May 14, 2026

To All Concerned Parties

Company Name: ARATA CORPORATION
Representative: Representative Director and President Seiichi Kochiya
(Securities Code: 2733, TSE Prime Market)
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(TEL 03-5635-2800)

Notice Regarding Formulation of ""Mid-Term Management Plan 2030""

The Company hereby announces that at the Board of Directors meeting held on May 14, 2026, a new mid-term management plan for the fiscal years ending March 2027 through March 2030 was formulated.

Details

1. Background of Formulation

In our Long-Term Management Vision 2030, we have set forth the theme ""Making Dreams Come True. Changing Lives."" and have been advancing our mid-term management plan in three phases toward its realization.

In the second phase, ""Mid-Term Management Plan 2026,"" under the theme of ""Accelerating Growth,"" we achieved operating revenues of 1 trillion yen, which was the target set for the fiscal year ending March 2030 in the Long-Term Management Vision 2030. On the other hand, due to changes in the external environment, including cost increases from inflation, restructuring in the retail industry, and heightened geopolitical risks, challenges remained in cost control and capital profitability, resulting in decreased ordinary income and failure to achieve ROE targets.

To address such changes in the external environment and the challenges facing our company, the final phase, ""Mid-Term Management Plan 2030,"" is positioned as a ""Strategic Investment Phase"" for medium- to long-term growth, and cost increases from growth investments are expected to impact earnings in the first half. While temporarily challenging conditions are anticipated in terms of profits, by strengthening the operating structure in the wholesale business and promoting growth strategies, we will achieve earnings improvement and put the company on a growth trajectory in the latter half, leading to further enhancement of corporate value from 2030 onward.

2. Review of Mid-Term Management Plan 2026

	Mid-Term Management Plan 2026 Targets	FY March 2026 Results	vs. Plan
Operating revenues	1 trillion 6 billion yen	1 trillion 4.7 billion yen	(1.2) billion yen
Ordinary Income	13 billion yen (*Initial plan: 20 billion yen)	13.5 billion yen	500 million yen
ROE	10% range	8.4%	(1.6)p
Dividend payout ratio	30%	37.0%	+7.0p

3. Overview of Mid-Term Management Plan 2030

(1) Theme

""Refining Our Strengths, Opening Up the Future""

Through the ""Operating Structure Strengthening Strategy"" aimed at re-honing the inherent ""strengths"" our company possesses in the wholesale business, we will raise the bottom line, while through the ""Growth Strategy"" that reinforces our uniqueness and advances medium- to long-term growth, we will enhance our unique added value to achieve further expansion of the top line.

Additionally, we will advance financial strategies focused on shareholder returns and cash allocation, and as part of our sustainability strategy, we will promote initiatives that consider the entire supply chain in addition to environment, human resources, local communities, and

governance, thereby working to enhance corporate value.

(2) Quantitative Targets

(Unit: Billions of yen)

	Operating revenues	Ordinary Income	EBITDA	ROE
FY March 2030 Target Figures	11,600	160	240	8% or higher
(For reference) FY March 2026 Results	10,047	135	180	8.4%

(3) Business Strategies

<Growth Strategy>

① Expand in-store share by strengthening uniqueness

② Establish new growth drivers

③ Strengthen functions to support sales expansion

<Operating Structure Strengthening Strategy>

① Measures to improve gross profit margin

② Measures to control SG&A expense ratio

③ Improve profitability of group companies

(4) FINANCIAL STRATEGY

① Implement flexible shareholder returns with awareness of cost of capital: Aim for stable dividends and dividend increases while targeting a dividend payout ratio of 30%

② Implement investment discipline and management based on ROIC, and utilize EBITDA as an indicator for evaluating profitability and cash generation capability

(5) Sustainability Strategy

Link sustainability enhancement to corporate value improvement

(Environment, Human Resources, Local Communities, Governance, Supply Chain)

*For details on the new Mid-Term Management Plan 2030, please refer to the attached materials.

End

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The slides in this presentation have been translated using a mechanical automatic translation service. In some cases, the translation may be inaccurate or unintended. Please use this service with the understanding that translations are not always accurate.

Medium-Term Management Plan 2030

Positioning of the Medium-Term Management Plan 2030

Roadmap

Medium-Term Management Plan 2023 → Medium-Term Management Plan 2026 → Medium-Term Management Plan 2030

FY23/3
Net sales
¥891.6 billion

FY26/3
Net sales
¥1,004.7 billion

Growth strategies

Driving sustained top-line growth by sharpening what sets us apart

Strategy for a Stronger Organization

Lifting the bottom line by building a stronger earnings base

FY21/3 - 23/3

FY24/3 - 26/3

FY27/3 - 30/3

Long-Term Management Vision 2030

Achieving dreams, changing lives.

Net Sales Target in the Medium-Term Management Plan 2030

¥1,160.0 billion

Achieved in FY26/3

target

Net sales of more than

¥1 trillion by FY30/3

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1 Looking Back at the Medium-Term Management Plan 2026 and Pinpointing Key Issues

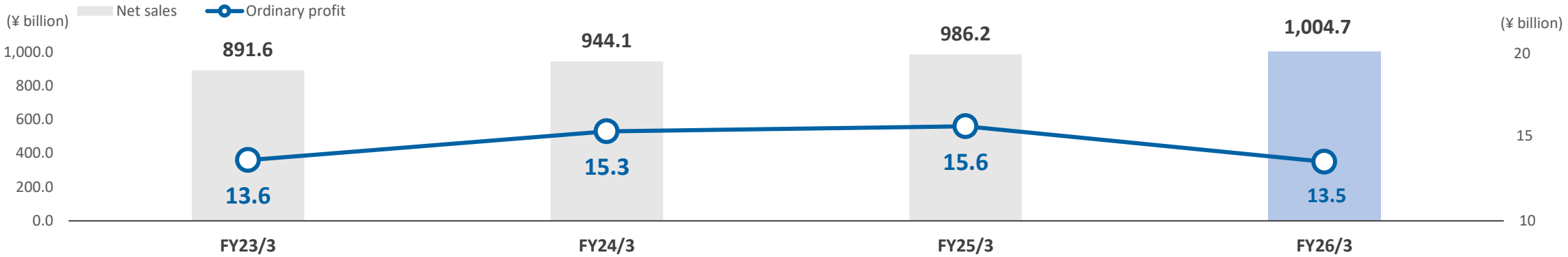
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Looking Back at the Medium-Term Management Plan 2026 (Quantitative Evaluation)

Medium-Term Management Plan 2023 ▶ **Medium-Term Management Plan 2026** ▶ Medium-Term Management Plan 2030

Net sales fell slightly short of the ¥1,006.0 billion target
Ordinary profit came in on plan at the revised target of ¥13.0 billion
That said, challenges remain around controlling costs amid inflationary pressures and improving return on capital

	FY23/3 Results	Medium-Term Management Plan 2026 Targets	FY26/3 Results	Three-Year Change	CAGR (2023-2026)
Net sales	¥891.6 billion	¥1,006.0 billion	¥1,004.7 billion	+¥113.1 billion	4.06%
Ordinary profit	¥13.6 billion	¥13.0 billion (*Initial plan: ¥20.0 billion)	¥13.5 billion	(¥0.1 billion)	—
ROE	8.3%	10% level	8.4%	+0.1p	—
Dividend payout ratio	28.2%	30%	37.0%	+8.8p	—



*The ordinary profit target in the Medium-Term Management Plan 2026 was revised downward at the Q3 FY26/3 financial results briefing.

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Looking Back at the Medium-Term Management Plan 2026 (Qualitative Evaluation)

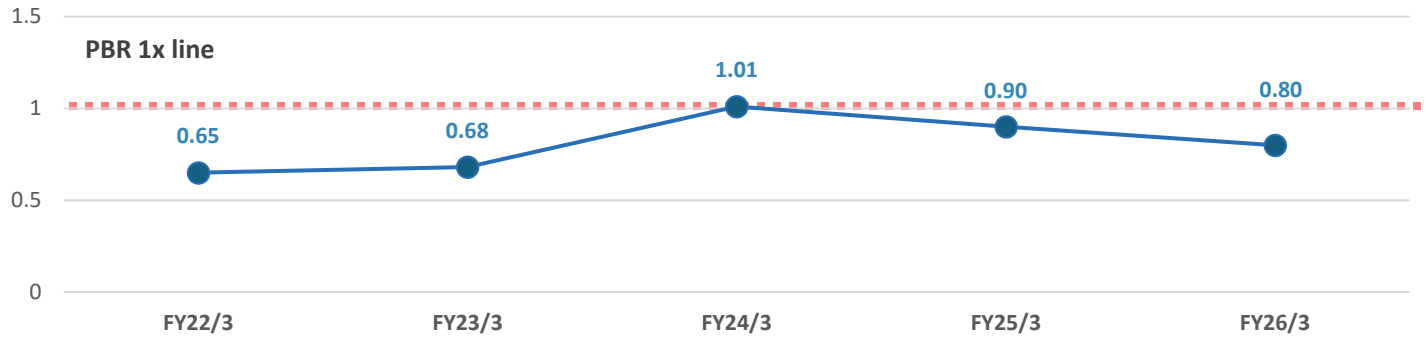
Key Strategies of the Medium-Term Management Plan 2026		Evaluation	
Growth strategies	Expand the H&B and pet categories Expand exclusive and preferential distribution items to increase originality Acquire new deals	○ Made progress on strategy, but net sales target was missed	• Over three years, H&B grew 13.2% and the pet category grew 19.8% • Net sales composition of exclusive and preferential distribution items: 7.8% • Expanded our sales channels by opening new accounts with convenience store chains and other retailers • Strategic Alliance with True Data Inc. Enhancing Sales Proposals • Hit the ¥1 trillion net sales mark in the Long-Term Management Vision 2030
Stronger foundation	Implement measures in the IT Medium-Term Management Plan to streamline operations and increase logistics productivity Transformation to human capital management: Rolled out the new personnel system in April 2023	× Profitability issues have surfaced	• IT Medium-Term Management Plan implemented; however, realizing cost synergies is taking longer than expected • While we have driven efficiency through joint delivery and other initiatives, cost pressures have also emerged in the form of higher personnel and Logistics cost • Improvement of employee salary levels through personnel system revisions
Financial strategies	Grow cash flow by expanding sales, improving profitability, and accelerating asset turnover Active investments in business growth and building foundations Take nimble action to create shareholder value	△ Made progress on capital policy and shareholder returns, but the ROE target was missed	• Acquired MAP Holdings Co., Ltd. as a wholly owned subsidiary in preparation for the Medium-Term Management Plan 2030 • Keep raising dividends as part of our shareholder returns • Carry out share and shareholder initiatives in FY24/3: a share buyback and a stock split
Sustainability	Reduce CO2 in collaboration with business partners as a central player in the supply chain Strengthen the corporate governance structure	◎ Progress that exceeded targets	• CDP response: FY2023 C rating → FY2024 B rating • GHG emissions: hit the target level in FY25/3 • Received Eruboshi 2-Star, Kurumin, and KENKO Investment for Health Certification • Independent outside directors now make up more than half of the Board of Directors

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Our Approach to Management Mindful of the Capital Costs and Share Price

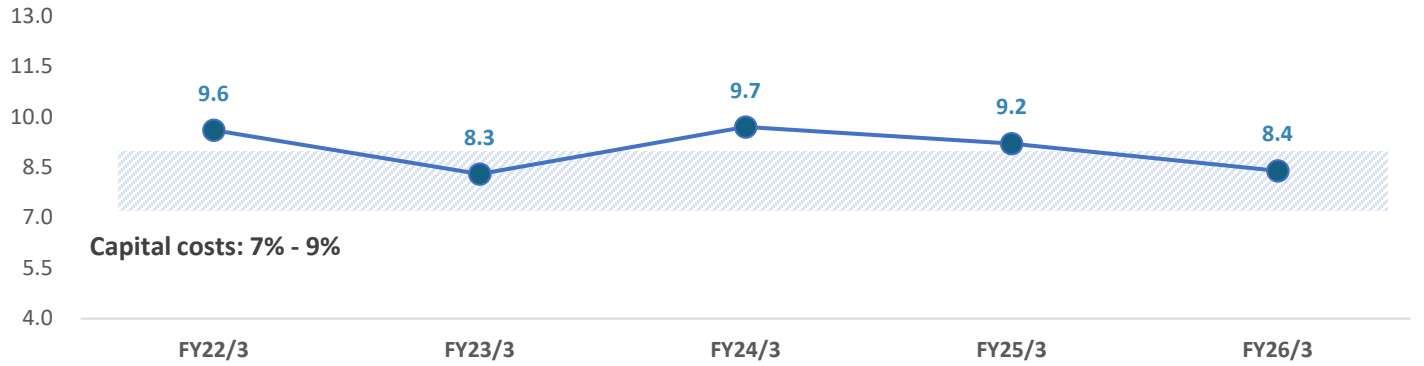
Improving ROE through cost control and balance sheet management

PBR Over Time (times)



- **PBR sits below 1**
  - Challenges in capital efficiency
  - Delayed realization of returns on investments made from a medium-to-long-term perspective

ROE Over Time (%)



- **ROE has trended downward since FY25/3**
  - Profitability issues have surfaced in some businesses
  - We have been slow to roll out SG&A control measures to offset inflation-driven cost increases
  - Challenges in balance sheet management

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Key Issues from the Medium-Term Management Plan 2026

Issues

- Sales growth has slowed as consumer behavior shifts
- Gross profit margin has narrowed as the distribution landscape shifts
- Profitability issues have surfaced in some businesses
- Profitability has slipped on higher center fees and other factors
- Controlling costs against inflationary pressures
- Completed IT Medium-Term Management Plan rollout, but yet to realize planned cost synergies
- Falling capital efficiency
- Balance sheet management
- Investment amounts climbing on the back of rising prices
- Strengthening cybersecurity
- Strengthening governance across the Group
- Tying ESG initiatives more tightly to corporate value through better evaluation and disclosure

How We Will Respond

- ☑ Sharpen what sets us apart
- ☑ Improve profitability
- ☑ Improve productivity
- ☑ Rein in SG&A expenses
- ☑ Deliver returns on capital that exceed capital costs
- ☑ Manage the balance sheet with returns on capital in mind
- ☑ Initiatives to lift corporate value over the medium- to long-term

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2 Medium-Term Management Plan 2030

2-1. Background to the Medium-Term Management Plan 2030

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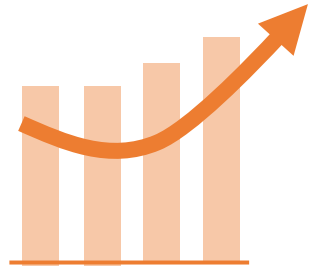
Background to the Medium-Term Management Plan 2030

Rapid changes in the external environment

- Rising costs from inflation
- Restructuring and consolidation in the retail industry
- Structural changes in consumer sentiment
- Falling birth rate, aging population, and accelerating population decline
- Dramatic advances in DX
- More complex laws and regulations
- Rising geopolitical risks

Background to the Medium-Term Management Plan 2030

- To respond to rapid shifts in the external environment, the Medium-Term Management Plan 2030 is positioned as a strategic investment phase for shaping and driving strategies that lift corporate value over the medium- to long-term.
- In the first half of the Medium-Term Management Plan 2030, cost increases from growth investments are expected to weigh on earnings, with profit at each stage temporarily under pressure compared with FY26/3.
- That said, by building a stronger foundation in the wholesale business, we will rein in cost increases and generate profits in the second half of the Medium-Term Management Plan 2030, putting earnings back on a growth track and setting the stage for further expansion beyond 2030.



Management Indicators We Prioritize

ROE

Maximize capital efficiency with the cost of shareholders' equity in mind

ROIC

Set investment discipline with WACC in mind, with the maximizing capital efficiency

EBITDA

Served as key metrics to assess profitability and cash flow generation

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2-2. Overview of the Medium-Term Management Plan 2030

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Medium-Term Management Plan 2030 Overview

Shoot for our targets through a stronger organization and growth strategies

Medium-Term Plan 2026 Results

Net sales
¥1,004.7 billion

Ordinary profit
¥13.5 billion

EBITDA
¥18.0 billion

ROE
8.4%

Medium-Term Management Plan 2030

Sharpening our strengths X Pioneering the future

Strategy for a Stronger Organization BOTTOM LINE

Lifting the bottom line by building a stronger earnings base

Ordinary profit: + ¥2.5 billion

Growth strategy TOP LINE

Driving sustained top-line growth by sharpening what sets us apart

Net sales: + ¥155.0 billion

Financial Strategy

- Shareholder Returns (Maintain and increase dividends with a payout ratio of 30%)
- Cash allocation (Using ROIC as our investment discipline)

Sustainability Strategy

Environment | Human Resources | Regional Community | Governance | Supply Chain

Medium-Term Plan 2030 Targets

Net sales
¥1,160.0 billion

Ordinary profit
¥16.0 billion

EBITDA
¥24.0 billion

ROE
8% or higher

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Medium-Term Management Plan 2030 at a Glance

Medium-Term Management Plan 2030

Quantitative Targets

Net sales	Ordinary profit	EBITDA	ROE
¥1,160.0 billion	¥16.0 billion	¥24.0 billion	8% or higher

Business Strategy

Growth strategies

Driving sustained top-line growth by sharpening what sets us apart

① Driving in-store share growth by strengthening our unique value proposition: Deepen retail support functions (proprietary analysis, proposals, and in-store deployment through our strategic partnership with True Data Inc.)
② Establishing new growth drivers: Create synergies through M&A of product development and cosmetics wholesale functions (msh Inc. Polite Inc.)
③ Strengthening the functions that support sales growth: Invest in highly productive logistics centers

Strategy for a Stronger Organization

Lifting the bottom line by building a stronger earnings base

① Measures to improve gross profit margin: Expand exclusive and preferential distribution items
② Measures to control the SG&A expense ratio: Contain personnel expenses (IT, DX, productivity gains, new material handling equipment), contain logistics costs (corporate-level logistics efficiency), contain property expenses (reviewing contract warehouses), and pursue other measures (using ASN)
③ Improving the profitability of Group companies: Contain the SG&A expense ratio through closer Group coordination and restructuring Group businesses

Financial Strategy

1. Flexible Shareholder returns mindful of capital costs: Maintain and increase dividends with a payout ratio of 30%
2. Investment discipline and management based on ROIC, with EBITDA used as an indicator of profitability and cash generation

Sustainability Strategy

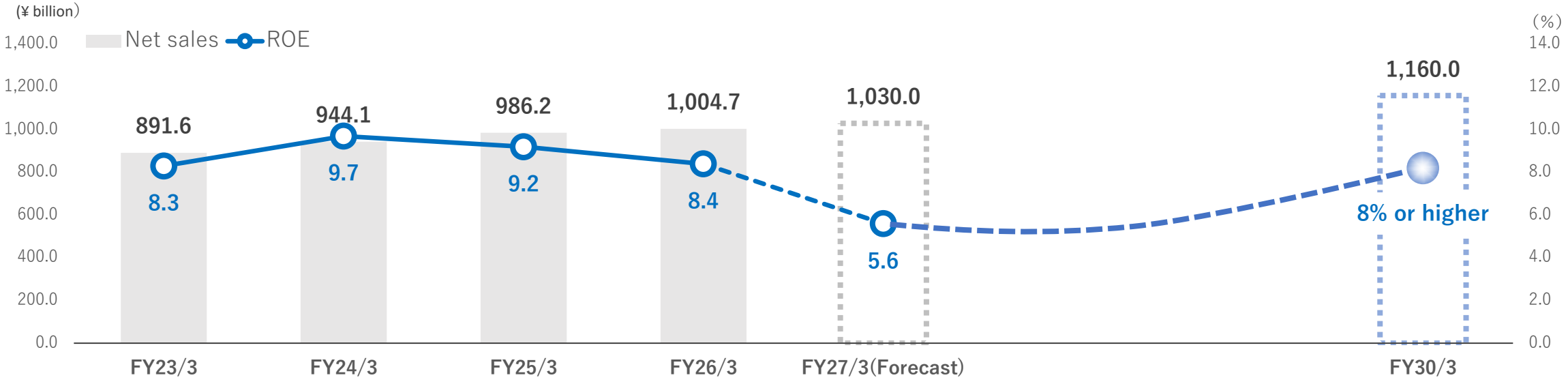
Driving corporate value by strengthening sustainability
(Environment, Human Resources, Regional Community, Governance, Supply Chain)

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Medium-Term Management Plan 2030 Quantitative Targets

Treat improved capital efficiency as a priority and deliver ROE of 8% or higher and growth in ordinary profit

	FY26/3 Results	Medium-Term Management Plan 2030 Targets	Four-Year Change	CAGR (26/3 - 30/3)
Net sales	¥1,004.7 billion	¥1,160.0 billion	+¥155.2 billion	3.66%
Ordinary profit	¥13.5 billion	¥16.0 billion	+¥2.4 billion	—
EBITDA	¥18.0 billion	¥24.0 billion	+¥5.9 billion	—
ROE	8.4%	8% or higher	—	—



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2-3. Business Strategy

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Medium-Term Management Plan 2030 Business Strategy

Based on the theme of “sharpening our strengths and pioneering the future,” we will drive top-line growth and build a stronger earnings base

Growth Strategies

Driving sustained top-line growth by sharpening what sets us apart

1 Driving in-store share growth by strengthening our unique value proposition

Deepen retail support functions (proprietary analysis, proposals, and in-store deployment through our strategic partnership with True Data Inc.)

2 Establish new growth drivers

Create synergies through M&A of product development and cosmetics wholesale functions (msh Inc., Polite Inc.)

3 Strengthen the functions that support sales growth

Invest in highly productive logistics centers

Strategies for a Stronger Organization

Lifting the bottom line by building a stronger earnings base

1 Measures to improve gross profit margin

Expand exclusive and preferential distribution items

2 Measures to control the SG&A expense ratio

Contain personnel expenses (IT, DX, productivity gains, new material handling equipment)
Contain logistics costs (corporate-level logistics efficiency)
Contain property expenses (review contract warehouses)
Other (using ASN)

3 Improving the profitability of Group companies

Contain the SG&A expense ratio through closer Group coordination

Restructure Group businesses

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Medium-Term Management Plan 2030 Growth Strategies ①: Driving in-store share growth by strengthening our unique value proposition

Growth Strategies

Deepen retail support functions

- Proprietary analysis and proposals only we can deliver, drawing on the largest ID-POS data in Japan held by True Data Inc. , our strategic partner

→ Customized proposals tailored to each store's characteristics, reflecting retailer's regional traits and consumer needs (sales floor proposals, reduction in returns)

- Analysis powered by our detailed product information, drawn from one of the largest product lineups handled in Japan

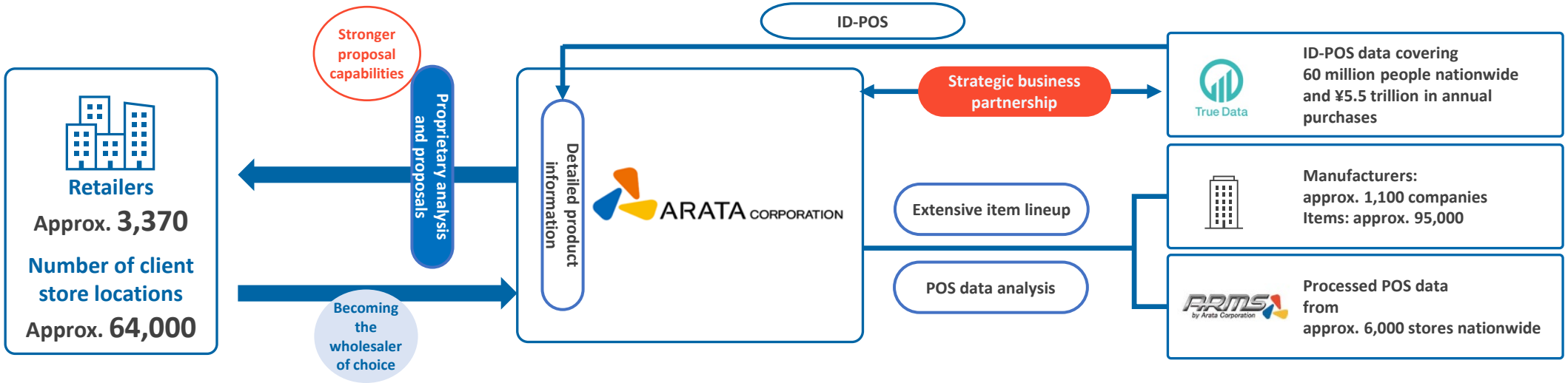
→ Discover and propose exclusive and preferential distribution items

- Support retailers by leveraging the capabilities of our Group companies

→ Help retailers turn plans into results on the shelf

- Propose everything from product selection through market analysis to optimal sales floor deployment and in-store sales promotion measures, including retail media

→ Sales activities that build the in-store hooks that drive purchases



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Growth Strategies

Medium-Term Management Plan 2030 Growth Strategies ②: Establishing New Growth Drivers

Create synergies through M&A of product development and cosmetics wholesale functions

● msh Inc.

- Plans and sells a wide range of beauty products including point makeup, base makeup, skincare, and body care products
- Draws on its product development and brand strengths, combined with ARATA's proposal, analysis, sales, and logistics capabilities, to unlock the full potential of brand value

● Polite Inc.

- A wholesaler dealing primarily in cosmetics and beauty accessories, with variety stores as its core sales channel
- Combines ARATA's proposal, analysis, sales, and logistics capabilities to strengthen sales in the cosmetics category and improve logistics efficiency

Stronger marketing capabilities

Stronger product capabilities

Stronger sales capabilities

msh®
Product development capabilities with top brands

×

ARATA CORPORATION
One of the largest wholesalers in Japan

×

Polite
Highly specialized merchandise
Variety stores as core channel

Seek new growth drivers

Cosmetics category net sales (vs. FY26/3)
Up ¥20.0 billion plus α (M&A synergies)

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Growth Strategies

Medium-Term Management Plan 2030 Growth Strategies ③: Strengthening the Functions That Support Sales Growth

Invest in highly productive logistics centers

New center in Kansai Branch

Existing center

Shipment volume

Personnel

Shipment volume x1.5

Personnel One-third

New center

Shipment volume

Personnel

- Investment amount ¥10.0 billion
- Operations begin 2028
- Achieving 1.5 times the shipment amount with one-third of the current workforce

New center in Capital Area Branch

While the timing of land acquisition and the start of operations are undecided, candidate sites have been identified and acquisition prospects are in place to support the continually expanding logistics needs of the Greater Tokyo Area.

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Medium-Term Management Plan 2030 Strategies for a Stronger Organization ①: Measures to Improve Gross Profit Margin

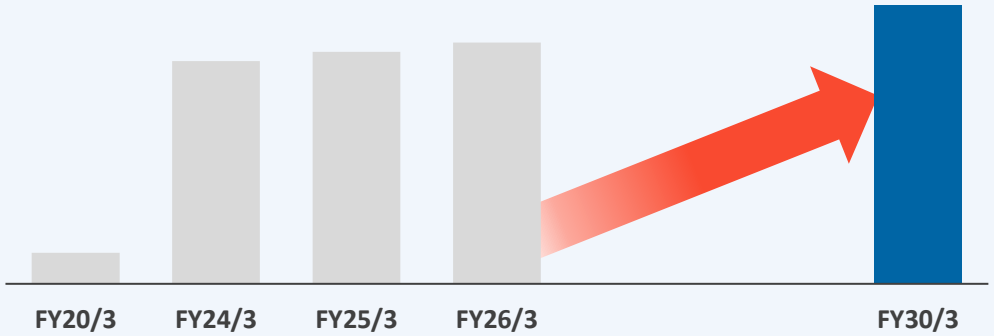
Strategies for a Stronger Organization

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Expand exclusive and preferential distribution items

Net sales composition of exclusive and preferential distribution items

FY26/3 Results	7.8%
FY30/3 (Targets)	9%



Net Sales Composition

Less than 1%	7.2%	7.5%	7.8%		9%

Measures for exclusive and preferential distribution items

①Discover high-value-added, high-margin products

Capitalizing on our vast supplier base and diverse inventory to drive the discovery and proposal of new high-margin products with unique value

②Expand the range of categories

Build on the expertise developed in H&B, stay relevant to consumers' lives, and broaden the categories covered by exclusive and preferential distribution items

③Leverage product development capabilities

Bring distinctive products developed by Group companies into the market and grow them into a core source of earnings

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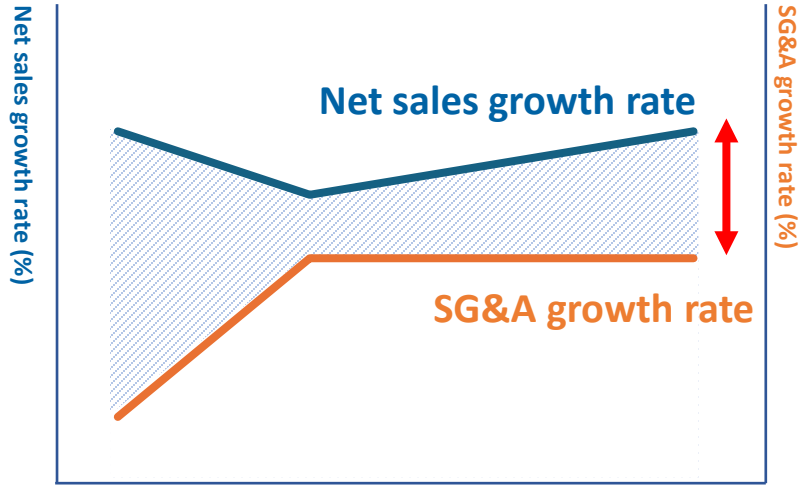
Medium-Term Management Plan 2030 Strategies for a Stronger Organization ②: Measures to Control the SG&A Expense Ratio

Strategies for a Stronger Organization

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Measures

Personnel expense containment	● **Advance IT and DX** Drive productivity gains across operations through IT and DX, and build measures and structures that translate into lower SG&A expenses ● **Build flexible employment arrangements for logistics personnel and lift in-warehouse productivity** ● **Drive efficiency through new material handling equipment** Streamline operations and lift productivity through automation
Logistics cost containment	● **Implement SG&A containment measures at the corporate level (center fee companies)** Propose transaction structures that drive efficiency for both ARATA and our business partners (Reduce delivery frequency and review delivery routes etc.)
Property cost containment	● **Review fixed costs** Review contract warehouses through inventory optimization, and other measures
Other	● **Streamline inspections using ASN data** Reduced truck waiting times and increased warehouse productivity contribute to lower costs, a better environment, and better working conditions for drivers



FY30/3

Keep SG&A growth rate below the 15.5% Net sales growth rate (vs. FY26/3)

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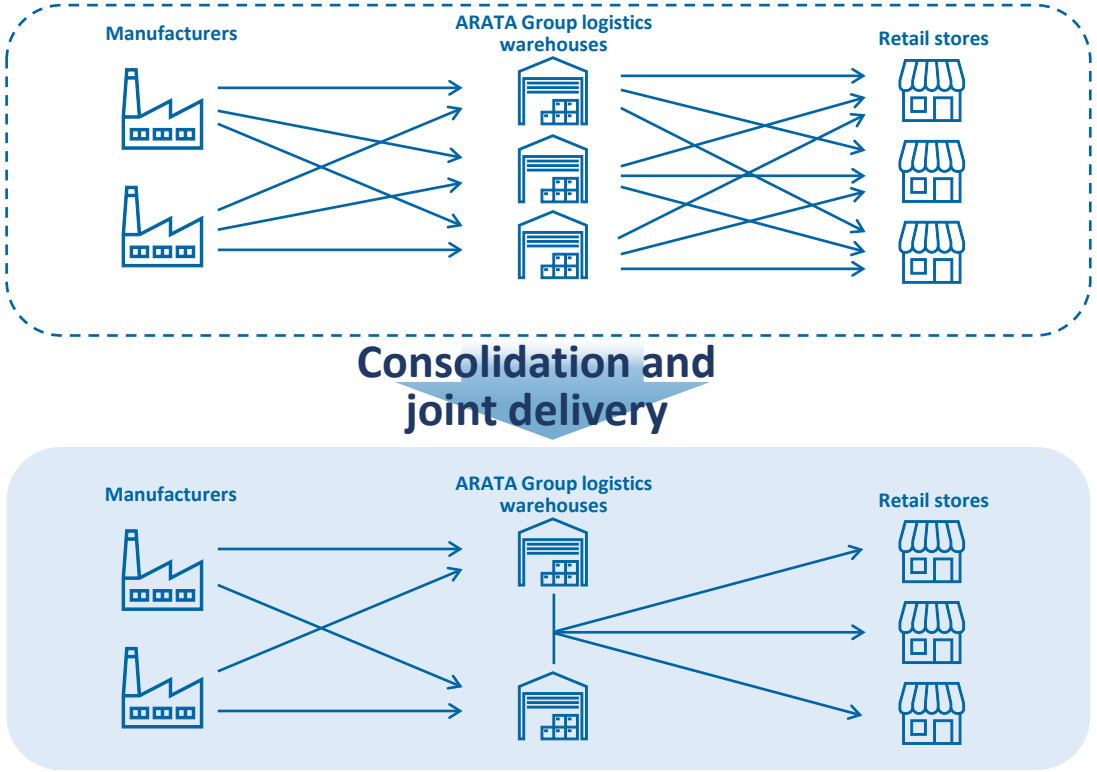
Strategies for a Stronger Organization

Medium-Term Management Plan 2030 Strategies for a Stronger Organization ③: Improving the Profitability of Group Companies

1 Contain the SG&A expense ratio through closer Group coordination

Streamline logistics through joint delivery within the Group, and consolidate logistics warehouses

- SG&A expense ratio impact from consolidation
- Logistics efficiency through joint delivery



2 Restructure Group businesses

Business reassessment

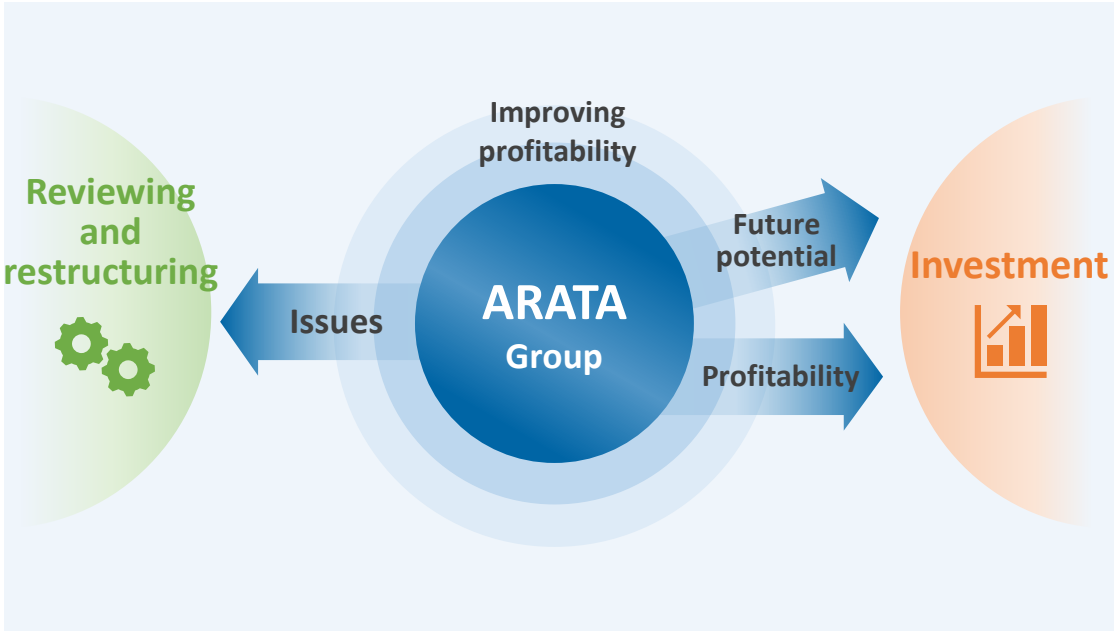
Reassess each company's business based on profitability, future potential, and other factors

Active investment

Consider active investment in businesses with strong potential

Business review and revision

Review strategy and restructure businesses judged to face profitability challenges over the long term



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2-4. Financial Strategy

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Flexible shareholder returns mindful of capital costs

Strategic shareholder returns to drive ROE to 8% or above by the FY30/3

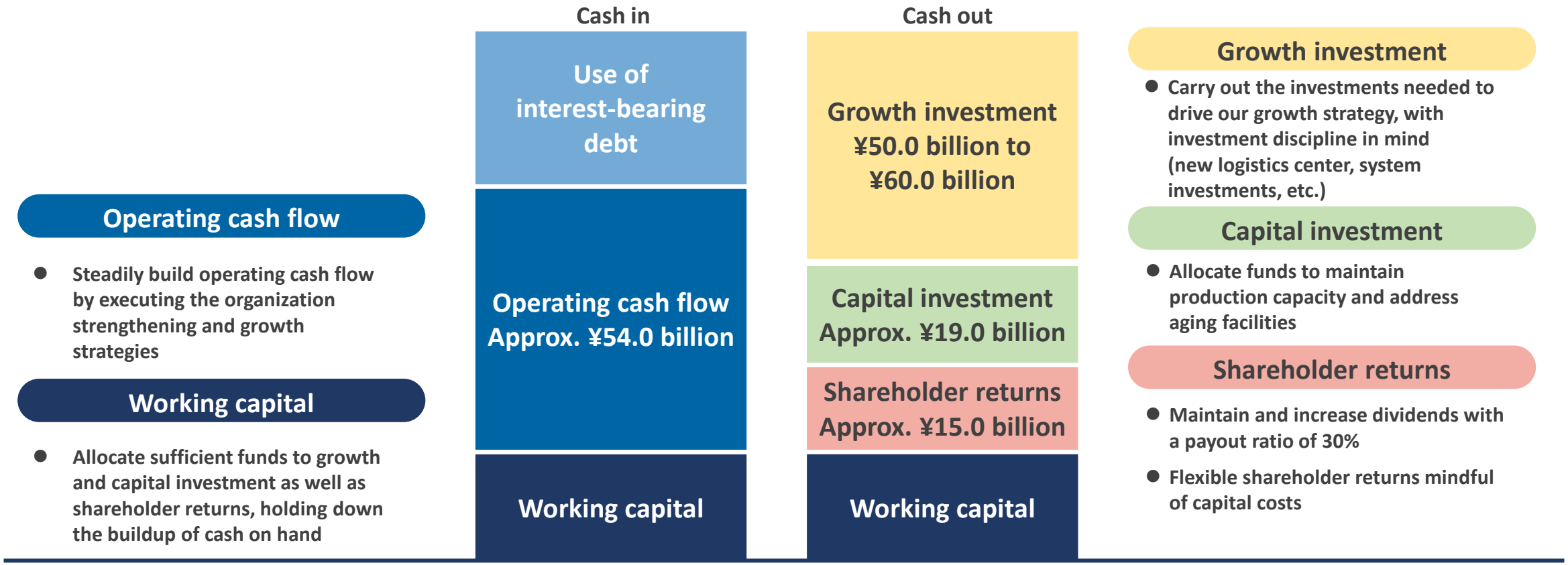
	Medium-Term Management Plan 2026 (Three-Year)	Medium-Term Management Plan 2030 (Four-Year)
Shareholder Returns Policy	Maintain and increase dividends with a payout ratio of 30%	Maintain and increase dividends with a payout ratio of 30%
Dividends	Average dividend payout ratio of 33.5% (FY24/3 to FY26/3 actual)	FY27/3(Forecast) Maintain an annual dividend of ¥112, consistent with the previous year (Dividend payout ratio 53.5%)
Share buybacks	Share Buybacks Approx. ¥3.0 billion (FY24/3)	Carried out flexibly
Total Shareholder Returns	Approx. ¥10.5 billion (FY24/3 to FY26/3 actual)	¥15.0 billion or more

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ROIC- and EBITDA-based management

Cash allocation: Investments in business growth and building foundations

Make intensive investments in strengthening the management foundation essential for future growth, including IT and DX, organizational reform, talent development, and logistics infrastructure



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2-5. Sustainability Strategy

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Linking stronger sustainability to higher corporate value

Medium-Term Management Plan 2030

Environment	● Reduce GHG emissions by 50% or more (vs. FY24/3, Scope 1 and 2) ● Calculate Scope 1, 2, and 3 emissions and explore reduction initiatives
Human Resources	● Advance DEI; Ratio of female managers: 5.2% in FY26/3 → 10% in FY30/3 ● Advance human capital management (Revising the HR system, expanding training programs, and creating a supportive work environment)
Regional Community	● Shift from conventional Business Continuity Plans (BCP) to Business Continuity Management (BCM) to ensure stable supply of daily essentials ● Strengthen cybersecurity and IT-BCP
Governance	● Strengthen compliance with the Corporate Governance Code ● Discover and develop talent through the Nomination & Remuneration Committee (executive succession plan) ● Strengthen group governance (compliance and prevention of misconduct)
Supply Chain	● Collaborate with other companies for sustainable growth (joint delivery, etc.)

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Advance human capital management

Our Vision

An organization where all employees experience job satisfaction and wish to work for the long term

Tough
(Higher profitability and productivity)

Right
(Ensure governance and compliance)

Active
(Boost motivation, improve job satisfaction and work environment)

Medium-Term Management Plan 2030: Strategy and Policies

Further revision of the HR system

Expanding talent development training

Creating a supportive work environment for employees

Medium-Term Management Plan 2026: Key Action Items

Revising and embedding the new HR system

- Launch the new job category of Area Manager
- Revised the job return system
- Revised promotion requirements
- Revised the number of job category changes
- Revised the human resource evaluation system

Reinforcing human resources to accelerate corporate growth

- Active recruitment
- Set up training programs at every career stage from new hires through to managers
  - In-person training, online training, and application-based training
  - Self-development training
  - E-learning, etc.
- Company-wide IT Skills Education

Conduct employee awareness surveys

KPI Intent to stay with the company 2026 target 4.0

2025 February survey	Score (5-point scale)	Year-on-year
Satisfaction with evaluation	3.8	+0.08
Job satisfaction	3.8	+0.03
Work style	3.7	+0.20
Leave take-up	4.0	+0.05
Employee satisfaction	3.6	+0.08
Intent to stay with the company	3.7	+0.02

Aligning growth strategy with workforce planning

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Strengthening governance

We are building a transparent management structure through measures such as compliance with the Corporate Governance Code and advancing our succession plan

～2023

- ☑ **Shifted to a company with an Audit & Supervisory Committee**
  Shifted to a company with an Audit & Supervisory Committee to improve management transparency
- ☑ **Voluntary Nomination and Remuneration Committee established**
  Ensuring transparency by having a majority of outside directors

2024

- ☑ **Increased the ratio of Independent Outside Directors**
  Increased the ratio of Independent Outside Directors to 46% by reviewing the number of Directors

2025

- ☑ **Further increased the ratio of Independent Outside Directors**
  Moved to a structure in which 6 of the 11 members are Outside Directors, giving Outside Directors a majority
- ☑ **Advanced the succession plan**
  Composed the Nomination & Remuneration Committee entirely of Outside Directors and disclosed our succession plan
- ☑ **Increased the ratio of female directors**
  Appointed 3 female directors, raising the ratio of female directors to 27%

2026～

- ☑ **Strengthen the functioning of the Board of Directors (advance expertise and diversity)**
- ☑ **Gradually unwind cross-shareholdings**
- ☑ **Discover and develop talent through the Nomination & Remuneration Committee (executive succession plan)**
- ☑ **Strengthen group governance (compliance and prevention of misconduct)**

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ARATA CORPORATION

Streamlining of the supply chain

We will drive supply chain efficiency across the entire industry, transcending the boundaries of “competitors” and “business partners” to address inflation-driven cost increases and labor shortages

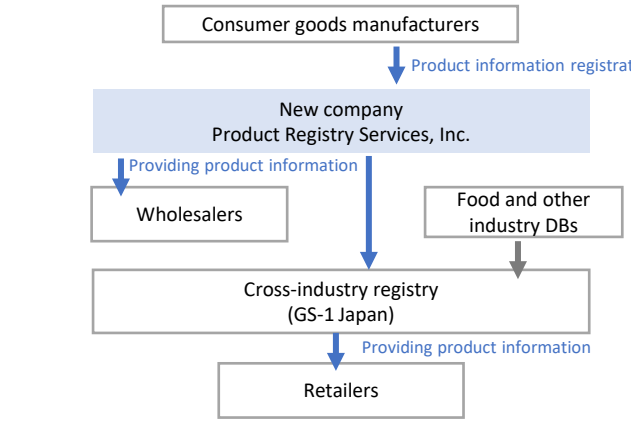


Non-competitive areas

Establishing a new company to centrally manage product information

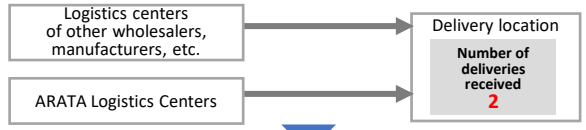
Previous Manufacturers and wholesalers each have to process and register product information for every business partner

Going forward Centralizing product information at the new company streamlines database registration work for each manufacturer and wholesaler



Joint delivery with other companies

Previous Each company delivers separately to the same retailer



Going forward Joint delivery with other companies to the same retailer, consolidated into a single shipment



Effects

- Reduction in the number of delivery trucks
- More efficient operations through fewer deliveries received by retailers

*The new company, Product Registry Services, Inc. was established in November 2025, with ARATA CORPORATION 30%, PALTAC CORPORATION 30%, and PLANET,INC. 40%.

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3 Strategies Looking Beyond the Medium-Term Management Plan 2030

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Strategies looking beyond 2030

1 Turn product development capabilities into a growth strategy

- Cultivating in-house product development for high-margin items as a strategic response to wholesale profitability challenges
- Strengthen product development and marketing capabilities
- Create synergies between ARATA CORPORATION, D-Nee Cosmetics Co., Ltd., and msh Inc., to drive a expansion of product development capabilities

2 Accelerate the global rollout of overseas businesses

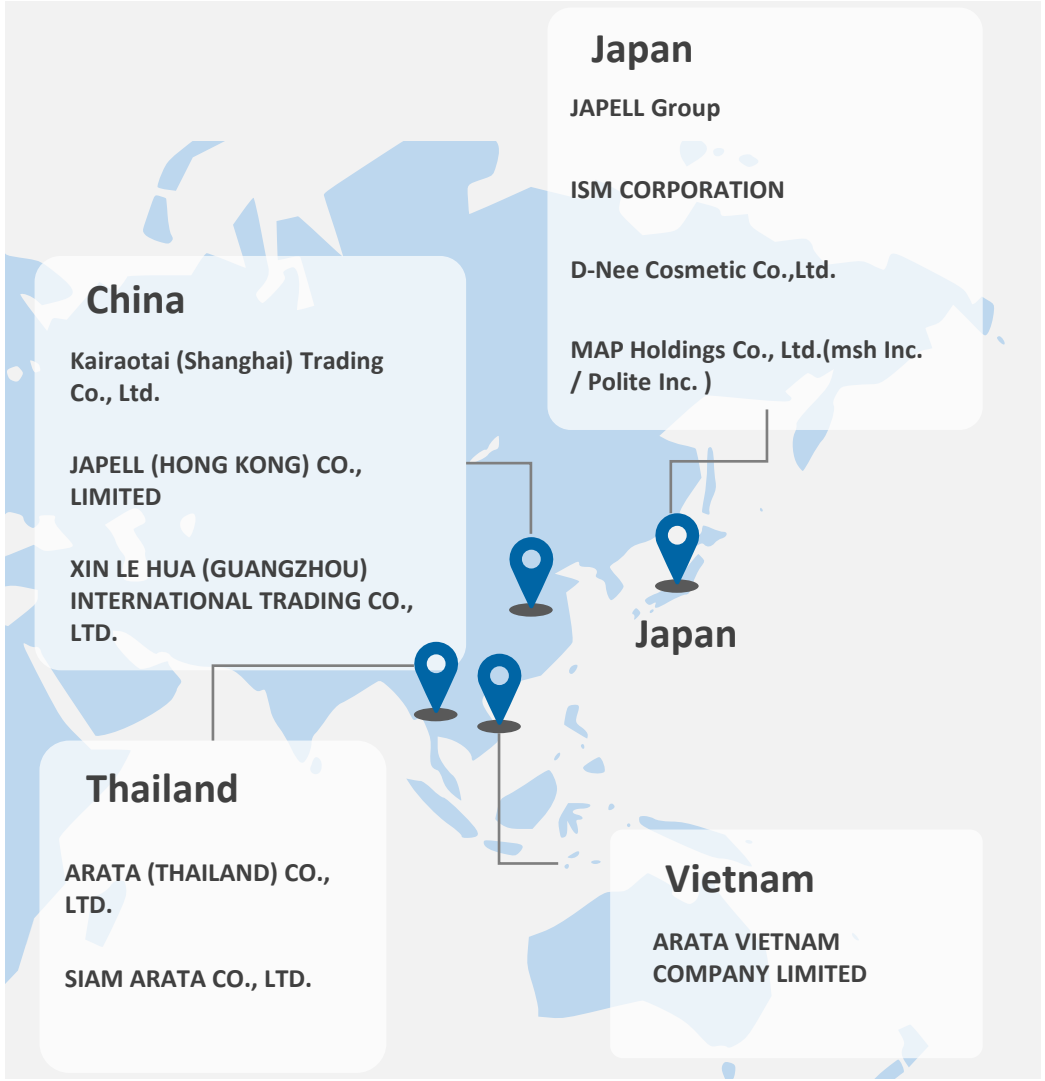
- Expand export business in Asia and ASEAN regions, anchored by local subsidiaries
- Coordinate with Group companies (JAPELL Group, msh Inc.)
- Develop products tailored to local needs

3 Rebuild the in-store management business

- Expanding into new service domains to differentiate from competitors through cross-group collaboration
- Develop services that meet the challenges facing retailers and manufacturers amid a shrinking workforce

4 Improve safety and efficiency through a complete overhaul of the core systems

- Build strategic information systems and networks that optimize company-wide operations
- Build information infrastructure that can be effectively leveraged across the entire supply chain



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Forward-looking statements

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IR inquiries



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

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