expansion of external warehouses and streamlining of existing centers)
  - Cost reduction through consolidation of logistics centers.



**Sales and profits expected to improve from Q2 onwards**

Through sales expansion due to increased in-store share and realization of IT  
Medium-Term Management Plan effects in the second half,  
**Aiming to achieve year-end targets**



# Topics



## ■ External assessment related to ESG

### Actively Promoting Sustainability Initiatives as an Important Management Issue



- First-time achievement of the highest "AAA" rating in MSCI ESG Ratings in June 2025.
- First-time selection as a constituent of the "FTSE Blossom Japan Sector Relative Index" in July 2025.

#### External Evaluation



**FTSE Blossom  
Japan Sector  
Relative Index**

**MSCI**  
ESG RATINGS

CCC B BB BBB A AA **AAA**



For details, please refer to the press releases released on June 23 and July 16, 2025.

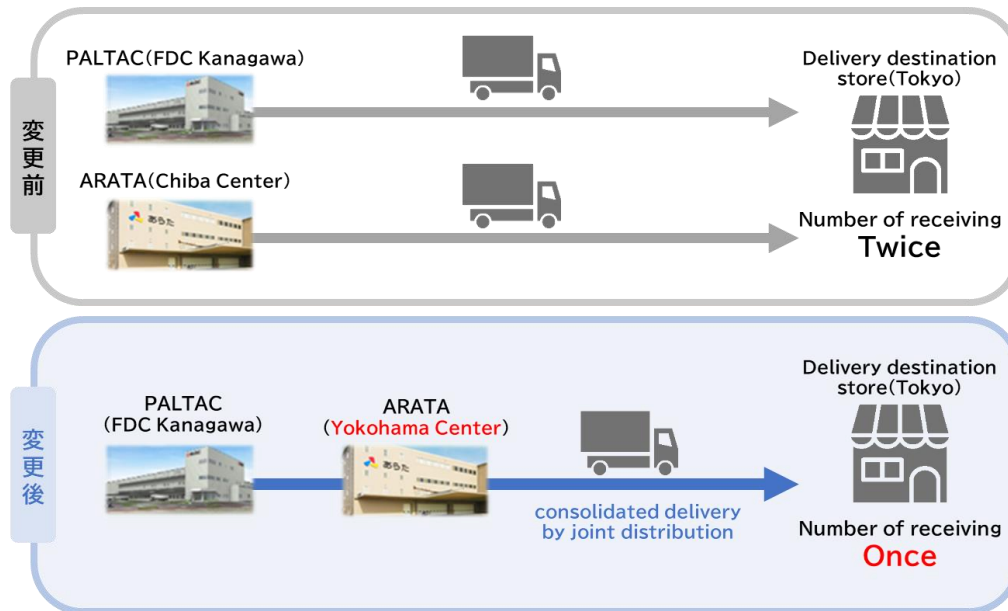
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## ■ Initiatives for Logistics Efficiency

Two companies in the same industry collaborate to address the intensifying labor shortage in the logistics industry.

July 2025 ARATA x PALTAC begin joint delivery in the West Kanto area.



### Anticipated Program Benefits

- **Responding to a shortage of drivers**  
Reduction in necessary personnel due to reduction in number of trucks
- **Reducing environmental impact and optimizing logistics costs**  
Improvement of loading efficiency, Reduction in mileage  
Reducing CO2 emissions and optimizing logistics costs by reducing the number of trucks
- **Efficiency of store operations**  
Reducing store workload by reducing the number of deliveries

Promoting Collaboration in Non-Competitive Areas  
to Co-Create a Sustainable Distribution Infrastructure

For details, please refer to the press release released on July 2, 2025.

<https://ssl4.eir-parts.net/doc/2733/tdnet/2650456/00.pdf>



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