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Pan Pacific International Holdings Corporation

Integrated Report 2025 Briefing Q&A Summary

Respondents

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This document provides an overview of the Q&A session at the Integrated Report 2025 Briefing. Questions and answers have been edited for clarity.

Q1. 【Pre-submitted Question】 Please provide specific examples of success that were made possible specifically because of individual store operation.

- A key point is that thorough delegation of authority to each store enables quick decision-making and improvements without waiting for headquarters' approval.
 - ◇ We grant each store the flexibility to manage its own product procurement and pricing, allowing them to meet the specific needs of local customers. Furthermore, when a product sourced by a specific store staff member becomes a hit, we rapidly roll out that success to other stores.
 - ◇ For trend-driven products, stores capture information quickly, procure items immediately, and translate this into increased customer traffic.
 - ◇ During the COVID-19 pandemic, we launched a united effort across all stores and regions to secure scarce items such as masks and sanitizers.
 - ◇ In the aftermath of the major earthquake, stores independently decided to open their doors to local residents and took the initiative to provide emergency meals.
 - ◇ Even in IR activities, participation in overseas conferences and exhibitions for retail investors are not instructed by management but are decisions made independently by Watanabe, Head of IR Headquarters. There are countless similar examples that reflect this approach.

Q2. 【Human Capital】 How do you promote internal engagement, including ESG-related initiatives?

- We conduct an engagement survey approximately every six months.
(For Store Employees)
 - ✧ The survey quantifies factors such as job satisfaction at the store level and management practices at the regional office level.
 - ✧ What we value most is the feedback from frontline employees, and we carefully review all open-ended comments.
 - ✧ We have established a framework where headquarters conducts mandatory interviews and feedback sessions based on the comments received.
 - ✧ Moving forward, we aim to further enhance our engagement scores.

- (For All Employees)
 - ✧ We provide opportunities for supervisors and team members to hold semi-annual, open and informal discussions known as "Hanbou Interviews." During these sessions, they reflect on performance and discuss goals, motivation, and areas for improvement.

Q3. 【Supply Chain Management】 How are your suppliers responding to your engagement efforts (are they cooperative), and how do you plan to manage risks going forward?

- When we first launched these initiatives in 2022, some suppliers were not fully cooperative. However, at last year's training session for suppliers, many participants actively engaged by asking questions, and even members from specialized departments joined. Overall interest and cooperation have been steadily increasing.
- For suppliers who require additional support, we plan to conduct more tailored and hands-on engagement activities.
- In addition, we require suppliers to submit a pre-contract pledge and complete a Self-Assessment Questionnaire (SAQ). To date, we have conducted SAQs with more than 2,500 factories, achieving a 100% response rate.

Q4. 【Human Capital】 What initiatives are you planning in your new graduate recruitment to further promote women’s participation and increase the number of female store managers and managers?

- The gender ratio among new graduate hires has been roughly 50:50 over the past several years.
- We also provide a variety of training programs after joining the company, including programs for employees in their first to third year and a dedicated training program designed to develop future female store managers.
- We are making steady progress toward our goal of developing 100 female store managers by FY2030. (46 as of FY2025)

Q5. 【Human Capital】 How do you share the company’s philosophy and values you’re your non-Japanese employees?

- Our corporate philosophy booklet “Genryu” is available not only in Japanese but also in multiple foreign-language versions. Our overseas locations also conduct the “Genryu Evangelist Examination”, just as in Japan, and certified evangelists have been emerging in each region. We believe this has strengthened the capabilities of local talent.
- In particular, across Asia, local employees have grown significantly, and the adoption of multitasking has improved productivity and operational efficiency.
- In North America, we recognize that embedding our corporate philosophy and expertise is more challenging than in Asia. That said, TOKYO CENTRAL has become a store that truly reflects the unique identity of Don Quijote. Ensuring broader penetration across Guam, Hawaii, and Gelson’s remains an important challenge going forward.