

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

August 7, 2023

Company name: ARATA CORPORATION  
 Stock exchange listing: Tokyo  
 Stock code: 2733 URL <https://www.arata-gr.jp/>  
 Representative: Representative Director and President Hiroaki Suzuki  
 Executive Officer,  
 Inquiries: General Manager of Legal & Nobutaka Tsuchiya TEL 03-5635-2800  
 PR/IR & ESG Department  
 Scheduled date to file Quarterly Securities Report: August 10, 2023  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2023	235,239	6.9	4,347	26.8	4,669	23.9	3,190	25.3
Three months ended June 30, 2022	220,051	2.9	3,429	(3.6)	3,768	(1.0)	2,546	(3.9)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2023	186.74		177.20	
Three months ended June 30, 2022	149.14		141.52	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2023	293,761	104,463	35.6	6,113.65
As of March 31, 2023	290,857	102,066	35.1	5,977.02

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2023	–	68.00	–	68.00	136.00
Year ending March 31, 2024	–	–	–	–	–
Year ending March 31, 2024 (Forecast)	–	83.00	–	83.00	166.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2023	460,000	3.3	6,800	6.8	7,100	2.7	4,700	1.1	275.23
Full year	916,000	2.7	13,700	6.9	14,300	4.5	9,400	14.3	550.46

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2023  
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of June 30, 2023	18,027,640 shares	As of March 31, 2023	18,027,640 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	941,024 shares	As of March 31, 2023	951,167 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2023	17,084,014 shares	Three months ended June 30, 2022	17,076,665 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	23,886	21,252
Notes and accounts receivable - trade	114,690	119,044
Merchandise	40,135	39,222
Accounts receivable - other	33,259	34,889
Other	5,902	6,395
Allowance for doubtful accounts	(192)	(197)
Total current assets	217,681	220,606
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	21,351	21,105
Land	21,022	21,037
Other, net	9,081	8,892
Total property, plant and equipment	51,455	51,035
Intangible assets	5,010	5,273
Investments and other assets		
Investment securities	11,557	12,008
Deferred tax assets	1,055	675
Retirement benefit asset	1,241	1,322
Other	2,907	2,890
Allowance for doubtful accounts	(51)	(52)
Total investments and other assets	16,710	16,845
Total non-current assets	73,176	73,154
Total assets	290,857	293,761

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	99,383	98,278
Short-term borrowings	18,869	22,078
Current portion of bonds payable	6,000	6,000
Income taxes payable	2,651	1,393
Provision for bonuses	1,721	931
Other	30,134	31,703
<b>Total current liabilities</b>	<b>158,760</b>	<b>160,384</b>
<b>Non-current liabilities</b>		
Long-term borrowings	11,696	10,647
Deferred tax liabilities	37	37
Retirement benefit liability	8,394	8,411
Other	9,902	9,815
<b>Total non-current liabilities</b>	<b>30,030</b>	<b>28,912</b>
<b>Total liabilities</b>	<b>188,791</b>	<b>189,297</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	8,568	8,568
Capital surplus	27,872	27,872
Retained earnings	65,812	67,818
Treasury shares	(3,475)	(3,458)
<b>Total shareholders' equity</b>	<b>98,779</b>	<b>100,801</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	3,865	4,206
Foreign currency translation adjustment	(9)	(15)
Remeasurements of defined benefit plans	(568)	(530)
<b>Total accumulated other comprehensive income</b>	<b>3,287</b>	<b>3,660</b>
<b>Non-controlling interests</b>	<b>–</b>	<b>2</b>
<b>Total net assets</b>	<b>102,066</b>	<b>104,463</b>
<b>Total liabilities and net assets</b>	<b>290,857</b>	<b>293,761</b>

## Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

### Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	220,051	235,239
Cost of sales	198,517	212,018
Gross profit	21,534	23,221
Selling, general and administrative expenses	18,104	18,873
Operating profit	3,429	4,347
Non-operating income		
Interest income	1	0
Dividend income	78	86
Outsourcing service income	42	41
Reversal of allowance for doubtful accounts	0	0
Foreign exchange gains	106	88
Other	192	241
Total non-operating income	421	459
Non-operating expenses		
Interest expenses	41	67
Share of loss of entities accounted for using equity method	–	31
Loss on sale of trade receivables	40	38
Other	0	1
Total non-operating expenses	83	138
Ordinary profit	3,768	4,669
Extraordinary income		
Gain on sale of non-current assets	–	0
Gain on sale of investment securities	–	46
Total extraordinary income	–	46
Extraordinary losses		
Loss on sale of non-current assets	–	1
Loss on retirement of non-current assets	–	13
Loss on valuation of investment securities	0	–
Total extraordinary losses	0	14
Profit before income taxes	3,767	4,700
Income taxes - current	996	1,280
Income taxes - deferred	222	220
Total income taxes	1,218	1,501
Profit	2,548	3,199
Profit attributable to non-controlling interests	1	9
Profit attributable to owners of parent	2,546	3,190

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	2,548	3,199
Other comprehensive income		
Valuation difference on available-for-sale securities	(62)	340
Foreign currency translation adjustment	(15)	(12)
Remeasurements of defined benefit plans, net of tax	15	37
Total other comprehensive income	(62)	365
Comprehensive income	2,486	3,565
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,484	3,562
Comprehensive income attributable to non-controlling interests	1	2