

Financial Results Q1 FY2026

(Three months ended June 30, 2025)

August 4, 2025



PALTAC CORPORATION

(TSE Code:8283)

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Net Sales

¥ 316.0bn

Change in YoY Q1 (Apr - Jun)

+ ¥ 13.1bn(+4.3%)

Operating Profit

¥ 7.6bn

Change in YoY Q1 (Apr - Jun)

+ ¥ 0.1bn(+2.6%)

[YoY] Both Sales and Operating profit exceeded the previous year's level

- Despite continued consumer thriftiness due to rising prices, sales grew through an expanded designated wholesaler portfolio and increased offerings of high value-added products
- Increase in sales of products related to going out and health foods, driven by the growing number of foreign visitors to Japan
- Increase in sales of summer seasonal products, driven by rising temperatures
- Despite higher SG&A expenses from increased delivery unit costs, increase in operating profit supported by strong sales and effective profit improvement measure

Increase in both sales and operating profit, driven by sales expansion and effective profit improvement measures

¥ billion (ratio of net sales: %)	Q1 FY2025	Q1 FY2026	Difference	
Net Sales	302.9	316.0	+13.1	+4.3%
Gross Profit	22.3 (7.38)	23.6 (7.49)	+1.3 (+0.11)	+6.0%
SG&A Expenses	14.9 (4.93)	16.0 (5.08)	+1.1 (+0.15)	+7.7%
Operating Profit	7.4 (2.45)	7.6 (2.41)	+0.1 (-0.04)	+2.6%
Ordinary Profit	8.3 (2.74)	8.5 (2.70)	+0.2 (-0.04)	+2.6%
Profit	6.0 (2.01)	6.2 (1.97)	+0.1 (-0.04)	+2.7%

Net Sales

- Expansion of designated wholesaler portfolio
- Increase in sales of outdoor-related products, health foods, and summer products

Gross Profit

- Successful measures to improve higher-margin control
- Record of temporary expenses in the previous year (initial costs accompanying the start of food logistics +¥0.11 bn +0.04%)

SG&A Expenses

- Increase in logistics costs such as delivery costs
- Record of expenses related to the operation of FDC Kanagawa (rental fees, consumable goods, etc.)

Amid continued frugality and rising costs, demand for going out and weather factors supports the market

↑ Positive factors ↓ Negative factors

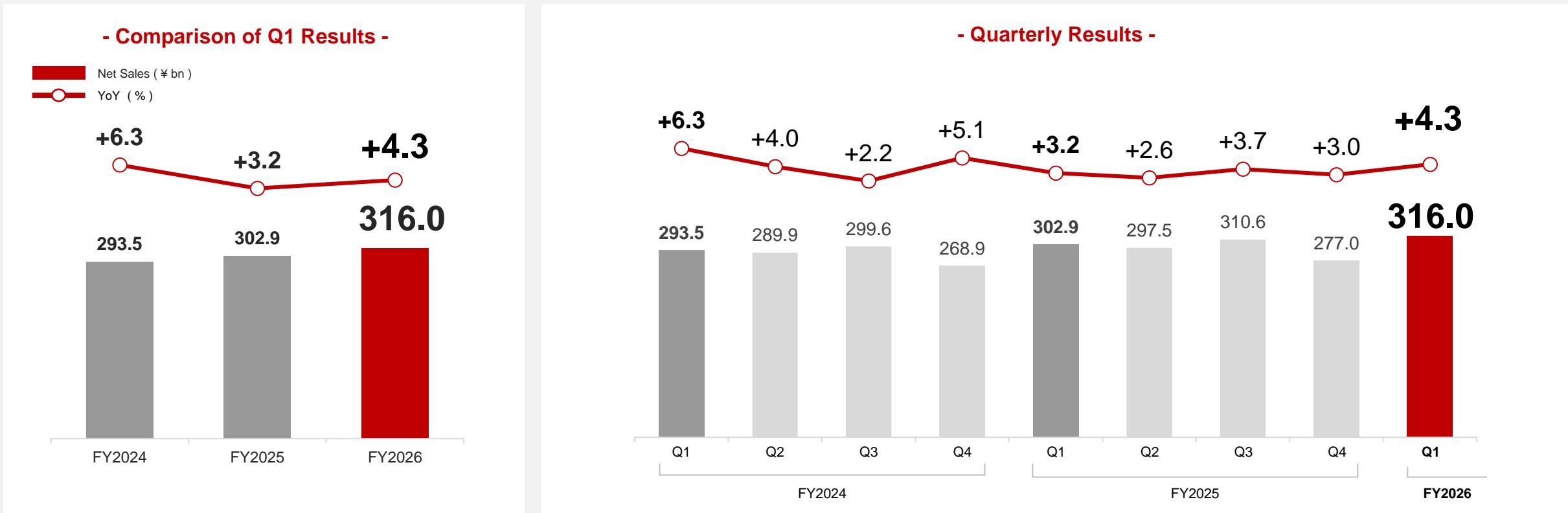


- ↓ Continued sluggish volume growth in daily necessities, due to consumer thriftiness amid rising prices
- ↑ Increase in sales unit prices across all categories, driven by price hikes and expansion of high value-added products
- ↑ Steady sales of going out-related products such as cosmetics and health foods, supported by continued demand for going out and an increase in inbound tourists
- ↑ Increase in sales of summer seasonal products such as deodorants and insect repellents, driven by early end of the rainy season and rising temperatures
- ↓ Continued increase in logistics costs, including delivery and warehouse labor expenses, due to rising prices and wages(factors behind rising center fee rates and SG&A expense ratios)

Increase in net sales, driven by expansion of designated wholesaler portfolio, successful expansion of high value-added products, and promotional measures aligned with changing consumer behavior such as rising demand for going out and growing health consciousness (YoY + ¥13.1bn +4.3%)

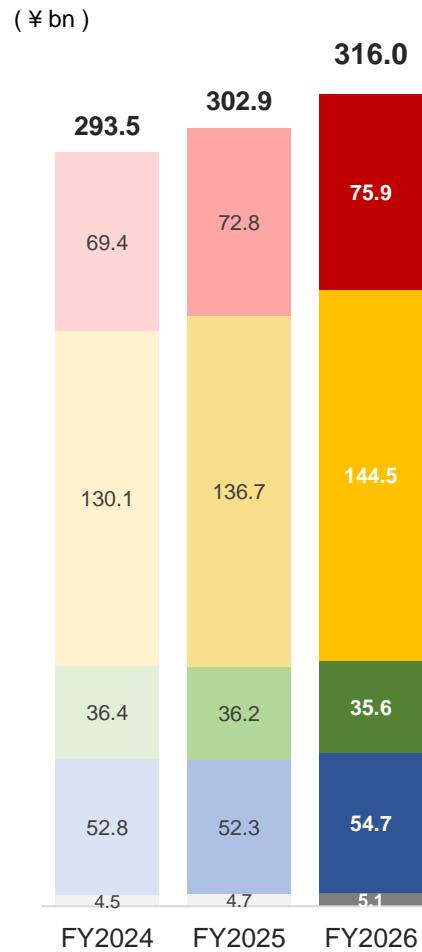
(Main Factors) **Increase:** Expansion of designated wholesaler portfolio / Growth in going out and health foods related products / Strong demand for summer seasonal products such as insecticides and seasonal cosmetics due to rising temperatures / Strengthening procurement of the new products / Increase in the selling unit prices of products due to price hike and growth in sales of high-value added products / Increase in handling volume of contracted logistics

Decrease: Decrease in demand for hygiene-related products such as masks / Decrease in sales of certain OTC pharmaceuticals

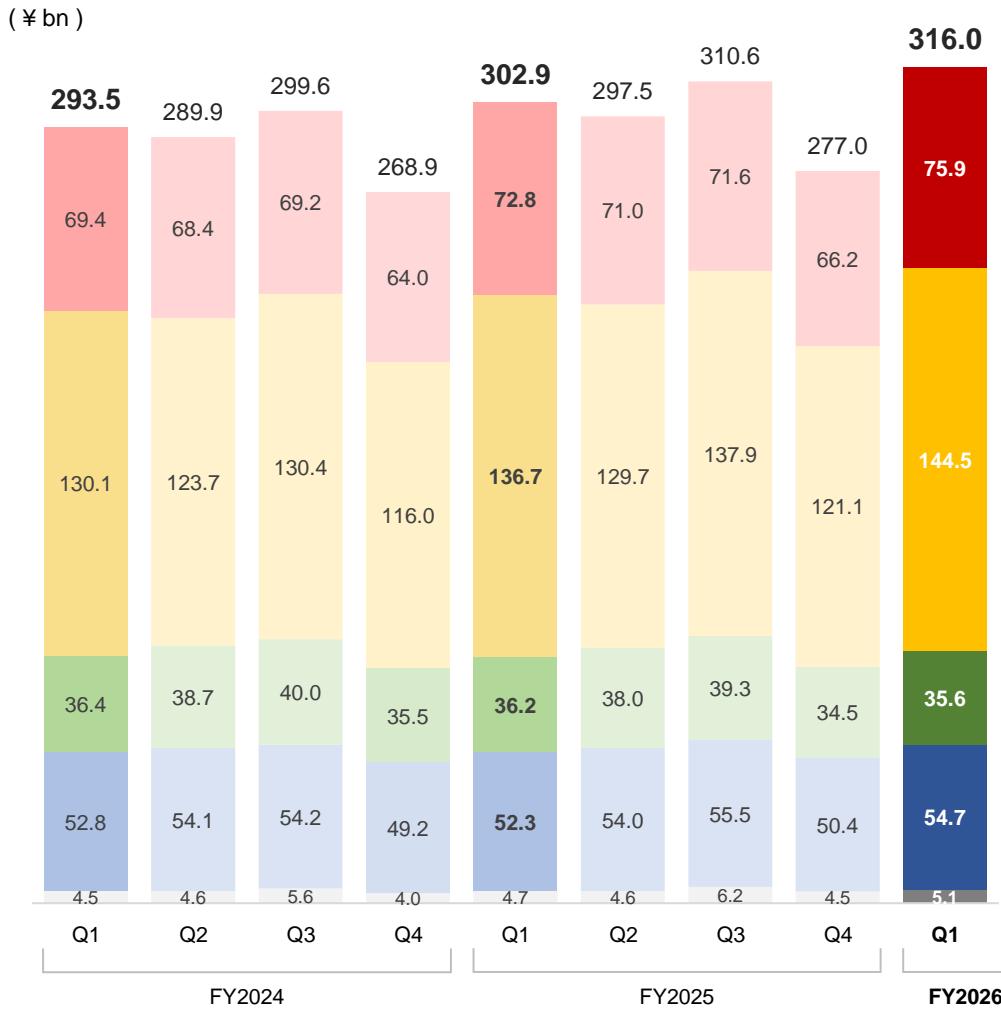


Sales Composition by Product Category YoY Q1 FY2026

- Comparison of Q1 Results -



- Quarterly Results -



YoY Q1 (Apr - Jun)

Cosmetics

+ ¥ 3.0 bn / + 4.2 %

Composition ratio : 24.0 % (0.0 %)

Daily necessities

+ ¥ 7.7 bn / + 5.7 %

Composition ratio : 45.8 % (+ 0.6 %)

OTC pharmaceuticals

- ¥ 0.5 bn / - 1.6 %

Composition ratio : 11.3 % (- 0.7 %)

Health and sanitary related products

+ ¥ 2.4 bn / + 4.7 %

Composition ratio : 17.3 % (0.0 %)

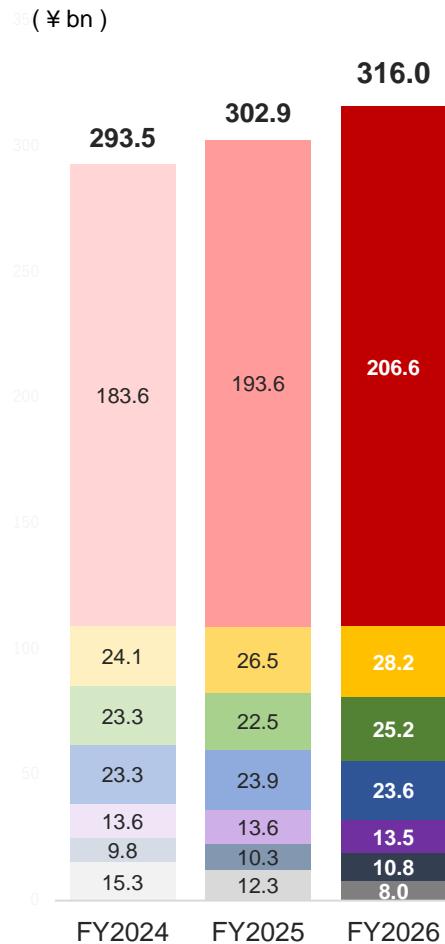
Others

+ ¥ 0.4 bn / + 8.9 %

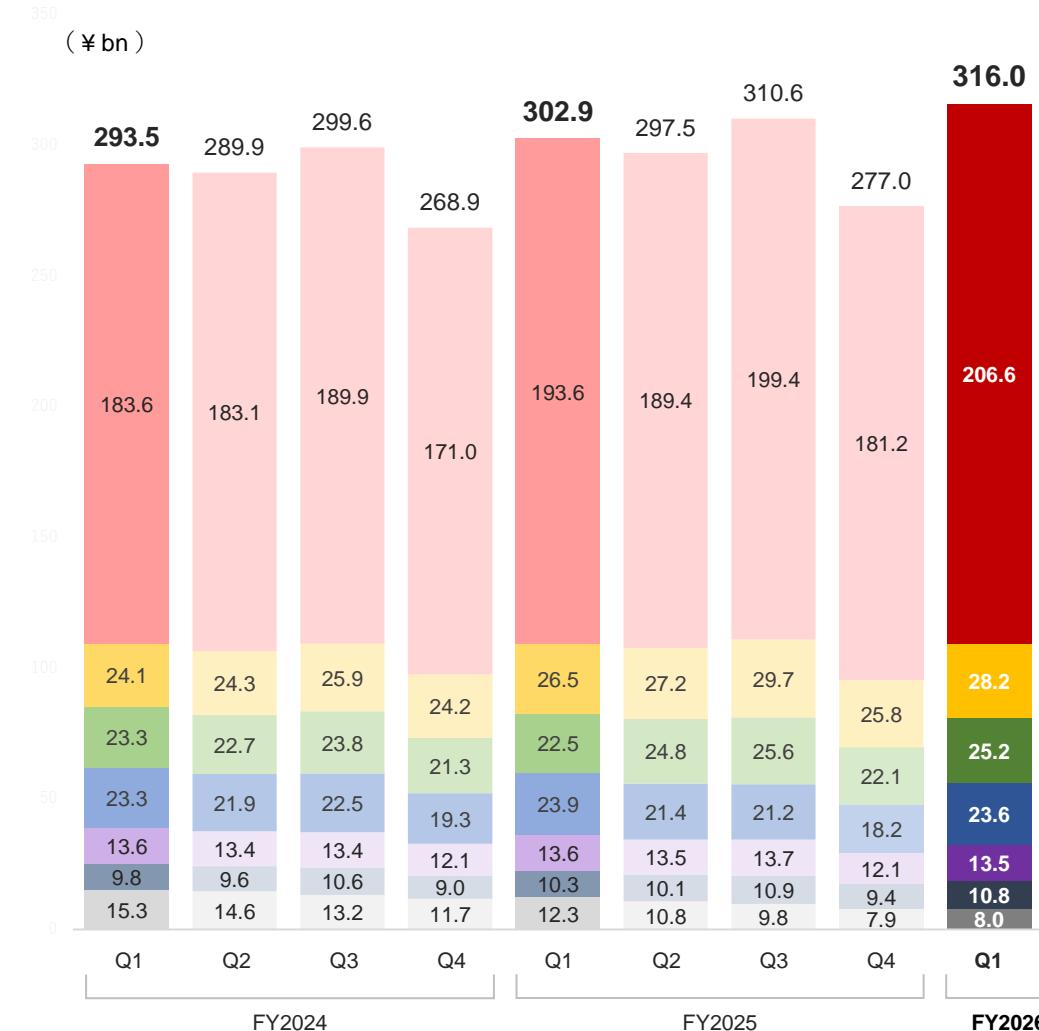
Composition ratio : 1.6 % (+ 0.1 %)

Sales Composition by Customer Category YoY Q1 FY2026

- Comparison of Q1 Results -



- Quarterly Results -



YoY Q1 (Apr - Jun)

Drugstores

+ ¥ 13.0 bn / + 6.7 %
Composition ratio : 65.4 % (+ 1.5 %)

Discount Stores

+ ¥ 1.6 bn / + 6.4 %
Composition ratio : 8.9 % (+ 0.1 %)

Convenience Stores

+ ¥ 2.7 bn / + 12.1 %
Composition ratio : 8.0 % (+ 0.6 %)

Home Center

- ¥ 0.3 bn / - 1.3 %
Composition ratio : 7.5 % (- 0.4 %)

Super Market

- ¥ 0.1 bn / - 1.0 %
Composition ratio : 4.3 % (- 0.2 %)

GMS*

+ ¥ 0.4 bn / + 4.1 %
Composition ratio : 3.4 % (0.0 %)

Others

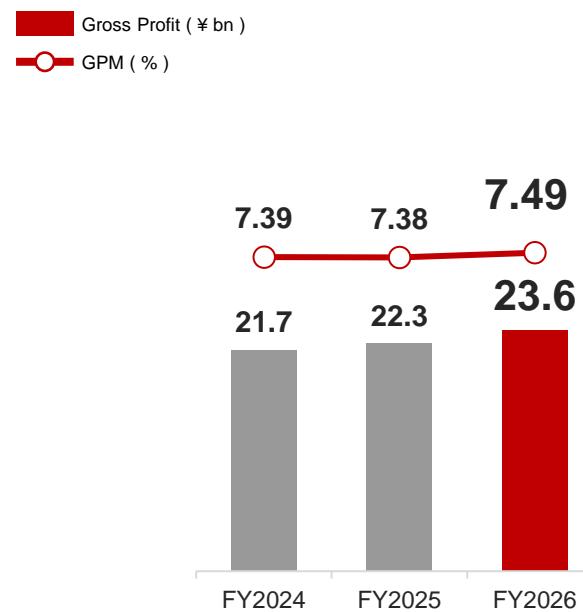
- ¥ 4.2 bn / - 34.8 %
Composition ratio : 2.5 % (- 1.6 %)

* GMS stands for General Merchandising Store

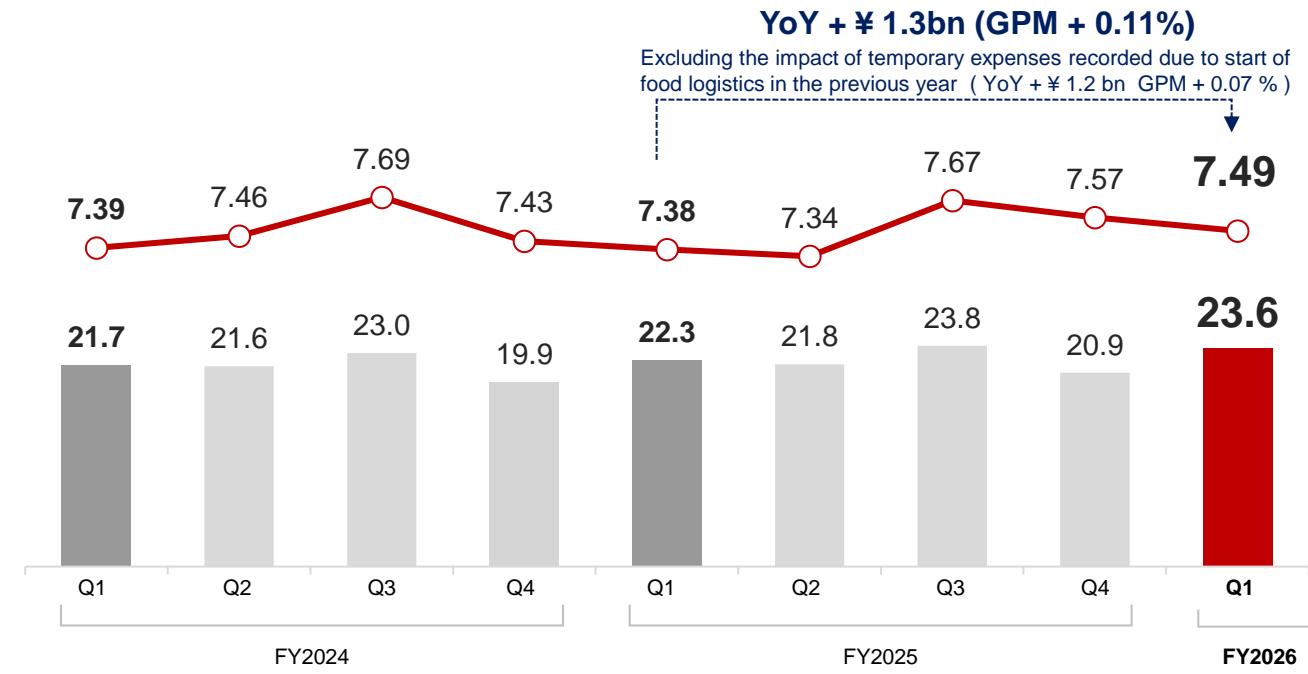
Increase in both amount and margin, driven by sales growth and expansion of high value-added products (YoY + ¥1.3 bn GPM +0.11%)

(Main Factors) **Improving:** Securing amount of gross profits due to sales expansion / Improved profit margins due to price hikes and increased sales of high value-added products / Increase in handling volume of contracted logistics / Impact of temporary expenses recorded due to start of food logistics in the previous year (+ ¥ 0.11bn GPM+0.04%)
Worsening: Increase in center fees (increased sales of companies incurring center fees, rising logistics costs, etc.)

- Comparison of Q1 Results -



- Quarterly Results -

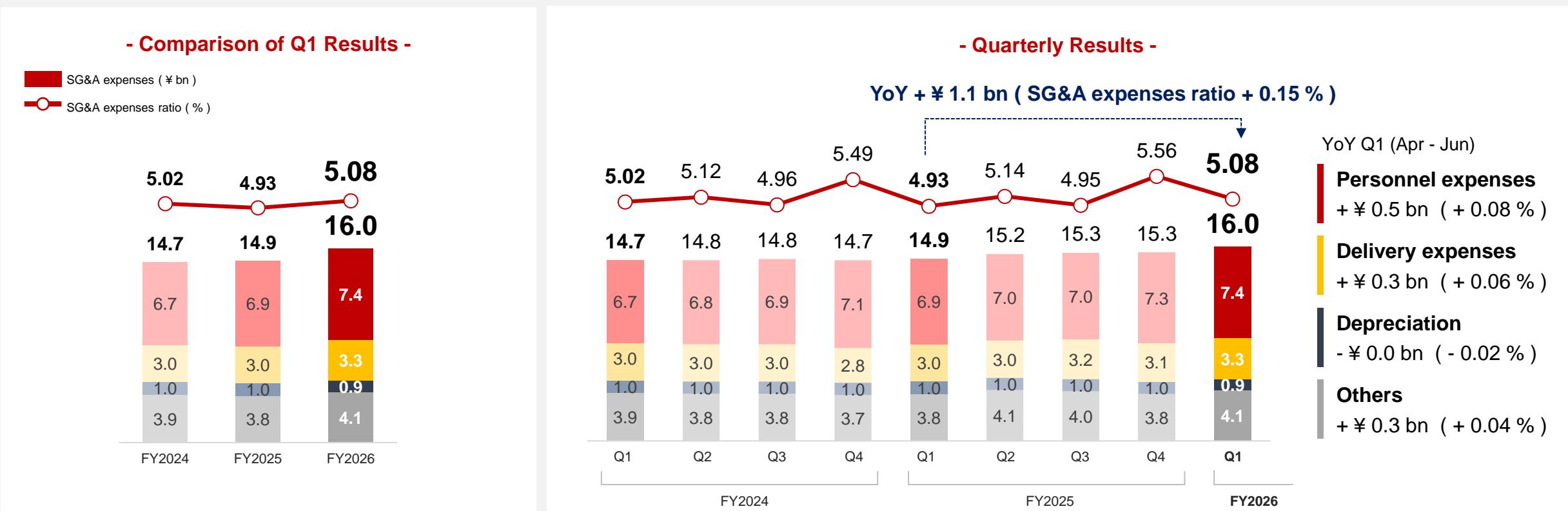


SG&A Expenses YoY Q1 FY2026

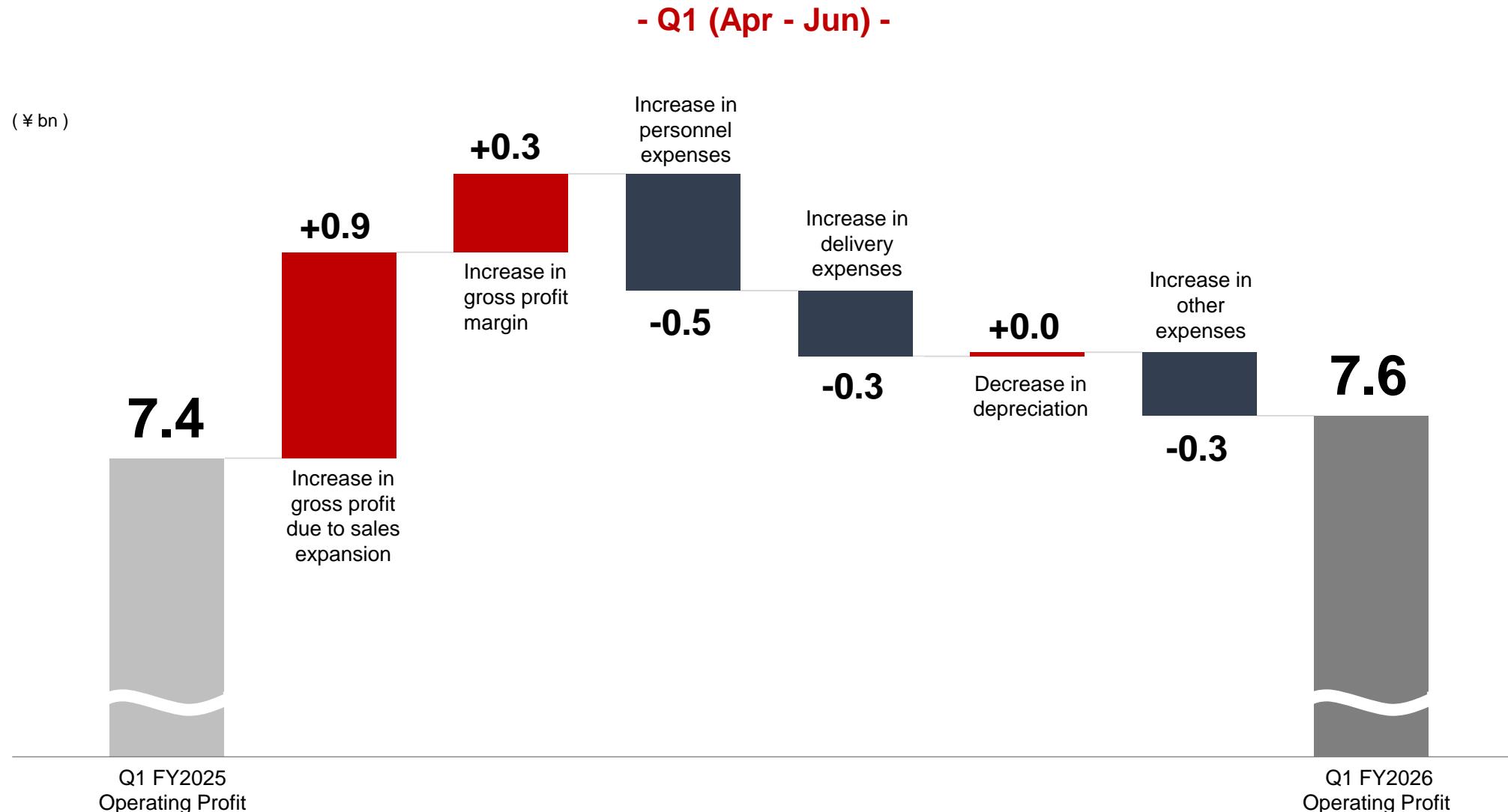
Increase in SG&A expenses in both amount and ratio, due to investments in human capital and rising logistics costs such as warehouse labor and delivery costs per unit (YoY + ¥ 1.1 bn SG&A expenses ratio + 0.15 %)

(Main Factors) **Increase:** Investment in human capital (securing human capital, wage increases (including part-time hourly wages) / Increase in the ratio of temporary staffing / Increase in delivery costs due to rising delivery unit prices / Record of expenses related to the operation of FDC Kanagawa (rental fees, consumable goods, etc.)

Improving: Fixed-expenses absorption effect due to the sales expansion



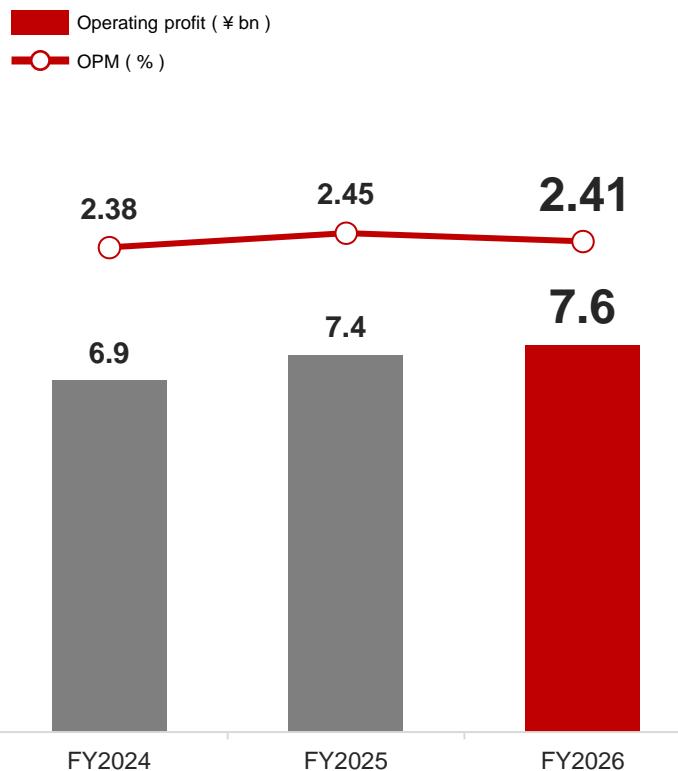
Operating Profit YoY Q1 FY2026



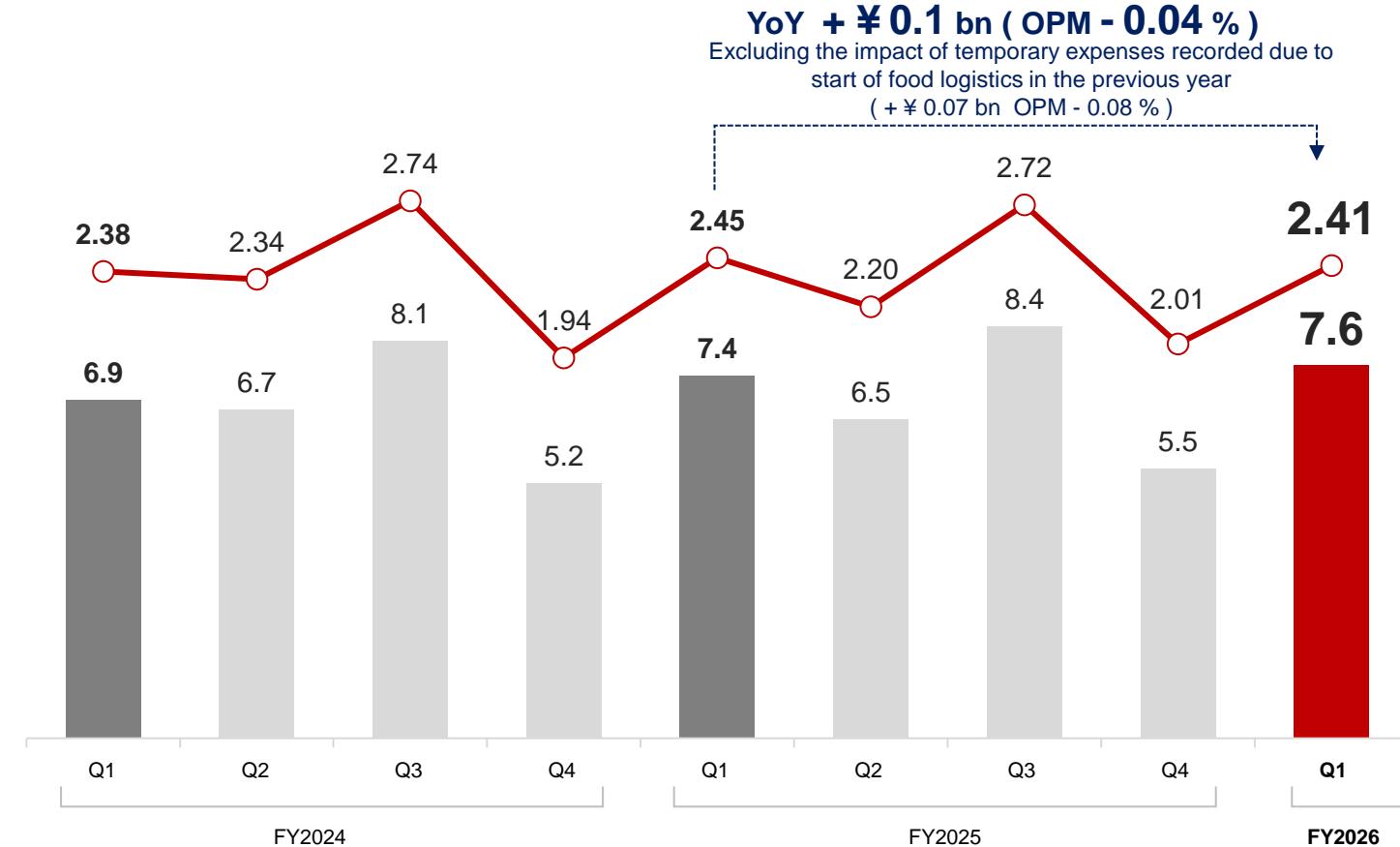
Operating Profit YoY Q1 FY2026

Increase in amount driven by higher gross profit, while margin declined due to a rise in SG&A expenses ratio (YoY + ¥ 0.1 bn OPM -0.04%)

- Comparison of Q1 Results -



- Quarterly Results -



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Forecasts FY2026 (No revision to the forecasts most recently announced)



- We expect to continue to face uncertain and challenging business circumstances, including the trend of budget-conscious consumption due to price hikes and sharp rise of logistics costs due to labor shortage
- Even in the difficult circumstances, we aim to achieve sure expansion of sales and profits to realize “Constructing the foundation for transformation through structural reform”, the second year of the medium-term management plan “PALTAC VISION 2027”

¥ billion (ratio of net sales:%)	FY2025 Results	FY2026 Plan	Difference	Difference rate
Net Sales	1,188.0	1,230.0	+41.9	+3.5%
Gross Profit	88.9 (7.49)	92.8 (7.54)	+3.8 (+0.05)	+4.3%
SG&A Expenses	60.9 (5.13)	63.8 (5.19)	+2.8 (+0.06)	+4.6%
Operating Profit	28.0 (2.36)	29.0 (2.36)	+0.9 (0.00)	+3.5%
Ordinary Profit	31.6 (2.67)	32.2 (2.62)	+0.5 (-0.05)	+1.6%
Profit	22.8 (1.92)	22.0 (1.79)	-0.8 (-0.13)	-3.8%
Earnings per share (¥)*	366.46	356.70	-9.76	-2.7%

* The plan for the fiscal year ending March 2026 is calculated based on the number of shares outstanding at the end of the previous fiscal year

Net Sales

- Unit price hikes due to inflation
- Strengthening rapid and effective sales promotion proposals that utilize our capabilities
- Strengthening sales of high value-added products

Gross Profit

- Strengthening sales of high value-added products (higher-margin control)
- Increase in center fees to sales ratio (negative impact : impact of soaring prices and rising delivery expenses, etc.)

SG&A Expenses

- Investment in human capital (securing human capital / wage hikes etc.)
- Increase in delivery expenses per unit

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“K-INNER BEAUTY POP-UP” produced by PALTAC

Promoting attraction of products to expand market awareness of Korean inner beauty

Event held in July 2025 to introduce Korean inner beauty products available in Japan to influencers and general consumers, co-hosted with the exclusive importer

- ✓ Since the pandemic of COVID-19, interest in “inner health and beauty” has increased, **leading to steady growth in the inner beauty market**
- ✓ Inviting approximately 200 influencers to experience the products and share their experiences through social media, **aiming to increase awareness, especially among young generation**
- ✓ **Held the first event to directly appeal to influencers and consumers to expand high-value-added products**

Event announcement



Photos of the event



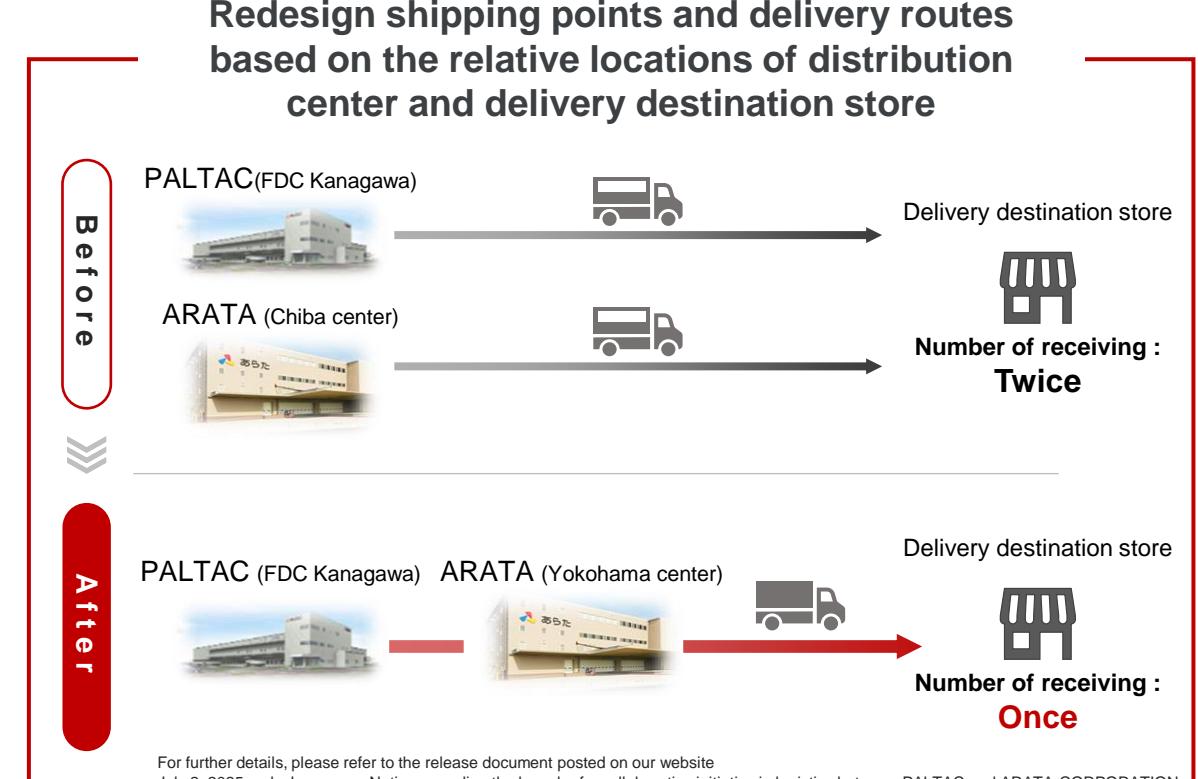
Start of collaboration with ARATA CORPORATION in the non-competitive area of delivery

From competition to collaboration, to co-create sustainable distribution infrastructure

In July 2025, joint delivery began in the western Kanto area

- ✓ **We aim to improve delivery efficiency and reduce the burden on stores** by improving the loading efficiency, reducing the number of trucks and receiving
- ✓ **We aim to explore the possibility of further collaboration in non-competitive areas, including joint delivery in other regions, and aim to gradually expand**

Redesign shipping points and delivery routes based on the relative locations of distribution center and delivery destination store



Received the “Excellence Award” of the Supply Chain Innovation Awards 2025

Evaluated “Comprehensive logistics of non-food and food products” in collaboration with YAKUODO Co., Ltd. and 23 business partners



- ✓ Develop the cultivated logistics know-how in the sector of non-food products to food products, **and manage and deliver non-food and food products together, which were previously transported separately**
- ✓ **Contribute to reduce both the burden on drivers and store staff and CO2 emissions through reducing the number of trucks and receiving by improving loading efficiency**

For further details, please refer to the release document posted on our website
July 9, 2025, only Japanese: Announcement regarding the award of the “Supply Chain Innovation Award 2025”

Began demonstration of highway transportation using autonomous trucks
~ Participating in demonstration experiment as a wholesaler responsible for distribution ~

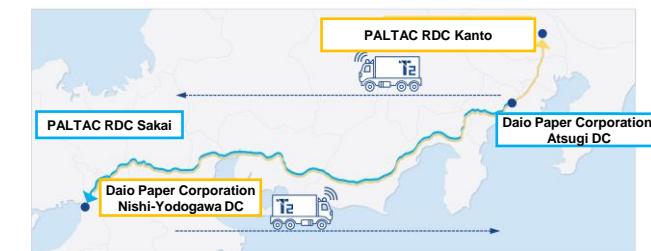
We aim to improve long-distance transportation through automated driving in collaboration with Daio Paper Corporation and T2 Inc.

✓ **Demonstration began on July 3, 2025**

After adjusting when to order and warehousing, implementation of long-distance transportation using Level 2* autonomous trucks

Verify the route, travel time, and quality of transportation

*Highly automated driving under certain conditions/under the supervision of a driver



✓ **We will continue to promote efforts to realize autonomous driving to address driver shortages**

For further details, please refer to the release document posted on our website
July 30, 2025, only Japanese: Self-driving trucks bring about a revolution; demonstration begins to build a new supply chain

Selected as “Asia-Pacific Climate Leaders 2025”

Evaluated as steady efforts to reduce greenhouse gas emissions

What is “Asia-Pacific Climate Leaders 2025”?

The top 350 companies that have headquarters in the Asia-Pacific region that are contributing significantly to greenhouse gas reductions are selected as “Climate Leaders”

(Co-conducted by the Financial Times and Statista)

- ✓ **Promote switching to eco-friendly vehicles and the introduction of renewable energy**

Goals for FY2031 : 50% reduction*

Results in FY2025 : 19.0% reduction*

(Emission amount of Scope1+2)

*Compared to FY2021 as a base year

For further details, please refer to the release document posted on our website
July 7, 2025, only Japanese: Announcement regarding first selection as “Asia Pacific Climate Leaders 2025”

ESG Share Buyback

Implement share buybacks by balancing “shareholder returns” and “ESG investment capital contributions”

- ✓ **Contribute the maximum limit of the outperformance arising from market buybacks of treasury stock as investment capital**

The proceeds will be used to promote sustainability, including reducing greenhouse gas emissions

Overview of share buyback

Period of buyback	Aug 5, 2025～May 29, 2026		
Total Amount of buyback	¥ 5.0bn (Maximum)	Total number of buyback	1.5 million shares (Maximum)
Method of buyback	Market purchase on the Tokyo Stock Exchange, Inc.		

Resolved to retire 1 million shares (1.59%*) of treasury share (at the Board of Directors meeting held on August 4, 2025)

*Percentage of total number of issued shares before the retirement

For further details, please refer to the release document posted on our website
August 4, 2025, : Notice Concerning Determination of Matters Related to Acquisition of Treasury Shares and the Adoption of ESG Share Buyback
August 4, 2025, : Notice Concerning the Retirement of Treasury Shares

Note Concerning Forward-Looking Statements

Information in this document presented by PALTAC CORPORATION (the “Company”) contains forward-looking statements regarding to the Company. Other than historical facts, these forecasts and strategies prepared under certain assumptions, and such matters include certain risks and uncertainties. As such, please be forewarned that actual results may not necessarily match these forecasts due to a variety of changes in the business environment and others causes.

Please also note that even in cases where it might be desirable for the forecast information to be updated or revised due to new information, future events or other items. The Company is not obliged and does not have a policy of updating this document and information to the most recent.

Furthermore, this report is an English translation of the original, which was prepared in Japanese. In the event of any discrepancies between the Japanese original and the English translation, the Japanese original shall prevail.