

# Financial Results Q2 FY2026

(Six months ended September 30, 2025)

November 4, 2025



**PALTAC CORPORATION**

(TSE Code:8283)

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# Financial Highlights (Apr - Sep) Q2 FY2026



## Net Sales

¥ 625.1 bn

Change in YoY

+ ¥ 24.7 bn (+4.1%)

vs. Plan

+ ¥ 3.1 bn (+0.5%)

## Operating Profit

¥ 13.8 bn

Change in YoY

- ¥ 0.0 bn (-0.6%)

vs. Plan

- ¥ 0.7 bn (-4.8%)

**[YoY] Net sales increased, but operating profit fell below the previous year's level**

- Expansion of designated wholesaler portfolio and increased offerings of new products contributed to sales growth
- Sales of outdoor-related products and health foods increased, supported by the growing number of inbound tourists
- Sales of summer seasonal products grew due to rising temperatures
- Gross profit increased driven by sales expansion, while SG&A expenses ratio rose year on year due to higher variable costs, including personnel and delivery expenses

**[vs. Plan] Net sales met the plan, but operating profit fell short**

- Unit price increase (due to price hikes and expansion of high value-added products) exceeded the plan
- Gross profit exceeded the plan, supported by successful profit margin improvement measures, while SG&A expenses exceeded the plan due to higher variable costs such as delivery and warehouse labor expenses
- SG&A expenses exceeded the plan due to increased response costs caused by unexpected demand fluctuations, triggered by an intense heatwave and other external factors

Although both net sales and gross profit exceeded the plan, operating profit fell short due to higher SG&A expenses

¥ billion (ratio of net sales: %)	Q2 FY2026 Plan	Q2 FY2026 Results	Difference	Difference rate
<b>Net Sales</b>	622.0	<b>625.1</b>	+3.1	+0.5%
<b>Gross Profit</b>	46.2	<b>46.5</b>	+0.3	+0.7%
	(7.43)	(7.44)	(+0.01)	
<b>SG&amp;A Expenses</b>	31.6	<b>32.6</b>	+1.0	+3.3%
	(5.08)	(5.22)	(+0.14)	
<b>Operating Profit</b>	14.6	<b>13.8</b>	-0.7	-4.8%
	(2.35)	(2.22)	(-0.13)	
<b>Ordinary Profit</b>	16.2	<b>15.6</b>	-0.5	-3.7%
	(2.60)	(2.50)	(-0.10)	
<b>Profit</b>	11.1	<b>11.1</b>	+0.0	+0.3%
	(1.78)	(1.78)	(0.00)	

## Net Sales

- Unit price growth exceeded expectations, driven by price hikes and strong sales of high value-added products

## Gross Profit

- Gross profit exceeded the plan in both amount and margin, supported by successful profit margin improvement measures, such as stronger sales of high value-added products

## SG&A Expenses

- SG&A expenses exceeded the plan in both amount and ratio, reflecting increased costs for personnel and delivery

Net sales and gross profit increased, but higher SG&A expenses led to profit decline

	¥ billion (ratio of net sales: %)	Q2 FY2025	Q2 FY2026	Difference	Difference rate
<b>Net Sales</b>		600.4	<b>625.1</b>	+24.7	+4.1%
<b>Gross Profit</b>		44.1 (7.36)	<b>46.5 (7.44)</b>	+2.3 (+0.08)	+5.3%
<b>SG&amp;A Expenses</b>		30.2 (5.03)	<b>32.6 (5.22)</b>	+2.4 (+0.19)	+8.1%
<b>Operating Profit</b>		13.9 (2.33)	<b>13.8 (2.22)</b>	-0.0 (-0.11)	-0.6%
<b>Ordinary Profit</b>		16.1 (2.69)	<b>15.6 (2.50)</b>	-0.5 (-0.19)	-3.6%
<b>Profit</b>		11.8 (1.98)	<b>11.1 (1.78)</b>	-0.7 (-0.20)	-6.4%

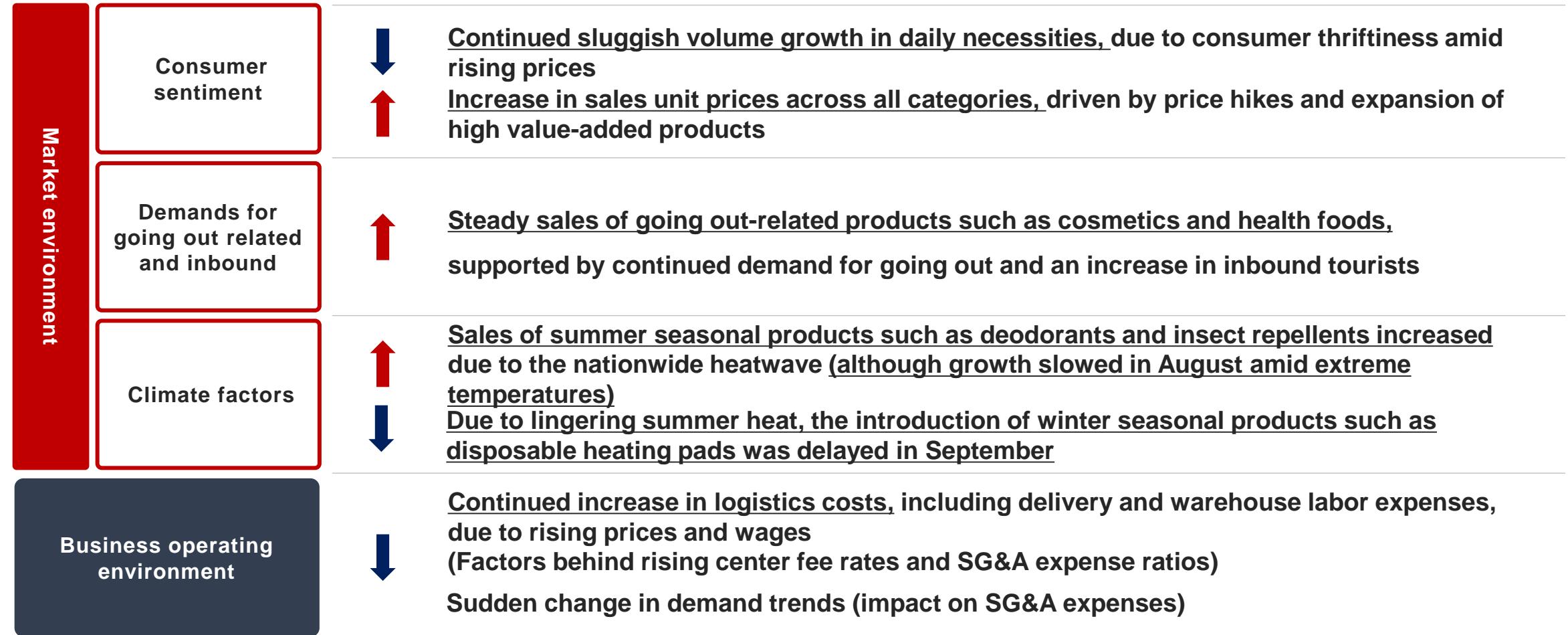
Net sales and gross profit increased, but higher SG&A expenses led to profit decline

¥ billion (ratio of net sales: %)	Q1			Q2		
	FY2025	FY2026	Difference	FY2025	FY2026	Difference
<b>Net Sales</b>	302.9	<b>316.0</b>	+13.1 [+4.3%]	297.5	<b>309.0</b>	+11.5 [+3.9%]
<b>Gross Profit</b>	22.3	<b>23.6</b>	+1.3 (+0.11)	21.8	<b>22.8</b>	+1.0 (+0.05)
<b>SG&amp;A Expenses</b>	14.9	<b>16.0</b>	+1.1 (+0.15)	15.2	<b>16.5</b>	+1.2 (+0.22)
<b>Operating Profit</b>	7.4	<b>7.6</b>	+0.1 (-0.04)	6.5	<b>6.2</b>	-0.2 (-0.17)
<b>Ordinary Profit</b>	8.3	<b>8.5</b>	+0.2 (-0.04)	7.8	<b>7.0</b>	-0.7 (-0.36)
<b>Profit</b>	6.0	<b>6.2</b>	+0.1 (-0.04)	5.8	<b>4.8</b>	-0.9 (-0.38)

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

↑ Positive factor

↓ Negative factor



# Net Sales YoY Q2 FY2026

## 1st Half

Net sales increased, supported by the expansion of the designated wholesaler portfolio, the successful introduction of high value-added products, and effective promotional initiatives that responded to changes in consumer behavior, such as rising demand for going out and growing health consciousness (YoY: + ¥24.7 bn / +4.1%)

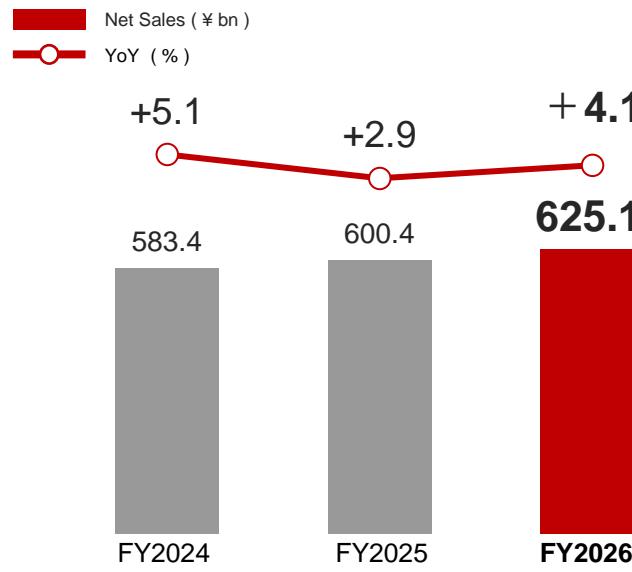
(Main Factors) **Increase:** Expansion of designated wholesaler portfolio / Growth in going out and health foods related products / Strong demand for summer seasonal products such as insecticides and seasonal cosmetics due to rising temperatures / Strengthening procurement of the new products / Increase 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 / Reduced introduction of winter seasonal products due to lingering summer heat

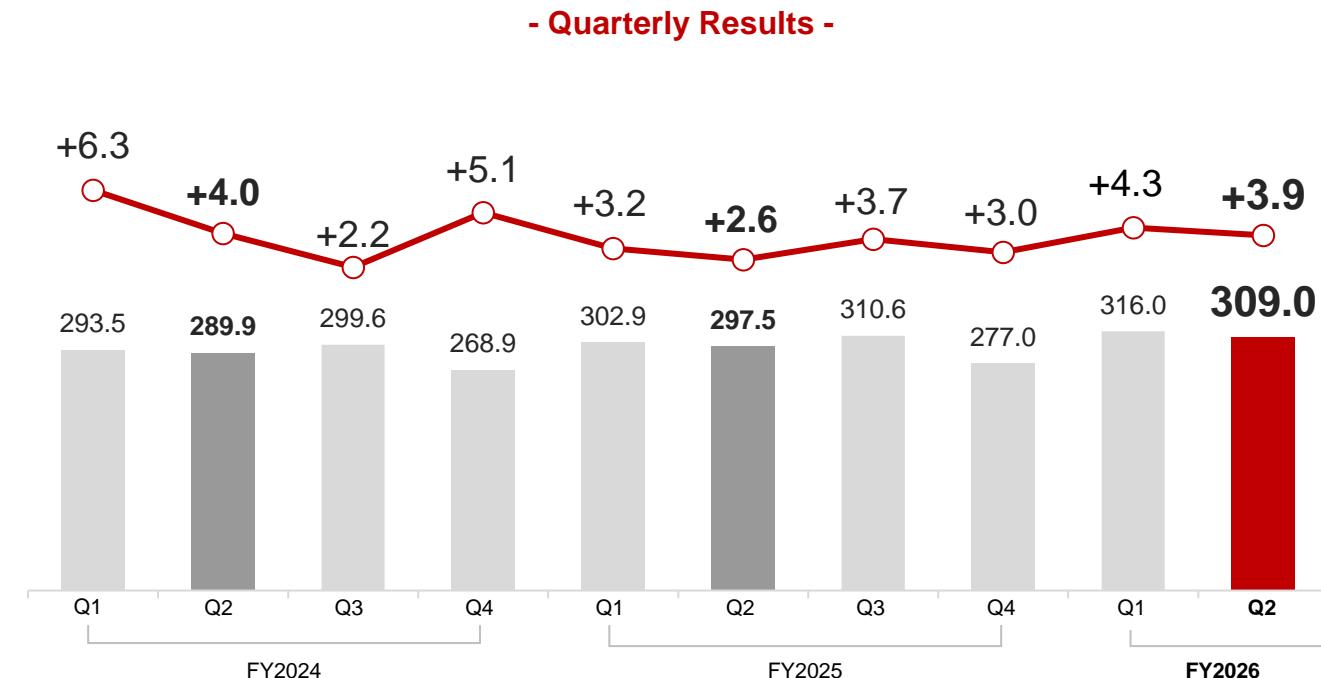
## Q2

Strong performance of daily necessities (such as detergents and oral care products) and summer seasonal products (such as sun care and deodorants) driven by the heatwave contributed to overall growth (YoY + ¥11.5 bn / +3.9%)

### - Comparison of 1st Half Results -

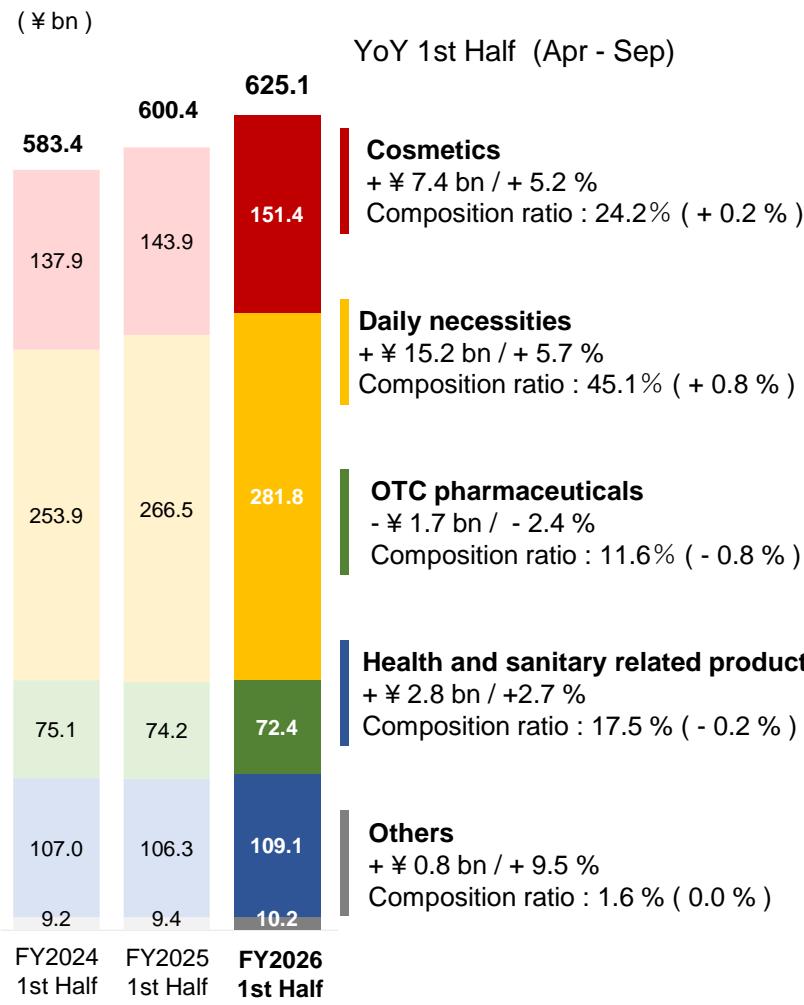


### - Quarterly Results -

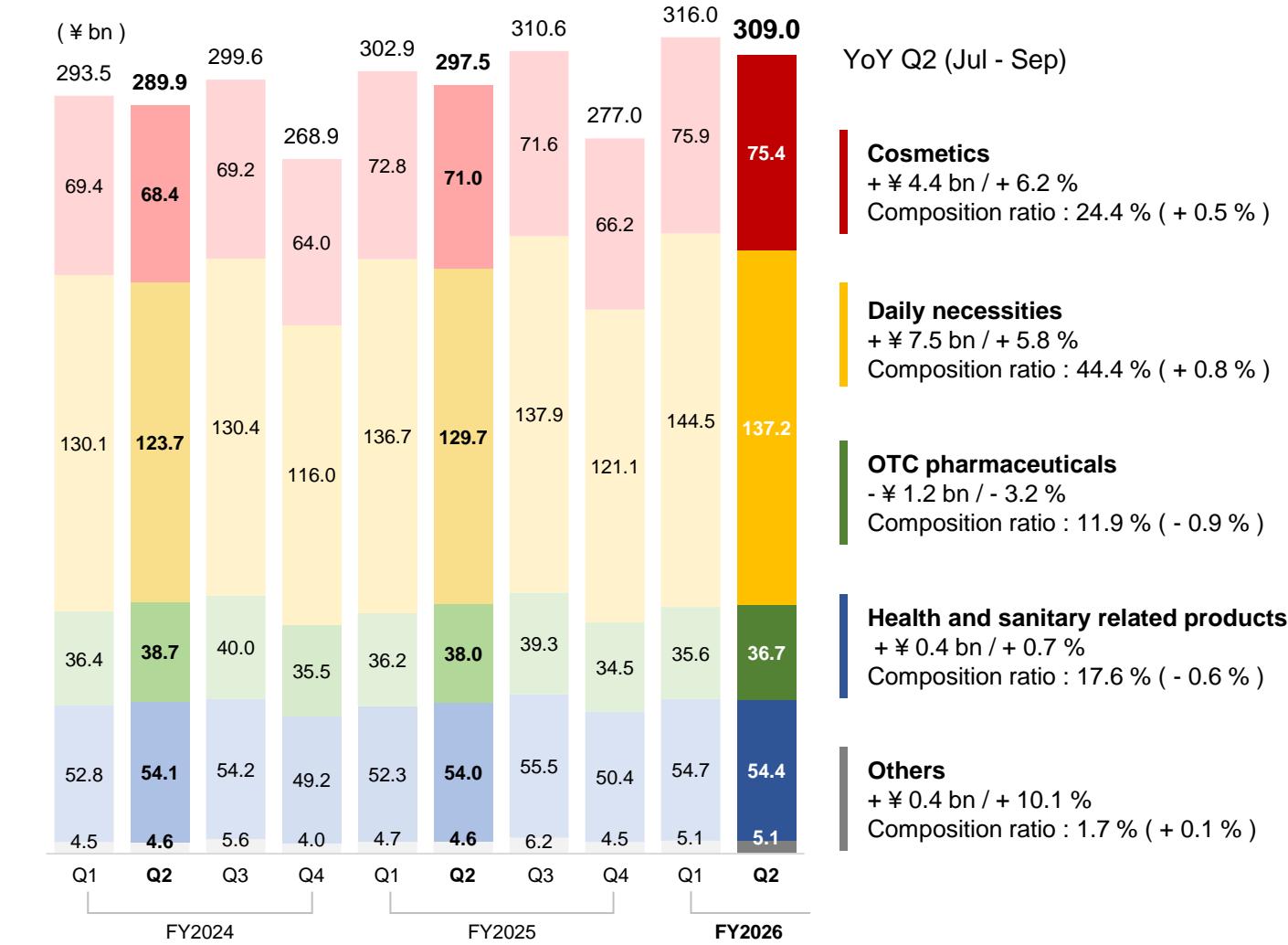


# Sales Composition by Product Category YoY Q2 FY2026

## - Comparison of 1st Half Results -



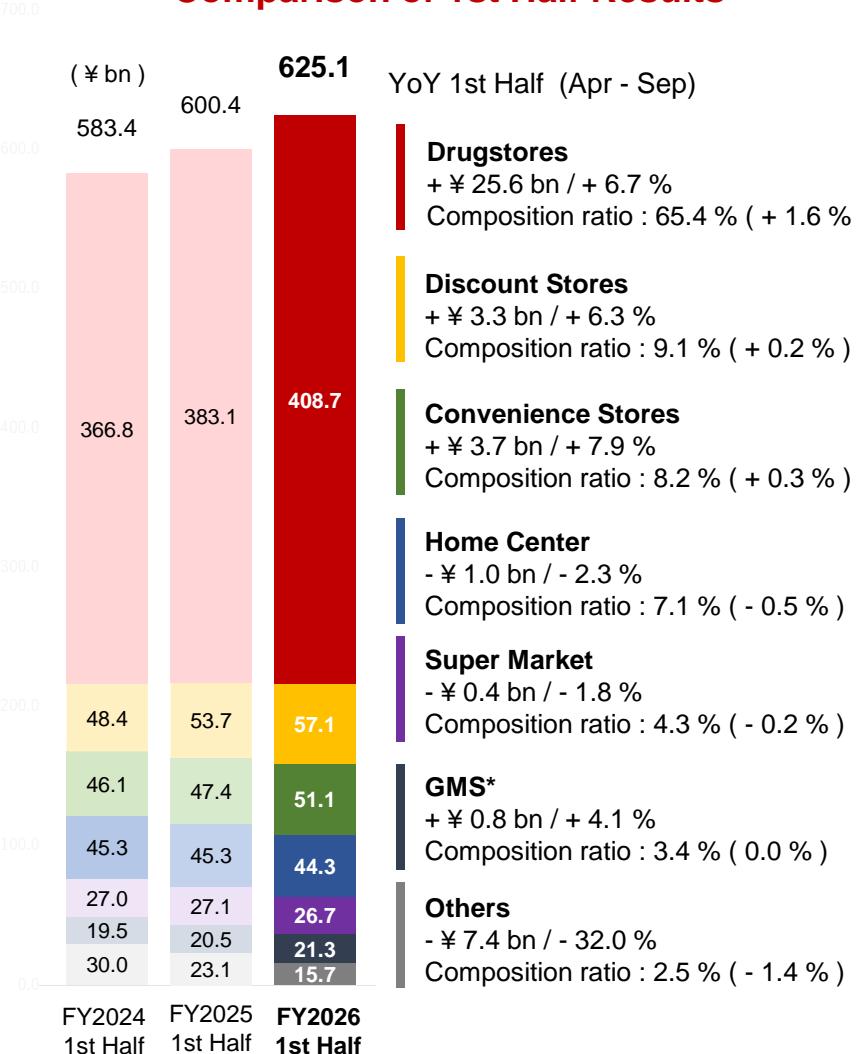
## - Quarterly Results -



# Sales Composition by Customer Category YoY Q2 FY2026

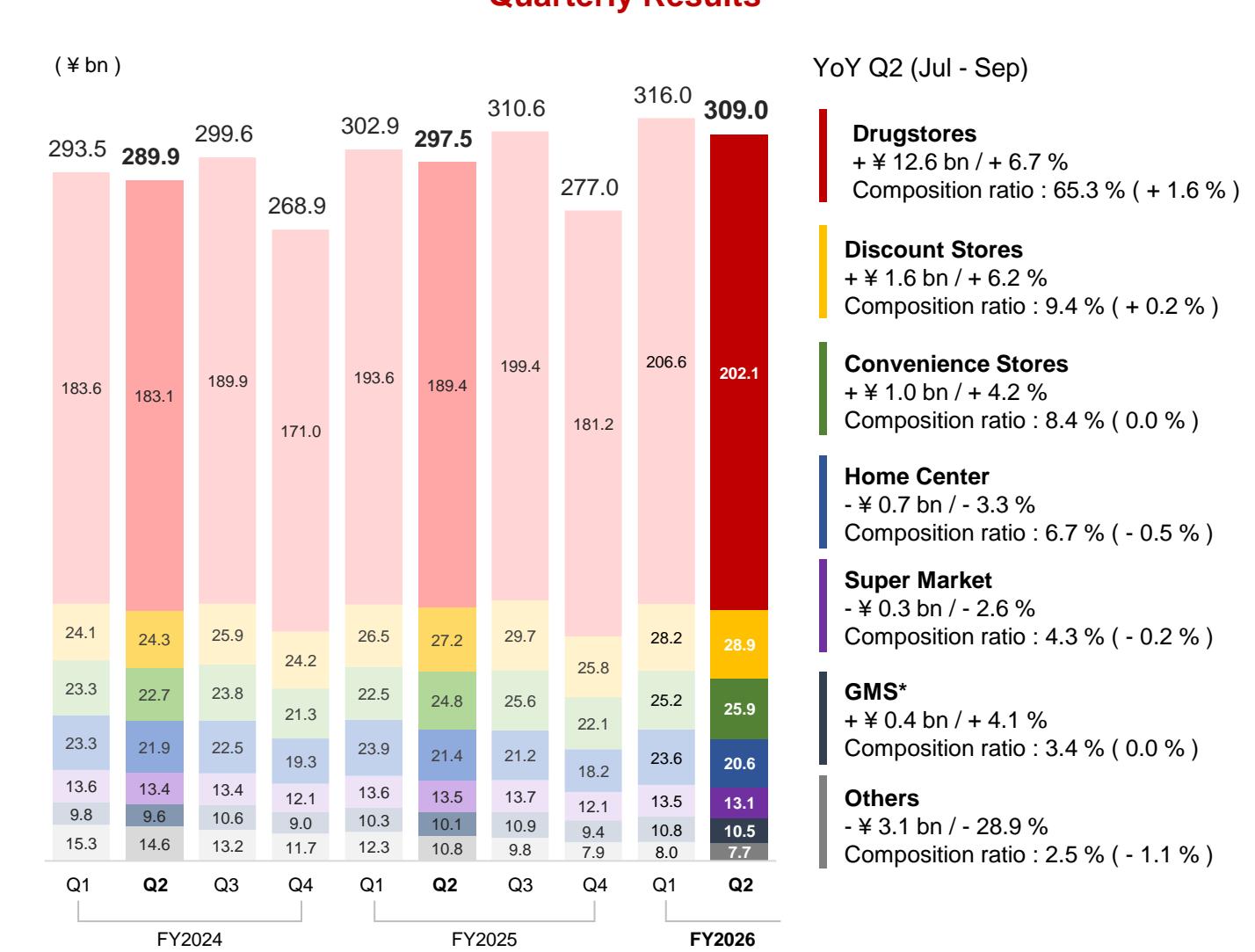


## - Comparison of 1st Half Results -



\* GMS stands for General Merchandising Store

## - Quarterly Results -



# Gross Profit YoY Q2 FY2026

1st Half

Despite a challenging environment for securing profits, both the amount and margin exceeded the previous year, driven by sales growth and the expansion of newly introduced high value-added products (YoY + ¥2.3 bn / GPM +0.08%)

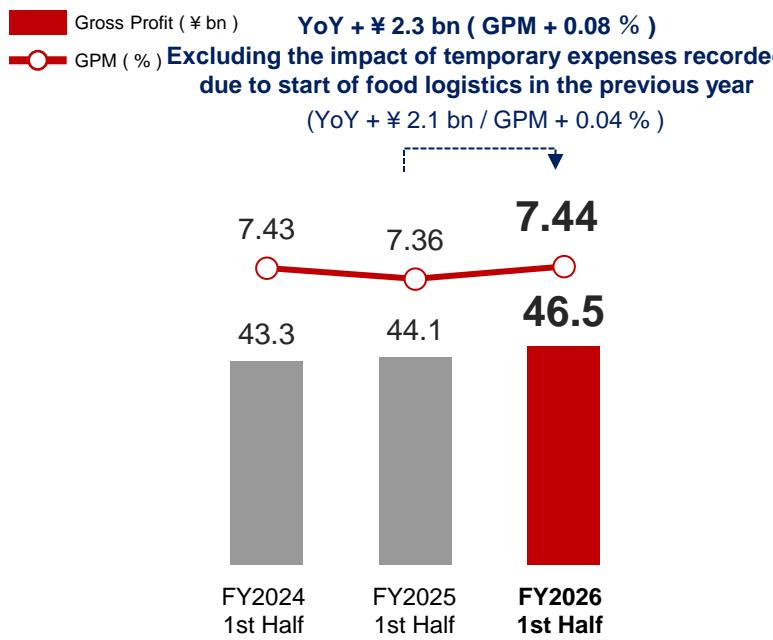
(Main Factors) Improving: Securing amount of gross profits due to sales expansion / Improved profit margins due to price hikes and increased sales of high value-added products / Increase in handling volume of contracted logistics / Impact of temporary expenses recorded due to start of food logistics in the previous year (+ ¥ 0.2bn GPM+0.04% )

Worsening: Increase in center fees (increased sales of companies incurring center fees, rising logistics costs, etc.)

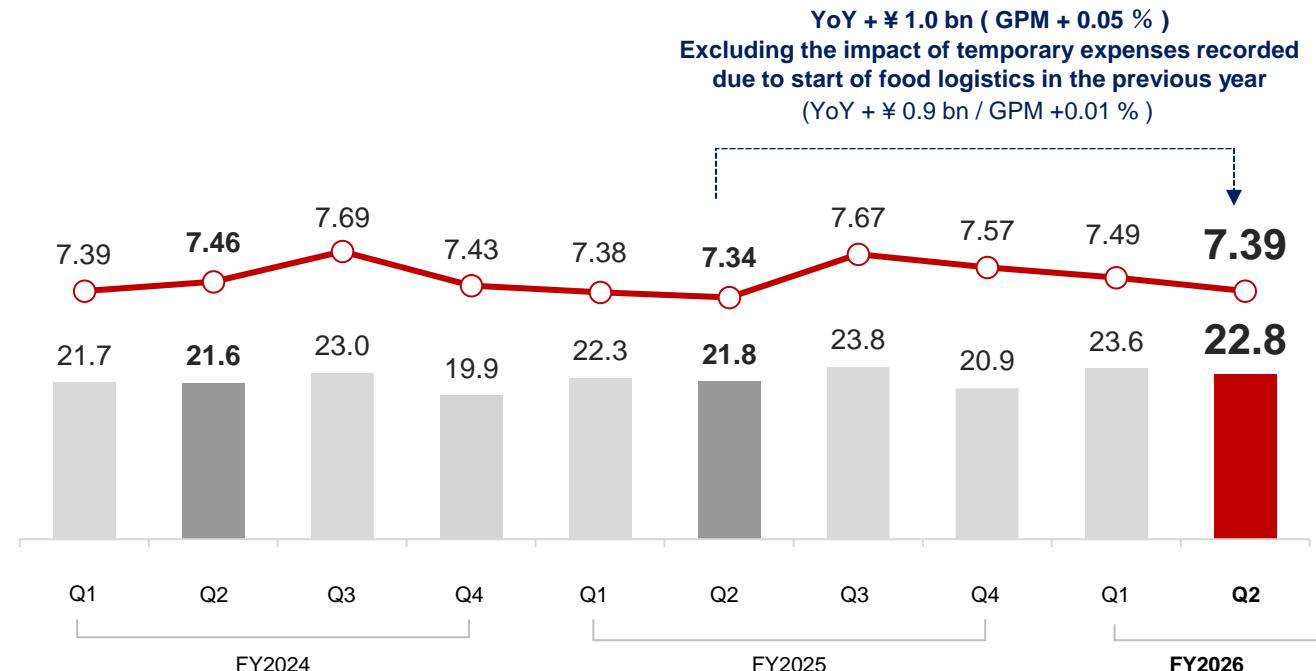
Q2

Increase in both amount and margin, driven by sales growth, improvement in gross profit margin, and increase in handling volume of contracted logistics (YoY + ¥1.0 bn / GPM +0.05%)

## - Comparison of 1st Half Results -



## - Quarterly Results -



# SG&A Expenses YoY Q2 FY2026

1st Half

Increase in both amount and ratio, due to investments in human capital and rising logistics costs such as warehouse labor and delivery expenses (YoY + ¥2.4 bn / SG&A expenses ratio +0.19%)

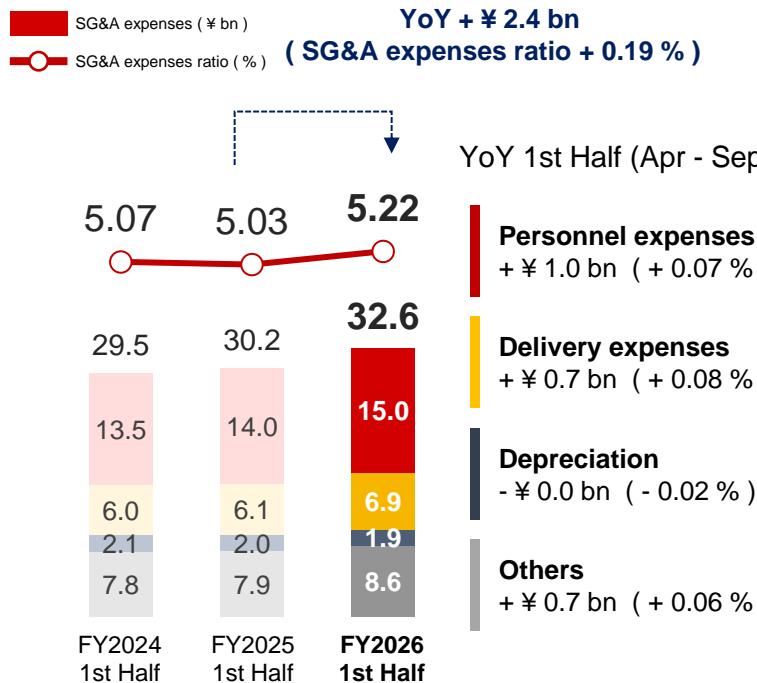
(Main Factors) Increase : Investment in human capital (securing personnel, wage increases including part-time hourly wages) / Rise in temporary staffing cost ratio / Increase in delivery costs due to higher delivery unit prices / Recorded expenses related to the operation of externally leased centers (rental fees, consumable goods, etc.)

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

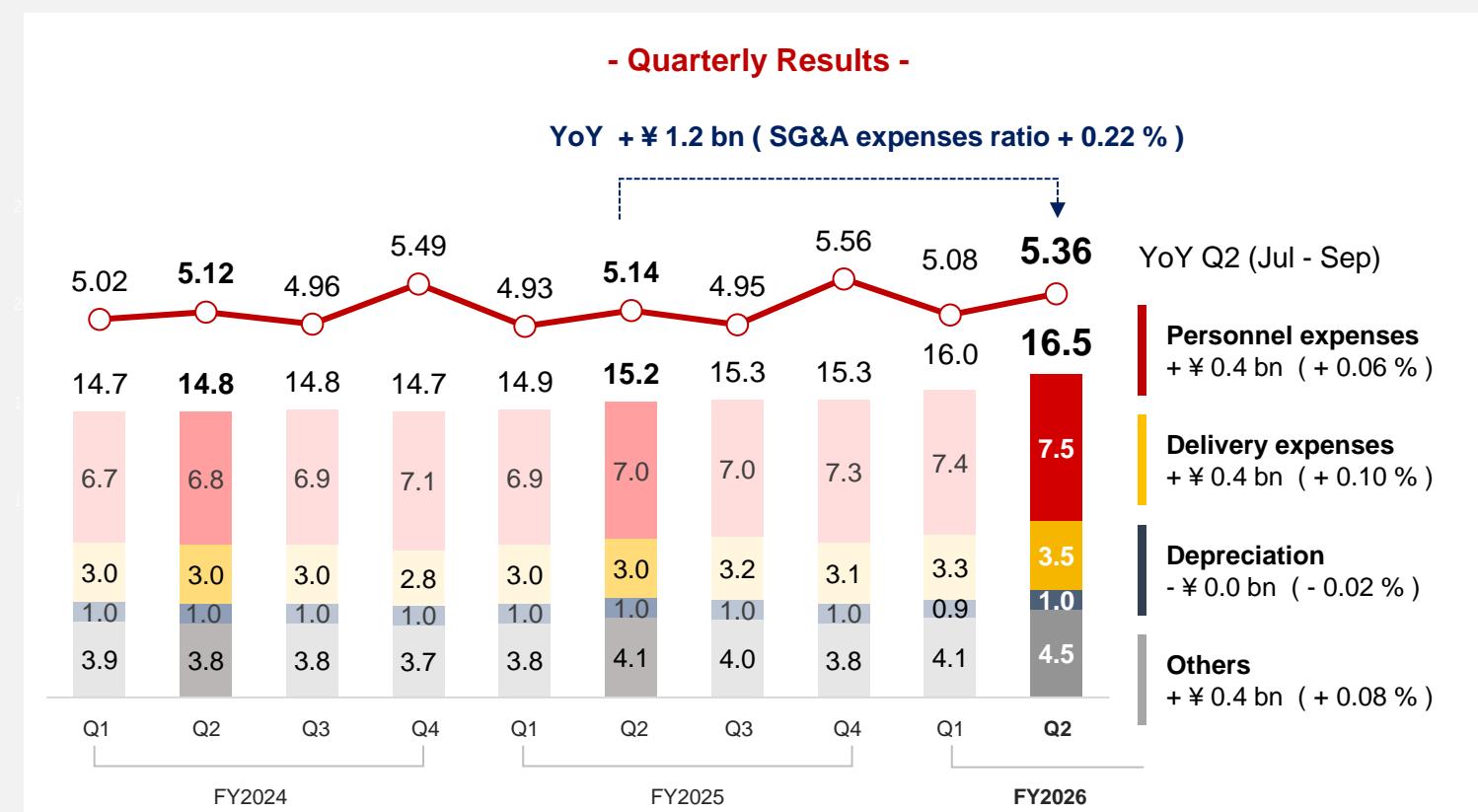
Q2

Both the amount and ratio exceeded the previous year (YoY + ¥1.2 bn, SG&A expenses ratio +0.22%), mainly due to increased response costs caused by greater-than-expected demand fluctuations triggered by a sudden rise in temperature, which impacted delivery expenses and warehouse labor costs. In addition, the start of operations at externally leased centers and the associated initial costs led to an increase in expenses

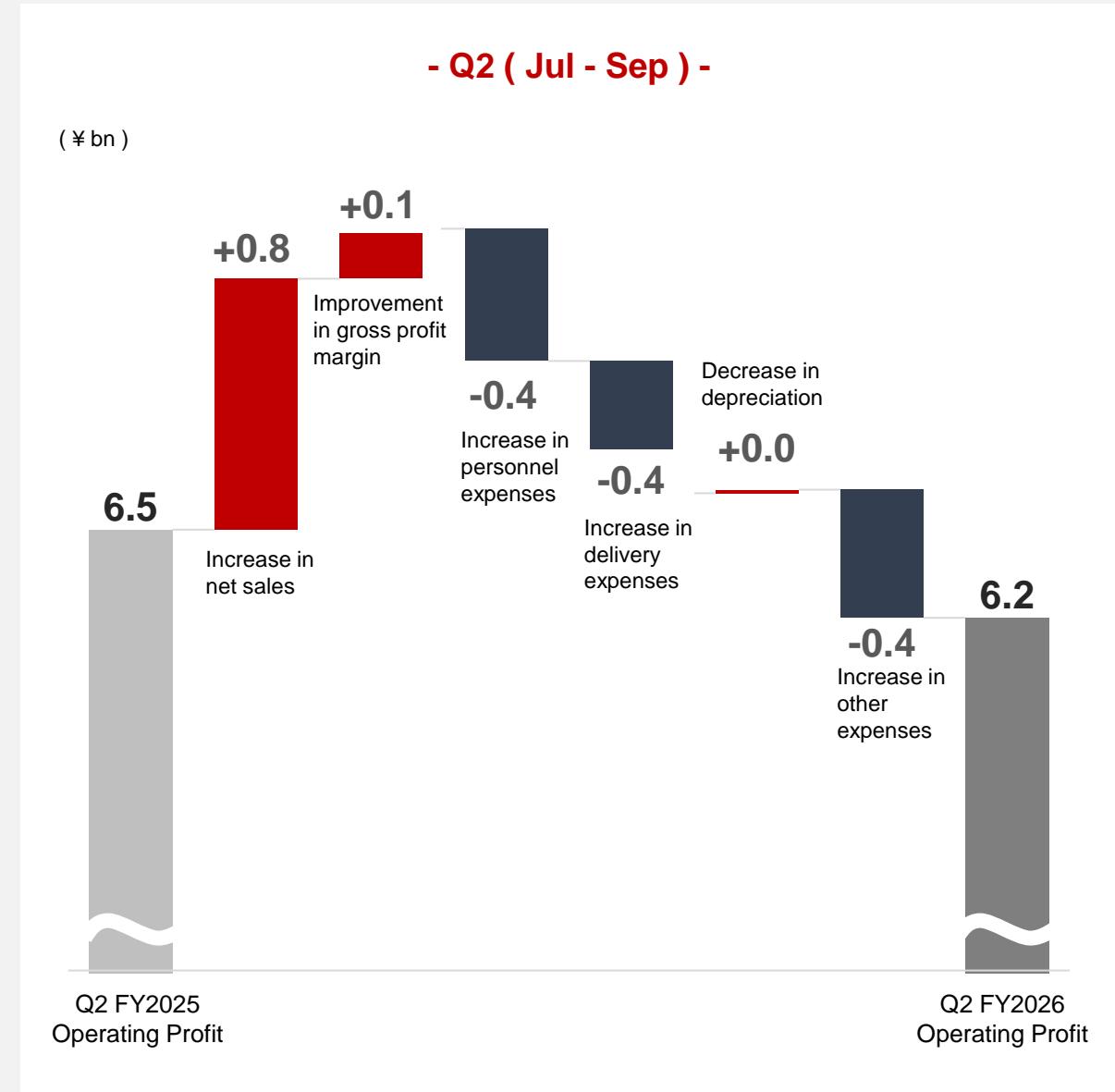
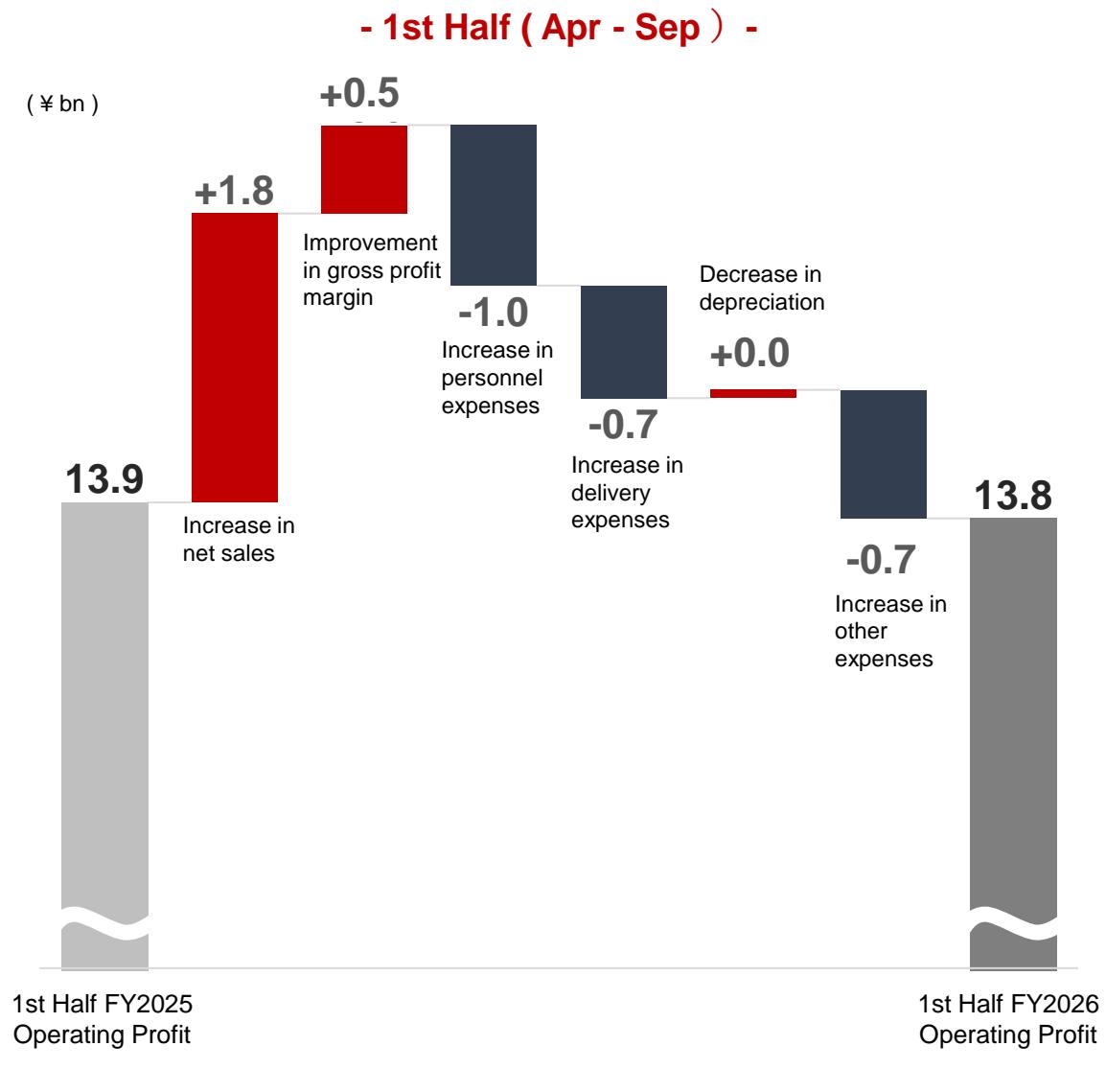
## - Comparison of 1st Half Results -



## - Quarterly Results -



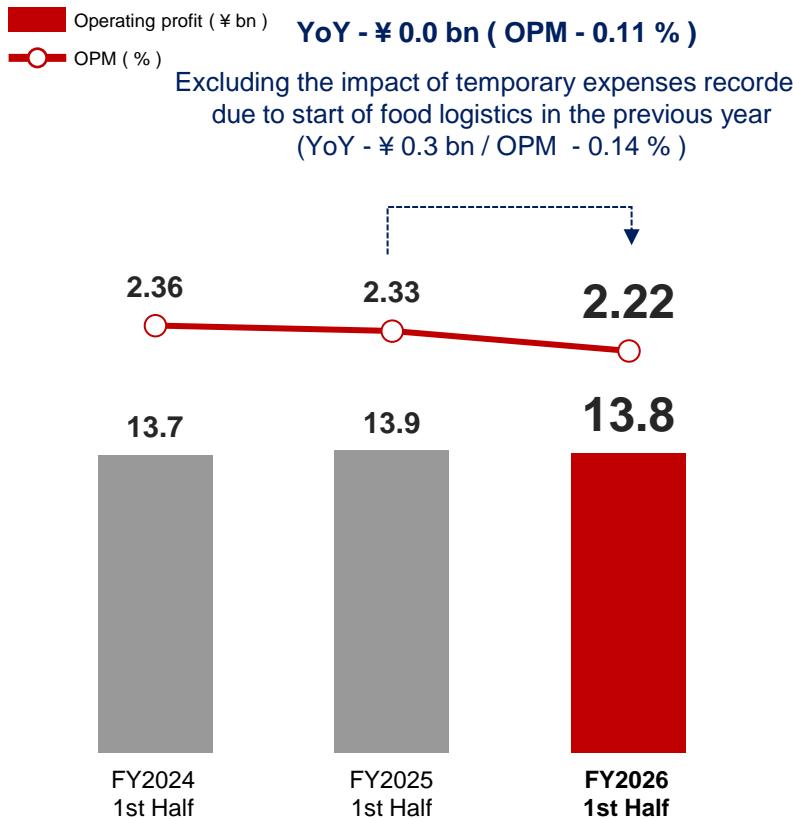
# Operating Profit YoY Q2 FY2026



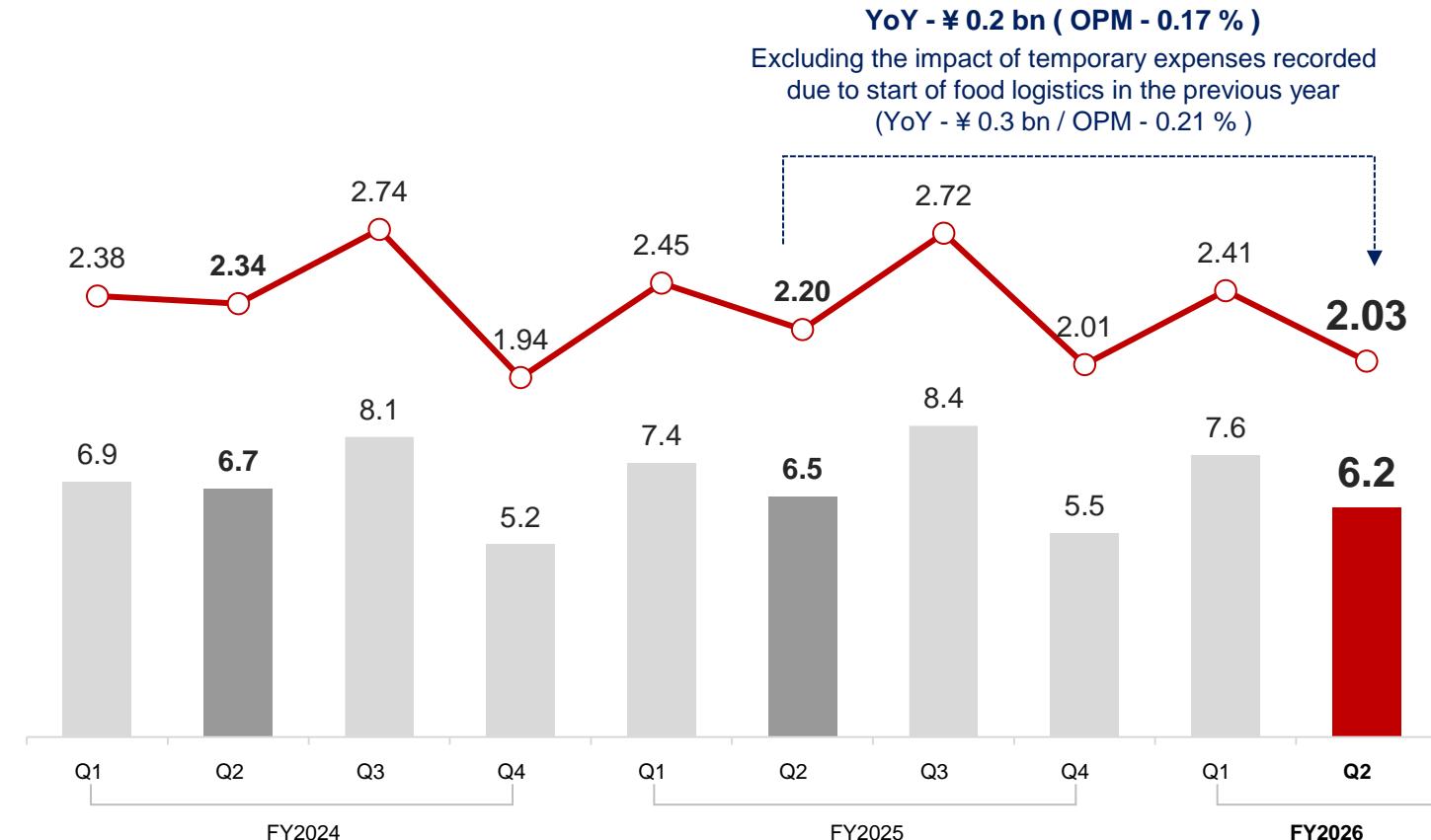
# Operating Profit YoY Q2 FY2026

Operating profit fell short of the previous year's level in both amount and margin in the first half and the second quarter, as the increase in SG&A expenses outpaced the growth in gross profit

## - Comparison of 1st Half Results -



## - Quarterly Results -



# Analysis of Non-operating Profit and Loss / Extraordinary Profit and Loss (Apr - Sep) YoY Q2 FY2026

¥ billion	FY2025	FY2026	YoY
<b>Non-operating income</b>	2.23	1.73	-0.49
Research fee income*	0.93	0.95	+0.01
Dividend income	0.30	0.32	+0.02
Subsidy income	0.57	0.01	-0.56
Others	0.42	0.44	+0.02
<b>Non-operating expenses</b>	0.03	0.02	-0.00
Interest expenses	0.00	0.00	+0.00
Rent cost on real estate	0.01	0.01	-0.00
Others	0.01	0.00	-0.00
<b>Extraordinary income</b>	1.01	0.47	-0.53
Gain on sales of investment securities	1.01	-	-1.01
Gain on reversal of provision for loss on disaster	0.00	-	-0.00
Insurance income	-	0.47	+0.47
<b>Extraordinary loss</b>	0.00	0.00	-0.00
Loss on disposal of fixed assets	0.00	0.00	-0.00

\* Research fee income is income obtained by providing sales performance of retailers to some manufacturers based on a contract and tends to fluctuate depending on sales

## Non-operating Profit and Loss

**YoY - ¥ 0.49 bn**

(Main factors)

- Recorded subsidies for the acquisition of land and buildings related to the construction of the Tochigi distribution center in the previous fiscal year

## Extraordinary Profit and Loss

**YoY - ¥ 0.53 bn**

(Main factors)

- Recorded gains from the sale of investment securities in line with the policy of reducing cross-shareholdings in the previous year
- Recorded insurance proceeds related to the Noto Peninsula earthquake

# Cash Flow Status (Apr - Sep) Q2 FY2026

## Operating activities

Increased due to an expansion in sales and profits

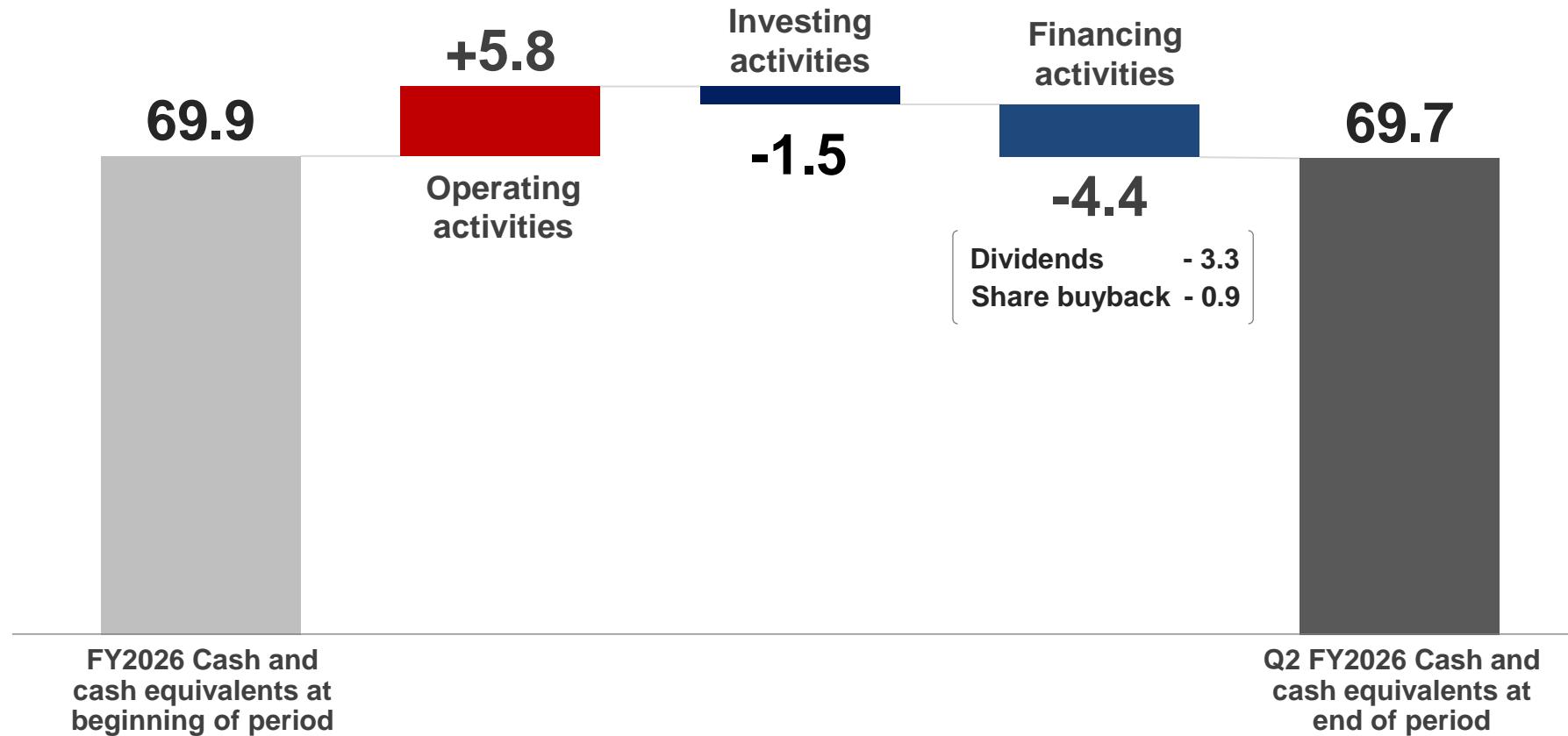
## Investing activities

Executed capital investment to secure logistics capacity

## Financing activities

Steadily implemented measures of shareholder return in line with the medium-term management plan

(¥ bn)



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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
<b>Net Sales</b>	1,188.0	<b>1,230.0</b>	+41.9	+3.5%
<b>Gross Profit</b>	88.9 (7.49)	<b>92.8 (7.54)</b>	+3.8 (+0.05)	+4.3%
<b>SG&amp;A Expenses</b>	60.9 (5.13)	<b>63.8 (5.19)</b>	+2.8 (+0.06)	+4.6%
<b>Operating Profit</b>	28.0 (2.36)	<b>29.0 (2.36)</b>	+0.9 (0.00)	+3.5%
<b>Ordinary Profit</b>	31.6 (2.67)	<b>32.2 (2.62)</b>	+0.5 (-0.05)	+1.6%
<b>Profit</b>	22.8 (1.92)	<b>22.0 (1.79)</b>	-0.8 (-0.13)	-3.8%
<b>Earnings per share (¥)*</b>	366.46	<b>356.70</b>	-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

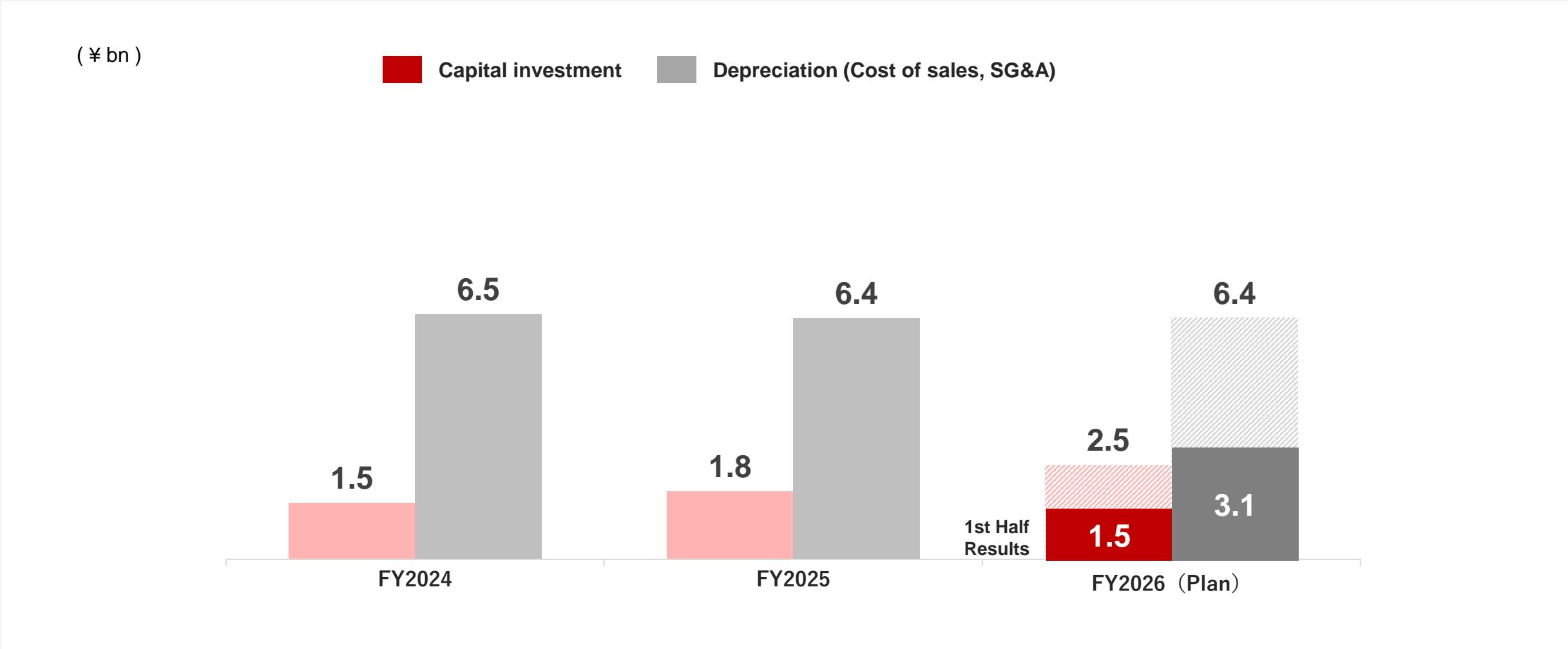
- Strengthening sales of high value-added products (higher-margin control)
- Increase in center fees to sales ratio (negative impact : impact of soaring prices and rising delivery expenses, etc.)

## SG&A Expenses

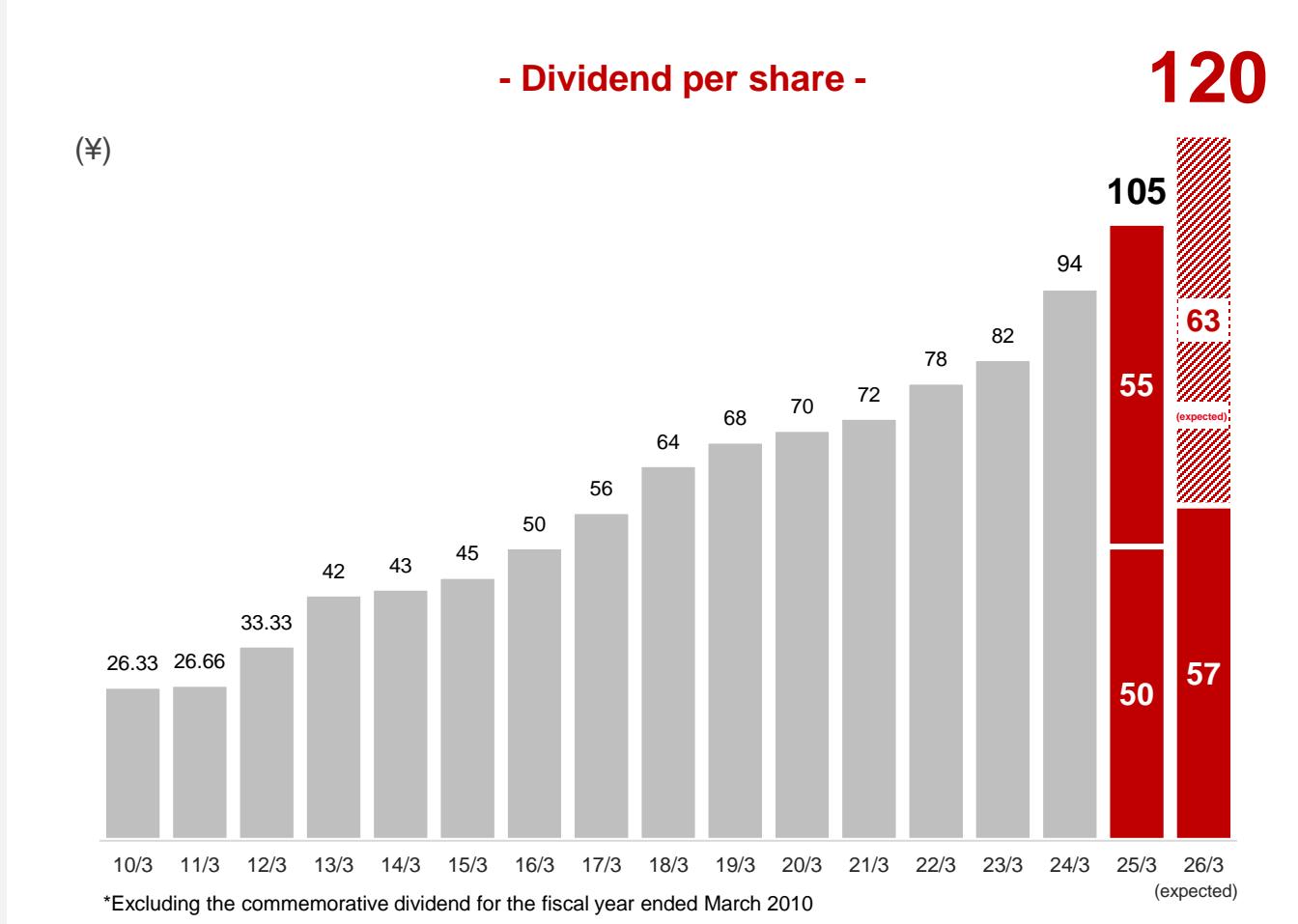
- Investment in human capital (securing human capital / wage hikes etc.)
- Increase in delivery expenses per unit

# Forecasts of Capital Investment / Depreciation FY2026

- Capital investment for FY2026 is expected to total ¥2.5 billion
- Investment in leased external distribution centers is progressing as planned



Continue to increase dividends more than profit growth



Increase in dividends for  
16th consecutive years  
since listing (Including expected)

FY2025 ¥ 11 dividends increased  
FY2026 ¥ 15 dividends increased (expected)

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## Factors (hypotheses)

- **Sudden temperature fluctuations** (due to abnormal weather conditions)
- **Trend waves** driven by viral consumption on social media
- **Fluctuations in consumer behavior due to promotional buying and restrained spending in response to inflation**

## Impacts

### **Increased operational burden due to labor shortages** «Capacity constraints and complex operations, resulting in higher costs»

- Proactive introduction of new product lines including overseas products, resulting in an increase in the number of SKUs
- Fine-tuned operations within limited capacity
- Operational response to widening gap between peak and off-peak periods
- Adjustment of workforce and trucks in line with demand fluctuations

## Issues and initiatives

- ◆ **Capacity constraints hinder efficient operations**
  - Maximize utilization of existing distribution centers by reducing slow-moving items
  - Secure capacity in metropolitan areas such as Tokyo, Nagoya, and Osaka
- ◆ **Challenges in securing sufficient personnel and trucks** (increased burden of personnel and delivery costs)
  - Enhancing demand forecasting accuracy through stronger collaboration with retailers and reforming internal coordination systems
  - Promoting diversity in recruitment, including foreign workers and short-term part-time staff
  - Improving delivery efficiency through cross-industry collaboration

**Strengthening collaboration between the sales and logistics teams to improve productivity**

**Build a structure that fulfills supply responsibility as a wholesaler of daily necessities and enables total cost reduction**

#### Long-term vision

Creating the future of people and society through the power of connections

~PALTAC VISION 2027~

Constructing the foundation for transformation  
through structural reform

Four key strategies	FY2026 TOPICS	
	Q1	Q2
1 Improving profitability of existing business	<ul style="list-style-type: none"> <li>Held the “K-INNER BEAUTY POP-UP” event to promote Korean inner beauty products</li> <li>Started joint delivery in the Tokyo metropolitan area in collaboration with ARATA CORPORATION</li> <li>Participated in demonstration experiment of highway transportation using autonomous trucks with T2 Inc. and Daio Paper Corporation</li> </ul>	<ul style="list-style-type: none"> <li>Launched the Japan rollout of Vietnamese vegan cosmetics brand “Cocoon”</li> <li>Securing logistics capacity through the launch of external distribution centers</li> </ul>
2 Taking on the challenge of creating new value	<ul style="list-style-type: none"> <li>Received the Excellence Award of the Supply Chain Innovation Awards 2025 for the operation of comprehensive logistics of non-food and food products</li> </ul>	<ul style="list-style-type: none"> <li>Formed a capital and business alliance with Fez Inc. to promote DX in the supply chain</li> <li>Establishment of a new joint company for centralized management of product information (PALTAC CORPORATION × ARATA CORPORATION × PLANET INC.)</li> </ul>
3 Improving sustainability	<ul style="list-style-type: none"> <li>Selected as “Asia-Pacific Climate Leaders 2025” for the first time</li> </ul>	<ul style="list-style-type: none"> <li>Improving the work environment to maximize human capital value (Enhanced heatstroke prevention measures at worksites, etc.)</li> </ul>
4 Undertaking management to enhance capital efficiency	<ul style="list-style-type: none"> <li>Started ESG share buyback initiative</li> </ul>	<ul style="list-style-type: none"> <li>Continued ESG share buyback initiative</li> </ul>

## Topics ②: Medium- to long-term initiatives

~Progress of the medium-term management plan “PALTAC VISION 2027”~

Taking on the challenge of creating new value

Entered into a capital and business alliance agreement with Fez Inc.

**Aim to enhance customer value and optimize distribution processes by integrating supply chain data through the combined strengths of both companies**

### PALTAC

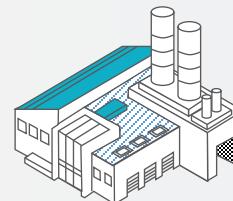
Covers one-third of wholesale distribution for daily necessities and possesses the industry's largest volume of distribution data



### Fez Inc.

Operates one of Japan's largest retail data platforms and possesses advanced data analytics and utilization capabilities

#### Manufacturers



#### Information



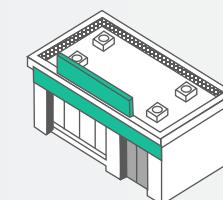
Data on products,  
delivery, and sales

#### PALTAC



Connect and visualize  
scattered distribution  
data

#### Retailers



#### Information



Data on sales, delivery,  
and store operations

Please refer to the release posted on our website for details  
(<https://www.paltac.co.jp/news/>)

“August 28, 2025: Notice regarding capital and business alliance between PALTAC and Fez”

#### Taking on the challenge of creating new value

#### Joint establishment of a new company for centralized management of product information (PALTAC CORPORATION × ARATA CORPORATION × PLANET INC.)

**Unite and collaborate across the entire supply chain to centralize master product data management**  
**Aim to optimize both commercial and physical distribution to drive industrywide development**

#### Issues

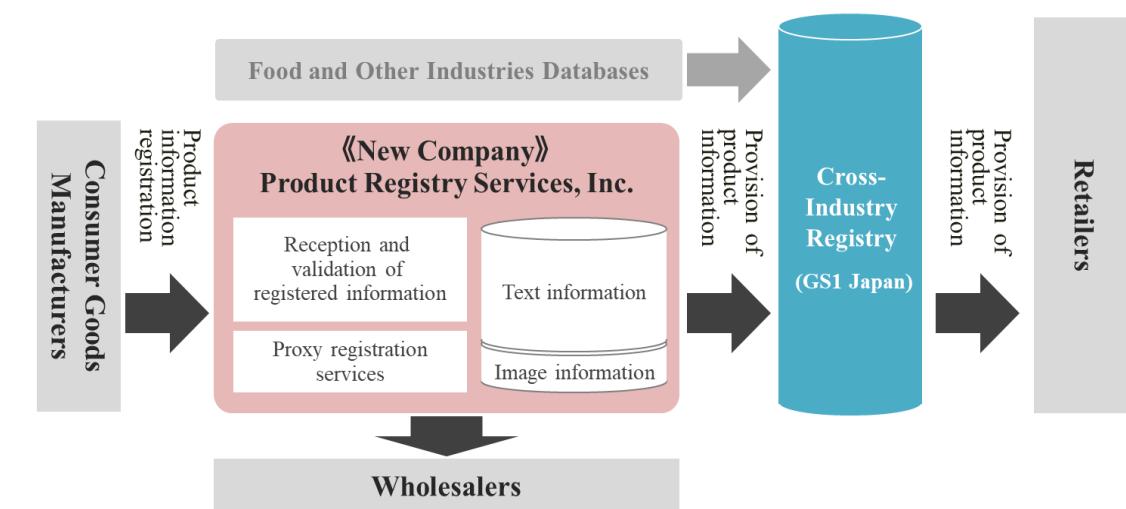
##### Lack of standardized product information management

- Rules and formats for data management are not standardized
- Manual data processing and entry required for each business partner

##### Lack of uniqueness in identification codes (JAN codes)

- Low efficiency in delivery and inventory control
- Higher communication costs due to manual confirmation tasks

#### « Role of the new company and product information flow »



**Centralize master product data to eliminate wasteful data management across the industry**

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# Sales Composition by Product Category (Quarterly) FY2026



¥ billion	FY2026						
	1st Half	YoY	Q1	YoY	Q2	YoY	
Net Sales	625.1	+24.7 [+4.1%]	316.0	+13.1 [+4.3%]	309.0	+11.5 [+3.9%]	
Cosmetics	151.4	+7.4 [+5.2%]	75.9	+3.0 [+4.2%]	75.4	+4.4 [+6.2%]	
Daily necessities	281.8	+15.2 [+5.7%]	144.5	+7.7 [+5.7%]	137.2	+7.5 [+5.8%]	
OTC pharmaceuticals	72.4	-1.7 [-2.4%]	35.6	-0.5 [-1.6%]	36.7	-1.2 [-3.2%]	
Health and sanitary related products	109.1	+2.8 [+2.7%]	54.7	+2.4 [+4.7%]	54.4	+0.4 [+0.7%]	
Others	10.2	+0.8 [+9.5%]	5.1	+0.4 [+8.9%]	5.1	+0.4 [+10.1%]	

# Sales Composition by Customer Category (Quarterly) FY2026



¥ billion	FY2026						
	1st Half	YoY	Q1	YoY	Q2	YoY	
Net Sales	625.1	+24.7 [+4.1%]	316.0	+13.1 [+4.3%]	309.0	+11.5 [+3.9%]	
Drugstores	408.7	+25.6 [+6.7%]	206.6	+13.0 [+6.7%]	202.1	+12.6 [+6.7%]	
Discount stores	57.1	+3.3 [+6.3%]	28.2	+1.6 [+6.4%]	28.9	+1.6 [+6.2%]	
Convenience stores	51.1	+3.7 [+7.9%]	25.2	+2.7 [+12.1%]	25.9	+1.0 [+4.2%]	
Home centers	44.3	-1.0 [-2.3%]	23.6	-0.3 [-1.3%]	20.6	-0.7 [-3.3%]	
Supermarkets	26.7	-0.4 [-1.8%]	13.5	-0.1 [-1.0%]	13.1	-0.3 [-2.6%]	
GMS *	21.3	+0.8 [+4.1%]	10.8	+0.4 [+4.1%]	10.5	+0.4 [+4.1%]	
Others	15.7	-7.4 [-32.0%]	8.0	-4.2 [-34.8%]	7.7	-3.1 [-28.9%]	

\* GMS stands for General Merchandising Store

# Forecasts 1st Half / 2nd Half FY2026

¥ billion (ratio of net sales: %)	FY2026 Plan									
	Total	YoY		1st Half	YoY		2nd Half	YoY		
Net Sales	1,230.0	+41.9	+3.5%	622.0	+21.5	+3.6%	608.0	+20.3	+3.5%	
Gross Profit	92.8 (7.54)	+3.8 (+0.05)	+4.3%	46.2 (7.43)	+2.0 (+0.07)	+4.6%	46.6 (7.66)	+1.7 (+0.04)	+4.0%	
SG&A Expenses	63.8 (5.19)	+2.8 (+0.06)	+4.6%	31.6 (5.08)	+1.3 (+0.05)	+4.6%	32.2 (5.30)	+1.4 (+0.06)	+4.6%	
Operating Profit	29.0 (2.36)	+0.9 (0.00)	+3.5%	14.6 (2.35)	+0.6 (+0.02)	+4.5%	14.4 (2.37)	+0.3 (-0.02)	+2.6%	
Ordinary Profit	32.2 (2.62)	+0.5 (-0.05)	+1.6%	16.2 (2.60)	+0.0 (-0.09)	+0.1%	16.0 (2.63)	+0.4 (-0.01)	+3.2%	
Profit	22.0 (1.79)	-0.8 (-0.13)	-3.8%	11.1 (1.78)	-0.7 (-0.20)	-6.7%	10.9 (1.79)	-0.0 (-0.08)	-0.6%	

## **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.