

# Non-consolidated Financial Results for the First Nine Months of the Fiscal Year Ending March 31, 2025 <under Japanese GAAP>

February 3, 2025

Company name: PALTAC CORPORATION  
(URL: <https://www.paltac.co.jp/>)  
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Scheduled date to commence dividend payments: —  
Preparation of supplementary material on quarterly financial results: Yes  
Holding of quarterly financial results presentation meeting: No

(Figures are rounded down to the nearest million yen)

## 1. Financial Results for the First Nine Months of the Fiscal Year Ending March 31, 2025 (From April 1, 2024 to December 31, 2024)

(1) Operating Results (cumulative) (% increase figures indicate year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit	
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%
Nine months ended December 31, 2024	911,064	3.2	22,439	2.1	25,417	3.1	18,282	6.6
December 31, 2023	883,042	4.1	21,968	15.0	24,659	15.2	17,144	16.2

	Earnings per share	Diluted earnings per share
	(¥)	(¥)
Nine months ended December 31, 2024	292.09	—
December 31, 2023	272.80	—

## (2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	(¥ million)	(¥ million)	%	(¥)
December 31, 2024	523,038	284,957	54.5	4,597.11
March 31, 2024	495,697	277,962	56.1	4,422.87

Reference: Equity      As of December 31, 2024: ¥284,957 million      As of March 31, 2024: ¥277,962 million

## 2. Dividends

	Annual dividends per share				
	First quarter	Second quarter	Third quarter	Year-end	Total
	(¥)	(¥)	(¥)	(¥)	(¥)
Fiscal year ended March 31, 2024	—	45.00	—	49.00	94.00
Fiscal year ending March 31, 2025	—	50.00	—		
Fiscal year ending March 31, 2025 (Forecast)				55.00	105.00

Note: Revision to the forecasts most recently announced: No

## 3. Forecasts of Financial Results for the Fiscal Year Ending March 31, 2025

(From April 1, 2024 to March 31, 2025)

(% increase figures indicate year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥)
Fiscal year	1,190,000	3.3	28,000	3.0	31,700	3.8	22,000	6.6	350.06

Note: Revision to the forecasts most recently announced: No

**\* Notes**

(1) Adoption of Accounting Treatments Specific to Preparation of Quarterly Financial Statements: No

(2) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatements

- 1) Changes in accounting policies due to revisions to accounting standards, and other regulations: No
- 2) Changes in accounting policies due to other reasons: No
- 3) Changes in accounting estimates: No
- 4) Restatements: No

(3) Number of Issued Shares (common stock)

1) Number of issued shares at the end of the period (including treasury stock)

As of December 31, 2024	63,000,000 shares
As of March 31, 2024	63,553,485 shares

2) Number of treasury shares at the end of the period

As of December 31, 2024	1,013,711 shares
As of March 31, 2024	706,796 shares

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

For the nine months ended December 31, 2024	62,591,726 shares
For the nine months ended December 31, 2023	62,846,726 shares

(Note)

- (1) On June 3, 2024, the Company retired treasury stock. As a result, the number of issued shares and of treasury shares decreased by 553,485 shares respectively.
- (2) Based on a decision by the Board of Directors on July 29, 2024, the Company purchased treasury stock of 860,400 shares during the period from July 30, 2024 to December 31, 2024.

\* The quarterly review procedures for quarterly financial statements and notes to quarterly financial statements by certified public accountants or audit firms: No

\* Information regarding proper use of the forecasts of financial results, and other special instructions (Cautionary notes to the forward-looking statements)

The forward-looking statements contained in this report, including forecasts of financial results, are based on information currently available and assumptions that management believes to be reasonable. Actual financial and other results may differ substantially due to various factors. Please refer to the section “1. Financial Results Information for the Nine Months Ended December 31, 2024 (3) Forecasts and Other Projections” on page 4 of the attached material to this quarterly financial results report for the suppositions that form the assumptions for the forecasts and cautions concerning the use thereof.

(How to access the presentation material for this quarterly financial results)

Presentation (Presentation Material for this financial results) is posted on the Company’s website (<https://www.paltac.co.jp/tomorrow/index.html>).

(The quarterly review procedures by certified public accountants or audit firms)

The Company will plan to receive the quarterly review procedures for quarterly financial statements and notes to quarterly financial statements by certified public accountants or audit firms. And after those procedures noted above, the Company will disclose the financial results report with the quarterly review report attached on February 10, 2025.

(Information regarding this results report written in English)

None of the information in this report constitutes solicitation to purchase or sell the stock of PALTAC CORPORATION. It was not prepared with the intention of providing investment advice about the stock of PALTAC CORPORATION.

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.

## Attached Material

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## 1. Financial Results Information for the Nine Months Ended December 31, 2024

### (1) Operating Results

#### Results highlights

In the nine months ended December 31, 2024, business conditions remained difficult due to the increasing trend in budget-consciousness of consumers and the soaring logistics costs, despite a certain level of growth of demand reflecting a pick-up in people's movement and an increase in foreign tourists to Japan.

In terms of sales results, PALTAC CORPORATION (the "Company") was seeing the market conditions of consistently declining demand for the COVID-19-related products, budget-consciousness of consumers and restrained purchasing certain products such as supplements. Amid these conditions, the Company has achieved year-on-year growth of net sales by successfully responding to the market changes arising from a pick-up in people's movement, an increase in inbound demand, pandemic of infectious disease and more through data analysis, and steadily carrying out effective sales activities including launching attractive new products.

In terms of profits, despite an increase in the SG&A expenses due to soaring logistics costs and active investment in human resources, operating profit was up year on year due to an increase in gross profit accompanying sales expansion and decline in the SG&A expenses rate due to effects from fixed expenses absorption.

Results highlights for the nine months ended December 31, 2024 are as follows:

	Nine months ended December 31, 2023	Nine months ended December 31, 2024	(Millions of yen, unless otherwise noted) Change	
			Amount	Rate (%)
Net sales	883,042	911,064	28,021	3.2
Gross profit	66,382	68,021	1,638	
[Gross profit margin (%)]	[7.52]	[7.47]	[-0.05]	2.5
SG&A expenses	44,414	45,581	1,167	
[SG&A expenses ratio (%)]	[5.03]	[5.00]	[-0.03]	2.6
Operating profit	21,968	22,439	471	
[Operating profit ratio (%)]	[2.49]	[2.46]	[-0.03]	2.1
Ordinary profit	24,659	25,417	757	
[Ordinary profit ratio (%)]	[2.79]	[2.79]	[0.00]	3.1
Profit	17,144	18,282	1,137	
[Profit margin (%)]	[1.94]	[2.01]	[0.07]	6.6

## Sales highlights

Sales results for the nine months ended December 31, 2024 by product category are as follows:

(Millions of yen, unless otherwise noted)

Product category	Nine months ended December 31, 2023	Nine months ended December 31, 2024	Change	
			Amount	Rate (%)
Cosmetics	207,219	215,558	8,339	4.0
Daily necessities	384,399	404,428	20,029	5.2
OTC pharmaceuticals	115,222	113,557	-1,665	-1.4
Health and sanitary related products	161,274	161,886	612	0.4
Others	14,927	15,633	706	4.7
Total	883,042	911,064	28,021	3.2

Sales results for the nine months ended December 31, 2024 by customer category are as follows:

(Millions of yen, unless otherwise noted)

Customer category	Nine months ended December 31, 2023	Nine months ended December 31, 2024	Change	
			Amount	Rate (%)
Drugstores (Pharmacies)	556,844	582,538	25,694	4.6
Discount stores	74,379	83,475	9,095	12.2
Convenience stores	69,907	73,072	3,164	4.5
Home centers (DIY stores)	67,848	66,579	-1,269	-1.9
Supermarkets	40,506	40,983	476	1.2
General merchandising stores	30,232	31,465	1,233	4.1
Export, EC business and others	43,322	32,949	-10,373	-23.9
Total	883,042	911,064	28,021	3.2

As the Company has one reportable segment, disclosure by segment information has been omitted.

## (2) Financial Position

### 1) Assets, liabilities and net assets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024	Change in amount
Total assets	495,697	523,038	27,341
Total liabilities	217,734	238,080	20,346
Net assets	277,962	284,957	6,995

(Assets)

Total assets as of the end of the third quarter were ¥523,038 million, an increase of ¥27,341 million from the end of the previous fiscal year. Main factors were increases in notes and accounts receivable-trade and in merchandise and finished goods.

(Liabilities)

Total liabilities as of the end of the third quarter were ¥238,080 million, an increase of ¥20,346 million from the end of the previous fiscal year. Main factor was an increase in notes and accounts payable-trade.

(Net assets)

Net assets as of the end of the third quarter were ¥284,957 million, an increase of ¥6,995 million from the end of the previous fiscal year. Main factors were increases in retained earnings and in treasury shares.

2) Cash flows

	(Millions of yen)	
	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Cash flows from operating activities	14,137	9,592
Cash flows from investing activities	(5,028)	56
Cash flows from financing activities	(5,493)	(9,983)

(Cash flows from operating activities)

Net cash provided by operating activities was ¥9,592 million. Main factors were an increase in notes and accounts receivable-trade and an increase in notes and accounts payable-trade.

(Cash flows from investing activities)

Net cash provided by investing activities was ¥56 million. Main factors were purchase of property, plant and equipment and proceeds from sales of investment securities.

(Cash flows from financing activities)

Net cash used in financing activities was ¥9,983 million. Main factors were cash dividends paid and purchase of treasury shares.

Cash and cash equivalents as of the end of the third quarter were ¥60,659 million, a decrease of ¥334 million from the end of the previous fiscal year.

(3) Forecasts and Other Projections

There is no revision to the forecasts of financial results for the fiscal year ending March 31, 2025 and dividend forecast, which were announced on May 13, 2024.



**2. Quarterly Financial Statements and Notes to Quarterly Financial Statements****(1) Quarterly Balance Sheets**

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	60,994	60,659
Notes and accounts receivable-trade	* 213,163	* 229,704
Merchandise and finished goods	51,352	67,611
Other	21,651	21,803
Allowance for doubtful accounts	(3)	(4)
Total current assets	347,158	379,774
Non-current assets		
Property, plant and equipment		
Buildings, net	47,867	46,011
Land	46,827	46,827
Other	22,893	21,544
Total property, plant and equipment	117,588	114,383
Intangible assets	731	728
Investments and other assets		
Investments and other assets	30,222	28,155
Allowance for doubtful accounts	(3)	(3)
Total investments and other assets	30,218	28,152
Total non-current assets	148,538	143,264
Total assets	495,697	523,038
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	* 169,643	* 198,346
Income taxes payable	5,415	2,882
Provision for bonuses	1,923	779
Provision for loss on disaster	403	—
Other	29,927	25,169
Total current liabilities	207,313	227,177
Non-current liabilities		
Provision for retirement benefits	3,012	3,102
Other	7,408	7,800
Total non-current liabilities	10,421	10,903
Total liabilities	217,734	238,080

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Net assets		
Shareholders' equity		
Capital stock	15,869	15,869
Capital surplus	27,827	25,093
Retained earnings	223,735	235,813
Treasury shares	(3,490)	(4,453)
Total shareholders' equity	263,941	272,323
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	14,001	12,625
Deferred gains or losses on hedges	19	9
Total valuation and translation adjustments	14,021	12,634
Total net assets	277,962	284,957
Total liabilities and net assets	495,697	523,038

## (2) Quarterly Statements of Income

	(Millions of yen)	
	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales	883,042	911,064
Cost of sales	816,659	843,043
Gross profit	66,382	68,021
Selling, general and administrative expenses	44,414	45,581
Operating profit	21,968	22,439
Non-operating income		
Dividend income	368	417
Research fee income	1,457	1,449
Real estate rent	119	124
Subsidy income	56	576
Other	728	540
Total non-operating income	2,730	3,110
Non-operating expenses		
Interest expenses	4	4
Rental expenses on real estate	23	107
Other	11	20
Total non-operating expenses	39	132
Ordinary profit	24,659	25,417
Extraordinary income		
Gain on sale of non-current assets	—	5
Gain on sales of investment securities	140	1,010
Reversal of provision for loss on disaster	—	7
Total extraordinary income	140	1,023
Extraordinary losses		
Loss on retirement of non-current assets	3	7
Total extraordinary losses	3	7
Profit before income taxes	24,796	26,433
Income taxes-current	7,205	7,233
Income taxes-deferred	446	917
Total income taxes	7,651	8,150
Profit	17,144	18,282

## (3) Quarterly Statements of Cash Flows

	(Millions of yen)	
	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Cash flows from operating activities		
Profit before income taxes	24,796	26,433
Depreciation and amortization	4,910	4,855
Increase (decrease) in allowance for doubtful accounts	(0)	0
Increase (decrease) in provision for bonuses	(645)	(1,144)
Increase (decrease) in provision for loss on disaster	—	(403)
Increase (decrease) in provision for retirement benefits	82	(46)
Interest and dividend income	(368)	(418)
Interest expenses	4	4
Loss (gain) on sales of investment securities	(140)	(1,010)
Decrease (increase) in notes and accounts receivable-trade	(15,545)	(16,540)
Decrease (increase) in inventories	(14,053)	(16,258)
Increase (decrease) in notes and accounts payable-trade	22,197	28,703
Decrease (increase) in consumption taxes refund receivable	1,484	(379)
Increase (decrease) in accrued consumption taxes	1,464	(2,900)
Other, net	(2,012)	(1,758)
Subtotal	22,173	19,135
Interest and dividend income received	368	418
Interest expenses paid	—	(2)
Payments associated with disaster loss	—	(401)
Income taxes paid	(8,404)	(9,558)
Net cash provided by (used in) operating activities	14,137	9,592
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,010)	(914)
Proceeds from sale of property, plant and equipment	—	10
Purchase of intangible assets	(109)	(165)
Purchase of investment securities	(169)	(77)
Proceeds from sales of investment securities	260	1,415
Payments for investments in capital of subsidiaries and associates	—	(14)
Other, net	0	(196)
Net cash provided by (used in) investing activities	(5,028)	56
Cash flows from financing activities		
Repayments of lease obligations	(91)	(86)
Cash dividends paid	(5,401)	(6,201)
Purchase of treasury shares	(0)	(3,696)
Net cash provided by (used in) financing activities	(5,493)	(9,983)
Net increase (decrease) in cash and cash equivalents	3,615	(334)
Cash and cash equivalents at beginning of period	45,993	60,994
Cash and cash equivalents at end of period	* 49,608	* 60,659

## (4) Notes to Quarterly Financial Statements

(Notes on premise of going concern)

No items to report.

(Notes on significant changes in the amount of shareholders' equity)

(Cancellation of treasury stock)

Based on a decision by the Board of Directors on May 13, 2024, the Company retired treasury stock of 553,485 shares on June 3, 2024. As a result, capital surplus and treasury shares decreased by ¥2,733 million respectively during the nine months ended December 31, 2024.

(Acquisition of treasury stock)

Based on a decision by the Board of Directors on July 29, 2024, the Company purchased treasury stock of 860,400 shares. As a result, treasury shares at end of the third quarter under review increased by ¥3,696 million from the end of the previous fiscal year.

As results of above facts, capital surplus at the end of the third quarter under review was ¥25,093 million and treasury shares at the end of the third quarter under review was ¥4,453 million.

(Notes on quarterly balance sheets)

\* Notes with maturity date as of the end of the fiscal year

In the accounting treatment of notes with maturity date as of the end of the quarter, although the end of the third quarter ended December 31, 2024 was a holiday for financial institutions, the notes were treated assuming that settlement occurred on the day of maturity. The amounts of notes with maturity date as of the end of the quarter under review and previous fiscal year are as follows.

	As of March 31, 2024	As of December 31, 2024
Notes receivable-trade	762 million yen	862 million yen
Notes payable-trade	4,186	4,240

(Notes on quarterly statements of cash flows)

\* Reconciliation of cash and cash equivalents to those in the quarterly balance sheets

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Cash and deposits	49,608 million yen	60,659 million yen
Time deposits with a deposit period of over three months	—	—
Cash and cash equivalents	49,608	60,659

(Notes on changes in equity)

I. Nine months ended December 31, 2023

Dividends paid

Resolution	Class of shares	Total dividend amount (Millions of yen)	Dividend per share (Yen)	Record date	Effective date	Sources for dividends
Board of Directors meeting held on May 11, 2023	Common stock	2,576	41	March 31, 2023	June 2, 2023	Retained earnings
Board of Directors meeting held on October 30, 2023	Common stock	2,828	45	September 30, 2023	December 1, 2023	Retained earnings

II. Nine months ended December 31, 2024

Dividends paid

Resolution	Class of shares	Total dividend amount (Millions of yen)	Dividend per share (Yen)	Record date	Effective date	Sources for dividends
Board of Directors meeting held on May 13, 2024	Common stock	3,079	49	March 31, 2024	May 31, 2024	Retained earnings
Board of Directors meeting held on October 28, 2024	Common stock	3,124	50	September 30, 2024	December 2, 2024	Retained earnings

(Segment information)

I. Nine months ended December 31, 2023

Information on “a. Segment information” was omitted since the Company’s reportable segment is single segment of the “wholesale business.”

II. Nine months ended December 31, 2024

Information on “a. Segment information” was omitted since the Company’s reportable segment is single segment of the “wholesale business.”

## (Revenue recognition)

The disaggregation of revenue recognized from contracts with customers

Sales results by product category are as follows:

Product category	Nine months ended December 31, 2023	Nine months ended December 31, 2024
	Amount (Millions of yen)	Amount (Millions of yen)
Cosmetics	207,219	215,558
Daily necessities	384,399	404,428
OTC pharmaceuticals	115,222	113,557
Health and sanitary related products	161,274	161,886
Others	14,927	15,633
Total sales	883,042	911,064

Sales results by customer category are as follows:

Customer category	Nine months ended December 31, 2023	Nine months ended December 31, 2024
	Amount (Millions of yen)	Amount (Millions of yen)
Drugstores (Pharmacies)	556,844	582,538
Discount stores	74,379	83,475
Convenience stores	69,907	73,072
Home centers (DIY stores)	67,848	66,579
Supermarkets	40,506	40,983
General merchandising stores	30,232	31,465
Export, EC-business and others	43,322	32,949
Total sales	883,042	911,064

Note: There is no revenue resulting from other resources of revenue.

## (Per share information)

Net income per share and the basis for calculation of the net income per share amounts are as follows:

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net income per share	272.80 yen	292.09 yen
(The basis for calculation)		
Profit (Millions of yen)	17,144	18,282
Amount not attributable to common stock (Millions of yen)	—	—
Profit attributable to common stock (Millions of yen)	17,144	18,282
Average number of shares during the period (thousands of shares)	62,846	62,591

Note: Diluted earnings per share is not disclosed, as there are no residual shares having a dilution effect.

## (Significant subsequent event)

No items to report.