ARATA CORPORATION

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Q2 of Fiscal year ending March 2027

Financial results presentation materials

November 10, 2026

ARATA CORPORATION

Progress of Q2 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

JPY521.6 billion

YoY 103.6%

- 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

JPY5.7 billion

YoY 78.1%

- Decline in gross profit margin
→Increase in center fee and rebates
  Delay in passing on price increases for price-hiked products
- Increases in SG&A expenses

Ordinary profit

JPY5.6 billion

YoY 74.7%

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

Profit attributable to owners of the parent

JPY3.7 billion

YoY 73.7%

EBITDA

JPY8.5 billion

YoY 87.1%

- Depreciation expense approx. JPY2.37 billion
- Goodwill account approx. JPY370 million

Q2 FY27/3 Results Summary

(Millions of JPY)	Q2 FY26/3 Results	Q2 FY27/3 Results	YoY change	
			Changes	Rate (%)
Net sales	503,299	**521,652**	+18,353	103.6
Gross profit	49,412 (9.8)	**50,746** **(9.7)**	+1,333 (▲0.1p)	102.7
SG&A expenses	42,029 (8.4)	**44,978** **(8.6)**	+2,949 (+0.2p)	107.0
Operating profit	7,383 (1.5)	**5,767** **(1.1)**	▲1,615 (▲0.4p)	78.1
Ordinary profit	7,549 (1.5)	**5,641** **(1.1)**	▲1,907 (▲0.4p)	74.7
Profit attributable to owners of the parent	5,043 (1.0)	**3,715** **(0.7)**	▲1,327 (▲0.3p)	73.7
EBITDA	9,786 (1.9)	**8,520** **(1.6)**	▲1,265 (▲0.3p)	87.1

*Figures in parentheses are percentages of sales.

Q2 FY27/3 Results Summary (accounting period)

(Millions of JPY)	Q1			Q2		
	FY26/3	FY27/3	YoY change(%)	FY26/3	FY27/3	YoY change(%)
Net sales	251,192	**263,755**	105.0	252,106	**257,897**	102.3
Gross profit	24,909 (9.9)	**25,681** **(9.7)**	103.1	24,503 (9.7)	**25,064** **(9.7)**	102.3
SG&A expenses	20,843 (8.3)	**22,586** **(8.6)**	108.4	21,186 (8.6)	**22,392** **(8.7)**	105.7
Operating profit	4,065 (1.6)	**3,095** **(1.2)**	76.1	3,317 (1.2)	**2,672** **(1.0)**	80.6
Ordinary profit	4,152 (1.7)	**3,152** **(1.2)**	75.9	3,396 (1.2)	**2,489** **(1.0)**	73.3
Profit attributable to owners of the parent	2,792 (1.1)	**2,039** **(0.8)**	73.0	2,250 (0.8)	**1,676** **(0.6)**	74.5
EBITDA	5,241 (2.1)	**4,438** **(1.7)**	84.7	4,544 (1.8)	**4,082** **(1.6)**	89.8

*Figures in parentheses are percentages of sales.

ARATA CORPORATION

Achieved Q2 target, reaching 50% progress against full-year target
Progressing according to plan

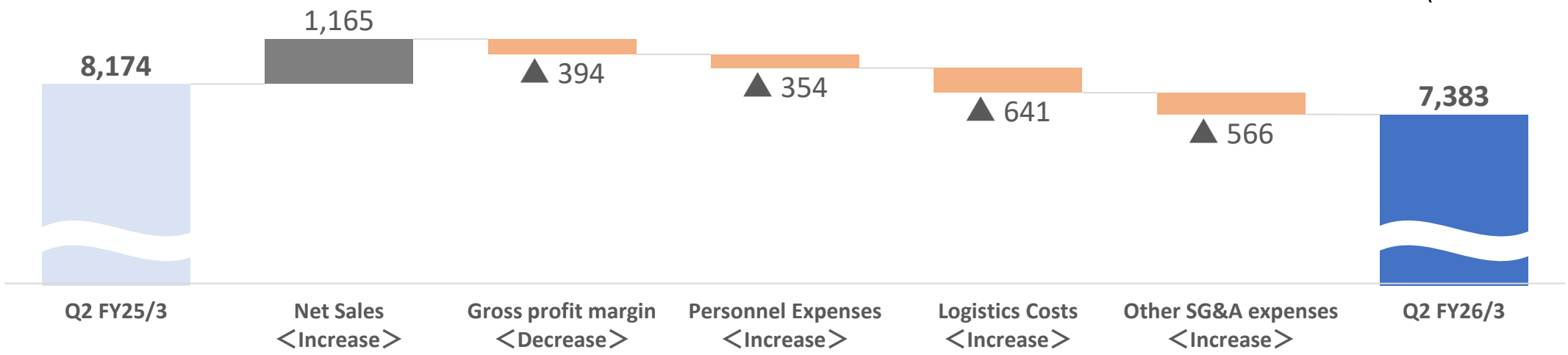
(Millions of JPY)	Q2 FY27/3 Results	Q2 FY27/3 Target	Vs. Target (%)	FY27/3 Full-Year Target	Progress Rate (%)
Net sales	**521,652**	518,000	100.7	1,030,000	50.6
Operating profit	**5,767 (1.1)**	5,680 (1.1)	101.5	11,000 (1.1)	52.4
Ordinary profit	**5,641 (1.1)**	5,530 (1.1)	102.0	10,500 (1.0)	53.7
Profit attributable to owners of the parent	**3,715 (0.7)**	3,530 (0.7)	105.3	7,000 (0.7)	53.1

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

Q2 FY27/3 Factors for Changes in Operating profit

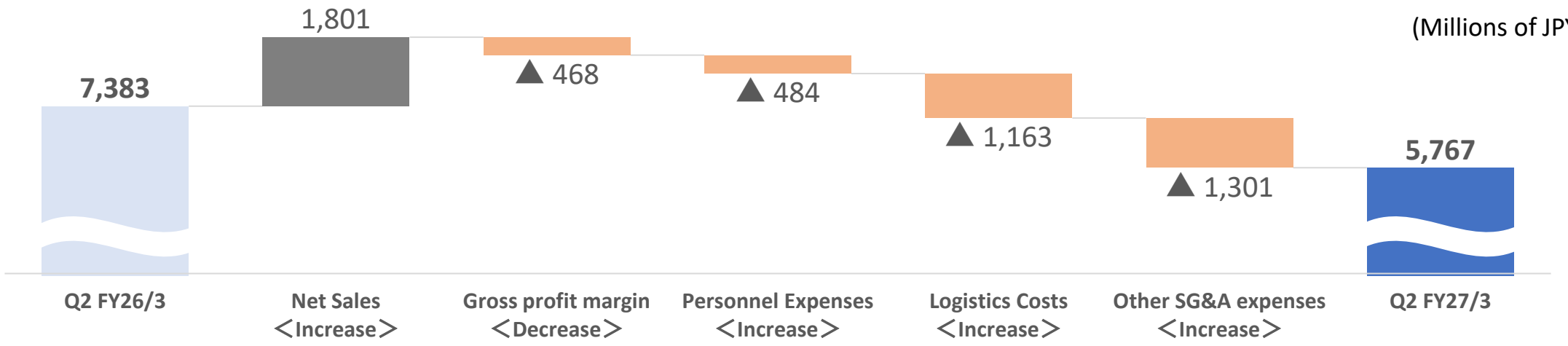
Q2 FY26/3

(Millions of JPY)

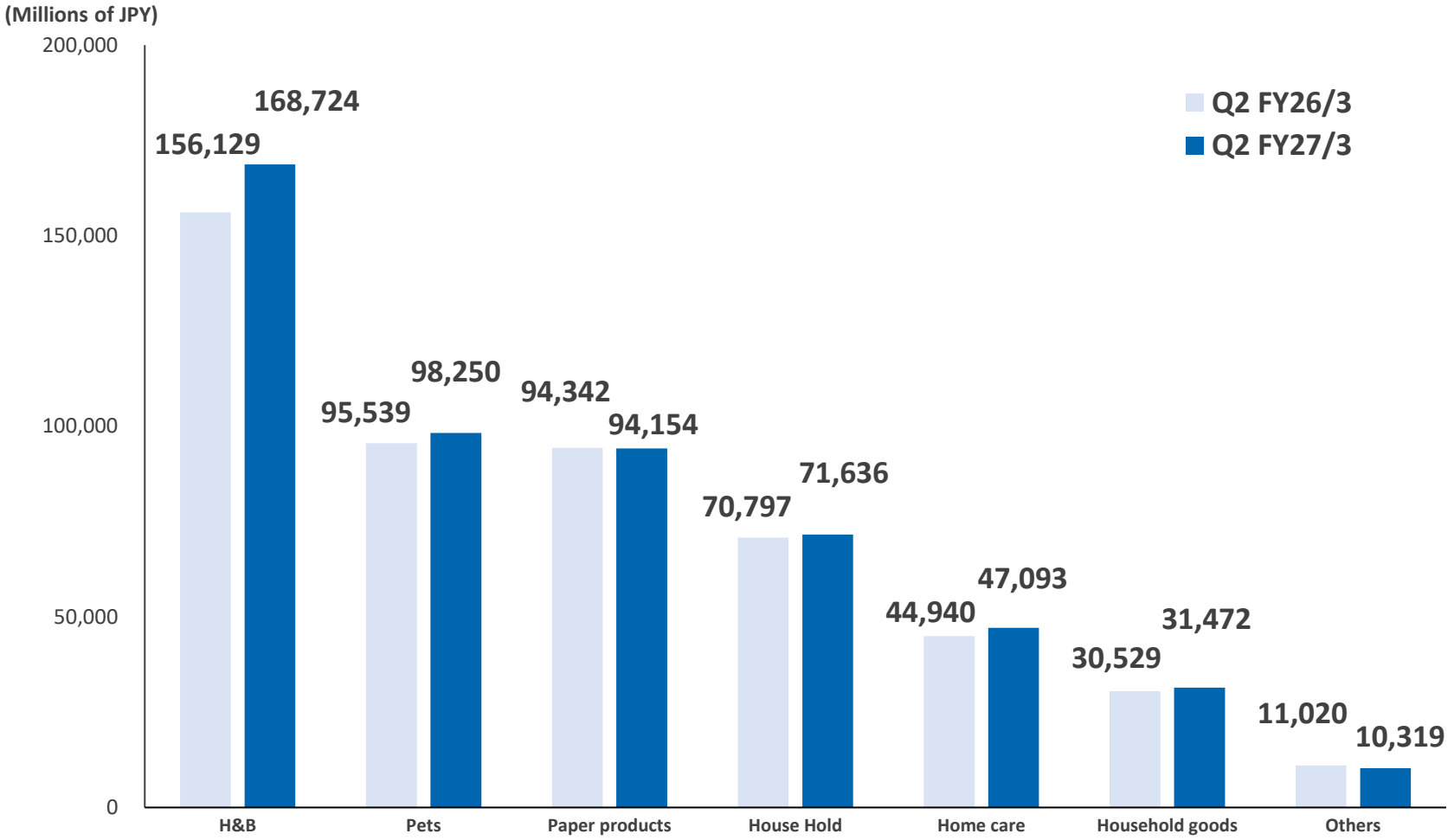


Q2 FY27/3

(Millions of JPY)



Net Sales by Category (YoY)



YoY	108.1%	102.8%	99.8%	101.2%	104.8%	103.1%	93.6%

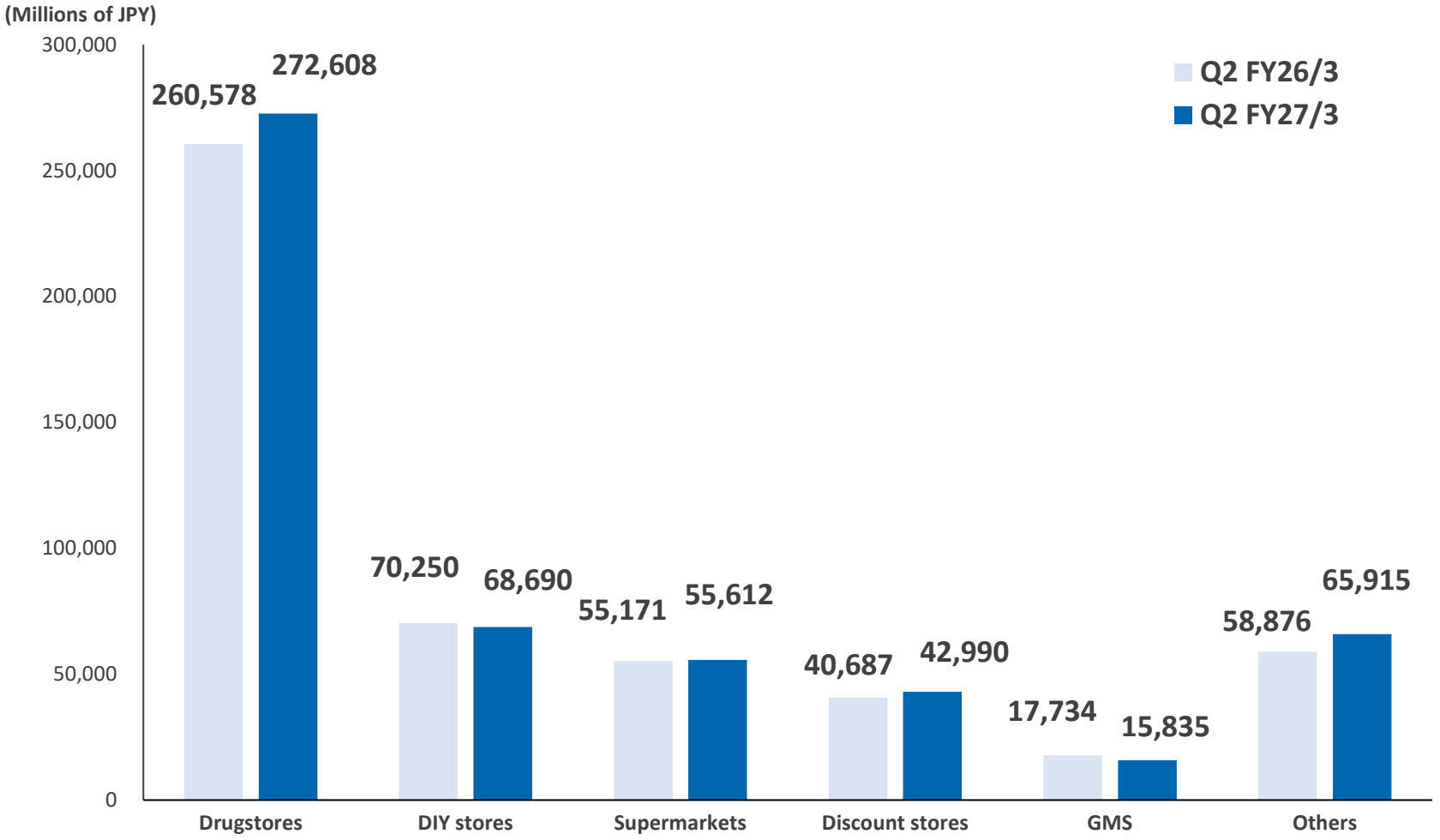
H&B

- Expansion of in-store share
- Strong sales of exclusive and preferential distribution items
- Effect 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
- Increase in sales of disaster-related goods due to natural disasters

Net Sales by Retail Channel (YoY)



	Drugstores	DIY stores	Supermarkets	Discount stores	GMS	Others
YoY	104.6%	97.8%	100.8%	105.7%	89.3%	112.0%

Drugstores

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

Discount Stores

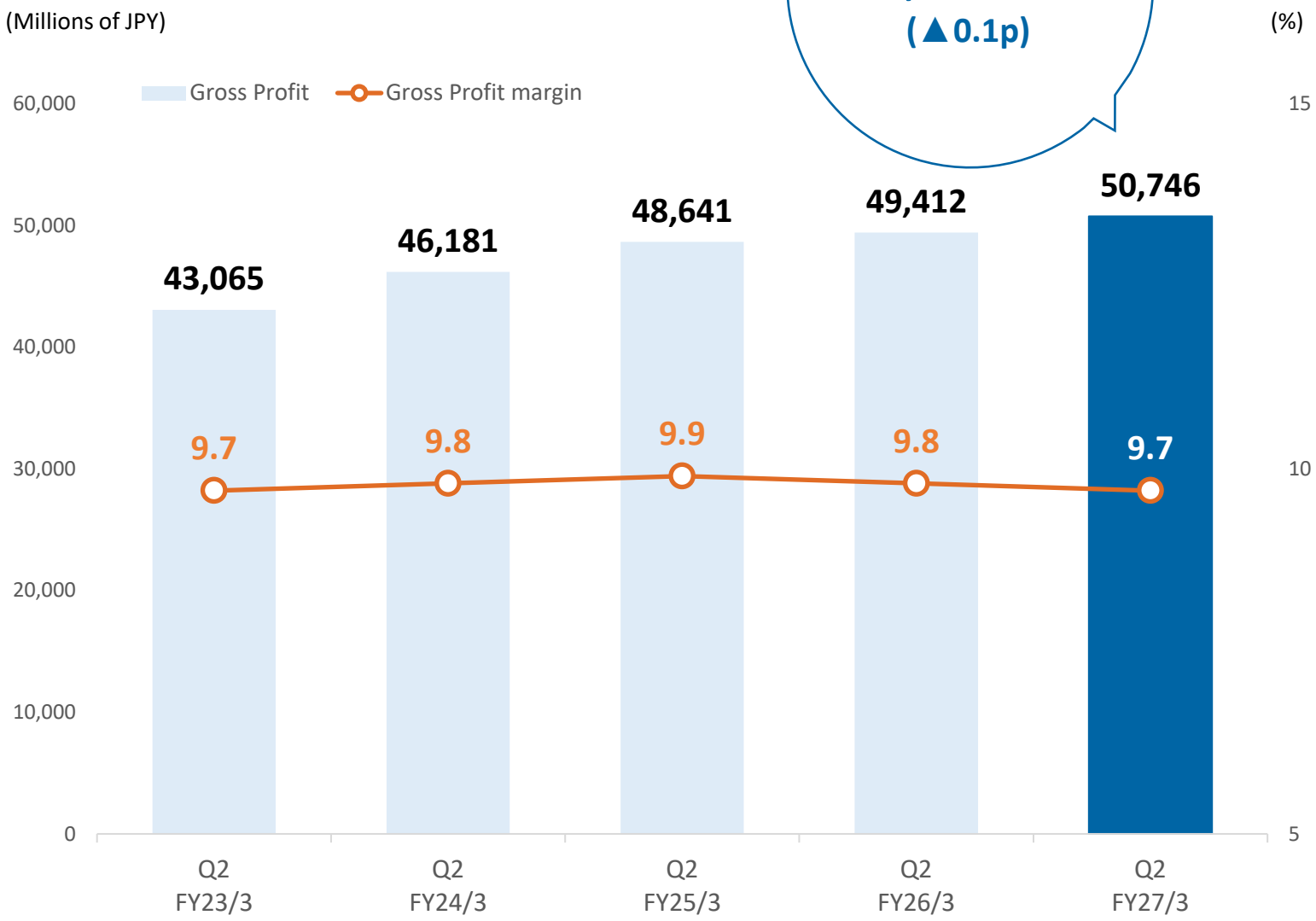
- Increase due to inbound demand
- Expansion of in-store share
- Changes in consumption behavior due to increased price sensitivity

Others

- Expansion of sales in variety stores through the new consolidation of msh Inc. and Polite Inc.
- Expansion of in-store share in convenience store formats

Q2 FY27/3 Gross Profit

YoY
+JPY1,333 million
(▲0.1p)



Point

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

Internal factors

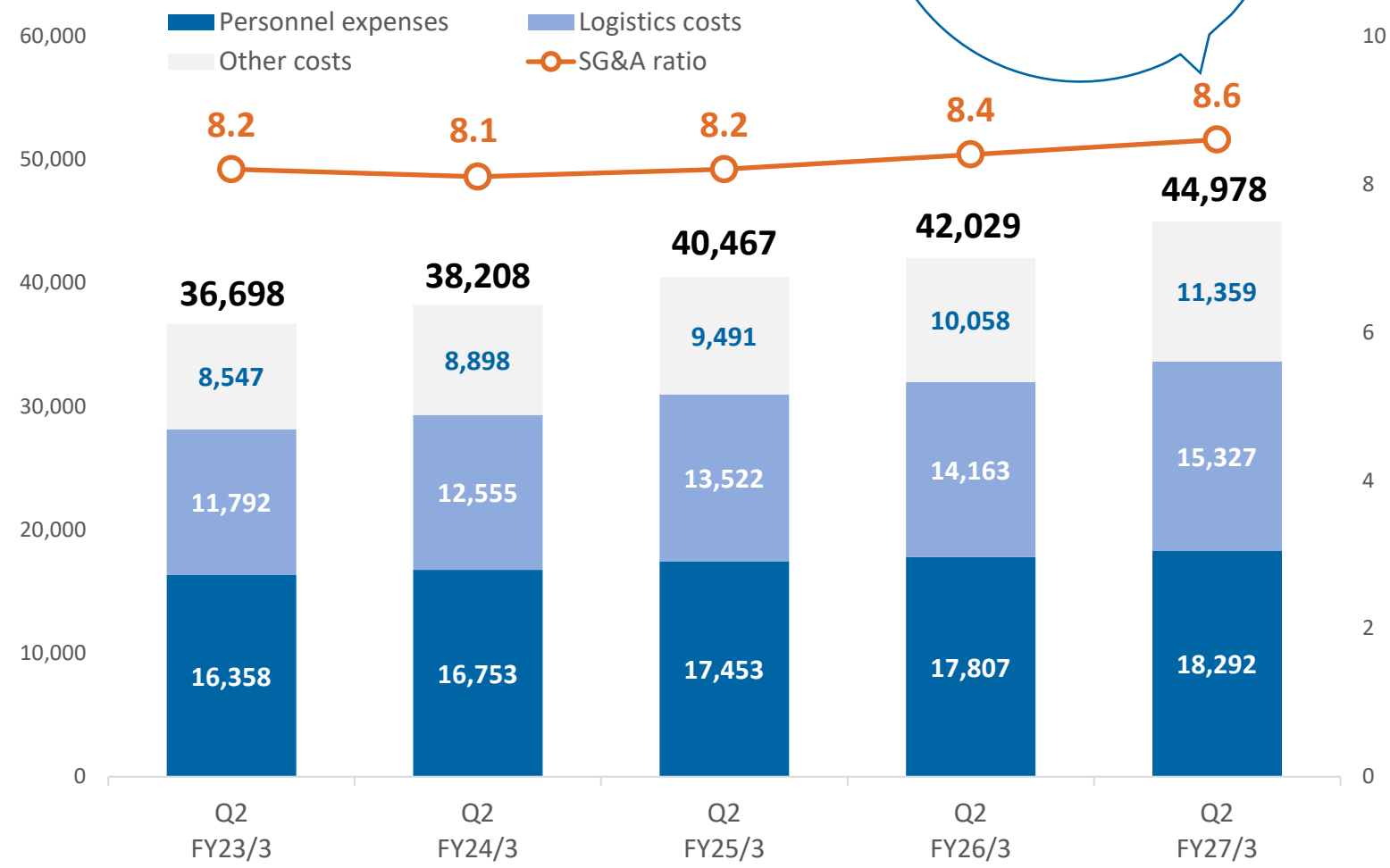
<Increase factors>
- Increase in gross profit due to increase in sales
- Expansion of highly profitable cosmetics
- Increase in the sales ratio of exclusive and preferential distribution items
- New consolidation of msh Inc. and Polite Inc., Companies with High Gross Profit Margins

External factors

<Decrease factors>
- Increase in center fees and other costs amid inflation
- Decrease in gross profit margin due to environmental changes in the distribution industry

Q2 FY27/3 SG&A Expenses

YoY
+JPY2,949 million
(+0.2p)



Point

Impact of mergers and acquisitions and higher expenses due to inflation

Internal factors

<Increase factors>
- Generation of goodwill, etc. due to M&A
- Impact of new consolidation of msh Inc. and Polite Inc.
- Increase in logistics outsourcing fees and freight and storage fees

<Decrease factors>
- Controlling personnel cost growth below sales growth rate

External factors

<Increase factors>
- Increase in part-time personnel expenses due to minimum wage increases

Q2 FY27/3 Consolidated Balance Sheets

ARATA CORPORATION

FY26/3 (Millions of JPY)

Current assets
256,312
73.1%

Non-current assets
94,238
26.9%

Current liabilities
178,533
50.9%

Non-current liabilities
47,855
13.7%

Net assets
124,162
35.4%

Total assets: 350,551

Q2 FY27/3 (Millions of JPY)

Current assets
261,819
72.9%

Non-current assets
97,258
27.1%

Current liabilities
186,970
52.0%

Non-current liabilities
46,576
13.0%

Net assets
125,529
35.0%

Total assets: 359,077

Main factors

- Current assets +JPY5,506 million
(+)Notes and accounts receivable JPY17,737 million
Merchandise JPY4,125 million
(-) Cash and deposits JPY16,128 million

- Non-current assets +JPY3,019 million
(+) Buildings and structures JPY1,265 million
Other property, plant and equipment JPY1,278 million

- Current liabilities +JPY8,437 million
(+) Short-term loans payable JPY4,964 million
Other current liabilities JPY2,675 million

- Non-current liabilities ▲ JPY1,278 million
(+) Corporate bonds JPY2,800 million
(-) Long-term debt JPY3,677 million

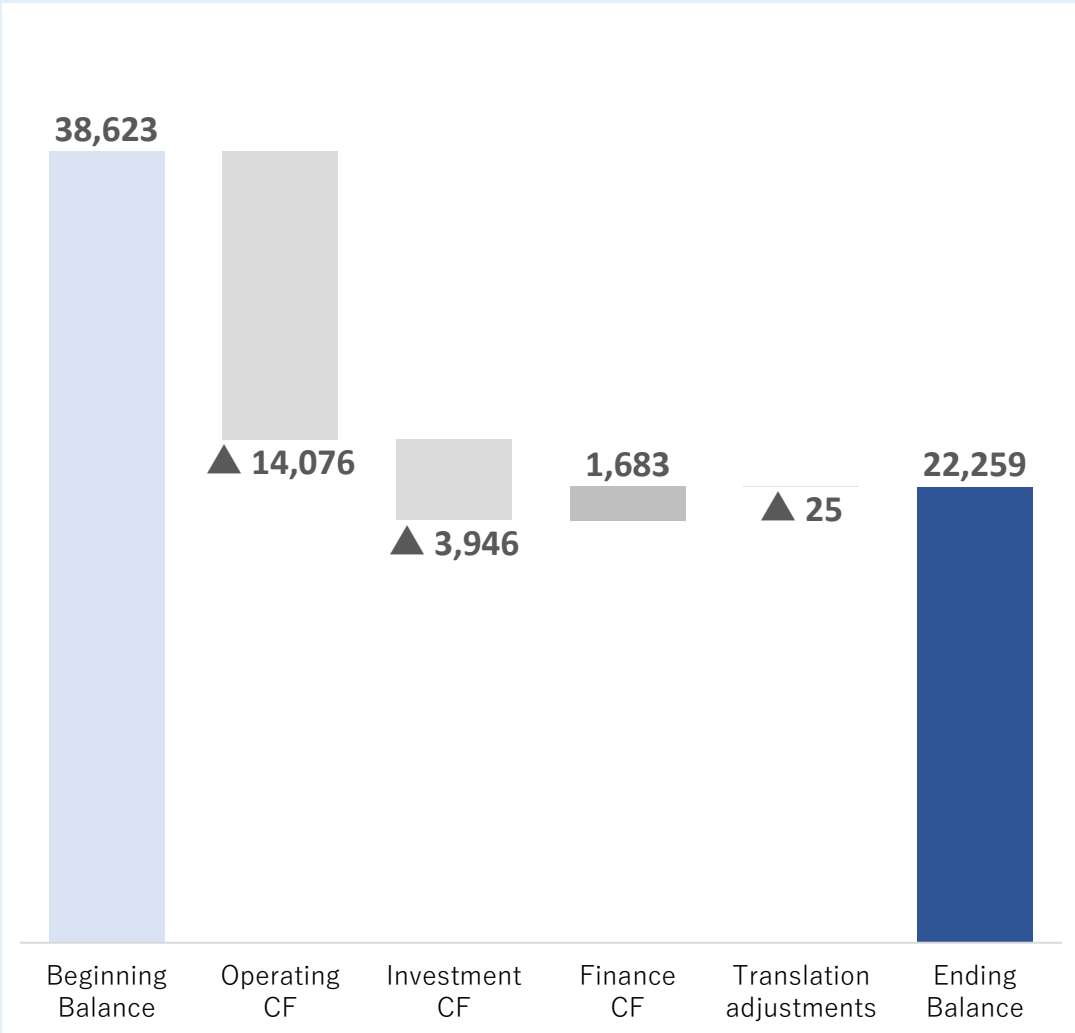
- Net assets +JPY1,366 million

*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.

Q2 FY27/3 Cash Flow Status

(Millions of JPY)

	Q2 FY26/3 Results	Q2 FY27/3 Results	Change
Beginning Balance	22,497	38,623	+16,126
Operating CF	1,308	▲14,076	▲15,384
Investment CF	▲4,233	▲3,946	+287
Finance CF	6,567	1,683	▲4,884
Translation adjustments	5	▲25	▲30
Ending Balance	26,144	22,259	▲3,885
Changes	+3,647	▲16,363	▲20,010



2H Initiatives to Achieve Full-Year Targets

Improvement of gross profit margin

- Increase in sales by expanding the category area of highly profitable exclusive and preferential distribution items
- Optimization of transaction prices and terms in light of the external environment

Improvement of SG&A expense ratio

- Controlling logistics costs by proposing improvements in logistics efficiency on a client-by-client basis
- Optimize staffing by promoting DX, and link the benefits of IT Medium-Term Management Plan of the previous medium-term plan to curtail personnel expenses

Other improvements

- Shorten inventory turnover days by enhancing inventory efficiency

Capital Policy & Shareholder Returns

Dividend Policy

Maintain and increase dividends with a payout ratio of 30%

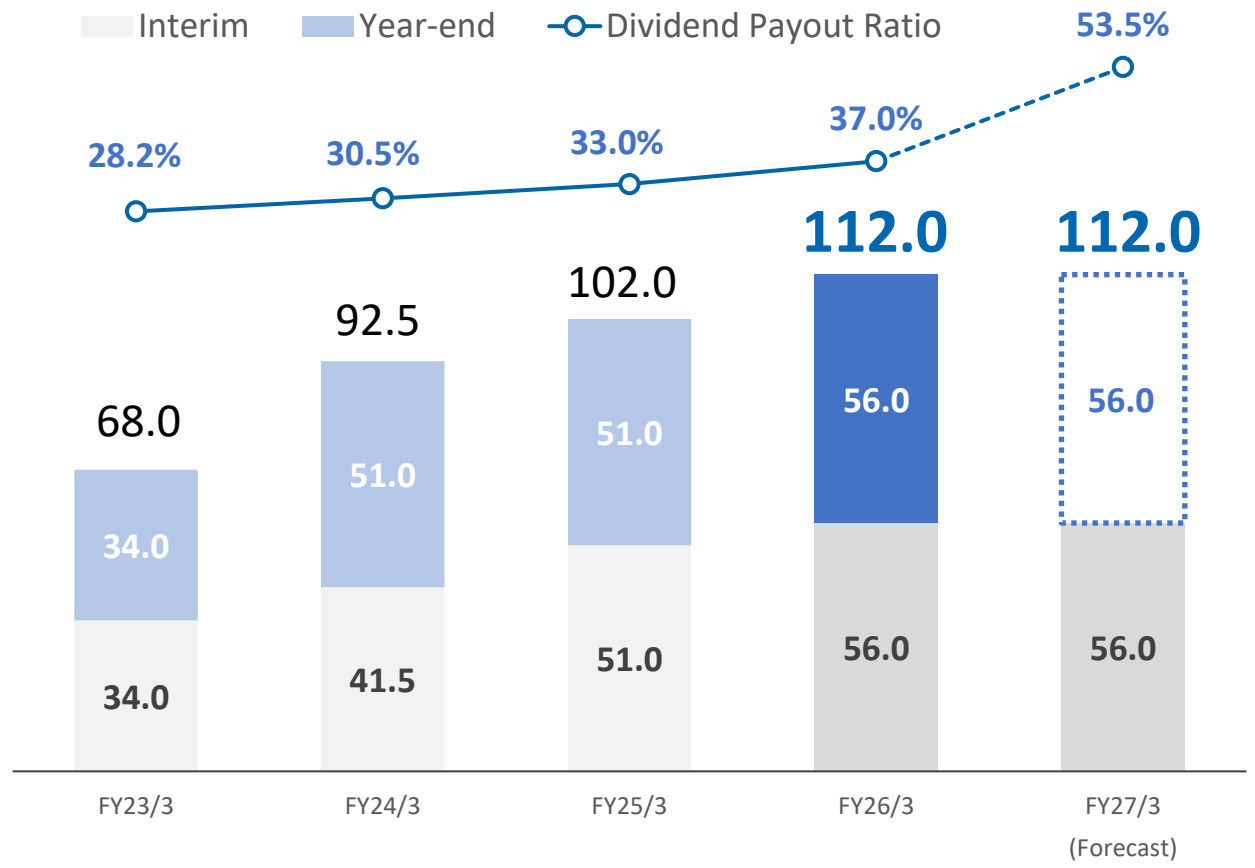
FY26/3

Interim JPY56, Year-end JPY56, Total JPY112 (YoY +JPY10)

FY27/3 forecast

Interim JPY56 (implemented), Year-end JPY56, Total JPY112 (Payout ratio: 53.5%)

Consolidated Dividends per Share (JPY)



*On January 1, 2024, our common stock was split into 2:1.Figures prior to that date are converted to the post-split amount.

ARATA CORPORATION

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

ARATA CORPORATION

Medium-Term Management Plan 2030

Sharpening our strengths X Pioneering the future

Strategies for a Stronger Organization



Ordinary profit +JPY2.5 billion

Strategy for a Stronger Organization

Lifting the bottom line by building a stronger earnings base

Measures to improve gross profit margin

FY27/3 Initiatives

Expansion of exclusive and preferential distribution items

- Began expanding the category area

Future Initiatives

Promoting product-based strategies

- Develop and foster exclusive and preferential distribution items by strengthening analytical capabilities with ID-POS data
- Category strategy to improve gross profit margin

Gross profit margin
+0.5p

Measures to control the SG&A expense ratio

FY27/3 Initiatives

Improve structure to curb SG&A ratio

- Promote IT/DX to improve productivity
- Curbing personnel expenses by optimizing personnel allocation
- Introduction of case GTP to improve logistics productivity
- Proposing Improved Logistics Efficiency on a client-by-client basis

Future Initiatives

Strengthen effectiveness of SG&A ratio control

- Promote IT/DX initiatives by cultivating digital talent
- Reduce expenses by improving IT and DX productivity and linking outcomes to personnel planning

Net Sales per employee
Approximate 20%UP

Improving the profitability of Group companies

FY27/3 Initiatives

Promoting efficiency among group companies

- Implementation of joint distribution between groups
- Considering coordination and consolidation of operations and logistics functions
- Reorganized overseas business by withdrawing from business in China
  (Allocate resources to focus businesses)

Future Initiatives

Accelerate efficiency by linking group resources

- Improve profit by reorganizing group businesses
- Linking overseas operations to the Group
- Improve profitability by leveraging the strengths of each group company

Generation of Group Synergies

ARATA CORPORATION

Medium-Term Management Plan 2030

Sharpening our strengths X Pioneering the future

Growth Strategies

Net sales +JPY155.0 billion

Growth Strategy

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

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

FY27/3 Initiatives

Building retail support functions

- Establish original data-analysis linking True Data Inc.'s ID-POS data with our product data
- Strengthen analytical capabilities on the product axis
- PR of uniqueness through ARATA exhibition

Future Initiatives

Development of retail support functions

- Strengthen and propose analysis on the customer side
- Proposals linked to retail media
- Product planning and proposals with manufacturers

Supporting sales expansion of JPY155.0 billion by establishing a next-generation sales model

Establishing new growth drivers

FY27/3 Initiatives

Leveraging ARATA's Comprehensive Strengths

- Expand sales of msh's brands/lines by leveraging ARATA's sales capabilities
- Organize channels to strengthen the expertise of each group company

Future Initiatives

Creating New Value through Group Synergies

- Building a structure to enhance the expertise of group companies
- Product development leveraging ARATA's analytical capabilities

Leveraging the strengths of Group companies, Cosmetics category net sales Up ¥20.0 billion plus α (M&A synergies)

Strengthening the functions that support sales growth

FY27/3 Initiatives

Development of new centers with a view to expanding sales

- New center in Kansai Branch
  Completion ceremony held on October 28
  Investment amount ¥10.0 billion
  Operations begin Spring 2028
  Achieving 1.5 times the shipment amount with one-third of the current workforce

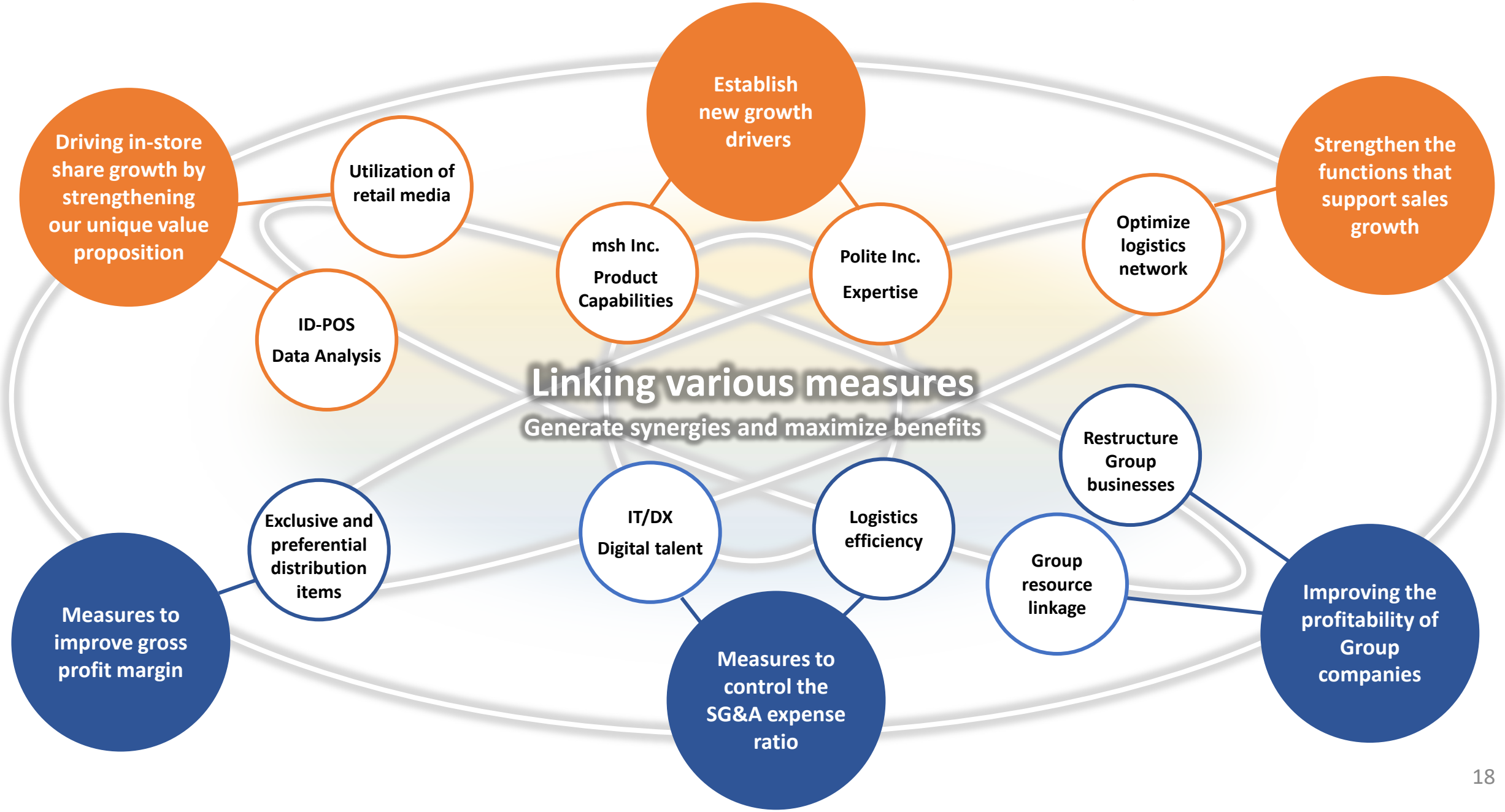
Future Initiatives

Optimize nationwide logistics network

- Planning to acquire land in preparation for the start of operations at a new center in Capital Area Branch
- Development of automated materials handling systems utilizing AI

Kansai area logistics capacity
20% UP

ARATA CORPORATION



Medium-Term Management Plan 2030

Sharpening our strengths X Pioneering the future

Sustainability strategy

Linking stronger sustainability to higher corporate value

Strengthen cybersecurity and IT-BCP

Developing systems for sophisticated security and early recovery in the event of an emergency

- Advanced defense systems through real-time monitoring
- Build a backup system
- Establishment of Disaster Response Headquarters in the Event of Emergency

Advancing security measures to protect data from increasingly sophisticated cyber threats

Joint delivery with other companies

Promoting Collaboration in Non-Competitive Areas

- Expansion of joint delivery areas with other companies in the same industry
- Realization of joint delivery, including in other industries



Improving the efficiency of the industry's supply chain to provide sustainable value

Renewal of the ARATA Corporate Site (English version)

In June 2026, some items were released in advance, the Japanese version was updated in August, and the English version was renewed in November, resulting in a complete renewal.
We will communicate our business activities and processes for achieving our goals to overseas shareholders and investors, global business partners and other stakeholders in a timely and transparent manner.



Point

1. Optimize business model page

We have optimized our content so that you can intuitively understand the scale of our business, our role in Japanese society, and our unique business model unique to a wholesale trading company.

2. Established IR section

We will establish “IR News” on the top page and endeavor to quickly and fully disseminate information to our international stakeholders.

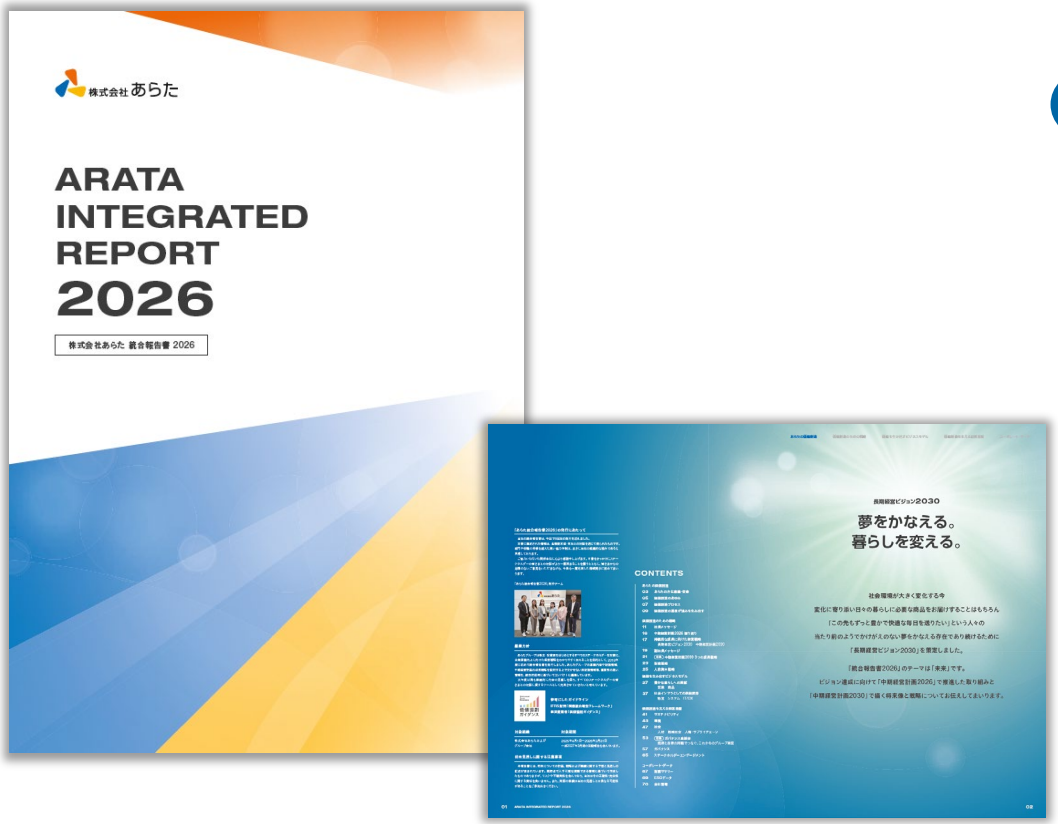
3. Design that expresses integrity based on the corporate color "Blue"

We have revamped our website structure to provide seamless access to the latest trends demanded by stakeholders.

For details, please refer to the press release released on November 10.

Publication of Integrated Report 2026

We published the Integrated Report 2026 at the end of September 2026.
This is the ninth issue since 2018 with the aim of conveying in an easy-to-understand manner information on management strategies and sustainability initiatives aimed at enhancing corporate value.
We are continually deepening our dialogue with stakeholders.



Point

1. Integrated Report 2026 Theme: "The Future."
Looking back on the initiatives promoted in the Medium-Term Management Plan 2026 to achieve the goals of the Long-Term Management Vision 2030, we have provided detailed information on the future vision and growth strategies envisioned in the new Medium-Term Management Plan 2030, which was launched in April 2026.

2. Design Inspired by "The Future."
We have adopted a design with an image of the "future" so that you can get a greater sense of our vision for moving toward the next growth phase.

3. Enhance content to convey growth strategy
We worked to further enhance the content by including comments, dialogues, and roundtable discussions by employees and executives who support our growth.

For details, please refer to the press release released on September 15.

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.**

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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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