November 12, 2025

Consolidated Financial Results for the Six Months Ended September 30, 2025 (Under Japanese GAAP)

Company name: ARATA CORPORATION
Listing: Tokyo Stock Exchange
Securities code: 2733
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Scheduled date to file semi-annual securities report: November 14, 2025
Scheduled date to commence dividend payments: December 5, 2025
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (For Institutional Investors, Analysts, and Financial Institutions)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2025	503,299	2.4	7,383	(9.7)	7,549	(11.9)	5,043	(13.2)
September 30, 2024	491,522	4.3	8,174	2.5	8,569	1.7	5,808	2.1

Note: Comprehensive income For the six months ended September 30, 2025: ¥5,873 million [0.8%]
For the six months ended September 30, 2024: ¥5,829 million [(8.4)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2025	150.79	-
September 30, 2024	173.20	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
September 30, 2025	328,165	120,746	36.8	3,605.96
March 31, 2025	311,728	116,557	37.4	3,490.50

Reference: Equity
As of September 30, 2025: ¥120,719 million
As of March 31, 2025: ¥116,524 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	51.00	-	51.00	102.00
Fiscal year ending March 31, 2026	-	56.00			
Fiscal year ending March 31, 2026 (Forecast)				56.00	112.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2026	1,006,000	2.0	15,300	2.1	16,000	2.4	10,600	2.3	316.75

Note: Revisions to the earnings forecasts most recently announced: Yes

* **Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements:None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2025	36,057,424 shares
As of March 31, 2025	36,057,424 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2025	2,579,782 shares
As of March 31, 2025	2,674,142 shares

(iii) Average number of shares outstanding during the period(cumulative from the beginning of the fiscal year)

Six months ended September 30, 2025	33,446,515 shares
Six months ended September 30, 2024	33,537,559 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

(Cautions on forward-looking statements, etc.)

Please note that the forecasted figures presented above are outlooks based on information currently available and include a considerable number of uncertain factors. Actual results may differ from the above forecasts due to changes in current conditions and other factors. For details related to the above forecasts, please refer to Appendix P5 "Explanation of Forward-Looking Information on Consolidated Earnings Forecasts and Other Forward-Looking Information."

(How to obtain the contents of financial results briefing materials)

The Company plans to hold a live-streamed briefing for institutional investors, analysts, and financial institutions on Wednesday, November 12, 2025.

The briefing materials will be posted on our website (https://www.arata-gr.jp/ir/). In addition, a video of the briefing will be posted on our website (https://www.arata-gr.jp/ir/) at a later date.

Semi-annual consolidated balance sheet

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	23,430	27,095
Notes and accounts receivable - trade	123,945	130,208
Merchandise	46,604	47,140
Accounts receivable - other	34,449	36,787
Other	5,280	5,439
Allowance for doubtful accounts	(4)	(4)
Total current assets	233,705	246,666
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	20,181	19,681
Land	21,873	21,578
Other, net	10,884	13,602
Total property, plant and equipment	52,939	54,862
Intangible assets	5,684	5,904
Investments and other assets		
Investment securities	12,659	14,134
Deferred tax assets	482	360
Retirement benefit asset	3,228	3,397
Other	3,115	2,945
Allowance for doubtful accounts	(87)	(105)
Total investments and other assets	19,399	20,731
Total non-current assets	78,022	81,499
Total assets	311,728	328,165

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	110,949	112,832
Short-term borrowings	12,019	10,782
Current portion of bonds payable	200	200
Income taxes payable	2,964	2,898
Provision for bonuses	1,742	2,041
Other	31,086	32,637
Total current liabilities	158,961	161,392
Non-current liabilities		
Bonds payable	5,700	5,600
Long-term borrowings	12,629	22,796
Deferred tax liabilities	809	1,009
Retirement benefit liability	7,365	7,412
Other	9,705	9,208
Total non-current liabilities	36,209	46,026
Total liabilities	195,171	207,419
Net assets		
Shareholders' equity		
Share capital	8,572	8,572
Capital surplus	28,413	28,413
Retained earnings	80,373	83,658
Treasury shares	(6,723)	(6,645)
Total shareholders' equity	110,634	113,998
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,562	5,575
Foreign currency translation adjustment	4	(70)
Remeasurements of defined benefit plans	1,323	1,215
Total accumulated other comprehensive income	5,889	6,720
Non-controlling interests	32	27
Total net assets	116,557	120,746
Total liabilities and net assets	311,728	328,165

Semi-annual consolidated statement of income

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	491,522	503,299
Cost of sales	442,881	453,886
Gross profit	48,641	49,412
Selling, general and administrative expenses	40,467	42,029
Operating profit	8,174	7,383
Non-operating income		
Interest income	2	4
Dividend income	130	146
Share of profit of entities accounted for using equity method	-	3
Outsourcing service income	87	71
Other	513	447
Total non-operating income	734	674
Non-operating expenses		
Interest expenses	190	296
Share of loss of entities accounted for using equity method	5	-
Loss on sale of trade receivables	104	153
Other	37	58
Total non-operating expenses	338	508
Ordinary profit	8,569	7,549
Extraordinary income		
Gain on sale of non-current assets	28	31
Gain on sale of investment securities	-	0
Total extraordinary income	28	31
Extraordinary losses		
Loss on sale of non-current assets	1	85
Loss on retirement of non-current assets	3	1
Loss on valuation of investment securities	-	29
Total extraordinary losses	5	116
Profit before income taxes	8,593	7,463
Income taxes - current	2,786	2,513
Income taxes - deferred	(13)	(95)
Total income taxes	2,773	2,418
Profit	5,819	5,045
Profit attributable to non-controlling interests	11	2
Profit attributable to owners of parent	5,808	5,043

Semi-annual consolidated statement of comprehensive income

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit	5,819	5,045
Other comprehensive income		
Valuation difference on available-for-sale securities	(102)	1,013
Foreign currency translation adjustment	56	(77)
Remeasurements of defined benefit plans, net of tax	55	(107)
Total other comprehensive income	9	827
Comprehensive income	5,829	5,873
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,818	5,874
Comprehensive income attributable to non-controlling interests	11	(0)

Semi-annual consolidated statement of cash flows

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	8,593	7,463
Depreciation	2,341	2,402
Share-based payment expenses	39	58
Increase (decrease) in provision for bonuses	164	298
Increase (decrease) in allowance for doubtful accounts	0	18
Increase (decrease) in retirement benefit liability	30	(42)
Interest and dividend income	(132)	(151)
Interest expenses	190	296
Foreign exchange losses (gains)	4	(67)
Share of loss (profit) of entities accounted for using equity method	5	(3)
Loss (gain) on sale of non-current assets	(26)	54
Loss on retirement of non-current assets	3	1
Loss (gain) on sale of investment securities	-	(0)
Loss (gain) on valuation of investment securities	-	29
Decrease (increase) in trade receivables	9,066	(6,279)
Decrease (increase) in inventories	(2,414)	(545)
Increase (decrease) in trade payables	(13,630)	2,240
Decrease (increase) in other assets	(3,378)	(4,674)
Increase (decrease) in other liabilities	(302)	1,128
Other, net	(635)	1,702
Subtotal	(80)	3,930
Interest and dividends received	132	153
Interest paid	(191)	(265)
Income taxes paid	(2,636)	(2,510)
Net cash provided by (used in) operating activities	(2,775)	1,308

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from investing activities		
Payments into time deposits	(404)	(382)
Proceeds from withdrawal of time deposits	372	364
Purchase of property, plant and equipment	(1,030)	(3,533)
Payments for retirement of property, plant and equipment	(10)	-
Proceeds from sale of property, plant and equipment	9	256
Purchase of intangible assets	(721)	(1,062)
Purchase of investment securities	(70)	(76)
Proceeds from sale of investment securities	1	40
Loan advances	(8)	(20)
Proceeds from collection of loans receivable	16	9
Other, net	51	171
Net cash provided by (used in) investing activities	(1,793)	(4,233)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	4,032	(30)
Proceeds from long-term borrowings	1,480	14,620
Repayments of long-term borrowings	(3,231)	(5,689)
Proceeds from issuance of bonds	982	-
Redemption of bonds	-	(100)
Purchase of treasury shares	(1,391)	-
Dividends paid	(1,753)	(1,758)
Repayments of lease liabilities	(470)	(475)
Net cash provided by (used in) financing activities	(353)	6,567
Effect of exchange rate change on cash and cash equivalents	23	5
Net increase (decrease) in cash and cash equivalents	(4,898)	3,647
Cash and cash equivalents at beginning of period	27,016	22,497
Cash and cash equivalents at end of period	22,117	26,144

(Notes on segment information, etc.)

Since the Group is a single segment whose main business is the wholesale of daily necessities and cosmetics, the description is omitted.