

Sustainability at the PPIH Group

The PPIH Group's basic sustainability policy
Based on our corporate principle of "The Customer Matters Most," the PPIH Group is committed to resolving important environmental and social issues (materiality) through its core business of general retailing, with a primary focus on supporting the lifestyles of local customers and providing them with the enjoyment of shopping. We aim to achieve both the realization of a sustainable society and medium- to long-term enhancement of corporate value through dialogue with our stakeholders.

Materiality

At the time of formulating the Visionary 2025/2030 medium- to long-term management plan, we discussed the expectations and significance of the Group to our stakeholders and the social issues that we can contribute to solving by leveraging our strengths, and re-identified the key issues (materiality) for the realization of a sustainable society and company.

We will further strengthen our materiality-based initiatives by incorporating perspectives from the long-term business plan "Double Impact 2035," newly formulated in August 2025.



Targets and Results for Priority Initiative Themes

| Priority Initiative Theme | Indicators and Targets ^{*1} | FY6/25 Results |
|---|---|--|
| Promoting Human Capital Management | "The Source" General Level Exam: 100% pass rate | 98.7% |
| | Master of "The Source" Certification Exam: 50% pass rate | 32.5% |
| | Produce 200 MD planners from mate (part-time/temporary) employees every year ^{*2} (by FY6/30) | 127 ^{*3} |
| | Promote the operation of next-generation executive development program | 81 employees participated in the program |
| Promotion of Women's Activities | Increase the number of female store managers to 100 (by FY6/30) | 46 (+33 from FY6/21) |
| | Improve the retention rate of female employees: reduce turnover rate to 5% (by FY6/30) | Turnover rate of female employees: 7.3% (4.3 pts improvement from FY6/21) |
| Sustainable Product Procurement and Responsible Sales with Consideration for Human Rights and the Environment | Thorough implementation of the PPIH Group Sustainable Procurement Policy and Supply Chain Code of Conduct for sustainable product procurement and responsible sales with consideration for human rights and the environment | <ul style="list-style-type: none">Conducted third-party CSR audits: 39 factories (22 domestic factories, 17 overseas factories)Conducted additional Self-Assessment Questionnaires (SAQs): 159 factories, response rate: 100%Conducted follow-up training sessions with external instructors for partner companies |
| Reduction of CO ₂ Emissions | Reduce 50% of CO ₂ emissions from stores by 2030, and to zero by 2050 ^{*Compared to 2013} | 32.7% reduction (emissions intensity per million yen of sales) |
| | Calculate CO ₂ emissions in each Scope 3 category and set reduction targets | Conducted explanatory sessions for partners on the necessity of emissions reduction throughout the entire supply chain and support for emissions calculation |
| Reducing Plastic Usage | Reduce plastic usage in customer service by 70% (by 2030) ^{*Compared to 2019} | 67.0% reduction (plastic intensity per million yen of sales) |

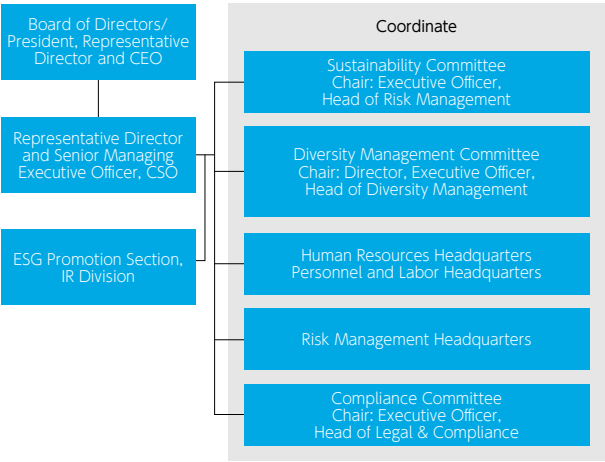
^{*1} Indicators, targets, and results are for domestic Group companies.
^{*2} The target for developing mate employees as MD planners covers Don Quijote Co., Ltd., Nagasakiya Co., Ltd., and Tachibana Department Store Co., Ltd.
^{*3} Training for developing mate employees as MD planners (twice a year) was conducted for 234 participants. Due to the timing of implementation, the number of people appointed after the second-half training will be counted in FY6/26.

Governance Framework (FY6/25)

Each sustainability promotion measure is planned and proposed by the committees and divisions in charge in each area under the supervision of the Executive Officer in charge, the Representative Director and Senior Managing Executive Officer, CSO (Chief Strategy Officer), and is reflected in the business activities of the Group companies.

In addition, we regularly report on our activities at board meetings in order to formulate policies and goals, with important initiatives being discussed and approved before being implemented.

■ For details on each committee, please visit: https://ppih.co.jp/en/sustainability/sustainability_governance/



Comment from an external expert

Anticipating the PPIH Group's Distinctive New Initiatives and Accelerated Information Disclosure
Advancing Toward Further Growth Under the New Long-Term Business Plan

PPIH's initiatives in FY6/25

The PPIH Group's "unwavering commitment to fully implementing what we set out to do" has shown steady progress in areas where we saw potential.

In addressing climate change, initiatives have expanded, including strengthening collaboration with suppliers toward Scope 3 reduction and holding workshops. In supply chain management, practical measures are advancing, such as collaboration with NGOs toward a risk-based approach and conducting training for suppliers. Furthermore, in the area of human resources—a hallmark of the PPIH Group—strategic approaches based on quantitative awareness surveys have been particularly successful in diversity efforts, including precise responses to employees at risk of leaving, demonstrating highly effective initiatives.

These efforts respond to points raised in last year's integrated report, and the PPIH Group's responsive and flexible attitude toward stakeholder voices—not limited to the sustainability domain—resonates with the fundamental concept of sustainability management: "listening to stakeholder voices." I believe this attitude is a key strength of PPIH and will lead to further growth.

Expectations for the future

The newly formulated long-term business plan signals the PPIH Group's continued leap forward. In particular, as PPIH expands into new business areas such as strengthening the food segment, it will need to flexibly consider introducing new measures while paying attention to sustainability risks that may not have been previously anticipated.

On the other hand, I feel there is room to further reflect the PPIH Group's unique character in its disclosure style. While solidly covering fundamentals such as SSBJ compliance, I believe both individuality and credibility can be achieved by evolving disclosures that bring the PPIH Group's distinctive qualities more to the forefront.

Going forward, I look forward to PPIH leveraging its unconventional thinking and sense of speed as strengths, pursuing growth and sustainability initiatives that capitalize on its uniqueness.



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Sustainability Committee Outside Committee member

For the latest information on initiatives and ongoing numerical data, please visit:

Corporate website on sustainability
<https://ppih.co.jp/en/sustainability/>



ESG Databook
<https://ppih.co.jp/en/sustainability/esgdatabook/>

