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[Speech Summary for FY2026 Third Quarter Financial Results Briefing]

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Yuichi Watanabe

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1. Opening Marks

Hideki Moriya, President & CEO, Representative Director

- Key changes in the external environment and internal activities since Q2 results announcement:
 - Inclusion in the Nikkei 225 represents a significant milestone in enhancing our corporate value
 - At the same time, geopolitical tensions in the Middle East have further heightened consumer caution on value, leading to rapid shifts in the business environment
- Progress on strategic initiatives to capture TAM under our long-term plan:
 - New store format, Robin Hood, has gotten off to a very strong start
 - In store development, MEGA Donki format continues to evolve, while Rail-side and Inbound-focused Satellite Donki are establishing highly profitable models
 - Within the merchandising strategy, our deli initiatives are progressed as a new driver of traffic
 - Signed the share exchange agreement with the Olympic Group

2. Q3 FY6/2026 Financial Highlights

Yuichi Watanabe, Executive Officer, Head of IR Headquarters

- Net sales came in at ¥1,826.5 billion, up 8.2% YoY.
 - In our domestic business, agile pricing and promotional initiatives helped drive traffic, as consumers became increasingly cost-conscious.

- Tax-free sales from mainland Chinese customers declined by approximately 40%, while sales from other East Asia area, Europe, and North America showed solid growth.
- Overseas same-store sales have started to show positive signs, while new store openings and consolidation in Japan and overseas also contributed.
- Gross profit margin stood at 31.4%, down 0.5pts YoY.
 - The consolidation of Kanemi Co.,Ltd. (Kamemi) accounted for a 0.3pts decline (0.2pts decline without Kanemi effect).
 - While PB/OEM and tax-free sales provided some uplift, more aggressive pricing and inventory clearance weighed on margins.
 - Nevertheless, gross profit increased in line as net sales growth.
- SG&A ratio was 23.8%, improving by 0.5pts YoY.
 - A decline of 0.3pts due to the consolidation of Kanemi.
 - SG&A expenses increased due to higher personnel costs and continued growth in investments such as new store openings.
 - The ratio was properly controlled through sales growth, continued productivity improvements, and reductions in utilities and advertising expenses.
 - Factor-based tax amounted to ¥2.8 billion in Q3 YTD (vs. ¥3.2 billion in Q4 FY6/25).

3. Segment Overview

Yuichi Watanabe, Executive Officer, Head of IR Headquarters

- Discount Business
 - Net sales and gross profit increased, driven by accelerated agile pricing and continued strong performance of trend-driven products. Net sales exceeded plan, offsetting gross margin pressure and resulting in growth in gross profit
 - SG&A ratio (excluding the factor-based tax) was 20.2%, in line with Q3 FY6/2025, and operating profit returned to growth as planned
- UNY Business
 - Net sales increased, supported by pricing strategies aimed at boosting customer appeal and the expansion of non-food categories across the stores
 - Gross margin came in below plan due to more aggressive pricing and lower rice price compared to last year's elevated level.
 - Improved operational efficiency via PMI helped maintain operating margins at the Q3 FY6/2025 level.
- North America Business
 - Net sales and operating profit growth was driven by strong performance from new stores in Hawaii and Tokyo Central.

- SG&A ratio improved due to operational improvements in Hawaii and Guam.
- As expected, performance turned from a decline at the interim stage to growth.
- Asia Business
 - Net sales increased as the strong performance of new stores, and effective pricing strategies and product categories expansion in existing stores
 - SG&A expenses improved due to more stable operations and the closure of underperforming stores
 - Operating margin improved to 5.3% on Q3 YTD basis
- April 2026 Monthly Performance
 - Net sales grew steadily, with the Discount business up 6.1% YoY and UNY up 2.3% YoY.
 - In response to shifts in customer behavior driven by geopolitical tensions in the Middle East, we implemented flexible pricing strategies and adapted to increased demand for bulk purchasing.
 - Non-food sales remained strong, particularly for trend-driven products aligned with customer preferences.

4. Full-Year Outlook

Hideki Moriya, President & CEO, Representative Director

- Outlook for the full-year plan and geopolitical developments
 - Based on performance up to Q3 and steady results in April 2026, we gain greater confidence in achieving the full-year plan.
 - However, given continued uncertainty surrounding the Middle East situation, the full-year forecast remains unchanged
 - We will closely monitor:
 - procurement costs
 - product supply
 - utilities
 - logistics and transportation
 - airline capacity
 while responding flexibly to rapid changes in customer behavior.

5. Strategies focused on catchment area and MD to Capture TAM

Hideki Moriya, President & CEO, Representative Director

Kosuke Suzuki, COO and Representative Director,

- Steady progress across multiple initiatives to capture TAM under the long-term management plan
 - MEGA Donki continues to evolve, with further store network expansion
 - High profitability of Rail-side and Inbound-focused Satellite Donki has been confirmed, and further expansion will be accelerated

- Opening of the first Robin Hood marks the full-scale launch of TAM capture in smaller catchment areas
- Deli initiatives are being rolled out across the group as part of MD strategies
- Further-evolved MEGA Donki
 - Journey of MEGA Donki:
 - Expanded into regional markets (Hokkaido, Tohoku and Kanto outside Tokyo) following the consolidation of Nagasakiya in 2007
 - Significantly expanded the store network, particularly in the Tokai region, after making UNY Co.Ltd. a subsidiary in 2019
 - MEGA Don Quijote Narimasu (Tokyo, 2024), was developed from the ground up as a company-led initiative, leveraging UNY's fresh food sourcing capabilities to establish an evolved full-fresh MEGA Donki with strong profitability
 - MEGA Don Quijote Katano (Osaka, April 2026) marks the further expansion of this further-evolved MEGA Donki into West Japan
 - Strengthening fresh food sourcing capabilities in West Japan
 - Full integration of merchandising functions between the Discount and UNY businesses
 - This integration strengthened sourcing partnerships with origin suppliers and markets and broadened the supplier base, enabling us to extend fresh expertise from Kanto and Tokai to West Japan and deliver high-quality products at competitive prices, while supporting the nationwide expansion of high-quality, low-price fresh offerings.
 - At MEGA Don Quijote Katano, which builds on MEGA Don Quijote Narimasu model, we have confirmed strong reproducibility—matching or exceeding Narimasu—supported by enhanced fresh and deli offerings that drive traffic, along with a higher non-food mix aligned with customer demand
 - Strong confidence in expanding the store network, including in West Japan where the MEGA Donki format is still underpenetrated
- Rail-side and Inbound-focused Satellite Donki: achieve nationwide coverage in Japan
 - Since last fiscal year, we have accelerated openings under these new TAM capture models, establishing both strong profitability and clear reproducibility
 - Rail-side: profitability and strengths:
 - A hybrid model combining a high non-food mix driven by trend-focused assortments typical of Urban downtown Donki with consistent traffic from everyday shopping needs typical of Road-side Donkin, supporting strong profitability supported by highly efficient operations with primarily part-time staffing
 - Limited cannibalization, as catchment areas and customer behavior differ from Road-side stores
 - Inbound-focused Satellite: profitability and strengths

- A high-margin assortment tailored specifically to inbound tourists. Satellited around flagship stores enables highly efficient, seamless operations across staffing and inventory management
- Aims to expand area market share while maintaining consistently high profitability across both flagship and satellite stores.
- Accelerating expansion toward nationwide coverage
 - Both Rail-side and Inbound-focused Satellite Donki deliver solid results, and we are stepping up store development to drive further expansion
 - In FY6/2026, we plan to open 30 stores in total (25 new openings and 5 conversions), in line with plan
 - In FY6/2027, we plan to open 40 stores, including both new openings and conversions

Kosuke Suzuki, COO and Representative Director,

Mikina Katagiri, Managing Executive Officer, Head of New Format Development

- Launch of the new format Robin Hood, targeting smaller catchment areas
 - The first store has opened, with a strong initial response exceeding expectation, supported by media exposure
 - The format is designed to achieve high profitability based on three pillars: product, customer, and operation model
 - Product: non-food focuses on the concept of “good-enough value,” while food emphasizes affordability, quick & easy, and time-saving
 - Customer: targets everyday use by dual-income households and single-person households, while capturing younger demographics
 - Operation model: incorporates PPIH’s highly efficient store operating model
- Product: assortment under the “price × quick & easy” concept and sales mix
 - Non-food accounts for around 25% of sales, in line with plan; stationery and character goods for students are performing well. Layout and assortment are being continuously refined and optimized
 - In food, products that reduce preparation effort, such as pre-cut vegetables, seasoned meat, and deboned fish, are performing as expected. We are confident in new private brand products and deli items centered around the keywords “Low Price, Great Value, Fast, and Easy”
- Customer: changes in age segments driven by rebranding and assortment transformation.
 - Sales from customers aged 50 and above have grown, successfully retaining the existing customer base before converting to Robin Hood
 - At the same time, the share of customers in their teens through 40s has increased significantly.
 - This indicates successful acquisition of new customer segments, including young families, singles, and students representing a substantial change from Piago

- The format is expected to reach five stores within FY6/2026. Ongoing validation will continue across different locations and store layouts
- Creating new customer traffic drivers through enhanced deli offerings
 - Deli rebranding: collaboration with Kanemi has enabled faster development of distinctive, value-driven products
 - Deli strategy at Robin Hood
 - Approximately 350 SKUs are offered, with many newly developed items

Buzz-worthy products co-developed with Kanemi



- Strong-selling products such as Mille-feuille cream puffs, hand-held Umyaa sticks, the Udon Station, Nagoya specialties including Tebasaki (chicken wings) and Tenmusu, (rice ball with tempura), as well as croissants
- Rice balls, starting at ¥78 (excl. tax), are performing well and are being rolled out to Don Quijote and MEGA Donki
- The key focus going forward is to keep the offering fresh and maintain customer interest through regular product rotation
- The goal is to drive repeat visits by offering signature deli items that are “affordable, fun, and delicious”

- Evolution of in-store deli
 - Katano is positioned as a flagship for in-store deli

“¥250 Value Rice Bowls” gain popularity among students and working professionals



Branded deli development



- ¥250 Value Rice Bowl offers strong value and generous portion, gaining popularity among students and working adults, and has been rolled out to 75 stores
- New signature products are emerging from internal initiatives, including:
 - Items developed through an internal competition
 - Large-portion items targeted at younger customers
 - With the aim of making deli a key reason to visit PPIH stores, deli offerings are being expanded across Pure and MEGA Donki formats as a new driver for the existing stores as well

6. Looking Ahead to the Full-Year Results Announcement

Hideki Moriya, President & CEO, Representative Director

- Key topics for the full-year results announcement
 - Olympic Group business plan: details on strategy, KPIs, and expected synergies
 - Capital allocation policy: covering growth investments, shareholder returns, and financial discipline
 - Outlook for Robin Hood: updates on operations, profitability, and expansion plans, including entry into the Kanto region
- We believe PPIH’s agility in responding to market changes and consistent execution of our growth strategy remain key strengths