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[Speech Summary for FY2025 Fourth Quarter Financial Results Briefing]

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1. Overview of Today's Financial Results Briefing

- ✓ Key themes of today's fourth quarter financial results briefing
 1. Inflation and high prices
 - Falling real wages, declining household income, and a rising Engel coefficient have all become firmly established trends in Japan. They will also be major drivers for expanding our total addressable market (TAM).
 - The key theme is that the market discounters should focus on, particularly PPIH with Don Quijote as its core business, is expanding rapidly.
 2. Capabilities and business structure for responding to these major changes and opportunities
 - In terms of adaptation capabilities, PPIH already has two-thirds of the necessary capabilities to respond to these trends, which is a positive factor.
 3. Human resources to turn these changes into business opportunities
 - In terms of execution capabilities, we have been developing our human resources throughout the 20s, 30s, 40s, and 50s age groups, which is also positive.

2. Business overview for FY6/25

- ✓ Net sales reached ¥2.2468 trillion, up 7.2% YoY.
 - Both domestic and overseas businesses recorded higher sales, with same-stores sale in domestic business showing particularly strong growth.
 - Tax-free sales totaled ¥174.2 billion, a significant YoY increase of ¥56.9 billion.
 - Our share of foreign visitors rose to 24.7%, up 2.3% YoY.
 - Customer surveys confirmed that visitors are motivated by factors such as the enjoyment of the

experience and the opportunity to engage with Japanese culture.

- Tax-free sales in July reached ¥15.4 billion, up 22.7% YoY, showing continued growth by capturing demand from a broad range of foreign visitors to Japan, without depending on any specific nationality.
- Non-tax-free sales for discount store business were up 2.9% YoY, and up 2.4% for UNY business.
 - The majica app enabled a strategically tiered pricing strategy, supporting stable sales of food and daily necessities.
 - Non-food categories such as seasonal items and trend-driven products also contributed to sales.
 - The 33 new store openings also supported sales growth.
- ✓ Gross profit margin was 31.9%, a 0.3pt YoY increase.
 - Growth in PB/OEM and tax-free sales contributed to the gross profit margin improvement.
 - Domestic business sales of PB/OEM were ¥437.7 billion, a 22.9% YoY increase.
 - In addition to original product development, we successfully strengthened collaboration with manufacturers through switching regular items to OEM and offering exclusive products. The gains from these initiatives were reinvested into pricing strategies that drive popularity, creating a virtuous cycle while also improving profitability.
- ✓ Our SG&A ratio was 24.7%, down 0.2pt YoY.
 - Personnel costs rose from continued human resource system reforms, higher utility expenses, and tax accruals from pro forma standard taxation due to future accounting standard changes, but the growth in net sales, along with continued budget management and labor productivity control, resulted in SG&A ratio declining YoY.
- ✓ Operating income rose to ¥162.3 billion, a 15.8% YoY increase. Operating margin was 7.2%, up 0.5pt YoY.
 - Both operating income and operating margin reached record highs.
 - Each business achieved its revised plan for Q2 FY6/25.
- ✓ PPIH's consolidated operating margin exceeded 7% for the first time, reaching 7.2%. This will likely be an extremely important asset for our strategy going forward.
 - On the other hand, the gap between operating income and profit attributable to owners of parent continues to be due to impairment losses.
 - Impairment losses of ¥18.5 billion were recorded, impacting profit attributable to owners of parent.
- ✓ Operating margin for overseas business was low at 1.8%.
 - The contribution from overseas business has not yet reached the scale envisioned six years ago, and a candid apology must be made regarding this performance.

- However, given sufficient time, the path forward will certainly become clear.
 - GDP forecasts for 2050 project Japan at ¥700 trillion and ASEAN at ¥2,400 trillion. We believe overseas business opportunities will surely expand substantially.
 - By defining an optimal TAM for each country and region, and firmly establishing business formats, the new management team will present specific policies at the appropriate timing.
 - The figures are already improving further this fiscal year compared with the previous year, and we ask you to please remain patient for the time being.

3. Shareholder returns: Business overview for FY6/25

- ✓ The year-end dividend for FY6/25 is planned at ¥26, up ¥1 from the initial forecast of ¥25, bringing the full-year dividend to ¥35.
- ✓ While maintaining a progressive dividend policy with a target payout ratio of around 25%, we are also considering increasing the ratio over the long term, striving to balance growth investments and shareholder returns.
- ✓ To enhance stock liquidity and broaden the investor base, we plan to conduct a stock split at a ratio of 5 shares for every 1 common share, effective October 1.

4. Announcement of new management structure

- ✓ The following is presented subject to the formal approval of the appointments at the 45th Annual General Meeting of Shareholders on September 26, 2025, and subsequently ratified by the Board of Directors.
 - I, Naoki Yoshida, will step down as President & CEO, Representative Director following the Annual General Meeting of Shareholders scheduled for September 26.
 - Hideki Moriya will become the new President & CEO, Representative Director of PPIH.
 - It is planned that Kosuke Suzuki will be appointed as Representative Director and COO, as well as President and Representative Director and CEO of Don Quijote Co., Ltd.
 - This will establish a dual leader structure with the holding company president and the operating company president.
 - The Board of Directors will be unchanged at 15 members in total, but it is planned for one new candidate, Satoshi Nakashima, to be nominated and proposed for election at the next Annual General Meeting of Shareholders.
 - The number of executive officers with titles will be unchanged at 17, with two members newly promoted.

5. Long-Term Management Plan “Double Impact 2035”

- ✓ Under our Long-Term Business Plan “Double Impact 2035,” PPIH aims to achieve the following in

FY6/35: net sales of ¥4.20 trillion (+86.9% vs. FY6/25), operating income of ¥330.0 billion (+103.3% vs. FY6/25), and an operating income margin of 7.9% (+0.7pt vs. FY6/25).

- The word “double” in the plan name reflects our aim to double our FY6/25 operating income of ¥162.3 billion within 10 years.
- We will focus on a growth strategy for the Domestic business, targeting net sales of ¥3.7000 trillion (+95.3% vs. FY6/25), operating income of ¥300.0 billion (+92.2% vs. FY6/25), and an operating margin of 8.1% by FY6/35.

- ✓ Over the next 10 years, Japan’s consumer market is expected to grow moderately, and while environmental and market shifts are anticipated, PPIH views all of these as growth opportunities.
- ✓ Besides the expansion of TAM in markets of the discount retail and food supermarkets, further possibilities are also growing.
 - Market contraction due to Japan’s aging population, low birthrate, and inflation is also causing a shortage of successors among retailers. Together with ongoing cost-push inflation, this is expected to reduce the number of retail players, creating opportunities for M&A and store expansion.
 - Growth in foreign residents of Japan and foreign tourists is forming new consumer segments and boosting tax-free sales from foreign visitors to Japan, which is expected to further expand our TAM.
 - Advances in information technologies are reversing the information gap between consumers and producers. Combined with falling real wages, this is expected to accelerate consumption patterns focused on the “Real Price,” meaning the lowest purchase price for products.
 - We see growth opportunities in shifts such as from national brand products to private brand products, from dining out to ready-made meals and eating at home, and from overseas travel to domestic travel and day trip camping. Our Domestic business still holds substantial potential for growth.
- ✓ In the previous fiscal year, PPIH gained confidence in its “Earnings capability,” defined as Adaptability to change × Knowing our customers.
- ✓ Under the new management structure, we will pursue a “Next-level earnings capability” defined as Expansion of TAM (growth opportunities) × Execution model and strategy × Talent and capabilities.
- ✓ Strategy 1: Accelerating New Store Openings to “Cover Japan”
 - Currently, we operate 655 stores in Japan, but there is still significant room for further expansion. We aim to open 250 additional stores by FY6/35.
 - We plan to open 120 roadside stores, targeting areas with sufficient population that align with our target customer profiles. This includes both new areas and regions with existing stores where multiple locations can be developed.
 - We plan to open 80 urban rail-side stores, centered on Tokyo, Kanagawa, Chiba, Saitama, and Osaka. Evaluations starting in FY6/25 have already confirmed high profitability.

- We plan to open 50 stores in areas with high tax-free demand, targeting tourist areas and regional downtown areas. We have already confirmed successful results with the openings of the Shinjuku Tonanguchi Bekkan Store and the Kokusaidori Store in Okinawa in FY6/25.
- In line with our strategy, we aim to expand our market share by filling blank areas on the map of Japan.

✓ Strategy 2: PB/OEM NEXT Revolution – Driving a Shopping Frenzy with Discount PB

- We have set our PB/OEM sales target at ¥1.30 trillion by FY6/35, aiming to spark the “NEXT Revolution.”
 - In 2021, we evolved our PB from a “Private Brand” to a “People Brand” co-created with customers. Through original product development and media exposure, brand recognition has reached 70%, but to expand further, we must earn overwhelming customer preference.
- To achieve this, we have launched a new value concept called “EveryDay RealPrice (EDRP).”
 - This refers to achieving the “Real Price” (meaning the lowest purchase price”) of products in stores every day, inspired by the “*maji-kakaku* (exclusive price for app customers)” in the majica app. By setting this price for 20–30 key value items in daily essentials, we aim to become a brand with prices that make customers think, “If you’re buying XX, it’s Donki.”
- Another key initiative is our NPB strategy.
 - Building on our over ¥2 trillion in sales and relationships of trust with numerous national brand manufacturers, we will combine the brand power of NBs with our bold, customer-driven innovation. We will promote differentiated product development, including by fine-tuning products based on customer feedback.

✓ Strategy 3: Merchandising Strategy – Strengthening Cooperation with Partners

- New products? It’s Donki!
 - By collaborating with national brand manufacturers to increase early-release and exclusive products, PPIH will combine its strengths, such as popularity among younger consumers and no. 1 positions in certain categories, with manufacturers’ new product strategies. This creates a win-win-win model for customers, manufacturers, and Don Quijote, with the constant introduction of “something new” in stores driving customer visits.
- “If you’re buying XX, it’s Donki.”
 - Product categories in which we hold a dominant market share are a key strength that drives customer visits and serve as categories that define Don Quijote itself. It is crucial to make them top-of-mind for customers.
 - We can achieve this by leveraging the product discovery capabilities and speed of our approximately 80,000 domestic employees.
 - Currently, we have over 80 promising candidate categories. If we can achieve this, we can create even more engaging sales floors tailored to local communities, and support further

evolution into specialized business formats and in-shop expansions.

✓ Strategy 4: Deli Strategy – Position deli as a core pillar of growth strategy

- Responding to growing demand for more affordable and time-saving products, we will develop deli as a new pillar to drive store visits, delivering value in “affordability, fun, and taste.” We will build an integrated food SPA model in collaboration with Kanemi Foods.
 - This will combine our sourcing and planning capabilities with Kanemi’s manufacturing expertise.
 - Operation of dedicated factories will further enhance development speed, production capacity, and manufacturing scale.

✓ Strategy 5: Same-Store Strategy – Phenomenal Growth in Net Sales

- Besides the expansion of the discount retail market, estimates suggest that there is still significant growth potential from the approximately 30 million people who are aware of us but have never visited our stores (hesitant shoppers), as well as opportunities to increase visit frequency among existing customers.
 - We will appeal to customers through measures such as introducing PB daily essentials and will strengthen our marketing strategy. Through advertising investment, we will convey the message: ‘Why not get everything at Donki?’ to generate store visit motivation among hesitant shoppers..
 - Furthermore, we will leverage the purchasing data of over 18 million majica app members to roll out AI-driven personalized strategies, aiming to both acquire new customers and boost the visit frequency of existing customers.
- In the UNY business, we will undertake a full-scale review of apparel sales floors at Apita and introduce growth categories that play to PPIH’s strengths. In food, we will also cater to demand for “special occasions” to enhance store appeal.
 - In Aichi, where there are many UNY stores, multiple store formats such as Don Quijote, MEGA Don Quijote, new formats, and Apita will target customer segments and customer needs, enabling us to expand market share within each catchment area.

✓ Strategy 6: Tax-Free Sales Strategy – Establishing Tourist-Oriented Retail

- Having achieved the no. 1 position in tax-free sales in Japan, we aim to evolve into a destination retailer, establishing a brand position as a reason to visit Japan.
- Our sales target for FY6/35 is ¥400.0 billion.
 - Survey results confirm that entertainment-driven store experiences is a key factor for why people visit Don Quijote. We will enhance customer loyalty by creating a unique world unlike our competitors, with features such as seasonal themed spaces and experiential, immersive events that showcase Japanese culture.
 - In terms of products, we will pursue pricing strategies to expand our share in pharmaceuticals, capturing alternative demand for food categories, and creating differentiated product offerings,

including efforts to also make foreign customers think, “If you’re buying XX, it’s Donki.”

- Furthermore, we plan to open 50 new tax-free-focused stores over the next 10 years.

✓ Strategy 7: New Store Format – “Food-Focused Don Quijote”

- We will also expand into small catchment areas we have not previously served to meet grocery needs by developing a new format: “food-focused Don Quijote.”
 - The key concepts are “traffic-driving capability” and “strong profitability.”
 - ✧ “Traffic-driving capability” combines UNY’s strong fresh food procurement capabilities with Don Quijote’s pricing. Especially in times of inflation, price appeal is a strong driver of customer attraction.
 - ✧ “Strong profitability” means using Don Quijote’s merchandising expertise to create trend-conscious product lineups optimized for their catchment areas. Differentiated sales floors from competitors will secure strong profitability.
 - ✧ This model, which aims for both customer traffic and profitability, is possible precisely because our company thoroughly delegates authority. This is a business model unique to PPIH that only we can deliver.
 - Our targets for FY6/35 are ¥600.0 billion in net sales and ¥36.0 billion in operating income.

5. Conclusion

President & CEO, Representative Director, Naoki Yoshida

Thank you for your attention during today's announcement of our fourth quarter financial results. I have presented the results of the previous fiscal year and the outlook for the current fiscal year.

Many of our colleagues have gathered here today. These are the people who have continuously supported me since I became President six years ago. Please rest assured that under the new structure as well, we will move forward centered on the executive officers assembled here.

I would like to conclude this presentation by expressing my gratitude to all of you.

When I assumed the presidency during such an uncertain period, I know it may have caused concern. Over the past 6 years, I believe I have been able to grow on a personal level thanks to your warm encouragement, advice, and the many discussions we have had together. Moreover, I believe the company is now prepared to take the next step forward. For this, I once again extend my heartfelt gratitude.

We have set large new goals under the new management structure. PPIH is a company that upholds the Corporate Philosophy "The Customer Matters Most."

All of our initiatives are carried out with the utmost consideration for our customers, helping them solve the various inconveniences of daily life. In this new and uncertain era, we are committed to working tirelessly as a united team so that we can continue to be a company that provides solutions to our customers.

Thank you for your attention today.