

1

WHAT'S PALTAC

- 4 PALTAC MIND
- 5 PALTAC History
- 6 Our Accumulated Strengths
- 7 PALTAC in Facts and Figures



PALTAC MIND

Our DNA

Sincerity and Honesty

Our Aim

We would like to strive to contribute to a customer's prosperity and to create a people's rich and comfortable daily lives through distribution

Our Policy

We always respect, harmony with people and act with a sense of gratitude and humility

We tenaciously, take on the challenge of transformation by leveraging creativity, breakthrough technology and rapid decision-making

We fulfill a role through forming collaboration, making correct decisions and acting responsibly

Corporate Slogan

Maximizing customer satisfaction and minimizing distribution costs



“PALTAC MIND” is our “philosophy” which is shared by every employee and the starting point of our actions to continue to provide new value as a company that supports the social infrastructure of the supply chain while keeping pace with the rapid change of society.

PALTAC History

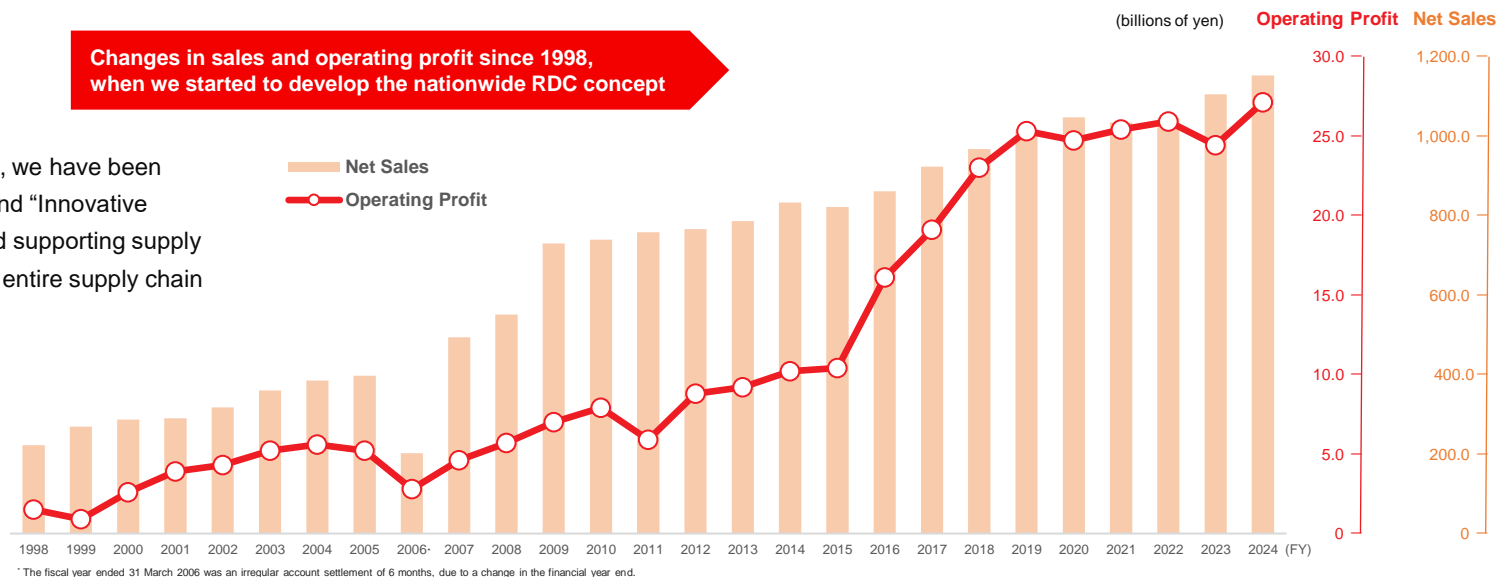
Over the course of 125 years since our foundation, we have been engendering the spirits of “Sincerity and Honesty” and “Innovative Spirits” as a fundamental principle of our activity and supporting supply chain. We will continue to create new values for the entire supply chain to create people’s rich and comfortable daily lives.

Please refer to our website for more information on the “PALTAC History”.

Our Japanese website, “History”
<https://www.paltac.co.jp/today/history/index.html>

Our website “Integrated report back numbers”
<https://www.paltac.co.jp/en/index.html>

Changes in sales and operating profit since 1998, when we started to develop the nationwide RDC concept



1898 ~

Foundation The origins of “Sincerity and Honesty”

In 1898, PALTAC’s history began, when Tanejiro Sumikura founded the variety store “Oboko-go Sumikura-siten” in Osaka Senba, which handled cosmetics and daily necessities. At the time of our founding, we had a difficult start, with limited funds and inability to procure sufficient products. However, we embarked on a path of steady growth by adhering to solid management and building trust with our customers, based on our belief of “Sanyo, Saikaku, and Shimatsu”.

The spirit of those days has been carried over to the present days and this has become the strength of enabling us PALTAC to create value.



Founder
Tanejiro Sumikura



“Oboko-go Sumikura-siten”

1951 ~

Becoming a nationwide wholesaler

In the 1950s, Japan entered an era of mass production and mass consumption against the backdrop of rapid economic growth. Additionally, the distribution industry reached a turning point of innovation. The retail industry developed significantly through chain-store operations. In response to this, we intended to integrate with other wholesalers. Since our founding, we demonstrated our capability to effectively manage costs. This also meant that we assisted other wholesalers in the same industry with improvements in stock management and delivery. These initiatives enabled us to steadily increase the number of group companies across the country, and we transformed ourselves from a traditional wholesaler to a comprehensive wholesaler of cosmetics and daily necessities.

In 1951 : We had changed our trade name to “Daisho Corporation” which means to sell cosmetics in Osaka



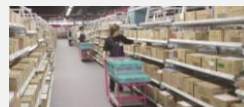
1976 : Changed the trade name to Paltac Corporation. “PALTAC” stands for “Pioneers Alliance of Living-necessaries, Toiletries And Cosmetics”. As well as “PAL” signifies “same-minded group” wishes our intention to strengthen the sense of solidarity among those responsible for distribution nationwide.

1998 ~

Optimizing and streamlining entire supply chain

In the 1990s, the economic downturn caused by the bursting of the bubble economy led to a restructuring of the wholesale industry. Against this backdrop, we accelerated the development of our group nationwide to strengthen our distribution system and achieve low-cost management.

Then in 1998, we merged with Shinwa corporation, which has strengths in logistics and IT systems. This merger resulted in the birth of the renewed Paltac, which combines the strengths of a nationwide sales network and an abundant product lineup with an excellent logistics and IT systems. From that time, we launched the “nationwide RDC concept”, which involved the nationwide deployment of large-scale distribution centers. Since then, we have continued to optimize and streamline the entire supply chain.



1998 : Merged with Shinwa corporation and launched our “nationwide RDC concept”

2005 ~

To be a comprehensive wholesaler providing a full line of “Health and Beauty”

In 2005, we merged with pharmaceutical wholesaler Mediceo HD Co., Ltd. (currently MEDIPAL HD Co., Ltd.) and began handling over-the-counter (OTC) pharmaceuticals in addition to cosmetics and daily necessities. This enabled us to become a next generation distributor that provides a full line of “Health and Beauty” products. Delivering a full line of daily necessities led to the optimization of the entire supply chain, including improved convenience for retailers and increased truck loading rates.

From 2018, we have been challenging ourselves to further improve productivity by launching a distribution center equipped with cutting-edge technologies such as AI and robotics.



2005 : Business integration with Mediceo HD Co., Ltd.(currently MEDIPAL HD Co., Ltd.), a pharmaceutical wholesaler. Started handling OTC pharmaceuticals.

2023 ~

Towards new value creation

In 2023, we made our top management to the next generation. This is because we have decided that in order to achieve sustainable growth in a diverse and complex changing environment, we need to take on the challenge of corporate transformation with new ideas that are willing to be “destruction and creation”.

In 2024, we developed a long-term vision looking ahead approx. 10 years and a three-years medium-term management plan. Under the slogan of our long-term vision, “Creating the future of people and society through the power of connections”, we will take on the challenge of creating new value through innovation in distribution and fulfill our aim of “Creating people’s rich and comfortable daily lives through distribution”.



Project members

Medium-term management plan planning project

To incorporate the thinking and opinions of frontline employees into the strategy of the new medium-term management plan, a select group of employees designed a growth strategy and presented it to management.

Our Accumulated Strengths

Connection with our customers

Our partners who support people's rich and comfortable daily lives with us

Retailer



400 companies

Number of stores 50,000 stores

Manufacturer



1,000 companies

Number of items 50,000 SKU

Connection with consumers

Responsible for distributing products essential to people's daily lives

Yearly shipments



3.5 billion Products
30 products per person

Logistics base

Logistics network that is capable of stable and efficient delivery covering the whole area in Japan

Main distribution centers

23 centers

The number of employees involved in developing logistics system



200 members
(Logistics / R&D / System department)

Human capital

The source of continuously creating new value for supply chain

Number of employees

2,237 members



A wealth of information on distribution

Information on products, sales, in-store, delivery and more

Amount of information

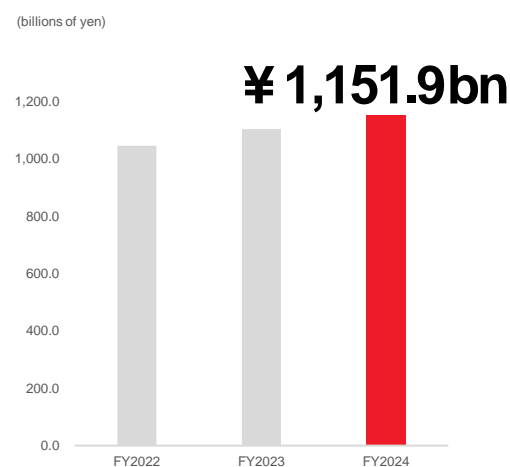
No.1 in the industry



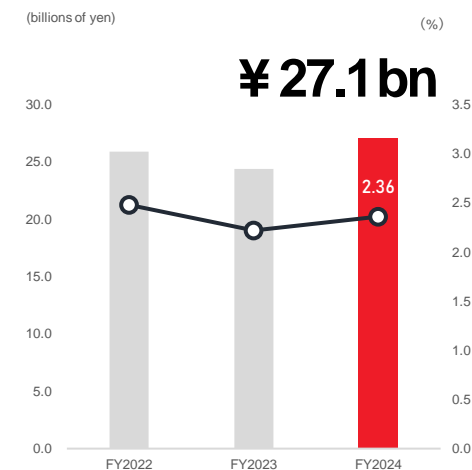
PALTAC in Facts and Figures

Financial index

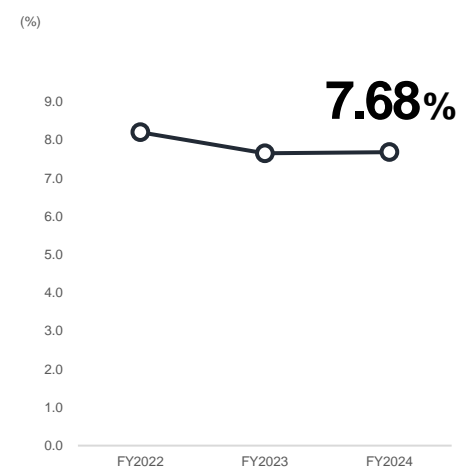
Net Sales



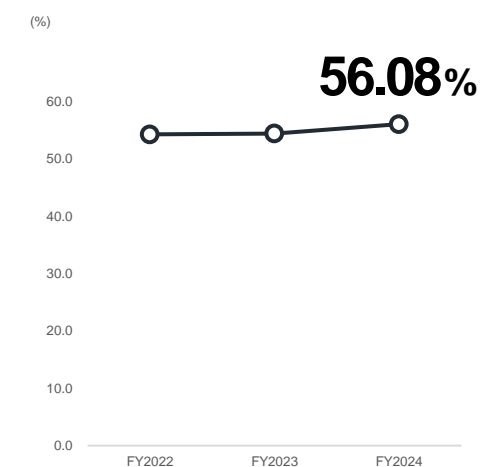
Operating Profit / OPM



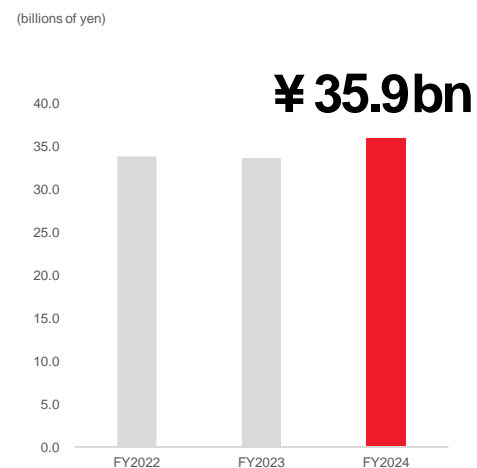
ROE



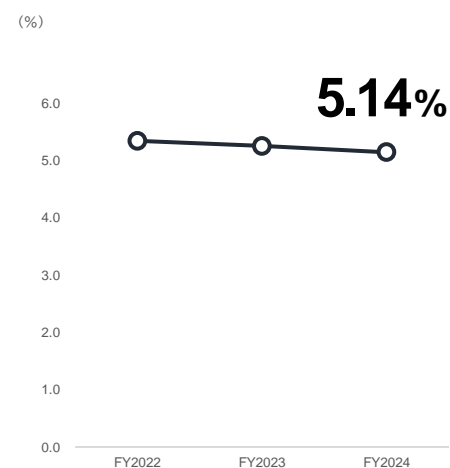
Equity ratio



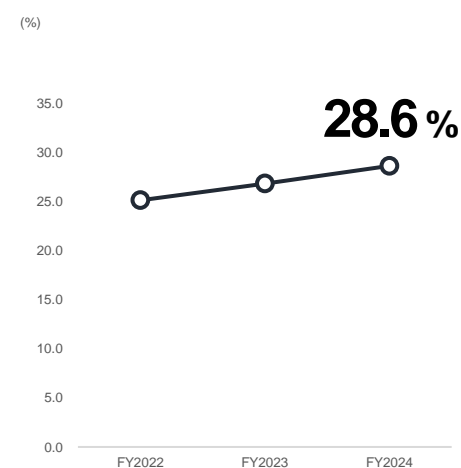
EBITDA



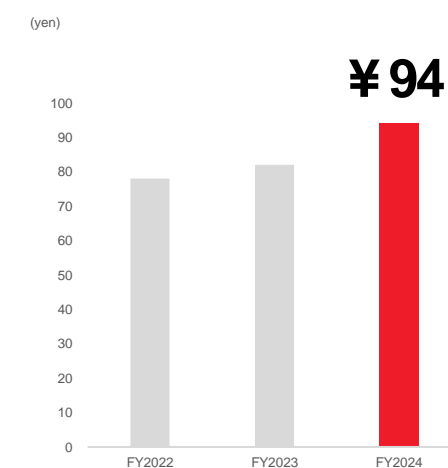
SG&A expenses ratio



Payout Ratio



Cash dividend per share

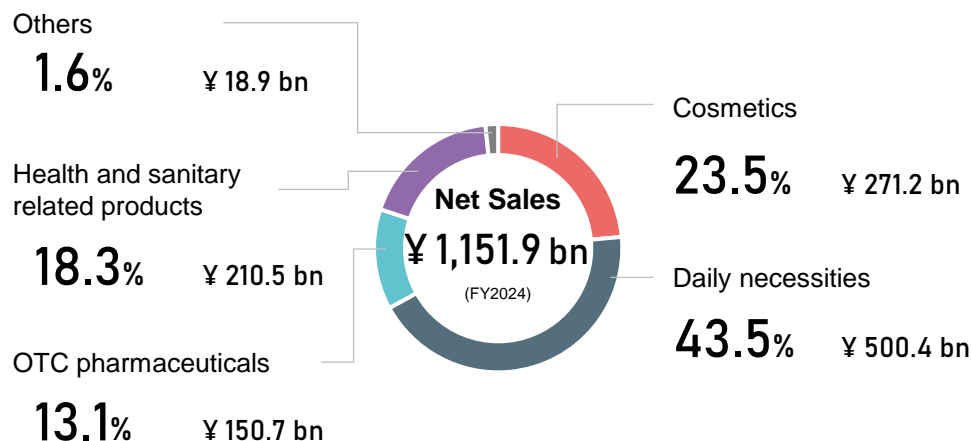


PALTAC in Facts and Figures

Financial index

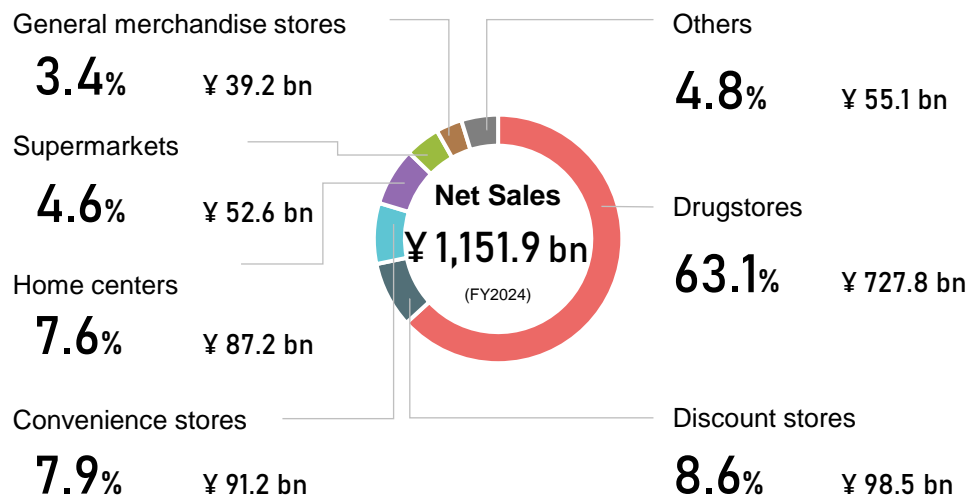
Sales composition by product category

(billions of yen)



Sales composition by customer category

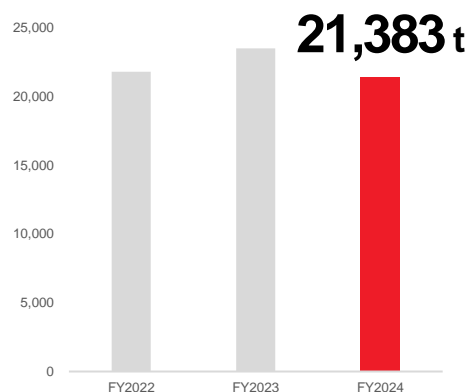
(billions of yen)



Non-Financial index

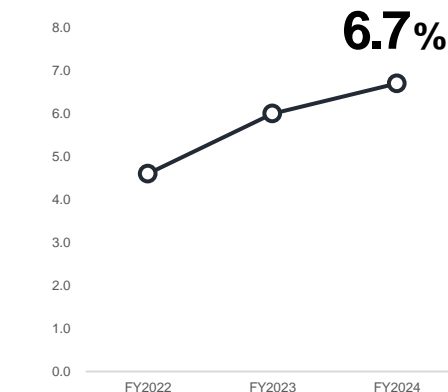
CO2 emissions (Scope1 + 2)

(t-CO2)



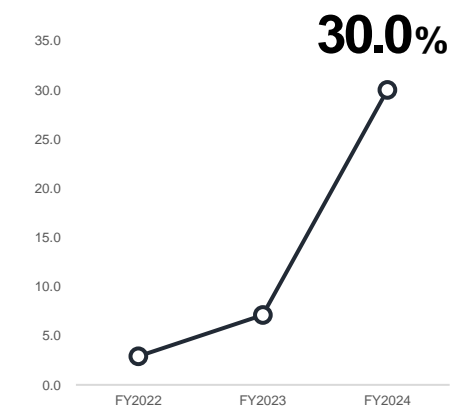
Percentage of female employees in management positions

(%)



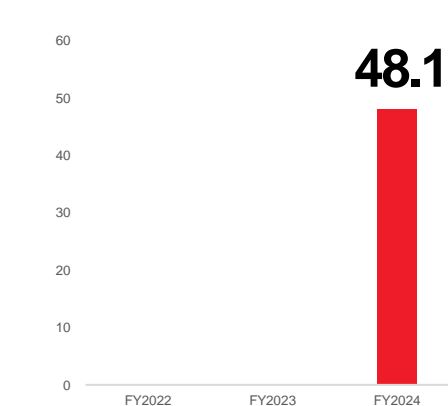
The percentage of male employees taking childcare leave

(%)



Employee Engagement Score*

(%)



* Engagement score: Measured by "Motivation Cloud" service of Link and Motivation Inc. from the fiscal year ended March 31, 2024.