Second ESG Briefing Session

July 1, 2026

Pan Pacific International Holdings Corporation

Today's Schedule

3:30 pm – 4:05 pm	**Second ESG Briefing Session** **Sustainability Strategy Under Double Impact 2035** Speaker: **Yuichi Watanabe** Executive Officer, Head of IR Headquarters **Talk Session 1** Speakers: **Yuria Kondo** Million Star General Manager **Yuichi Watanabe** Executive Officer, Head of IR Headquarters **Talk Session 2** Speakers: **Jumpei Nishitani** Outside Director **Yuichi Watanabe** Executive Officer, Head of IR Headquarters
4:05 pm – 4:30 pm	**Q&A Session**
4:30 pm	**End of Briefing Session**

Linking Double Impact 2035 and Sustainability

Linking Double Impact 2035 and Sustainability

To align our economic and social values, we link growth opportunities and social issues to material issues (materiality).

Growth strategy	Details	Key material issue (Materiality)	Value creation		Key talent required
			Social value	Economic value	
・Accelerating new store openings ・M&A ・New store formats	Expanding store network	Resolving social issues through coexistence with local communities	Maintaining and improving the livelihoods of local residents	Expansion of sales volume and market share	Operations talent Management talent Specialized talent
・Deli strategy ・PB/OEM ・XX? It's Donki!	・Establishing new revenue models ・Product differentiation ・Brand strengthening	Sustainable procurement and responsible sales	Exciting and thrilling experience with overwhelming low prices	Improving earning power and brand value	Operations talent Management talent Specialized talent
・Tax-free sales ・Marketing	Increasing customer touchpoints	Resolving social issues through coexistence with local communities	Revitalizing the tourism industry and satisfying diverse customer segments	Increasing sales by boosting store visit frequency and average customer spend	Management talent Specialized talent
・Supply chain	Optimizing procurement and supply	Sustainable procurement and responsible sales	Offering products that respect human rights and the environment	Improving profit margins and ensuring stable supply through cost optimization	Management talent Specialized talent
・Productivity improvement	Establishing highly efficient operations	Resolving social issues through coexistence with local communities	Implementing sustainable store operations and diverse work styles	Improving profitability through increased productivity	Operations talent Specialized talent

*Materiality 2 (Accepting diversity and creating a rewarding workplace) and 5 (Solid governance system) serve as the foundation for all growth strategies and are therefore excluded from this overview

- ✓ **By addressing material issues, we enhance non-financial value and strengthen the foundation for sustainable growth.**
- ✓ **Leveraging this foundation, we enhance our ability to execute growth strategies that lead to higher financial performance.**

Talent Required to Achieve Double Impact 2035

Talent Portfolio for Achieving Double Impact 2035

- **Strategically redesigned talent portfolio**
- **Clarified the profile and depth of ideal talent pool for each of the four talent categories**

Operations talent

MD planners, floor staff, others

- Expansion of stores led by mate employees
- Streamlining operations

*MD planner: Staff responsible for merchandising (MD) at the store level

Management talent

Store managers, branch general managers, block managers, others

- Increasing new positions in line with new store openings
- Strengthening management capabilities

Specialized talent

Talent for product planning and skilled work, talent with language skills, others

- Strengthening the talent pool for specialized technical roles in key growth areas such as fresh food
- Increasing global talent to handle tourist sales and store openings outside Japan
- Enhancing product safety and human rights awareness together with strengthening PB/OEM products

Leadership talent

Directors, division heads, others

- Enhancing succession plans
- Expanding the depth of our talent pool over two successive generations

✓ **Combined initiatives for recruitment, assignment, talent development, and productivity improvement, to achieve agile talent management**

✓ **Through proactive training and talent discovery using TaleQue (game-based career-building system), developed a system for rapid assignment of required personnel**

Talent Required Under Double Impact 2035: Store Opening Strategy

- **250 new store openings planned by FY6/35 (bringing business in Japan total to 1,000 stores)**
- **Expand market share through dual approach: new store openings and developing new store formats**
- **Demand for talent rapidly increases, driven by large-scale new store openings**

Increase in number of stores under store opening strategy

- ✓ **New store openings: 250 stores**
  - Roadside: +120 stores, rail-side: +80 stores, tourist-oriented: +50 stores
- ✓ **Store format conversions: approx. 200 – 300 stores**
  - Expansion of Robin Hood stores
    (stores in food-focused Donki format)

Promotion opportunities to key roles expands

- ✓ **Around 2,500 positions** will be created for store managers and MD planners alone
- ✓ In addition, **a large number of management talent** will be required

Internal job posting announcement for store openings

We are entering a *huge talent growth phase*, with talent discovery and promotion mainly through proactive self-nomination, including mate employees.

Talent Required Under Double Impact 2035: Store Opening Strategy

- **Enhance self-nomination framework to discover and develop required talent**
- **Achieve highly productive store operations by actively engaging mate employees and strengthening management talent**

Major initiatives

✓ Train and increase the number of mate MD planners

✓ Increase number of stores led by mate employees by multitasking operations and digital transformation (DX)

Note: Stores staffed entirely by mate employees, except for store managers: 49 stores (as of June 2026)

✓ Enhance and increase training and participatory events based on self-nomination

- Upgrade and increase proactive training (growth programs) in anticipation of future job responsibilities
- Conduct internal recruitment for management positions
- Conduct job promotions and trainings for career advancement/ development

Young employees conducting tours to encourage staff to raise their hands for store manager roles

◆ **Training and events between July 2025 – February 2026**

Participatory training and events based on raising their hands		No. of participants
Training	**Around 18 types** ・Various proactive training programs, aimed at career advancement to store manager, branch general manager, and other roles ・SUN RISE Committee, offering opportunities to gain practical experience while aiming for management and executive positions	Approx. 2,400
Event	**Around 7 types** ・Deli Master Chef, aimed at product development and talent discovery in line with our food-focused strategy ・Creative Destruction Championship, an in-house contest for new business ideas	Approx. 2,400

SUN RISE委員会

デリカの鉄人 IRON MAN OF DELICA 2025 CROSS

Delivering high profitability through mate-employee-centric, cost-efficient operations and PPIH's renowned high productivity

Talent Required Under Double Impact 2035: Deli Strategy

- **Aiming for deli sales of ¥200 billion and 5.4% sales mix by FY6/35**
- **Establish deli as a new core driver for store visits**
- **Expand Robin Hood and MEGA store format models to acquire new customer segments and new revenue models**

Deli strategy

■ Robin Hood: Strengthen partnership with Kanemi Foods

✓ Focus on affordability, fun, and great taste to drive product development leveraging buzz and identity

✓ Through regular product changes, create a shopping environment that keeps customers engaged and encourages repeat visits

Note: *Umya-bo* (meat-wrapped rice ball on a stick) sales volume: 12,800 units*

■ MEGA Don Quijote: Strengthen in-store deli

✓ Enhance procurement capabilities to expand our range of fresh food products balancing price and quality

✓ Develop deli foods and create new specialty items that leave a strong impact through their volume, visual appeal, and taste

Note: *Niko* rice bowl dish (250 yen excl. tax) sales volume: Approx. 7,000 units*

*Based on sales performance between May 1 – May 31, 2026

- **Strengthen food products across various store formats x Expand footprint of established store formats = Maximize customer lifetime value**
- **Grounded on increasing customer visits and meeting customer needs, we aim to become a long-lasting company loved by customers**

Talent Required Under Double Impact 2035: Deli Strategy

- **Strengthen initiatives to acquire the talent required for our deli strategy**
- **Expand the pool of positive talent through self-nomination**
- **Build a system that aims not only to create products, but also to improve productivity and profits across the entire supply chain**

Major initiatives

✓ Product Development
- In the in-house Deli Master Chef contest, which aims to create deli products, employees certified as master chefs are promoted to the product development division

Note: Six certified staff were transferred/assigned to the product development division (as of June 2026)

✓ Fresh food skilled workers
- Established a meat training center to conduct training related to fresh food, with the aim of facilitating job transfers into the meat division

✓ Value engineering
- Established a position dedicated to optimizing across the entire supply chain—including the centralized management of raw materials for defining and expanding the SPA (private label manufacturing and retail) model

Note: Two employees assigned to newly created positions (as of June 2026)

Deli Master Chef competition


Narimasu Meat Training Center

TOPIC: TNFD-aligned disclosure

We completed our first TNFD-aligned disclosure* and published the information on our website at the end of June. Our assessment revealed that the company faces relatively high nature-related risks in the upstream value chain for food and beverages. Moving forward, we will consider the appropriate management and response based on these findings as we expand our food products.

For details, see: https://ppih.co.jp/en/sustainability/materiality1/tnfd/

* The Taskforce on Nature-related Financial Disclosures

Balancing Comfort and Satisfaction in the Workplace

- **Established a division focused on supporting health and providing mental care to advance employee well-being, defined as the physical and mental state that enables employees to take on challenges and create value**
- **Foster employees' capacity for challenge and creativity, with the aim of boosting job satisfaction and productivity**

Major initiatives

✓ Early detection and support for employees experiencing physical or mental health issues through monthly online questionnaires

✓ Implementation of a health checkup system*

*System for central management of health checkup data and other information, providing a view of results over time and advice

✓ Awareness enhancement

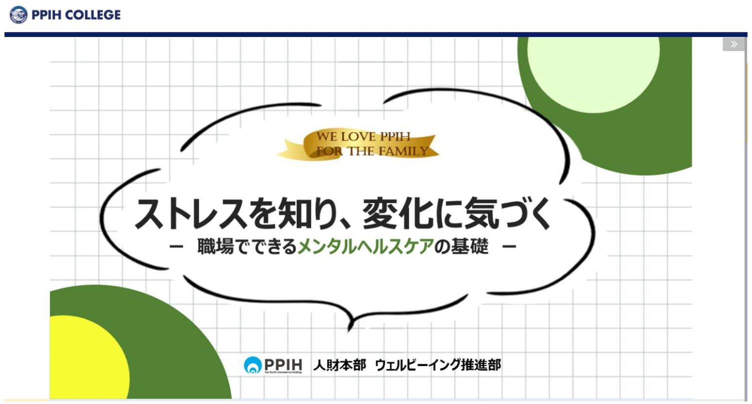
- Basic training on health and stress management
- Employee mental health care training (training and education for managers to support the mental health of their subordinates)

✓ Return-to-work support

- Support for employees returning from leave to ensure a smooth and secure transition back to the workplace

✓ Prevention of excessive working hours

✓ Establishment of various hotlines available to all employees



Talk Session 1

Million Star General Manager
x
Executive Officer, Head of IR Headquarters

Talk Session 2

Outside Director
x
Executive Officer, Head of IR Headquarters

IR Information

IR Inquiries

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IR Calendar

FY2026 (July 1, 2025 – June 30, 2026): Fourth Quarter Consolidated Financial Results
Scheduled Date: August 18, 2026 (Tuesday)
Venue: To be announced

Cautionary Statement Regarding Forward-Looking Statements

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