October 1, 2026

[Speech Summary of Analyst Briefing on Business Transfer Agreement with Toys“R”Us-Japan, Ltd.]

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1. Opening Remarks

Hideki Moriya-President, CEO and Representative Director

PPIH and its wholly owned subsidiary, Operation Shared Service Co., Ltd. (OSS), entered into a business transfer agreement as a sponsor agreement with Toys“R”Us-Japan, Ltd. (Toys“R”Us) on October 1, 2026. OSS plans to acquire Toys“R”Us’ retail businesses for toys, children’s products and other merchandise operated through stores and online channels.

PPIH aims to retain as many employees as possible and is preparing to assume all stores, excluding stores scheduled for closure.

Subject to court approval, closing of the business transfer is scheduled for October 30, 2026.

- The balance sheet as of October 30, 2026 will be consolidated, and financial results from October 31 onward are expected to be reflected in the consolidated results.
- The financial impact on the PPIH Group and KPIs will be disclosed with this fiscal year’s H1 results.

2. Significance of the Transaction

Hideki Moriya-President, CEO and Representative Director

This is a strategic transaction that will create “new earnings growth opportunities” for PPIH.

- Despite the declining birthrate, Japan’s toy market has grown 41% over the past five years to over ¥1 tn.
- The toy market is expanding beyond toys for children into a “kidult market” encompassing IP, character merchandise, trading cards and hobby products.
- Combining Toys“R”Us’ family customer base with PPIH’s broad customer base, including younger consumers, will create new customer touchpoints.
  - PPIH aims to capture the growing toy market, expand the Group’s overall customer base and enhance corporate value.

Why Toys“R”Us?

- While PPIH continues to strengthen its food category, further enhancing its non-food category, a key competitive advantage, also remains a key priority.
- PPIH has pursued a customer magnet category strategy based on making Don Quijote synonymous with key categories.
- Toys are a strong category for realizing this strategy. Combining it with Toys“R”Us’ toy expertise enables PPIH to achieve the scale of the No. 1 player in Japan’s toy market.
- Amid rising household costs and higher leisure costs, PPIH aims to offer the experiential value of physical stores that customers can enjoy close to home.
  - PPIH aims to make itself synonymous with toys.

3. Strategic Positioning

Kosuke Suzuki-Representative Director and COO

Key Personnel Driving the Strategy

Mr. Kakubari, Mr. Tsuyuzaki and Mr. Oishi will serve as core members leading the renewed growth of Toys“R”Us.

- The project is being led by personnel who embody PPIH’s values and deep expertise in store operations.

Strategic Significance of the Transaction

Strengthen PPIH’s merchandising capabilities

- Combined toy sales of the two companies will be approx. ¥150.0 bn, creating one of the largest toy retail operations in Japan.
  - Leverage economies of scale to strengthen product sourcing.
  - Improve the ability to secure new and popular products and enhance price competitiveness through improved purchasing terms.
  - Strengthen strategic partnerships with toy manufacturers.
  - Expand the assortment of exclusive, early-release, and original products

- Build unrivaled merchandising capabilities by meeting the highly specific needs of micro-communities.
  - ✧ Also strengthen baby products and educational toys to make PPIH synonymous with toys.

- Expand existing operations
  - Create new reasons to visit and attract family customers by introducing Toys“R”Us at APITA.
  - Also explore the introduction of Toys“R”Us into MEGA Don Quijote.
  - Combine PPIH’s existing store network with the Toys“R”Us brand to enhance the appeal and profitability of existing stores.
- Expand customer touchpoints
  - Toys“R”Us operates 158 stores nationwide and has a customer base of babies, children and families.
  - PPIH has strengths among younger and adult customers.
    - ✧ Integrating the two companies’ customer bases will build touchpoints across all life stages, from babies to seniors.
  - Maximize LTV and build long-term customer relationships.
    - ✧ Build the No. 1 platform in the toy category by bringing together products, stores, and customers.

4. Transforming Toys“R”Us Stores

Kosuke Suzuki-Representative Director and COO

Evolving Existing Stores

- Evolve Toys“R”Us beyond a place to buy toys into a play-focused retail format.
- Strengthen IP, character merchandise and kidult-related offerings in addition to toys.
- Expand assortments to serve customers from children to adults.
- Enhance the in-store experience of physical stores, offering a place to see, touch and play with products.
- Drive higher visit frequency through events and community building.
  - Transform stores from places to shop into places to play and gather.

Our Three Commitments

- Preserve jobs by keeping stores open
  - Aim to retain as many employees as possible, on the premise of continuing to operate all stores.
- Create a new place to play
  - Evolve into a place to play that delivers experiences essential to local communities.
- Deliver happy Toys“R”Us experiences
  - Expand experiences that can be enjoyed by all ages.
  - Launch Christmas promotions across all stores starting in November 2026.
  - Achieve new growth by combining PPIH’s strengths while preserving what makes Toys“R”Us distinctive.