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May 13, 2025

To whom it may concern,

Company name	ARATA CORPORATION
Representative	Representative Director and President Seiichi Kochiya (Code No. 2733 TSE Prime)
Person responsible for inquiries	Senior Executive Officer General Manager of Corporate Governance Department Nobutaka Tsuchiya (TEL +81-3-5635-2800)

Notice Concerning Commencement of Consideration for Absorption-Type Merger with Wholly Owned Subsidiary (Living ARATA Co., Ltd.)

ARATA CORPORATION (Hereinafter referred to as the "Company") resolved at a meeting of its Board of Directors held today to commence consideration of an absorption-type merger with Living ARATA Co., Ltd. (Hereinafter referred to as the "Living ARATA"), a wholly-owned subsidiary of the Company, effective October 1, 2025.

1. Purpose of the merger

The Company is a wholesaler of daily necessities and cosmetics, etc., and delivers products to retailers nationwide. Living ARATA is a wholesaler centering on household miscellaneous goods, and deals with retailers in the Kansai area.

Amid rapid changes in the market environment and the expansion of retailers across a wide range of areas, we have determined that the integration of Living ARATA will enable us to further accelerate the growth of the household goods category by consolidating management resources and increasing our sales force and operational efficiency.

2. Merger schedule

May 13, 2025	Resolution of the Board of Directors concerning the commencement of consideration toward the conclusion of a merger agreement
August 1, 2025	Resolution of the Board of Directors concerning the conclusion of the merger agreement (planned)
August 1, 2025	Conclusion of merger agreement (planned)
October 1, 2025	Effectuation of merger (planned)

(Note) Since the merger falls under a simplified merger as prescribed in Article 796, Paragraph 2 of the Companies Act for the Company, and a short-form absorption-type merger as prescribed in Article 784, Paragraph 1 of the Companies Act for Living ARATA, neither company will hold a general meeting of shareholders to approve the merger agreement.

3. Overview of the companies involved in the merger (as of March 31, 2025)

	Company surviving the absorption-type merger	Company absorbed in the absorption-type merger
(1) Name	ARATA CORPORATION	Living ARATA Co., Ltd.
(2) Address	6-3-2 Toyo, Koto-ku, Tokyo	435 1 Tanjo, Mihara-ku, Sakai-city, Osaka
(3) Job title and name of representative	Seiichi Kochiya, Representative Director	Masayuki Shimizu, Representative Director
(4) Description of business	Wholesale of daily necessities and cosmetics	Wholesale of household goods
(5) Share capital	8,572 million yen (as of March 31, 2025)	27 million yen
(6) Date of establishment	April 1, 2002	November 15, 1973
(7) Number of issued stocks	36,057,424 shares (as of March 31, 2025)	40,000 shares
(8) Accounting period	March 31	January 31
(9) Major shareholders and ownership ratios	The Master Trust Bank of Japan, Ltd. (Trust Account) 11.68% Otowa Shokusan Co., Ltd. 6.00% ARATA Employee Shareholding Association 3.89% Custody Bank of Japan, Ltd. (Trust Account) 3.77% BBH FOR FIDELITY LOW-PRICED STOCK FUND (Standing proxy: MUFG Bank, Ltd.) 3.17% The Nomura Trust and Banking Co., Ltd. (Investment Trust Account) 3.00% Custody Bank of Japan, Ltd. (Trust E Account) 2.99% Lion Corporation 2.66% Nobuyuki Hatanaka 2.55% STATE STREET BANK AND TRUST CLIENT OMNIBUS ACCOUNT OM02 505002 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.) 2.00%	ARATA CORPORATION 100%

4. Future outlook

We will announce the merger once it is finalized.

The impact of the merger on the Company's operating results is immaterial.