2 Value Creation Story

President's Message

Representative Director, President

Takuya Yoshida

Beyond wholesale: Driving the future of value creation

We now stand at a major turning point in the distribution industry. Society is changing at an unprecedented pace, and consumer values and purchasing behaviors are becoming increasingly diverse and complex. In this environment, we strongly recognize that it is difficult to continue supporting people's daily lives within the traditional framework, and that challenges are emerging which cannot be solved by a single company alone.

To respond to these changes, we believe it is essential to evolve beyond the boundaries of "wholesale" and become a company that drives transformation across the entire supply chain. Our goal is not simply to improve distribution efficiency, but to rebuild connections with our stakeholders and become a starting point for value creation.

Unlocking new value: First year of our medium-term transformation journey

To realize transformation, we have steadily advanced initiatives aligned with our key strategies under the long-term vision formulated last year, "Creating the future of people and society through the power of connections" , and our medium-term management plan, "PALTAC VISION 2027," which is based on our long-term vision. In the first year of these plans, the fiscal year ended March 2025, we faced a challenging external environment, including rising prices and increased logistics costs. Despite these difficult conditions, we achieved results largely in line with our plan, setting new record highs in net sales, operating profit, and ordinary profit. On the operational side, we began to see signs of change across the organization. These included improved delivery efficiency through cross-industry collaboration, expansion into new product categories, and employee-driven revisions to workplace systems and environments. It was truly a foundational year of transformation for us.

These developments mark a solid step toward realizing our long-term vision. Building on this progress, we will accelerate the creation of a sustainable distribution model to continue supporting people's daily lives.

「PALTAC VISION 2027」

Constructing the foundation for transformation through structural reform

The essence of constructing the foundation for transformation	Four Key Strategies
Securing "adequate capitals"	No.1 Improving profitability of existing business
Gaining "competitive edge"	No.2 Taking on the challenge to create new value
Acquiring "practical abilities"	No.3 Improving sustainability
Obtaining "cooperation"	No.4 Undertaking management to enhance capital efficiency

Enhancing consumer satisfaction through new product development and bold distribution expansion

To create new value through transformation, we must first enhance the competitiveness of our existing businesses. By fully leveraging the management resources we have accumulated, such as data, expertise, and human capital and we will connect these strengths to the creation of new businesses. In particular, we will secure the source of strategic investments for transformation by continuously improving the profitability of our existing businesses.

As part of this initiative, we are expanding our range of new product offerings. In response to rapid societal changes, consumer needs are becoming increasingly diverse. Rather than simply meeting those needs, we aim to introduce high-value-added products that exceed expectations. Through this approach, we seek to enhance consumer satisfaction, contribute to industrywide profit growth, and ultimately increase our gross profit.

In developing products with functions or uses that are not yet available in the market, or not yet widely recognized, we have begun to see positive transformation, particularly in the domestic introduction of inner beauty products from Korea and localized cosmetics brands from Vietnam and Indonesia. In these regions, our company initially had no brand recognition. Starting from that point, we visited each manufacturer individually and carefully communicated our vision and direction. Through these efforts, we built collaborative relationships aimed at brand development and successfully connected these products to domestic distribution.

For manufacturers, entrusting the distribution of their own brands is a highly important decision. In this context, members of our purchasing department and overseas subsidiaries took the initiative, thinking and acting independently, to build trust from the ground up. Hearing manufacturers say, "We want to entrust our distribution to PALTAC," is deeply encouraging and has become a powerful driving force behind the expansion of future initiatives.

Until recently, we had limited opportunities to directly communicate value to consumers. Today, however, we are taking new approaches, such as hosting pop-up events produced in-house and utilizing social media. Even for products that are not yet widely recognized in the market, we are working to build meaningful connections with consumers and convey the appeal of these offerings. Through these efforts, we are beginning to see clear signs of change in our marketing activities, small but tangible steps toward the future.

These developments are not limited to results in the domestic market; they also carry significant meaning as a foundation for our medium- to long-term global expansion. To help realize richer and more comfortable lifestyles for consumers across borders, we aim to build a global distribution network that connects Japan with other countries, and also links countries to each other. Last year, our local subsidiary in Indonesia began exporting to Mongolia. Although the scale remains modest, this development represents a meaningful milestone for us. There is still room to expand exports from Japan to other countries. Many products that can enrich people's lives in each region have yet to be introduced. By accurately identifying local needs and selecting products that deliver even greater value, we will further foster brand growth through collaboration with local partners. By doing so, we aim to establish ourselves not merely as a wholesaler, but as a value-creating producer, and expand the scale of our distribution.

Co-creating a sustainable distribution infrastructure in harmony with the environment and society

When we think about the future of distribution, logistics is one of the areas facing the greatest risks today. Challenges surrounding logistics are diverse, ranging from population decline and labor shortages to increasing environmental impact and rising disaster risks. If we continue relying on traditional frameworks, it may soon become difficult to sustain either comfortable lifestyles or long-term growth. In response, we aim to leverage our position as an intermediary distributor and our unique strengths to take on a role in shaping logistics across the entire supply chain.

Today, the challenges surrounding logistics are too complex for individual companies to solve on their own by pursuing isolated optimizations. We believe it is essential to approach these shared issues through collaboration and co-creation.
In the past, inefficiencies were often accepted as the norm due to barriers such as industry boundaries, business practices, and competition. For example, even when nearby distribution centers were shipping small loads to the same destination, separate trucks would still be dispatched. This is precisely the kind of structure we must urgently redesign—and joint delivery is no longer a rare initiative.

We are accelerating our joint delivery initiatives by joining hands with companies across industries that share common logistics challenges—such as SG Holdings (Sagawa Express) in the logistics sector, Mitsubishi Shokuhin in the food industry, and Arata Corporation, a peer in our own industry. In particular, collaboration among competitors is inherently difficult, as we are constantly striving and competing with one another. However, given the urgency of the current environment, we have proactively moved forward with discussions to collaborate in non-competitive areas.

Our collaboration efforts are not limited to joint delivery. We are exploring a wide range of possibilities with various partners. In addition, by joining hands with more companies and expanding the scope of collaboration and cooperation, we aim to co-create a sustainable logistics network.

Another way to enhance the quality of the logistics network is to strengthen the functions of distribution centers, which function as its core hubs. By upgrading the capabilities of our own distribution centers, we aim to deliver even greater value.

One key focus is achieving far and away the highest productivity. We continue to pursue greater efficiency in our distribution centers, which have been a major driver of our growth. As Japan moves further toward small-lot, multi-product distribution, there is a growing risk that picking operations within distribution centers will not be able to keep pace. Even with a well-developed network, we may not be able to fully leverage it unless we address this issue. With this in mind, we have gone through a process of trial and error and have now completed the basic design needed to achieve productivity that can withstand these demands.

We are also taking on the challenge of expanding our product categories. Similar in concept to joint delivery, we believe there is significant value in handling products together at the same distribution center if they are sold at the same retail store.
In September 2024, we began integrated handling of food and non-food items by expanding one of our existing centers. While there were challenges due to the differing characteristics of each category, thanks to the cooperation of our retail partners and others, the center is now operating stably.
The know-how we have accumulated through this initiative is not only valuable for operating our own centers, but also plays an important role in expanding the scope of collaboration and cooperation.

Empowering change through human capital and digital technology —Accelerating digital transformation

The driving force behind transformation lies in human capabilities, such as creativity and empathy. It is also human capital that harnesses digital technologies to bring speed and scale. That is why, in the era ahead, transformation cannot be realized without the fusion of human capital and digital.
We are now taking on the challenge of connecting the supply chain through data. Even when physical connections exist, the lack of visibility into what is happening on the ground can lead to inefficiencies, wasteful acts, unevenness, and unreasonable burdens. We are working to overcome these "invisible disconnects" through the power of digital technology and AI.

We believe that our "Digital Transformation" is about realizing a more efficient and sustainable supply chain in the future. Our efforts to build global product and logistics networks also serve as a source of data. By visualizing this data, we aim to further optimize and streamline the entire supply chain. True value is created only when systems are in place to make use of it, and human capital is able to fully utilize those systems.

What matters first is ensuring that everyone can use digital technology and AI as their own tools. Digital is just a means, but without the ability to use it effectively, transformation cannot happen.
In the past, we moved from handwritten slips and calculators to computers, and now we use smartphones as a matter of course. Technologies like cloud computing and generative AI will continue to evolve, but what's needed is a mindset that says, "It's just a change in the tools we use—it's not something difficult."

In April 2025, we introduced a flextime system. I hope this initiative will help shift the relationship between employees' work and personal lives from conflict to harmony. By enabling employees to choose work styles that suit their individual lifestyles, those who previously had to work shorter hours due to childcare responsibilities can now engage in their duties without added burden. I also believe this system will encourage employees to take greater ownership in designing their own work. Digital technology plays a key role in enabling efficient operations and high-quality output. Today, generative AI is increasingly being used across our organization, and we are gradually building an environment that fosters digital literacy, for example, by encouraging employees to obtain IT Passport certification. Phrases like "Why not ask AI?" or "Maybe let AI handle that part" are becoming more common throughout the company. While we have not yet reached the stage where AI is fully embedded in our workflows, I believe we have already taken the first step.

As more employees begin to use digital technology as their own tool, and eventually reach a stage where AI becomes a true partner in collaboration, I believe the day when the supply chain is fully connected through data is not far off. We will continue accelerating our efforts to empower each employee to act autonomously and embrace digital as a personal strength—so that transformation can truly take shape.

Key issues for enhancing corporate value

We aim to improve capital efficiency over the long term, targeting an ROE of 9–10%, by driving profit growth through business expansion and optimizing our capital structure. In the fiscal year ended March 2025, we maintained our operating profit margin and improved our net profit margin through measures such as the sale of strategic shareholdings, resulting in a 0.4% increase in ROE compared to the previous year. As a wholesaler, our business serves as part of the distribution infrastructure and relies heavily on facilities such as warehouses, making dramatic improvements in capital efficiency difficult. However, by ensuring stable growth in our existing businesses, creating new value in adjacent areas as described above, and appropriately returning the cash generated to our stakeholders, we will steadily enhance efficiency and realize greater corporate value.

In line with the policy set forth in our medium-term management plan, "dividends that exceed profit growth, a payout ratio of 35% or more in the final year, and enhanced shareholder returns through share buybacks", we are steadily implementing shareholder return measures. We have achieved 15th consecutive years of dividend increases and have also undertaken share buybacks.

Shareholder returns (FY2025)

- **15th consecutive years of dividend increases**
  (annual increase of ¥11)
- **Dividend growth that exceeds the rate of profit growth**
  - YoY Increase in Net Profit: +10.8%
  - YoY Increase in Dividends: **+11.7%**
- **Total payout ratio: 50.4%**
  (Approx. ¥5 billion in share buybacks)

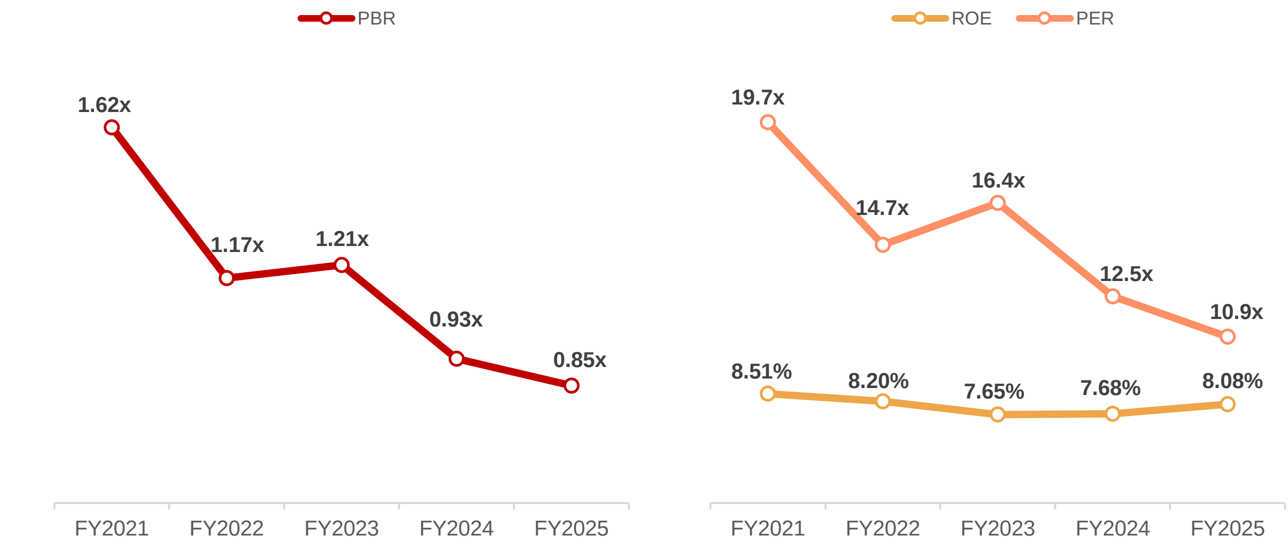
Although we are steadily advancing these initiatives, our current PBR remains below 1. This is a significant challenge for us. When we break down the PBR, we find that our ROE has remained at a stable level, and the main factor behind the decline is the drop in PER.

While multiple factors are closely interrelated, this situation suggests that market expectations for our future growth have not yet been sufficiently cultivated. To address this, we will continue to strengthen dialogue and communication with our stakeholders through this report, as well as through IR activities and briefings.

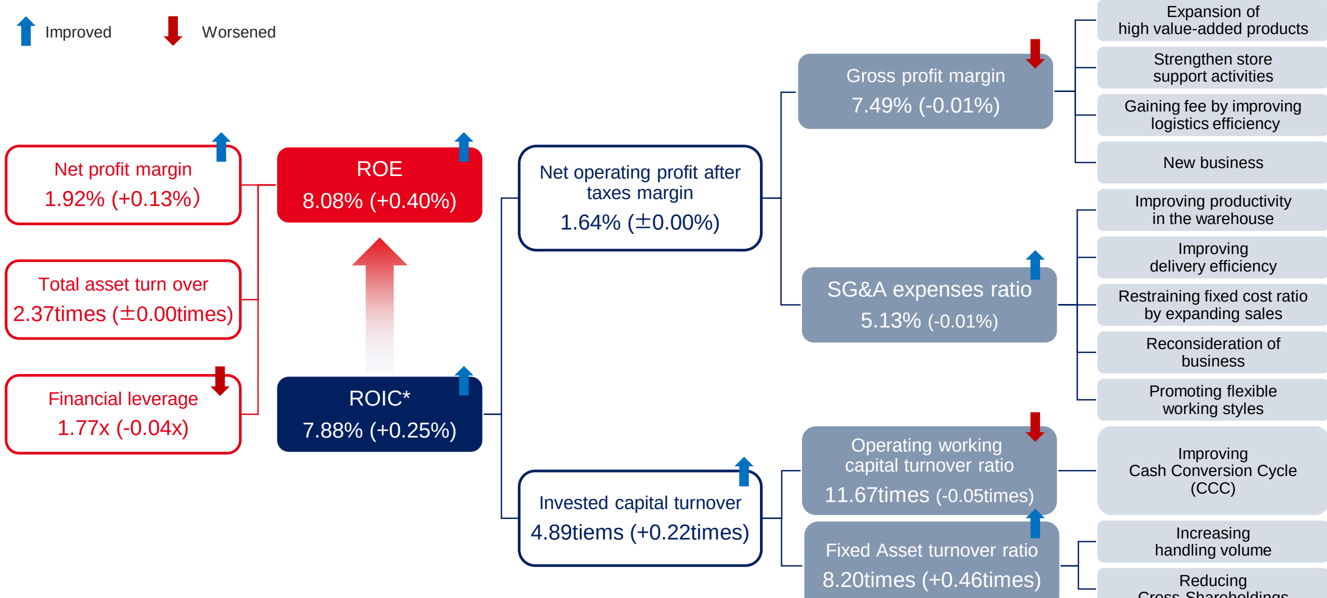
As we continue engaging in constructive dialogue and communication with our stakeholders, we hope to share our growth story. We sincerely appreciate your continued support and encouragement for our ongoing challenges.

Five-year trends in PBR*, ROE, and PER
(Fiscal years ended March 2021 to March 2025)

*PBR = ROE × PER



Improvements in ROE and ROIC Actual results FY2025 (compared to FY2024)



* ROIC(Perspective of Management):Net Operating Profit After Taxes / Invested Capital (Working capital + Fixed assets)

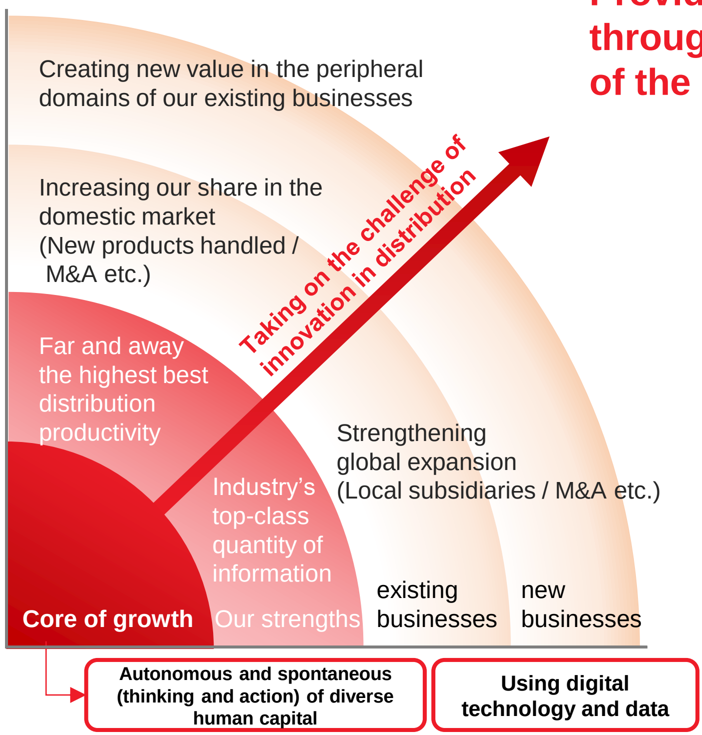
Long-term Vision

Creating the future of people and society through the power of connections

Under the newly established long-term vision, we has adopted the slogan "Creating the future of people and society through the power of connections" and will strive to innovate supply chain through our steadily accumulated strength and new ideas. We will create new value for consumers and society through creating diverse connections among people, things and information and will fulfill our aim "Create people's rich and comfortable daily lives".

Growth story

Awareness of environment	The next decade should be a time of transformation towards a sustainable society (The standard and the fundamental nature will change across many aspects of society)



Providing new value to society through creating diverse connection of the supply chain

Growth of existing businesses

We will expand our domestic market share by leveraging our strengths, despite the ongoing difficult environment, including a shrinking domestic market due to a declining population and labor shortages.

Creating new businesses

We will develop the assets accumulated through evolving existing businesses into new business domains. Through this, we will improve profitability by creating new value on the periphery of existing business domains and by strengthening our global development.

Long-term vision (approx. 10 years ahead)

Creating "the future" in which sustainable well-being of people and society

Numerical targets

Net Sales	ROE
¥2 tn	9%~10%

Sustainability goals

Building organization in which diverse human capital play active roles with autonomous and spontaneous thinking

Developing a safe and secure supply chain

Contributing to the transition to a decarbonized society and circular economy

Materiality (Material Issues)

Towards the realization of our long-term vision, we have identified four material issues to be solved (materiality) that will lead to "securing new revenue opportunities" and "reduction of risk" and have drawn the future we are aiming for each issue. To create value by leveraging our strengths, we will work to solve material issues in the three domains of retail, logistics and global, and promote sustainable business practices that is capable of both solving social issues and increasing corporate value.

Material issues to be resolved to realize our long-term vision (materiality)

	Materiality (Material issues)	The future we aim for
Securing new revenue opportunities	Creating new value through developing borderless supply chain network	● Eliminating unreasonable, wasteful act and unevenness factors through digitalizing distribution process ● Connecting people, things and information with the digital network and creating colorful and rich daily lives
Securing new revenue opportunities	Developing a distribution network beyond the conventional approach through far and away the highest productivity	● Developing high-efficient distribution network, which has far and away the highest productivity ● Developing sustainable distribution network through cooperation beyond the industries and the conventional business practices
Reduction of risks	Coexisting and co-creating with the environment and society	● Contributing to the realization of sustainable environment and society by developing supply chain that does not incur burdens
Reduction of risks	Cultivating a corporate culture that emphasizes autonomy and spontaneity and realizing a state where individual employees' growth leads to the growth of our company and society	● Cultivating a corporate culture that emphasizes autonomy and spontaneity and building an environment where diverse human capital can exercise their full potential ● Establishing governance that supports the sustainable growth of individual employees, our company and society

Value creation area

Retail

Global

Logistics

SDGs

- 3 Good health and well-being: Eliminating overwork in supply chain; Supporting people's rich and healthy lives
- 5 Gender equality: Building a diverse organization, including women's empowerment; Ensuring respect for human rights in the supply chain
- 7 Affordable and clean energy: Contributing to the creation of renewable energy, such as installing solar panels
- 8 Decent work and economic growth: Building an organization in which diverse human capital can exercise their full potential in autonomy and spontaneity; Realizing co-growth of individual employees, our company and society
- 9 Industry, innovation and infrastructure: Realizing unprecedented high productivity driven by cutting-edge technologies including AI, robotics system and more
- 11 Sustainable cities and communities: Creating a sustainable supply chain that makes daily necessities available "at any time" and "at affordable prices"
- 12 Responsible consumption and production: Contributing to the creation of a recycling-oriented society by reducing returned products and increasing ethical consumption
- 13 Climate action: Reducing CO_2 emissions and promoting recycling in sync with improvements in business operations

Materiality (Material Issues)

Identification of process

Step.1 Awareness of social environment Identification of opportunities and risks	Step.2 Mapping material issues	Step.3 Identification of materiality
We identified important changes in the social environment through the GRI Guidelines, SDGs, as well as dialogue with our stakeholders and others. By doing this, we identified opportunities and risks affecting our business.	We have assessed and prioritized our importance ratings along two axes: "importance to stakeholders" and "importance to PALTAC".	We have identified four materiality from the perspectives of "Securing new revenue opportunities" and "Reduction of risk" through discussions at the management and meetings of Board of Directors, based on the drafts we have prepared.

Step.1 Awareness of social environment Identification of opportunities and risks

Significant changes in the social environment	Business As Usual (BAU) scenario
Decrease in the working populations	**Growing difficulty in the development of a sustainable distribution network** ・Reducing the transportation capacity of truck due to the driver shortage ・Increasing the workload in retail stores due to smaller market areas and an increase in the number of retail stores
Declining birthrate and aging population	**Shrinking domestic market** ・Increasing household burden in age groups with high consumption expenditure (social security contributions) ・Expanding composition of age groups (elderly) with lower consumption
Diversification of values	**Increasing in diverse needs in a wide range of situations** ・Increasing importance of One to One marketing ・Penetrating of flexible and diverse work-styles
Climate change, Resource and energy scarcity	**Growing concerns for business continuity** ・Increasing number of natural disasters due to more extreme weather events ・Soaring resource and energy prices

The impact on the PALTAC	
Opportunities	• Growth of needs for high-efficient distribution • Penetration of data distribution • Growth of needs for health and sanitary • Increase in demand for personalized products • Increase in economic value of sustainable-businesses
Risks	• Decrease in profits due to the contraction of the domestic economy • Decrease in profitability due to soaring business operating costs (higher energy and material prices, higher costs due to increased small-lot production and sales, etc.) • Decrease in the competitiveness due to the outflow of human capital and difficulties in securing human capital • The growing threat to sustainability of supply chain (Serious labor shortage, increase in severity of natural disasters)

Materiality (Material Issues)

Step.2 Mapping material issues

● Securing new revenue opportunities
○ Reduction of risk

Importance to stakeholders ↓ / Importance to PALTAC →	Important	Most important
Most important	●○ Promoting sustainable and ethical consumption ○ Generating renewable energy ○ Responding to the spread of infectious diseases	● Creating services that enable sustainable revenue models ● Creating products and services that satisfy diverse values ● Extension of healthy life expectancy ●○ Optimizing the entire supply chain through DX in distribution (connection with distribution data, etc.) ●○ Developing a distribution network that is resilient, sustainable and highly efficient ●○ Stably providing supply of daily necessities ○ Respecting human rights
Important	●○ Creating an environment enables human capital to exercise their full potential ●○ Coexistence with the local community ○ Strengthening information security ○ Protection of water resources ○ Conservation of biodiversity	●○ Developing a global network ●○ Ensuring shipping capacity of RDC ●○ Transition to a decarbonized society ●○ Transition to a circular economy ○ Developing human capital and cultivating a corporate culture that generates innovation ○ Promoting diversity and inclusion ○ Enhancing the effectiveness of corporate governance ○ Promoting health and productivity management ○ Ensuring compliance

Step.3 Materiality towards realizing our long-term vision

Securing new revenue opportunities

- Creating new value through developing borderless supply chain network
- Developing distribution network beyond the conventional approach through far and away the highest productivity

Reduction of risks

- Coexisting and co-creating with the environment and society
- Cultivating a corporate culture that emphasizes autonomy and spontaneity and realizing a state where individual employees' growth leads to the growth of our company and society

Value Creation Process

Our long-term vision Slogan (approx. 10 years ahead)

Creating the future of people and society through the power of connections

Significant environmental changes

- Decrease in the working populations
- Declining birthrate and aging population (Decline in population)
- Diversification of values
- Climate change, resource / energy scarcity

Our principal capital

Distribution capital

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

Our principal nationwide distribution centers 19

Human capital

A source of sustainable growth Diverse human capital that takes on the challenge of innovation in distribution

Number of employees 2,283

Number of part-time employees 5,574

Social capital

Our partners who work to support the usual daily lives and create new value with us

Number of retailers trading Approx. 400 companies

Number of manufacturers trading Approx. 1,000 companies

Financial capital

Stable financial base to support growth in the medium and long term

Total assets ¥507.0 bn

Operating CF ¥20.6 bn

Natural capital

Reducing environmental burden by improving business operations

Energy consumption 12,634kl

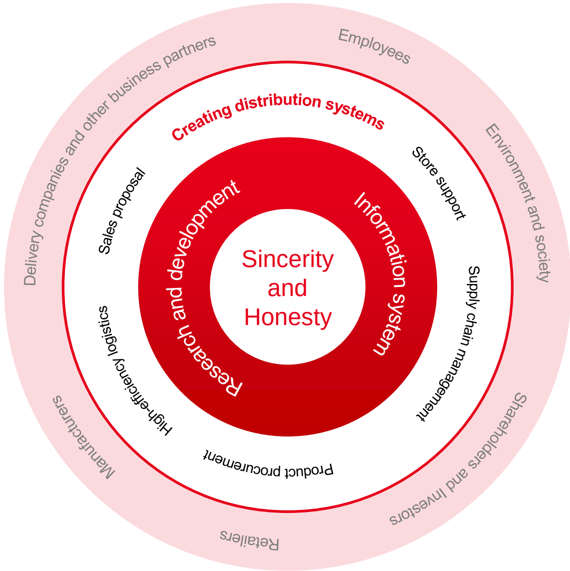
Of which, electricity consumption 11,510kl (Electricity consumption 51,663MWh)

(FY ended March 2025)

Value creation through resolution of materiality

Business activities

Taking on the challenge of innovation in distribution together with our stakeholders



Value creation area

Retail

Connecting people, things and information with the digital network and creating colorful and rich daily lives

Eliminating unreasonable, wasteful acts and unevenness factors through digitalizing the distribution process

Global

Building a borderless supply chain network

Logistics

Developing a highly efficient distribution network, which has far and away the highest productivity

Developing a distribution network beyond the conventional approach through far and away the highest productivity

The capability to support value creation

(DX promotion foundation, human capital exercise their full potential, governance)

Outcome

Value creation for stakeholders

Consumers

Stably delivering daily necessities

Providing "color that enriches and enlivens life through delivering diverse products

Retailers (Customer)

Maximizing sales of retail stores

educing the burden of in-store operations by enhancing distribution efficiency

Manufacturers (Supplier)

Providing a system that allows manufacturers to efficiently deliver products to retailers across Japan

Delivery companies

Improving the working environment for drivers

Employees

Creating a working environment that encourages the growth of individual employees

Cultivating a corporate culture that emphasizes autonomy and spontaneity

Improving employee engagement

Natural environment

Reducing CO_2 emissions

Forming a recycling-oriented society

Shareholders and Investors

Enhancing shareholder returns, including dividend increases that outpace profit growth

Increasing share value

Creation of economic value

Numerical targets in long-term vision (approx. 10 years ahead)

Net Sales

¥2 tn

ROE

9%~10%

Creating people's rich and comfortable daily lives

Medium-term Management Plan PALTAC VISION 2027

Towards the realization of our long-term vision, three years of "Constructing the foundation for transformation through structural reform"

In order to realize our long-term vision, we have formulated a three-year medium-term management plan, PALTAC VISION 2027, which runs until March 2027, based on both the long-term vision and the current situation. The three-year period is positioned as a phase for "Constructing the foundation for transformation through structural reform" to realize our long-term vision. This plan will focus on improving profitability of existing business, taking on the challenge of create new value, improving sustainability and undertaking management to enhance capital efficiency.

The essence of constructing the foundation for transformation

Securing "adequate capital"

Securing investment capacity for new value creation by increasing sales and profits in existing businesses

Gaining "competitive edge"

Enhancing our functions of distribution, sales and digital
Accumulating valuable information
Enhancing and building connections with our partners

Acquiring "practical abilities"

Increasing capacity of the organization (through business structural reforms)
Improving utilization of digital and information
Cultivating a corporate culture that emphasizes autonomy and spontaneity
Strengthening governance system

Obtaining "cooperation"

Promoting cooperation with multi-stakeholder (contribution to the environment and society, the appropriate distribution of profits to employees and shareholders, etc.)

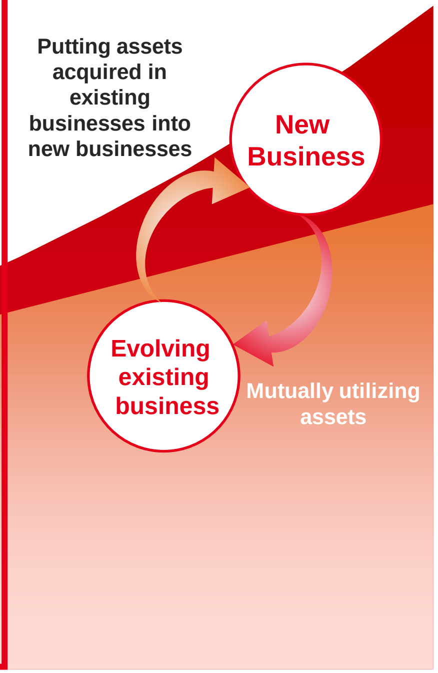
Long-term vision : Creating the future of people and society through the power of connections

PALTAC VISION 2027

Constructing the **foundation for transformation** to create new value

Key strategies

1. Improving the profitability of existing business
2. Taking on the challenge of creating new value
3. Improving sustainability
4. Undertaking management to enhance capital efficiency



Long-term goals

— Numerical targets —

Net Sales

¥ 2 tn

ROE

9% ~ 10%

— Sustainability goals —

Building an organization in which diverse human capital plays active roles with autonomous and spontaneous thinking

Developing a safe and secure supply chain

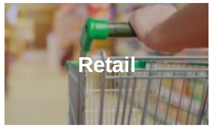
Contributing to the transition to a decarbonized society and circular economy

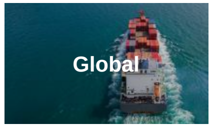
Medium-term Management Plan PALTAC VISION 2027

Four key strategies to “Constructing the foundation for transformation”

PALTAC VISION 2027
Four key strategies

Value creation area





Realizing value creation

Key strategies.1 — Improving the profitability of existing business

- **Enhancing the handling of new products**
  Strengthen both marketing and procurement capabilities
- **Enhancing improvement in delivery efficiency**
  Promoting cooperation and various improvements

Developing a global network
Connecting various products and information to a global network By leveraging our bases in each country as the hubs

Key strategies.2 — Taking on the challenge of creating new value

- **Digitalizing supply chain information**
  “unreasonable, wasteful acts and unevenness” by connecting data and visualizing the distribution process
- **Expanding areas in which our logistics values could be provided**
  Unprecedented productivity
  Acquiring know-how in food logistics
  Developing a joint delivery network

Value creation foundation

Key strategies.3 — Improving sustainability

- **Enhancing the foundation for DX promotion**
  Strengthening the foundation for promoting transformation towards new value creation
- **Maximizing the value of human capital**
  Fostering individuals with autonomous and spontaneous thinking who can create new value
  Optimizing the organization in line with the strategy
- **Contributing to the environment and society / Strengthening corporate governance**
  Building a corporate foundation to support sustainable growth

Key strategies.4

Undertaking management to enhance capital efficiency

Forecast of cash allocation

Managing with an awareness of business growth and optimal capital structure
Enhancing return to shareholders along with aggressive investment for sustainable growth

Cash In	Cash Out	
Cash Approx. ¥ 60.0 bn	Investment for business growth Approx. ¥ 60.0 -70.0 bn	• Establishing a new distribution center • Investing in human capital, DX, and sustainability • Strategic investments (M&A, alliances, etc.) • Investing in new business (expanding logistics domains, etc.)
Cash flows from operations Approx. ¥ 75.0 bn	Shareholder returns Approx. ¥ 30.0 -40.0 bn	• Continuing to increase dividends Aiming for a payout ratio of 35% or more • Enhancing shareholder returns through share buyback
	Safety working capital Approx. ¥ 35.0 bn	• Policy to hold cash and deposits equivalent to approximately • 0.35 to 0.5 months of monthly sales

Numerical targets

		FY2027	Percentage change from FY2024	Percentage change from FY2024
Financial	Net sales	¥ 1,270.0 bn	+ ¥ 118.0 bn	+ 10.2 %
	Operating Profit	¥ 30.0 bn	+ ¥ 2.8 bn	+ 10.4 %
	ROE	Increasing dividends at a rate exceeding profit growth	-	-
	Payout ratio	Aiming for a payout ratio of 35% or more	-	-
Non-Financial	Ratio of CO_2 emissions reduction*1	Reduction of 28%	+ 16 %	-
	Diversity	Percentage of female employees in management positions : 8.4% The percentage of male employees taking childcare leave : 60%	+ 1.7 % + 30 %	-
	Engagement Score*2	55.0	+ 6.9	-

*1 Ratio of CO_2 emissions reduction : Scope 1+2 (Vs. FY2021)
*2 Engagement score : Measured by “Motivation Cloud” service of Link and Motivation Inc.