

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

February 6, 2026

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

(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, 2025	950,636	4.3	21,947	(2.2)	24,548	(3.4)	17,320	(5.3)
December 31, 2024	911,064	3.2	22,439	2.1	25,417	3.1	18,282	6.6

	Earnings per share	Diluted earnings per share
Nine months ended	(¥)	(¥)
December 31, 2025	281.57	–
December 31, 2024	292.09	–

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	(¥ million)	(¥ million)	%	(¥)
December 31, 2025	543,887	299,777	55.1	4,907.81
March 31, 2025	507,048	287,669	56.7	4,664.19

Reference: Equity As of December 31, 2025: ¥299,777 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 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 shares)

As of December 31, 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 December 31, 2025	918,176 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 nine months ended December 31, 2025	61,512,325 shares
For the nine months ended December 31, 2024	62,591,726 shares

(Notes)

- (1) Based on a decision by the Board of Directors on August 4, 2025, the Company purchased treasury stock of 594,200 shares during the first nine months.
- (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.

* Review of the Japanese-language originals of the attached quarterly financial statements by certified public accountants or an audit firm: Yes (voluntary)

* 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, 2025 (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 financial results)

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 has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated report and the Japanese original, the original shall prevail.

Attached Material

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1. Financial Results Information for the Nine Months Ended December 31, 2025

(1) Operating Results

[Business conditions]

In the nine months ended December 31, 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 ¥39,572 million (up 4.3%) year on year to ¥950,636 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 ¥491 million (down 2.2%) year on year to ¥21,947 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 nine months ended December 31, 2025 are as follows:

(Millions of yen, unless otherwise noted)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025	Change	
			Amount	Rate (%)
Net sales	911,064	950,636	39,572	4.3
Gross profit	68,021	71,446	3,425	5.0
[Gross profit margin (%)]	[7.47]	[7.52]	[0.05]	
SG&A expenses	45,581	49,498	3,916	8.6
[SG&A expenses ratio (%)]	[5.00]	[5.21]	[0.21]	
Operating profit	22,439	21,947	-491	-2.2
[Operating profit ratio (%)]	[2.46]	[2.31]	[-0.15]	
Ordinary profit	25,417	24,548	-869	-3.4
[Ordinary profit ratio (%)]	[2.79]	[2.58]	[-0.21]	
Profit	18,282	17,320	-962	-5.3
[Profit margin (%)]	[2.01]	[1.82]	[-0.19]	

Sales highlights

Sales results for the nine months ended December 31, 2025 by product category are as follows:

(Millions of yen, unless otherwise noted)

Product category	Nine months ended December 31, 2024	Nine months ended December 31, 2025	Change	
			Amount	Rate (%)
Cosmetics	215,558	226,773	11,215	5.2
Daily necessities	404,428	428,182	23,754	5.9
OTC pharmaceuticals	113,557	110,876	-2,680	-2.4
Health and sanitary related products	161,886	168,175	6,288	3.9
Others	15,633	16,628	995	6.4
Total	911,064	950,636	39,572	4.3

Sales results for the nine months ended December 31, 2025 by customer category are as follows:

(Millions of yen, unless otherwise noted)

Customer category	Nine months ended December 31, 2024	Nine months ended December 31, 2025	Change	
			Amount	Rate (%)
Drugstores (Pharmacies)	582,538	618,177	35,638	6.1
Discount stores	83,475	88,333	4,858	5.8
Convenience stores	73,072	79,004	5,931	8.1
Home centers (DIY stores)	66,579	66,031	-548	-0.8
Supermarkets	40,983	40,470	-512	-1.2
General merchandising stores	31,465	33,796	2,330	7.4
Export, EC business and others	32,949	24,823	-8,126	-24.7
Total	911,064	950,636	39,572	4.3

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 December 31, 2025	Change in amount
Total assets	507,048	543,887	36,839
Total liabilities	219,379	244,109	24,730
Net assets	287,669	299,777	12,108

(Assets)

Total assets as of the end of the third quarter were ¥543,887 million, an increase of ¥36,839 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 third quarter were ¥244,109 million, an increase of ¥24,730 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 third quarter were ¥299,777 million, an increase of ¥12,108 million from the end of the previous fiscal year. The main factor was an increase in retained earnings.

2) Cash flows

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Cash flows from operating activities	9,592	8,364
Cash flows from investing activities	56	(2,452)
Cash flows from financing activities	(9,983)	(9,717)

(Cash flows from operating activities)

Net cash provided by operating activities was ¥8,364 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 ¥2,452 million. The main factors were purchase of property, plant and equipment and purchase of investment securities.

(Cash flows from financing activities)

Net cash used in financing activities was ¥9,717 million. The main factors were cash dividends paid and purchase of treasury shares.

Cash and cash equivalents as of the end of the third quarter were ¥66,110 million, a decrease of ¥3,806 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. Quarterly Financial Statements and Notes to Quarterly Financial Statements**(1) Quarterly Balance Sheets**

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	69,916	66,110
Notes and accounts receivable - trade	218,120	* 241,682
Merchandise and finished goods	54,705	67,196
Other	22,997	23,048
Allowance for doubtful accounts	(3)	(4)
Total current assets	365,735	398,034
Non-current assets		
Property, plant and equipment		
Buildings, net	45,325	43,457
Land	46,748	46,748
Other, net	20,859	20,118
Total property, plant and equipment	112,933	110,324
Intangible assets	724	737
Investments and other assets		
Investments and other assets	27,658	34,793
Allowance for doubtful accounts	(3)	(3)
Total investments and other assets	27,654	34,790
Total non-current assets	141,312	145,853
Total assets	507,048	543,887
Liabilities		
Current liabilities		
Notes and accounts payable - trade	172,614	* 198,633
Income taxes payable	5,252	2,734
Provision for bonuses	1,740	926
Other	29,420	28,645
Total current liabilities	209,028	230,940
Non-current liabilities		
Provision for retirement benefits	3,123	3,197
Other	7,227	9,971
Total non-current liabilities	10,351	13,169
Total liabilities	219,379	244,109

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Net assets		
Shareholders' equity		
Share capital	15,869	15,869
Capital surplus	25,093	20,741
Retained earnings	240,395	250,820
Treasury shares	(5,757)	(4,129)
Total shareholders' equity	275,601	283,301
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	12,082	16,470
Deferred gains or losses on hedges	(14)	6
Total valuation and translation adjustments	12,067	16,476
Total net assets	287,669	299,777
Total liabilities and net assets	507,048	543,887

(2) Quarterly Statements of Income

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Net sales	911,064	950,636
Cost of sales	843,043	879,190
Gross profit	68,021	71,446
Selling, general and administrative expenses	45,581	49,498
Operating profit	22,439	21,947
Non-operating income		
Dividend income	417	447
Research fee income	1,449	1,478
Rental income from real estate	124	125
Subsidy income	576	14
Other	540	580
Total non-operating income	3,110	2,646
Non-operating expenses		
Interest expenses	4	5
Rental expenses on real estate	107	24
Other	20	17
Total non-operating expenses	132	46
Ordinary profit	25,417	24,548
Extraordinary income		
Gain on sale of non-current assets	5	—
Gain on sale of investment securities	1,010	0
Reversal of provision for loss on disaster	7	—
Insurance claim income	—	478
Total extraordinary income	1,023	478
Extraordinary losses		
Loss on retirement of non-current assets	7	8
Total extraordinary losses	7	8
Profit before income taxes	26,433	25,018
Income taxes - current	7,233	7,184
Income taxes - deferred	917	514
Total income taxes	8,150	7,698
Profit	18,282	17,320

(3) Quarterly Statements of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Cash flows from operating activities		
Profit before income taxes	26,433	25,018
Depreciation	4,855	4,751
Increase (decrease) in allowance for doubtful accounts	0	0
Increase (decrease) in provision for bonuses	(1,144)	(813)
Increase (decrease) in provision for loss on disaster	(403)	—
Increase (decrease) in provision for retirement benefits	(46)	(41)
Interest and dividend income	(418)	(448)
Interest expenses	4	5
Loss (gain) on sale of investment securities	(1,010)	(0)
Insurance claim income	—	(478)
Decrease (increase) in trade receivables	(16,540)	(23,562)
Decrease (increase) in inventories	(16,258)	(12,491)
Increase (decrease) in trade payables	28,703	26,018
Decrease (increase) in consumption taxes refund receivable	(379)	—
Increase (decrease) in accrued consumption taxes	(2,900)	(225)
Other, net	(1,758)	(783)
Subtotal	19,135	16,948
Interest and dividends received	418	448
Interest paid	(2)	(0)
Payments associated with disaster loss	(401)	—
Proceeds from insurance income	—	478
Income taxes paid	(9,558)	(9,511)
Net cash provided by (used in) operating activities	9,592	8,364
Cash flows from investing activities		
Purchase of property, plant and equipment	(914)	(1,599)
Proceeds from sale of property, plant and equipment	10	—
Purchase of intangible assets	(165)	(184)
Purchase of investment securities	(77)	(383)
Proceeds from sale of investment securities	1,415	0
Payments for investments in capital of subsidiaries and associates	(14)	—
Purchase of shares of subsidiaries and associates	—	(60)
Other, net	(196)	(225)
Net cash provided by (used in) investing activities	56	(2,452)
Cash flows from financing activities		
Repayments of lease liabilities	(86)	(100)
Dividends paid	(6,201)	(6,893)
Purchase of treasury shares	(3,696)	(2,724)
Net cash provided by (used in) financing activities	(9,983)	(9,717)
Net increase (decrease) in cash and cash equivalents	(334)	(3,806)
Cash and cash equivalents at beginning of period	60,994	69,916
Cash and cash equivalents at end of period	* 60,659	* 66,110

(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)

(Acquisition of treasury stock)

Based on a decision by the Board of Directors on August 4, 2025, the Company purchased treasury stock of 594,200 shares. As a result, treasury shares increased by ¥2,724 million during the first nine months 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 nine months under review.

As a results of the above, capital surplus at the end of the first nine months under review was ¥20,741 million and treasury shares at the end of the first nine months under review was ¥4,129 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, 2025 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, 2025	As of December 31, 2025
Notes receivable-trade	– million yen	57 million yen
Notes payable-trade	–	5,157

(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, 2024	Nine months ended December 31, 2025
Cash and deposits	60,659 million yen	66,110 million yen
Time deposits with a deposit period of over three months	–	–
Cash and cash equivalents	60,659	66,110

(Notes on changes in equity)

I. 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

II. Nine months ended December 31, 2025

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 12, 2025	Common stock	3,392	55	March 31, 2025	June 2, 2025	Retained earnings
Board of Directors meeting held on November 4, 2025	Common stock	3,503	57	September 30, 2025	December 1, 2025	Retained earnings

(Segment information)

I. 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.”

II. Nine months ended December 31, 2025

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, 2024	Nine months ended December 31, 2025
	Amount (Millions of yen)	Amount (Millions of yen)
Cosmetics	215,558	226,773
Daily necessities	404,428	428,182
OTC pharmaceuticals	113,557	110,876
Health and sanitary related products	161,886	168,175
Others	15,633	16,628
Total sales	911,064	950,636

Sales results by customer category are as follows:

Customer category	Nine months ended December 31, 2024	Nine months ended December 31, 2025
	Amount (Millions of yen)	Amount (Millions of yen)
Drugstores (Pharmacies)	582,538	618,177
Discount stores	83,475	88,333
Convenience stores	73,072	79,004
Home centers (DIY stores)	66,579	66,031
Supermarkets	40,983	40,470
General merchandising stores	31,465	33,796
Export, EC-business and others	32,949	24,823
Total sales	911,064	950,636

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, 2024	Nine months ended December 31, 2025
Net income per share	292.09 yen	281.57 yen
(The basis for calculation)		
Profit (Millions of yen)	18,282	17,320
Amount not attributable to common stock (Millions of yen)	–	–
Profit attributable to common stock (Millions of yen)	18,282	17,320
Average number of shares during the period (thousands of shares)	62,591	61,512

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.