Non-consolidated Financial Results for the First Nine Months of the Fiscal Year Ending March 31, 2024 <under Japanese GAAP>

January 31, 2024

Company name: PALTAC CORPORATION

(URL: https://www.paltac.co.jp/)

Listing: Tokyo Stock Exchange (Code number: 8283)

Representative: Representative Director, President

Takuya Yoshida

Contact: Director, Senior Managing Executive Officer, General Manager of Management Planning

Headquarters

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Scheduled date to submit the Quarterly Securities Report: February 13, 2024

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, 2024 (From April 1, 2023 to December 31, 2023)

(1) Operating Results (cumulative)

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

	Net sales		Net sales Operating profit		Ordinary profit		Profit	
Nine months ended	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%
December 31, 2023	883,042	4.1	21,968	15.0	24,659	15.2	17,144	16.2
December 31, 2022	848,195	5.7	19,110	(5.5)	21,413	(4.1)	14,756	(6.2)

	Earnings per share	Diluted earnings per share	
Nine months ended	(¥)	(¥)	
December 31, 2023	272.80		
December 31, 2022	234.80	_	

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	(¥ million)	(¥ million)	%	(¥)
December 31, 2023	504,443	271,735	53.9	4,323.78
March 31, 2023	476,936	259,700	54.5	4,132.28

Reference: Equity As of December 31, 2023: ¥271,735 million As of March 31, 2023: ¥259,700 million

2. Dividends

2. Dividends									
		Annual dividends per share							
	First quarter	First quarter Second quarter Third quarter Year-en							
	(¥)	(¥)	(¥)	(¥)	(¥)				
Fiscal year ended March 31, 2023	_	41.00	_	41.00	82.00				
Fiscal year ending March 31, 2024	_	45.00	_						
Fiscal year ending March 31, 2024 (Forecast)				45.00	90.00				

Note: Revision to the forecasts most recently announced: No

3. Forecasts of Financial Results for the Fiscal Year Ending March 31, 2024

(From April 1, 2023 to March 31, 2024)

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

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥)
Fiscal year	1,142,000	3.4	26,500	8.3	29,500	7.5	20,300	5.4	323.01

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, 2023	63,553,485 shares
As of March 31, 2023	63,553,485 shares

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

As of December 31, 2023	706,796 shares
As of March 31, 2023	706,698 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, 2023	62,846,726 shares
For the nine months ended December 31, 2022	62,846,902 shares

- * This quarterly financial results report is not subject to the quarterly review procedures 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. Qualitative Information for the Nine Months Ended December 31, 2023 (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 (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).
- * 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. Qualitative Information for the Nine Months Ended December 31, 2023

(1) Operating Results

Results highlights

In the nine months ended December 31, 2023, although the impact of price rise arising from soaring raw material prices and energy prices continued, business conditions moderately improved due to increases in people's outings and in foreign tourists to Japan thanks to the accelerated trend of breaking away from the COVID-19 era.

In terms of sales results, after the reclassification of COVID-19's category to a Class 5 infection, although the demand for sanitary related products such as face masks and disinfectant continued to decrease, PALTAC CORPORATION (the "Company") achieved net sales well above the same period of the previous fiscal year in the nine months under review, by steadily implementing measures that met the market changes, including increased foot traffic from activities such as leisure and return to office, recovery of inbound demand, and growing self-care awareness.

In terms of profits, the gross profit increased mainly due to sales expansion, and the SG&A expenses rate declined from effects such as expenses absorption from higher sales and improvement of logistics efficiency. There were also one-time expenses recorded in the same period of the previous fiscal year for the start of operation of Tochigi distribution center. As a result of these effects, operating profit exceeded that of the same period of the previous fiscal year.

Results highlights for the nine months ended December 31, 2023 are as follows:

(Millions of yen, unless otherwise noted)

	Nine months ended	Nine months ended	Cha	inge
	December 31, 2022	December 31, 2023	Amount	Rate (%)
Net sales	848,195	883,042	34,846	4.1
Gross profit	63,001	66,382	3,381	
[Gross profit margin (%)]	[7.43]	[7.52]	[0.09]	5.4
SG&A expenses	43,890	44,414	523	
[SG&A expenses ratio (%)]	[5.17]	[5.03]	[-0.14]	1.2
Operating profit	19,110	21,968	2,857	
[Operating profit ratio (%)]	[2.25]	[2.49]	[0.24]	15.0
Ordinary profit	21,413	24,659	3,246	
[Ordinary profit ratio (%)]	[2.52]	[2.79]	[0.27]	15.2
Profit	14,756	17,144	2,388	
[Profit margin (%)]	[1.74]	[1.94]	[0.20]	16.2

Sales highlights

Sales results for the nine months ended December 31, 2023 by product category are as follows:

(Millions of yen, unless otherwise noted)

Product category	Nine months ended	Nine months ended	Change	
1 Toduct Category	December 31, 2022	December 31, 2023	Amount	Rate (%)
Cosmetics	190,958	207,219	16,261	8.5
Daily necessities	380,742	384,399	3,657	1.0
OTC pharmaceuticals	107,063	115,222	8,158	7.6
Health and sanitary related products	157,390	161,274	3,883	2.5
Others	12,041	14,927	2,885	24.0
Total	848,195	883,042	34,846	4.1

Sales results for the nine months ended December 31, 2023 by customer category are as follows:

(Millions of yen, unless otherwise noted)

(Printed of Jen, almost caref with notes)						
Customan satagemy	Nine months ended	Nine months ended	Change			
Customer category	December 31, 2022	December 31, 2023	Amount	Rate (%)		
Drugstores (Pharmacies)	531,017	556,844	25,827	4.9		
Home centers (DIY stores)	69,949	67,848	-2,101	-3.0		
Discount stores	68,427	74,379	5,952	8.7		
Convenience stores	63,361	69,907	6,546	10.3		
Supermarkets	40,957	40,506	-450	-1.1		
General merchandising stores	30,641	30,232	-409	-1.3		
Export, EC business and others	43,840	43,322	-518	-1.2		
Total	848,195	883,042	34,846	4.1		

(Note) From the first quarter of the fiscal year under review, the Company has changed some of compositions in customer category and has reclassified the figures for the nine months ended December 31, 2022 into the classification after this change.

Furthermore, segment information has been omitted because the Company has no segment except the wholesale business.

(2) Financial Position

1) Assets, liabilities and net assets

(Millions of ven)

	As of March 31, 2023	As of December 31, 2023	Change in amount
Total assets	476,936	504,443	27,506
Total liabilities	217,235	232,707	15,472
Net assets	259,700	271,735	12,034

(Assets)

Total assets as of the end of the third quarter were \\$504,443 million, an increase of \\$27,506 million from the end of the previous fiscal year. This was primarily the result of 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 \(\frac{\pma}{2}232,707\) million, an increase of \(\frac{\pma}{1}5,472\) million from the end of the previous fiscal year. This was primarily the result of an increase in notes and accounts payable-trade.

(Net assets)

Net assets as of the end of the third quarter were \(\frac{\text{\frac{4}}}{271,735}\) million, an increase of \(\frac{\text{\frac{4}}}{12,034}\) million from the end of the previous fiscal year. This was primarily the result of an increase in retained earnings.

2) Cash flows

(Millions of yen)

		(ividitions of jen)
	Nine months ended	Nine months ended
	December 31, 2022	December 31, 2023
Cash flows from operating activities	(1,707)	14,137
Cash flows from investing activities	(5,816)	(5,028)
Cash flows from financing activities	(5,138)	(5,493)

(Cash flows from operating activities)

Net cash provided by operating activities was ¥14,137 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 used in investing activities was ¥5,028 million. Main factor was purchase of property, plant and equipment.

(Cash flows from financing activities)

Net cash used in financing activities was ¥5,493 million. Main factor was cash dividends paid.

Cash and cash equivalents as of the end of the third quarter were \quantum 49,608 million, an increase of \quantum 3,615 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, 2024, which were announced on May 11, 2023.

2. Quarterly Financial Statements and Notes to Quarterly Financial Statements

(1) Quarterly Balance Sheets

Assets Current assets Cash and deposits 45,993 49,608 Notes and accounts receivable-trade 207,081 222,627 Merchandise and finished goods 51,273 65,327 Other 23,447 21,207 Allowance for doubtful accounts (7) (8) Total current assets 327,788 358,762 Non-current assets 327,788 358,762 Non-current assets 327,788 358,762 Non-current assets 327,788 358,762 Non-current assets 47,946 46,171 Land 47,446 47,446 Other 27,619 25,389 Total property, plant and equipment 123,013 119,007 Intangible assets 821 756 Investments and other assets 25,317 25,919 Allowance for doubtful accounts (4) (3) Total investments and other assets 25,317 25,916 Total investments and other assets 25,317 25,916 Total investments and othe			(Millions of yen)
Current assets 45,993 49,608 Notes and accounts receivable-trade 207,081 222,627 Merchandise and finished goods 51,273 65,327 Other 23,447 21,207 Allowance for doubtful accounts (7) (8) Total current assets 327,788 358,762 Non-current assets 327,788 358,762 Non-current assets 47,946 46,171 Land 47,946 46,171 Land 47,446 47,446 Other 27,619 25,389 Total property, plant and equipment 123,013 119,007 Intangible assets 821 756 Investments and other assets 821 756 Investments and other assets 25,317 25,919 Allowance for doubtful accounts (4) (3) Total investments and other assets 25,312 25,916 Total non-current assets 149,147 145,680 Total assets 170,723 192,920 Income taxes payable trade<		As of March 31, 2023	As of December 31, 2023
Cash and deposits 45,993 49,608 Notes and accounts receivable-trade 207,081 222,627 Merchandise and finished goods 51,273 65,327 Other 23,447 21,207 Allowance for doubtful accounts (7) (8) Total current assets 327,788 358,762 Non-current assets 82 327,788 358,762 Non-current assets 47,946 46,171 44,446 47,446	Assets		
Notes and accounts receivable-trade 207,081 222,627 Merchandise and finished goods 51,273 65,327 Other 23,447 21,207 Allowance for doubtful accounts (7) (8) Total current assets 327,788 358,762 Non-current assets 827,788 358,762 Norperty, plant and equipment 47,946 46,171 Land 47,446 47,446 Other 27,619 25,389 Total property, plant and equipment 123,013 119,007 Intangible assets 821 756 Investments and other assets 25,317 25,919 Allowance for doubtful accounts (4) (3) Total investments and other assets 25,317 25,916 Total assets 476,936 504,443 Liabilities 201 149,147 145,680 Total assets 170,723 192,920 Income taxes payable 4,582 3,244 Provision for bonuses 1,514 869 <td< td=""><td>Current assets</td><td></td><td></td></td<>	Current assets		
Merchandise and finished goods 51,273 65,327 Other 23,447 21,207 Allowance for doubtful accounts (7) (8) Total current assets 327,788 358,762 Non-current assets 870 88,762 Non-current assets 870 46,171 Buildings, net 47,946 46,171 Land 47,446 47,446 Other 27,619 25,389 Total property, plant and equipment 123,013 119,007 Intestments and other assets 821 756 Investments and other assets 25,317 25,919 Allowance for doubtful accounts (4) (3) Total investments and other assets 25,312 25,916 Total non-current assets 149,147 145,680 Total assets 476,936 504,443 Liabilities 200,000 20,200 Notes and accounts payable-trade 170,723 192,920 Income taxes payable 4,582 3,244 Provision for bonuses </td <td>Cash and deposits</td> <td>45,993</td> <td>49,608</td>	Cash and deposits	45,993	49,608
Other 23,447 21,207 Allowance for doubtful accounts (7) (8) Total current assets 327,788 358,762 Non-current assets 327,788 358,762 Non-current assets 327,788 358,762 Property, plant and equipment 47,946 46,171 46,171 44,446 47,446 47,446 47,446 47,446 47,446 47,446 47,446 47,446 47,446 47,446 60ther 27,619 25,389 25,389 19,007 Intagible assets 821 756 756 756 19,007 11,007 <	Notes and accounts receivable-trade	207,081	222,627
Allowance for doubtful accounts (7) (8) Total current assets 327,788 358,762 Non-current assets 327,788 358,762 Non-current assets 327,788 358,762 Property, plant and equipment 47,946 46,171 Land 47,446 47,446 Other 27,619 25,389 Total property, plant and equipment 123,013 119,007 Intangible assets 821 756 Investments and other assets 25,317 25,919 Allowance for doubtful accounts (4) (3) Total investments and other assets 25,312 25,916 Total non-current assets 149,147 145,680 Total assets 476,936 504,443 Liabilities 200 50,443 Liabilities 170,723 192,920 Notes and accounts payable-trade 170,723 192,920 Income taxes payable 4,582 3,244 Provision for bonuses 1,514 869 Other	Merchandise and finished goods	51,273	65,327
Total current assets 327,788 358,762 Non-current assets Property, plant and equipment 47,946 46,171 Land 47,446 47,446 Other 27,619 25,389 Total property, plant and equipment 123,013 119,007 Intangible assets 821 756 Investments and other assets 25,317 25,919 Allowance for doubtful accounts (4) (3) Total investments and other assets 25,312 25,916 Total non-current assets 149,147 145,680 Total assets 476,936 504,443 Liabilities 200 504,443 Liabilities 1170,723 192,920 Income taxes payable—trade 170,723 192,920 Income taxes payable—trade 1,514 869 Other 30,696 25,527 Total current liabilities 207,517 222,562 Non-current liabilities 2,870 2,985 Other 6,847 7,159 Total no	Other	23,447	21,207
Non-current assets Property, plant and equipment 47,946 46,171 Land 47,446 47,446 Other 27,619 25,389 Total property, plant and equipment 123,013 119,007 Intangible assets 821 756 Investments and other assets 25,317 25,919 Allowance for doubtful accounts (4) (3) Total investments and other assets 25,312 25,916 Total non-current assets 149,147 145,680 Total assets 476,936 504,443 Liabilities 2 50,443 Current liabilities 170,723 192,920 Income taxes payable 4,582 3,244 Provision for bonuses 1,514 869 Other 30,696 25,527 Total current liabilities 207,517 222,562 Non-current liabilities 2,870 2,985 Other 6,847 7,159 Total non-current liabilities 9,718 10,145 <td>Allowance for doubtful accounts</td> <td>(7)</td> <td>(8)</td>	Allowance for doubtful accounts	(7)	(8)
Property, plant and equipment Buildings, net 47,946 46,171 Land 47,446 47,446 Other 27,619 25,389 Total property, plant and equipment 123,013 119,007 Intangible assets 821 756 Investments and other assets 25,317 25,919 Allowance for doubtful accounts (4) (3) Total investments and other assets 25,312 25,916 Total non-current assets 149,147 145,680 Total assets 476,936 504,443 Liabilities 2 50,000 504,443 Liabilities 8 110,723 192,920 Income taxes payable 4,582 3,244 Provision for bonuses 1,514 869 Other 30,696 25,527 Total current liabilities 207,517 222,562 Non-current liabilities 2,870 2,985 Other 6,847 7,159 Total non-current liabilities 9,718	Total current assets	327,788	358,762
Buildings, net 47,946 46,171 Land 47,446 47,446 Other 27,619 25,389 Total property, plant and equipment 123,013 119,007 Intangible assets 821 756 Investments and other assets 25,317 25,919 Allowance for doubtful accounts (4) (3) Total investments and other assets 25,312 25,916 Total non-current assets 149,147 145,680 Total assets 476,936 504,443 Liabilities 207,217 192,920 Income taxes payable trade 170,723 192,920 Income taxes payable 4,582 3,244 Provision for bonuses 1,514 869 Other 30,696 25,527 Total current liabilities 207,517 222,562 Non-current liabilities 2,870 2,985 Other 6,847 7,159 Total non-current liabilities 9,718 10,145	Non-current assets		
Land 47,446 47,446 Other 27,619 25,389 Total property, plant and equipment 123,013 119,007 Intangible assets 821 756 Investments and other assets 25,317 25,919 Allowance for doubtful accounts (4) (3) Total investments and other assets 25,312 25,916 Total non-current assets 149,147 145,680 Total assets 476,936 504,443 Liabilities 200 100,723 192,920 Income taxes payable trade 170,723 192,920 Income taxes payable 4,582 3,244 Provision for bonuses 1,514 869 Other 30,696 25,527 Total current liabilities 207,517 222,562 Non-current liabilities 2,870 2,985 Other 6,847 7,159 Total non-current liabilities 9,718 10,145	Property, plant and equipment		
Other 27,619 25,389 Total property, plant and equipment 123,013 119,007 Intangible assets 821 756 Investments and other assets 25,317 25,919 Allowance for doubtful accounts (4) (3) Total investments and other assets 25,312 25,916 Total non-current assets 149,147 145,680 Total assets 476,936 504,443 Liabilities 200 100,723 192,920 Income taxes payable trade 170,723 192,920 Income taxes payable 4,582 3,244 Provision for bonuses 1,514 869 Other 30,696 25,527 Total current liabilities 207,517 222,562 Non-current liabilities 2,870 2,985 Other 6,847 7,159 Total non-current liabilities 9,718 10,145	Buildings, net	47,946	46,171
Total property, plant and equipment 123,013 119,007 Intangible assets 821 756 Investments and other assets 25,317 25,919 Allowance for doubtful accounts (4) (3) Total investments and other assets 25,312 25,916 Total non-current assets 149,147 145,680 Total assets 476,936 504,443 Liabilities 200 170,723 192,920 Income taxes payable trade 170,723 192,920 Income taxes payable 4,582 3,244 Provision for bonuses 1,514 869 Other 30,696 25,527 Total current liabilities 207,517 222,562 Non-current liabilities 2,870 2,985 Other 6,847 7,159 Total non-current liabilities 9,718 10,145	Land	47,446	47,446
Intangible assets 821 756 Investments and other assets 25,317 25,919 Allowance for doubtful accounts (4) (3) Total investments and other assets 25,312 25,916 Total non-current assets 149,147 145,680 Total assets 476,936 504,443 Liabilities 200 170,723 192,920 Income taxes payable trade 170,723 192,920 192,920 Income taxes payable 4,582 3,244 90 25,527 17 17 17 18 18 18 18 19	Other	27,619	25,389
Intangible assets 821 756 Investments and other assets 25,317 25,919 Allowance for doubtful accounts (4) (3) Total investments and other assets 25,312 25,916 Total non-current assets 149,147 145,680 Total assets 476,936 504,443 Liabilities 200 170,723 192,920 Income taxes payable trade 170,723 192,920 192,920 Income taxes payable 4,582 3,244 90 25,527 17 17 17 18 18 18 18 19	Total property, plant and equipment	123,013	119,007
Investments and other assets 25,317 25,919 Allowance for doubtful accounts (4) (3) Total investments and other assets 25,312 25,916 Total non-current assets 149,147 145,680 Total assets 476,936 504,443 Liabilities Current liabilities Notes and accounts payable-trade 170,723 192,920 Income taxes payable 4,582 3,244 Provision for bonuses 1,514 869 Other 30,696 25,527 Total current liabilities 207,517 222,562 Non-current liabilities 2,870 2,985 Other 6,847 7,159 Total non-current liabilities 9,718 10,145			756
Allowance for doubtful accounts (4) (3) Total investments and other assets 25,312 25,916 Total non-current assets 149,147 145,680 Total assets 476,936 504,443 Liabilities Varient liabilities Varient liabilities Notes and accounts payable-trade 170,723 192,920 Income taxes payable 4,582 3,244 Provision for bonuses 1,514 869 Other 30,696 25,527 Total current liabilities 207,517 222,562 Non-current liabilities 2,870 2,985 Other 6,847 7,159 Total non-current liabilities 9,718 10,145	_		
Total investments and other assets 25,312 25,916 Total non-current assets 149,147 145,680 Total assets 476,936 504,443 Liabilities Current liabilities Notes and accounts payable-trade 170,723 192,920 Income taxes payable 4,582 3,244 Provision for bonuses 1,514 869 Other 30,696 25,527 Total current liabilities 207,517 222,562 Non-current liabilities 2,870 2,985 Other 6,847 7,159 Total non-current liabilities 9,718 10,145	Investments and other assets	25,317	25,919
Total non-current assets 149,147 145,680 Total assets 476,936 504,443 Liabilities Current liabilities Notes and accounts payable-trade 170,723 192,920 Income taxes payable 4,582 3,244 Provision for bonuses 1,514 869 Other 30,696 25,527 Total current liabilities 207,517 222,562 Non-current liabilities 2,870 2,985 Other 6,847 7,159 Total non-current liabilities 9,718 10,145	Allowance for doubtful accounts	(4)	(3)
Total assets 476,936 504,443 Liabilities Current liabilities Notes and accounts payable-trade 170,723 192,920 Income taxes payable 4,582 3,244 Provision for bonuses 1,514 869 Other 30,696 25,527 Total current liabilities 207,517 222,562 Non-current liabilities 2,870 2,985 Other 6,847 7,159 Total non-current liabilities 9,718 10,145	Total investments and other assets	25,312	25,916
Total assets 476,936 504,443 Liabilities Current liabilities Notes and accounts payable-trade 170,723 192,920 Income taxes payable 4,582 3,244 Provision for bonuses 1,514 869 Other 30,696 25,527 Total current liabilities 207,517 222,562 Non-current liabilities 2,870 2,985 Other 6,847 7,159 Total non-current liabilities 9,718 10,145	Total non-current assets	149,147	145,680
Liabilities Current liabilities 170,723 192,920 Income taxes payable 4,582 3,244 Provision for bonuses 1,514 869 Other 30,696 25,527 Total current liabilities 207,517 222,562 Non-current liabilities 2,870 2,985 Other 6,847 7,159 Total non-current liabilities 9,718 10,145	Total assets		
Current liabilities Notes and accounts payable-trade 170,723 192,920 Income taxes payable 4,582 3,244 Provision for bonuses 1,514 869 Other 30,696 25,527 Total current liabilities 207,517 222,562 Non-current liabilities 2,870 2,985 Other 6,847 7,159 Total non-current liabilities 9,718 10,145	Liabilities		·
Income taxes payable 4,582 3,244 Provision for bonuses 1,514 869 Other 30,696 25,527 Total current liabilities 207,517 222,562 Non-current liabilities 2,870 2,985 Other 6,847 7,159 Total non-current liabilities 9,718 10,145			
Income taxes payable 4,582 3,244 Provision for bonuses 1,514 869 Other 30,696 25,527 Total current liabilities 207,517 222,562 Non-current liabilities 2,870 2,985 Other 6,847 7,159 Total non-current liabilities 9,718 10,145	Notes and accounts payable-trade	170,723	192,920
Provision for bonuses 1,514 869 Other 30,696 25,527 Total current liabilities 207,517 222,562 Non-current liabilities 2,870 2,985 Other 6,847 7,159 Total non-current liabilities 9,718 10,145			3,244
Other 30,696 25,527 Total current liabilities 207,517 222,562 Non-current liabilities 2,870 2,985 Other 6,847 7,159 Total non-current liabilities 9,718 10,145			
Total current liabilities 207,517 222,562 Non-current liabilities 2,870 2,985 Other 6,847 7,159 Total non-current liabilities 9,718 10,145	Other		25,527
Non-current liabilities Provision for retirement benefits 2,870 2,985 Other 6,847 7,159 Total non-current liabilities 9,718 10,145	Total current liabilities	207,517	222,562
Provision for retirement benefits 2,870 2,985 Other 6,847 7,159 Total non-current liabilities 9,718 10,145	Non-current liabilities	·	· · · · · · · · · · · · · · · · · · ·
Other 6,847 7,159 Total non-current liabilities 9,718 10,145		2,870	2,985
Total non-current liabilities 9,718 10,145			
		-	
	Total liabilities	217,235	232,707

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Net assets		
Shareholders' equity		
Capital stock	15,869	15,869
Capital surplus	27,827	27,827
Retained earnings	208,501	220,241
Treasury shares	(3,490)	(3,490)
Total shareholders' equity	248,707	260,447
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	10,985	11,304
Deferred gains or losses on hedges	6	(16)
Total valuation and translation adjustments	10,992	11,288
Total net assets	259,700	271,735
Total liabilities and net assets	476,936	504,443

(2) Quarterly Statements of Income

		(Millions of yen)
	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	848,195	883,042
Cost of sales	785,194	816,659
Gross profit	63,001	66,382
Selling, general and administrative expenses	43,890	44,414
Operating profit	19,110	21,968
Non-operating income		
Dividend income	308	368
Research fee income	1,428	1,457
Real estate rent	115	119
Other	485	785
Total non-operating income	2,337	2,730
Non-operating expenses		
Interest expenses	4	4
Rent cost of real estate	23	23
Other	6	11
Total non-operating expenses	34	39
Ordinary profit	21,413	24,659
Extraordinary income		_
Gain on sales of investment securities	_	140
Total extraordinary income	_	140
Extraordinary losses		_
Loss on retirement of non-current assets	40	3
Loss on disaster	20	_
Total extraordinary losses	61	3
Profit before income taxes	21,352	24,796
Income taxes-current	6,042	7,205
Income taxes-deferred	554	446
Total income taxes	6,596	7,651
Profit	14,756	17,144

(3) Quarterly Statements of Cash Flows

Cash flows from operating activities Nine months ended December 31, 2022 Nine months ended December 31, 2023 Cash flows from operating activities 21,352 24,796 Profit before income taxes 21,352 4,910 Increase (decrease) in allowance for doubtful accounts 0 (0) Increase (decrease) in provision for bonuses (759) (645) Increase (decrease) in provision for loss on disaster (470) - Increase (decrease) in provision for retirement benefits 74 82 Increase (decrease) in provision for retirement benefits 3089 (368) Interest and dividend income (308) (368) Interest act dividend income (308) (368) Interest expenses 4 4 Loss (gain) on sales of investment securities - (140) Loss (activatese) in inores and accounts receivable-trade (27,833) (15,545) Decrease (increase) in inventories (16,173) (14,053) Increase (decrease) in accrued consumption taxes refund (13,84) 1,484 receivable 1 1,284 1,219			(Millions of yen)
Profit before income taxes 21,352 24,796 Depreciation and amortization 4,222 4,910 Increase (decrease) in allowance for doubtful accounts 0 0 Increase (decrease) in provision for bonuses (759) (645) Increase (decrease) in provision for loss on disaster (470) - Increase (decrease) in provision for retirement benefits 74 82 Increase (decrease) in provision for retirement benefits 74 82 Increase (decrease) in provision for retirement benefits 74 4 Interest expenses 4 4 Loss (gain) on sales of investment securities - (140) Loss on disaster 20 - Decrease (increase) in notes and accounts receivable trade (27,833) (15,545) Increase (increase) in notes and accounts payable-trade 28,951 22,197 Decrease (increase) in notes and accounts payable-trade 28,951 22,197 Decrease (increase) in accrued consumption taxes refund receivable (1,384) 1,484 Increase (decrease) in ocustument accrued consumption taxes (190) -			
Depreciation and amortization 1,222 1,910 Increase (decrease) in allowance for doubtful accounts 0 0,00 Increase (decrease) in provision for bonuses 7,599 6,645 Increase (decrease) in provision for bonuses 7,799 6,645 Increase (decrease) in provision for retirement benefits 7,4 82 Interest and dividend income 3,088 3,688 Interest expenses 4 4 4 Loss (gain) on sales of investment securities 20 Decrease (increase) in notes and accounts receivable-trade 20,7833 (15,545) Increase (increase) in inventories (16,173) (14,053) Increase (increase) in inventories (16,173) (14,053) Increase (increase) in consumption taxes refund receivable (1,384) 1,484 Increase (increase) in consumption taxes refund receivable (1,384) 1,484 Increase (decrease) in accrued consumption taxes (190) 1,464 Other, net (482) (2,012) Subtotal (1,384) (1,384) (1,384) Interest and dividend income received 308 368 Interest expenses paid (0) Payments associated with disaster loss (650) Payments associated with disaster loss (650) Payments associated with disaster loss (1,707) 14,137 Cash flows from investing activities (1,707) 14,137 Cash flows from investing activities (1,707) (109) Purchase of property, plant and equipment (5,350) (5,010) Purchase of investment securities (67) (169) Proceeds from sales of investment securities (67) (169) Proceeds from sales of investment securities (67) (169) Proceeds from financing activities (5,816) (5,028) Cash flows from financing activities (5,816) (5,028) Cash flows from financing activities (1,266) (3,615) Cash dividends paid (5,025) (5,401) Cash dividends paid (5,025) (5,401) Purchase of treasury shares (0) (0) Other, net (1,266) (3,615) Cash dividends paid (5,025) (5,401) Net cash provided by (used in) financing a	Cash flows from operating activities		
Increase (decrease) in allowance for doubtful accounts 0	Profit before income taxes	21,352	24,796
Increase (decrease) in provision for bonuses	Depreciation and amortization	4,222	4,910
Increase (decrease) in provision for loss on disaster 1,000 1,00	Increase (decrease) in allowance for doubtful accounts	0	(0)
Increase (decrease) in provision for retirement benefits 74 82 Interest and dividend income (308) (368) Interest expenses 4 4 4 Loss (gain) on sales of investment securities - (140) Loss on disaster 20 Decrease (increase) in notes and accounts receivable-trade (27,833) (15,545) Decrease (increase) in inventories (16,173) (14,053) Increase (decrease) in inventories (16,173) (14,053) Increase (decrease) in consumption taxes refund receivable (1,384) 1,484 Receivable (1,384) 1,484 Cother, net (482) (2,012) Subtotal 7,022 22,173 Interest and dividend income received 308 368 Interest expenses paid (0) - Payments associated with disaster loss (650) - Income taxes paid (8,388) (8,404) Net cash provided by (used in) operating activities (1,707) 14,137 Cash flows from investing activities (5,350) (5,010) Purchase of property, plant and equipment (5,350) (5,010) Purchase of investment securities (67) (169) Proceeds from sales of investment securities (67) (169) Proceeds from sales of investment securities (67) (169) Proceeds from sales of investment securities (67) (169) Purchase of investment securities (67) (169) Purchase of investment securities (67) (169) Purchase of investment securities (67) (169) Payments for investments in capital of subsidiaries and associates (111) (91) Cash dividends paid (5,025) (5,040) Cash dividends paid (5,025) (5,401) Purchase of treasury shares (0) (0) Cash dividends paid (5,043) Net cash provided by (used in) financing activities (5,138) (5,493) Net cash provided by (used in) financing activities (5,138) (5,493) Net cash provided by (used in) financing activities (5,138) (5,493) Net cash provided by (used in) financing activities (5,138) (5,493)	Increase (decrease) in provision for bonuses	(759)	(645)
Interest and dividend income (308) (368) Interest expenses 4 4 Loss (gain) on sales of investment securities - (140) Loss on disaster 20 - Decrease (increase) in notes and accounts receivable-trade (27,833) (15,545) Decrease (increase) in inventories (16,173) (14,053) Increase (decrease) in consumption taxes refund receivable (13,84) 1,484 Pocrease (increase) in consumption taxes refund receivable (190) 1,464 Increase (decrease) in accrued consumption taxes (190) 1,464 Other, net (482) (2,012) Subtotal 7,022 22,173 Interest and dividend income received 308 368 Interest expenses paid (0) - Income taxes paid (0) - Net ash provided by (used in) operating activities (1,707) 14,137 Cash flows from investing activities (177) (109) Purchase of property, plant and equipment (5,350) (5,010) Purchase of investment securities	Increase (decrease) in provision for loss on disaster	(470)	_
Interest expenses	Increase (decrease) in provision for retirement benefits	74	82
Loss (gain) on sales of investment securities — (140) Loss on disaster 20 — Decrease (increase) in notes and accounts receivable-trade (27,833) (15,545) Decrease (increase) in inventories (16,173) (14,053) Increase (decrease) in notes and accounts payable-trade 28,951 22,197 Decrease (increase) in consumption taxes refund receivable (190) 1,464 Increase (decrease) in accrued consumption taxes (190) 1,464 Other, net (482) (2,012) Subtotal 7,022 22,173 Interest and dividend income received 308 368 Interest expenses paid (0) — Payments associated with disaster loss (650) — Income taxes paid (8,388) (8,404) Net cash provided by (used in) operating activities (1,707) 14,137 Cash flows from investing activities (1,707) 10,90 Purchase of property, plant and equipment (5,350) (5,010) Purchase of investment securities — (67) (169)	Interest and dividend income	(308)	(368)
Coss on disaster	Interest expenses	4	4
Decrease (increase) in notes and accounts receivable-trade	Loss (gain) on sales of investment securities	_	(140)
trade Decrease (increase) in inventories Decrease (increase) in notes and accounts payable-trade Decrease (increase) in consumption taxes refund receivable Increase (decrease) in accrued consumption taxes Increase (decrease) in ocusion taxes fully Increase (decrease) in accrued consumption taxes Increase (decrease) in consumption taxes refund Increase (decrease) in consumption taxes refund Increase (decrease) in consumption taxes Increase	Loss on disaster	20	_
Increase (decrease) in notes and accounts payable-trade Decrease (increase) in consumption taxes refund receivable (1,384) 1,484 1,4		(27,833)	(15,545)
Increase (decrease) in notes and accounts payable-trade Decrease (increase) in consumption taxes refund receivable (1,384) 1,484 1,4	Decrease (increase) in inventories	(16,173)	(14,053)
Decrease (increase) in consumption taxes refund receivable (1,384) 1,484 Increase (decrease) in accrued consumption taxes (190) 1,464 Other, net (482) (2,012) Subtotal 7,022 22,173 Interest and dividend income received 308 368 Interest expenses paid (0) - Payments associated with disaster loss (650) - Income taxes paid (8,388) (8,404) Net cash provided by (used in) operating activities (1,707) 14,137 Cash flows from investing activities (1,707) 14,137 Purchase of property, plant and equipment (5,350) (5,010) Purchase of intensified assets (177) (109) Purchase of investment securities (67) (169) Proceeds from sales of investment securities - 260 Payments for investments in capital of subsidiaries and associates (111) - Other, net (109) 0 Net cash provided by (used in) investing activities (5,816) (5,028) Cash flows from fi	Increase (decrease) in notes and accounts payable-trade		
Other, net (482) (2,012) Subtotal 7,022 22,173 Interest and dividend income received 308 368 Interest expenses paid (0) - Payments associated with disaster loss (650) - Income taxes paid (8,388) (8,404) Net cash provided by (used in) operating activities (1,707) 14,137 Cash flows from investing activities (5,350) (5,010) Purchase of property, plant and equipment (5,350) (5,010) Purchase of intrestment securities (67) (169) Purchase of investment securities - 260 Payments for investment securities - 260 Payments for investments in capital of subsidiaries and associates (111) - Other, net (109) 0 Net cash provided by (used in) investing activities (5,816) (5,028) Cash dividends paid (5,025) (5,401) Purchase of treasury shares (0) (0) Net cash provided by (used in) financing activities (5,138) <	Decrease (increase) in consumption taxes refund	(1,384)	1,484
Other, net (482) (2,012) Subtotal 7,022 22,173 Interest and dividend income received 308 368 Interest expenses paid (0) - Payments associated with disaster loss (650) - Income taxes paid (8,388) (8,404) Net cash provided by (used in) operating activities (1,707) 14,137 Cash flows from investing activities (5,350) (5,010) Purchase of property, plant and equipment (5,350) (5,010) Purchase of intrestment securities (67) (169) Purchase of investment securities - 260 Payments for investment securities - 260 Payments for investments in capital of subsidiaries and associates (111) - Other, net (109) 0 Net cash provided by (used in) investing activities (5,816) (5,028) Cash dividends paid (5,025) (5,401) Purchase of treasury shares (0) (0) Net cash provided by (used in) financing activities (5,138) <	Increase (decrease) in accrued consumption taxes	(190)	1,464
Subtotal 7,022 22,173 Interest and dividend income received 308 368 Interest expenses paid (0) - Payments associated with disaster loss (650) - Income taxes paid (8,388) (8,404) Net cash provided by (used in) operating activities (1,707) 14,137 Cash flows from investing activities (1770) (109) Purchase of property, plant and equipment (5,350) (5,010) Purchase of investment securities (67) (169) Purchase of investment securities - 260 Payments for investments in capital of subsidiaries and associates (111) - Other, net (109) 0 Net cash provided by (used in) investing activities (5,816) (5,028) Cash flows from financing activities (111) (91) Cash dividends paid (5,025) (5,401) Purchase of treasury shares (0) (0) Net cash provided by (used in) financing activities (5,138) (5,493) Net increase (decrease) in cash and cash equi	_		
Interest and dividend income received 308 368 Interest expenses paid (0) - Payments associated with disaster loss (650) - Income taxes paid (8,388) (8,404) Net cash provided by (used in) operating activities (1,707) 14,137 Cash flows from investing activities (5,350) (5,010) Purchase of property, plant and equipment (5,350) (5,010) Purchase of investment securities (67) (169) Purchase of investment securities - 260 Payments for investments in capital of subsidiaries and associates (111) - Other, net (109) 0 Net cash provided by (used in) investing activities (5,816) (5,028) Cash flows from financing activities (5,816) (5,028) Cash dividends paid (5,025) (5,401) Purchase of treasury shares (0) (0) Net cash provided by (used in) financing activities (5,138) (5,493) Net increase (decrease) in cash and cash equivalents (12,662) 3,615		` ,	
Payments associated with disaster loss (650) — Income taxes paid (8,388) (8,404) Net cash provided by (used in) operating activities (1,707) 14,137 Cash flows from investing activities 8 Purchase of property, plant and equipment (5,350) (5,010) Purchase of intangible assets (177) (109) Purchase of investment securities 67) (169) Proceeds from sales of investment securities - 260 Payments for investments in capital of subsidiaries and associates (111) - Other, net (109) 0 Net cash provided by (used in) investing activities (5,816) (5,028) Cash flows from financing activities (111) (91) Cash dividends paid (5,025) (5,401) Purchase of treasury shares (0) (0) Net cash provided by (used in) financing activities (5,138) (5,493) Net increase (decrease) in cash and cash equivalents (12,662) 3,615 Cash and cash equivalents at beginning of period 40,670 45,993	Interest and dividend income received	308	
Payments associated with disaster loss (650) — Income taxes paid (8,388) (8,404) Net cash provided by (used in) operating activities (1,707) 14,137 Cash flows from investing activities 8 Purchase of property, plant and equipment (5,350) (5,010) Purchase of intangible assets (177) (109) Purchase of investment securities 67) (169) Proceeds from sales of investment securities - 260 Payments for investments in capital of subsidiaries and associates (111) - Other, net (109) 0 Net cash provided by (used in) investing activities (5,816) (5,028) Cash flows from financing activities (111) (91) Cash dividends paid (5,025) (5,401) Purchase of treasury shares (0) (0) Net cash provided by (used in) financing activities (5,138) (5,493) Net increase (decrease) in cash and cash equivalents (12,662) 3,615 Cash and cash equivalents at beginning of period 40,670 45,993	Interest expenses paid	(0)	_
Income taxes paid (8,388) (8,404) Net cash provided by (used in) operating activities (1,707) 14,137 Cash flows from investing activities (5,350) (5,010) Purchase of property, plant and equipment (5,350) (5,010) Purchase of intangible assets (177) (109) Purchase of investment securities (67) (169) Proceeds from sales of investment securities - 260 Payments for investments in capital of subsidiaries and associates (111) - Other, net (109) 0 Net cash provided by (used in) investing activities (5,816) (5,028) Cash flows from financing activities (5,816) (5,028) Cash dividends paid (5,025) (5,401) Purchase of treasury shares (0) (0) Net cash provided by (used in) financing activities (5,138) (5,493) Net increase (decrease) in cash and cash equivalents (12,662) 3,615 Cash and cash equivalents at beginning of period 40,670 45,993			_
Net cash provided by (used in) operating activities Cash flows from investing activities Purchase of property, plant and equipment Purchase of intangible assets (177) Purchase of investment securities Purchase of investment securities (67) Proceeds from sales of investment securities Payments for investments in capital of subsidiaries and associates Other, net Other, net Other cash provided by (used in) investing activities Repayments of lease obligations Cash dividends paid Purchase of treasury shares Net cash provided by (used in) financing activities (5,138) Net increase (decrease) in cash and cash equivalents Cash and cash equivalents at beginning of period (5,070) (5,070) (5,070) (6,070) (7,070	· · · · ·	(8,388)	(8,404)
Cash flows from investing activities Purchase of property, plant and equipment Purchase of intangible assets (177) (109) Purchase of investment securities (67) (169) Proceeds from sales of investment securities - Payments for investments in capital of subsidiaries and associates Other, net (109) Other, net (109) Other cash provided by (used in) investing activities Repayments of lease obligations Cash flows from financing activities Repayments of treasury shares (0) Other cash provided by (used in) financing activities (5,025) Other cash provided by (used in) financing activities (111) Other cash provided by (used in) financing activities (5,025) Other cash provided by (used in) financing activities (111) Other cash (5,025) Other cash provided by (used in) financing activities (111)	Net cash provided by (used in) operating activities	(1,707)	14,137
Purchase of property, plant and equipment (5,350) (5,010) Purchase of intangible assets (177) (109) Purchase of investment securities (67) (169) Proceeds from sales of investment securities - 260 Payments for investments in capital of subsidiaries and associates Other, net (109) 0 Net cash provided by (used in) investing activities (5,816) (5,028) Cash flows from financing activities Repayments of lease obligations (111) (91) Cash dividends paid (5,025) (5,401) Purchase of treasury shares (0) (0) Net cash provided by (used in) financing activities (5,138) (5,493) Net increase (decrease) in cash and cash equivalents (12,662) 3,615 Cash and cash equivalents at beginning of period 40,670 45,993	-		
Purchase of investment securities Proceeds from sales of investment securities Proceeds from sales of investment securities Payments for investments in capital of subsidiaries and associates Other, net Other, net Other, net Other cash provided by (used in) investing activities Cash flows from financing activities Repayments of lease obligations Cash dividends paid Cash dividends paid Other cash provided by (used in) financing activities Other cash and cash equivalents	_	(5,350)	(5,010)
Proceeds from sales of investment securities Payments for investments in capital of subsidiaries and associates Other, net Other, net Other cash provided by (used in) investing activities Cash flows from financing activities Repayments of lease obligations Cash dividends paid Other cash provided by (used in) investing activities Repayments of lease obligations Cash dividends paid Other cash provided by (used in) financing activities Net cash provided by (used in) financing activities Other cash provided by (used in) financing activities Othe	Purchase of intangible assets	(177)	(109)
Payments for investments in capital of subsidiaries and associates Other, net Other, net (109) Net cash provided by (used in) investing activities Cash flows from financing activities Repayments of lease obligations (111) (91) Cash dividends paid (5,025) (5,401) Purchase of treasury shares (0) Net cash provided by (used in) financing activities (5,138) Net increase (decrease) in cash and cash equivalents (12,662) 3,615 Cash and cash equivalents at beginning of period	Purchase of investment securities	(67)	(169)
associates Other, net	Proceeds from sales of investment securities	_	260
Net cash provided by (used in) investing activities Cash flows from financing activities Repayments of lease obligations Cash dividends paid Cash dividends paid Purchase of treasury shares Net cash provided by (used in) financing activities Net increase (decrease) in cash and cash equivalents Cash and cash equivalents at beginning of period (5,025) (5,401) (0) (0) (12,662) 3,615 (12,662) 45,993		(111)	_
Net cash provided by (used in) investing activities(5,816)(5,028)Cash flows from financing activitiesRepayments of lease obligations(111)(91)Cash dividends paid(5,025)(5,401)Purchase of treasury shares(0)(0)Net cash provided by (used in) financing activities(5,138)(5,493)Net increase (decrease) in cash and cash equivalents(12,662)3,615Cash and cash equivalents at beginning of period40,67045,993	Other, net	(109)	0
Cash flows from financing activities Repayments of lease obligations Cash dividends paid Cash dividends paid Furchase of treasury shares (0) Net cash provided by (used in) financing activities (5,138) Net increase (decrease) in cash and cash equivalents Cash and cash equivalents at beginning of period (12,662) 45,993		(5,816)	(5,028)
Repayments of lease obligations(111)(91)Cash dividends paid(5,025)(5,401)Purchase of treasury shares(0)(0)Net cash provided by (used in) financing activities(5,138)(5,493)Net increase (decrease) in cash and cash equivalents(12,662)3,615Cash and cash equivalents at beginning of period40,67045,993			· · · · / · · · / · · · · · · · · · · ·
Cash dividends paid(5,025)(5,401)Purchase of treasury shares(0)(0)Net cash provided by (used in) financing activities(5,138)(5,493)Net increase (decrease) in cash and cash equivalents(12,662)3,615Cash and cash equivalents at beginning of period40,67045,993	<u> </u>	(111)	(91)
Purchase of treasury shares(0)(0)Net cash provided by (used in) financing activities(5,138)(5,493)Net increase (decrease) in cash and cash equivalents(12,662)3,615Cash and cash equivalents at beginning of period40,67045,993			(5,401)
Net cash provided by (used in) financing activities(5,138)(5,493)Net increase (decrease) in cash and cash equivalents(12,662)3,615Cash and cash equivalents at beginning of period40,67045,993	-	(0)	(0)
Net increase (decrease) in cash and cash equivalents(12,662)3,615Cash and cash equivalents at beginning of period40,67045,993			
Cash and cash equivalents at beginning of period 40,670 45,993			
	-	· · · · · · · · · · · · · · · · · · ·	

(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)

No items to report

(Significant subsequent event)

(Regarding the impact of "the 2024 (Reiwa 6) Noto Peninsula Earthquake")

The recent "2024 (Reiwa 6) Noto Peninsula Earthquake" that occurred in January 2024 incurred some damages to the offices, distribution capabilities and inventories at the Company's two distribution centers (RDC Hokuriku and RDC Niigata). Although the Company implemented alternative shipment by using its other distribution centers, it has restarted to operate two centers that were damaged by the earthquake. The impact on the Company's business results by the earthquake is currently being reviewed and has not yet been determined.

(Note) RDC (Regional Distribution Center) is large-scale logistics center.