

Non-consolidated Financial Results for the First Half of the Fiscal Year Ending March 31, 2026 <under Japanese GAAP>

November 4, 2025

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(URL: <https://www.paltac.co.jp/>)
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Scheduled date to submit the Interim Securities Report: November 13, 2025
Scheduled date to commence dividend payments: December 1, 2025
Preparation of supplementary material on interim financial results: Yes
Holding of interim financial results presentation meeting: Yes (for institutional investors, analysts and media)

(Figures are rounded down to the nearest million yen)

1. Financial Results for the First Half of the Fiscal Year Ending March 31, 2026 (From April 1, 2025 to September 30, 2025)

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

	Net sales		Operating profit		Ordinary profit		Profit	
First half ended	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%
September 30, 2025	625,135	4.1	13,894	(0.6)	15,605	(3.6)	11,137	(6.4)
September 30, 2024	600,427	2.9	13,977	1.5	16,180	3.6	11,896	9.2

	Earnings per share	Diluted earnings per share
First half ended	(¥)	(¥)
September 30, 2025	180.69	—
September 30, 2024	189.50	—

(2) Financial Position

	Total assets	Net assets	Equity ratio
As of	(¥ million)	(¥ million)	%
September 30, 2025	530,646	297,210	56.0
March 31, 2025	507,048	287,669	56.7

Reference: Equity As of September 30, 2025: ¥297,210 million As of March 31, 2025: ¥287,669 million

2. Dividends

	Annual dividends per share				
	First quarter	Second quarter	Third quarter	Year-end	Total
	(¥)	(¥)	(¥)	(¥)	(¥)
Fiscal year ended March 31, 2025	—	50.00	—	55.00	105.00
Fiscal year ending March 31, 2026	—	57.00			
Fiscal year ending March 31, 2026 (Forecast)			—	63.00	120.00

Note: Revision to the forecasts most recently announced: No

3. Forecasts of Financial Results for the Fiscal Year Ending March 31, 2026

(From April 1, 2025 to March 31, 2026)

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

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥)
Fiscal year	1,230,000	3.5	29,000	3.5	32,200	1.6	22,000	(3.8)	356.70

Note: Revision to the forecasts most recently announced: No

*** Notes**

(1) Adoption of Accounting Treatments Specific to Preparation of the Interim 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 shares)

As of September 30, 2025	62,000,000 shares
As of March 31, 2025	63,000,000 shares

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

As of September 30, 2025	532,252 shares
As of March 31, 2025	1,323,911 shares

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

For the first half ended September 30, 2025	61,640,194 shares
For the first half ended September 30, 2024	62,778,999 shares

(Notes)

- (1) Based on a decision by the Board of Directors on August 4, 2025, the Company purchased treasury stock of 208,300 shares during the first half.
- (2) On August 20, 2025, the Company retired treasury stock. As a result, the number of issued shares and of treasury shares decreased by 1,000,000 shares respectively.

* This financial results report for the first half is not subject to review by certified public accountants or audit firms.

* 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 First Half Ended September 30, 2025 (3) Forecasts and Other Projections” on page 4 of the attached material to this interim financial results report for the suppositions that form the assumptions for the forecasts and cautions concerning the use thereof.

* How to access the presentation (Presentation Material for financial results)

The Company will hold a financial results online briefing for institutional investors, financial analysts and media on Monday, November 10, 2025. The presentation (Presentation Material for financial results) is posted on the Company's website (<https://www.paltac.co.jp/en/ir/>).

* Information regarding this report (including the attached material)

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 First Half Ended September 30, 2025

(1) Operating Results

[Business conditions]

In the first half ended September 30, 2025, the business environment remained challenging overall. While improvements were seen in the employment and income situation and the number of inbound tourists increased, concerns remained over the domestic economic outlook due to factors such as continued consumer thrift in response to rising prices and the impact of U.S. trade policies. As a result, personal consumption continued to lack strength. In addition, labor shortages and higher prices led to a continuous rise in business operation costs, including logistics expenses.

[Net sales]

Net sales increased by ¥24,708 million (up 4.1%) year on year to ¥625,135 million.

- Despite the impact of rising prices prompting greater consumer thrift, the Company expanded its designated wholesaler portfolio and conducted sales activities utilizing purchasing data to accurately capture changes in consumer behavior, such as growing health consciousness and increased demand for going out. Furthermore, the Company expanded its lineup of high value-added products, particularly cosmetics. As a result of these efforts, sales volume remained on par with the previous year, and the increase in unit prices led to net sales exceeding the level of the same period in the previous year.

[Operating profit]

Operating profit decreased by ¥82 million (down 0.6%) year on year to ¥13,894 million.

- Gross profit increased, driven by an improvement in the gross profit margin resulting from higher net sales and the expansion of high-value-added products. However, operating profit declined year on year, as the increase in SG&A expenses mainly due to higher personnel and logistics expenses outpaced the growth in gross profit.

Results highlights for the first half ended September 30, 2025 are as follows:

	First half ended September 30, 2024	First half ended September 30, 2025	(Millions of yen, unless otherwise noted) Change	
			Amount	Rate (%)
Net sales	600,427	625,135	24,708	4.1
Gross profit	44,181	46,532	2,350	
[Gross profit margin (%)]	[7.36]	[7.44]	[0.08]	5.3
SG&A expenses	30,203	32,637	2,433	
[SG&A expenses ratio (%)]	[5.03]	[5.22]	[0.19]	8.1
Operating profit	13,977	13,894	-82	
[Operating profit ratio (%)]	[2.33]	[2.22]	[-0.11]	-0.6
Ordinary profit	16,180	15,605	-574	
[Ordinary profit ratio (%)]	[2.69]	[2.50]	[-0.19]	-3.6
Profit	11,896	11,137	-758	
[Profit margin (%)]	[1.98]	[1.78]	[-0.20]	-6.4

Sales highlights

Sales results for the first half ended September 30, 2025 by product category are as follows:

(Millions of yen, unless otherwise noted)

Product category	First half ended September 30, 2024	First half ended September 30, 2025	Change	
			Amount	Rate (%)
Cosmetics	143,923	151,406	7,482	5.2
Daily necessities	266,523	281,807	15,283	5.7
OTC pharmaceuticals	74,223	72,432	-1,790	-2.4
Health and sanitary related products	106,354	109,194	2,839	2.7
Others	9,402	10,295	892	9.5
Total	600,427	625,135	24,708	4.1

Sales results for the first half ended September 30, 2025 by customer category are as follows:

(Millions of yen, unless otherwise noted)

Customer category	First half ended September 30, 2024	First half ended September 30, 2025	Change	
			Amount	Rate (%)
Drugstores (Pharmacies)	383,108	408,732	25,623	6.7
Discount stores	53,733	57,128	3,394	6.3
Convenience stores	47,402	51,162	3,759	7.9
Home centers (DIY stores)	45,334	44,313	-1,021	-2.3
Supermarkets	27,190	26,710	-480	-1.8
General merchandising stores	20,512	21,351	839	4.1
Export, EC business and others	23,145	15,737	-7,407	-32.0
Total	600,427	625,135	24,708	4.1

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, 2025	As of September 30, 2025	Change in amount
Total assets	507,048	530,646	23,598
Total liabilities	219,379	233,436	14,057
Net assets	287,669	297,210	9,540

(Assets)

Total assets as of the end of the first half were ¥530,646 million, an increase of ¥23,598 million from the end of the previous fiscal year. The 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 first half were ¥233,436 million, an increase of ¥14,057 million from the end of the previous fiscal year. The main factor was an increase in notes and accounts payable-trade.

(Net assets)

Net assets as of the end of the first half were ¥297,210 million, an increase of ¥9,540 million from the end of the previous fiscal year. The main factors were an increase in retained earnings and a decrease in treasury shares.

2) Cash flows

(Millions of yen)

	First half ended September 30, 2024	First half ended September 30, 2025
Cash flows from operating activities	5,169	5,825
Cash flows from investing activities	848	(1,571)
Cash flows from financing activities	(4,641)	(4,404)

(Cash flows from operating activities)

Net cash provided by operating activities was ¥5,825 million. The 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 used in investing activities was ¥1,571 million. The main factor was purchase of property, plant and equipment.

(Cash flows from financing activities)

Net cash used in financing activities was ¥4,404 million. The main factors were cash dividends paid and purchase of treasury shares.

Cash and cash equivalents as of the end of the first half were ¥69,765 million, a decrease of ¥150 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, 2026 and dividend forecast, which were announced on May 12, 2025.

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

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	69,916	69,765
Notes and accounts receivable - trade	218,120	235,039
Merchandise and finished goods	54,705	55,580
Other	22,997	26,096
Allowance for doubtful accounts	(3)	(3)
Total current assets	365,735	386,478
Non-current assets		
Property, plant and equipment		
Buildings, net	45,325	44,021
Land	46,748	46,748
Other, net	20,859	20,599
Total property, plant and equipment	112,933	111,369
Intangible assets	724	732
Investments and other assets		
Investments and other assets	27,658	32,069
Allowance for doubtful accounts	(3)	(3)
Total investments and other assets	27,654	32,065
Total non-current assets	141,312	144,168
Total assets	507,048	530,646
Liabilities		
Current liabilities		
Notes and accounts payable - trade	172,614	181,983
Income taxes payable	5,252	5,303
Provision for bonuses	1,740	1,671
Other	29,420	32,537
Total current liabilities	209,028	221,496
Non-current liabilities		
Provision for retirement benefits	3,123	3,176
Other	7,227	8,763
Total non-current liabilities	10,351	11,940
Total liabilities	219,379	233,436

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Net assets		
Shareholders' equity		
Share capital	15,869	15,869
Capital surplus	25,093	20,741
Retained earnings	240,395	248,141
Treasury shares	(5,757)	(2,356)
Total shareholders' equity	275,601	282,396
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	12,082	14,811
Deferred gains or losses on hedges	(14)	2
Total valuation and translation adjustments	12,067	14,813
Total net assets	287,669	297,210
Total liabilities and net assets	507,048	530,646

(2) Interim Statements of Income

(Millions of yen)

	First half ended September 30, 2024	First half ended September 30, 2025
Net sales	600,427	625,135
Cost of sales	556,246	578,603
Gross profit	44,181	46,532
Selling, general and administrative expenses	30,203	32,637
Operating profit	13,977	13,894
Non-operating income		
Dividend income	301	323
Research fee income	936	951
Rental income from real estate	83	84
Subsidy income	576	14
Other	337	364
Total non-operating income	2,235	1,739
Non-operating expenses		
Interest expenses	3	3
Rental expenses on real estate	18	16
Other	10	9
Total non-operating expenses	32	28
Ordinary profit	16,180	15,605
Extraordinary income		
Gain on sale of investment securities	1,010	—
Reversal of provision for loss on disaster	7	—
Insurance claim income	—	478
Total extraordinary income	1,017	478
Extraordinary losses		
Loss on retirement of non-current assets	5	4
Total extraordinary losses	5	4
Profit before income taxes	17,192	16,079
Income taxes - current	4,859	4,845
Income taxes - deferred	436	97
Total income taxes	5,295	4,942
Profit	11,896	11,137

(3) Interim Statements of Cash Flows

(Millions of yen)

	First half ended September 30, 2024	First half ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	17,192	16,079
Depreciation	3,227	3,151
Increase (decrease) in allowance for doubtful accounts	0	0
Increase (decrease) in provision for bonuses	(241)	(68)
Increase (decrease) in provision for loss on disaster	(403)	—
Increase (decrease) in provision for retirement benefits	(30)	(24)
Interest and dividend income	(301)	(324)
Interest expenses	3	3
Loss (gain) on sale of investment securities	(1,010)	—
Insurance claim income	—	(478)
Decrease (increase) in trade receivables	(10,564)	(16,919)
Decrease (increase) in inventories	(2,432)	(874)
Increase (decrease) in trade payables	7,799	9,368
Increase (decrease) in accrued consumption taxes	(1,995)	723
Other, net	(1,007)	(803)
Subtotal	10,235	9,831
Interest and dividends received	301	324
Interest paid	(2)	(0)
Payments associated with disaster loss	(401)	—
Proceeds from insurance income	—	478
Income taxes paid	(4,964)	(4,809)
Net cash provided by (used in) operating activities	5,169	5,825
Cash flows from investing activities		
Purchase of property, plant and equipment	(430)	(1,011)
Purchase of intangible assets	(90)	(116)
Purchase of investment securities	(42)	(347)
Proceeds from sale of investment securities	1,415	0
Other, net	(2)	(97)
Net cash provided by (used in) investing activities	848	(1,571)
Cash flows from financing activities		
Repayments of lease liabilities	(58)	(61)
Dividends paid	(3,079)	(3,391)
Purchase of treasury shares	(1,503)	(951)
Net cash provided by (used in) financing activities	(4,641)	(4,404)
Net increase (decrease) in cash and cash equivalents	1,377	(150)
Cash and cash equivalents at beginning of period	60,994	69,916
Cash and cash equivalents at end of period	62,371	69,765

(4) Notes to Interim Financial Statements

(Notes on premise of going concern)

No items to report

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

(Acquisition of treasury stock)

Based on a decision by the Board of Directors on August 4, 2025, the Company purchased treasury stock of 208,300 shares. As a result, treasury shares increased by ¥950 million during the first half under review.

(Cancellation of treasury stock)

Based on a decision by the Board of Directors on August 4, 2025, the Company retired treasury stock of 1,000,000 shares on August 20, 2025. As a result, capital surplus and treasury shares decreased by ¥4,351 million respectively during the first half under review.

As a results of the above, capital surplus at the end of the first half under review was ¥20,741 million and treasury shares at the end of the first half under review was ¥2,356 million.