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August 18, 2025

## Consolidated Financial Results for the Fiscal Year Ended June 30, 2025 (Under Japanese GAAP)

Company name: Pan Pacific International Holdings Corporation  
 Listing: Tokyo Stock Exchange  
 Securities code: 7532  
 URL: <https://ppih.co.jp/>  
 Representative: Naoki Yoshida, President and CEO, Representative Director  
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 Telephone: +81-3-6416-0418  
 Scheduled date of annual general meeting of shareholders: September 26, 2025  
 Scheduled date to commence dividend payments: September 29, 2025  
 Scheduled date to file annual securities report: September 25, 2025  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes (for institutional investors, analysts, and financial institutions)

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the fiscal year ended June 30, 2025 (from July 1, 2024 to June 30, 2025)

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	2,246,758	7.2	162,296	15.8	158,542	6.6	90,512	2.0
June 30, 2024	2,095,077	8.2	140,193	33.2	148,709	34.0	88,701	34.1

Note: Comprehensive income For the fiscal year ended June 30, 2025: ¥ 90,329 million [(4.2%)]  
 For the fiscal year ended June 30, 2024: ¥ 94,298 million [31.4%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating income to net sales
Fiscal year ended	Yen	Yen	%	%	%
June 30, 2025	151.59	150.95	15.8	10.5	7.2
June 30, 2024	148.64	148.09	17.9	10.0	6.7

Reference: Share of profit (loss) of entities accounted for using equity method  
 For the fiscal year ended June 30, 2025: ¥615 million  
 For the fiscal year ended June 30, 2024: ¥666 million

#### (2) Consolidated financial position

(Percentages indicate year-on-year changes.)

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2025	1,511,026	624,044	40.1	1,014.19
June 30, 2024	1,498,410	547,003	35.8	898.72

Reference: Equity  
 As of June 30, 2025: ¥ 605,754 million  
 As of June 30, 2024: ¥ 536,494 million

### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
June 30, 2025	131,968	(61,080)	(75,914)	175,837
June 30, 2024	150,554	(94,733)	(129,945)	187,199

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended June 30, 2024	—	5.00	—	25.00	30.00	17,908	20.2	3.6
Fiscal year ended June 30, 2025	—	9.00	—	26.00	35.00	20,903	23.1	3.7
Fiscal year ending June 30, 2026 (Forecast)	—	3.00	—	5.50	8.50		—	

Note: Revisions to the forecast of cash dividends most recently announced: None

Breakdown of dividends of fiscal year ended June 30, 2024: 16 yen common, 9 yen commemorative

\* The Company resolved at its Board of Directors meeting held on August 18, 2025, to conduct a stock split of its common shares at a ratio of 5-for-1 for its common shares, effective October 1, 2025. Accordingly, the annual dividend per share for the fiscal year ending June 30, 2026, before considering the stock split, would be 42.50 yen.

### 3. Consolidated business forecast: For the year ending June 30, 2026 (From July 1, 2025 to June 30, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six Months Ending December 31, 2025	1,170,500	3.7	89,800	0.1	88,600	1.9	57,700	6.9	19.32
Year Ending June 30, 2026	2,327,000	3.6	170,000	4.7	167,100	5.4	105,500	16.6	35.33

\* The forecasted basic earnings per share for the fiscal year ending June 30, 2026 reflects the impact of the stock split noted in “2. Cash dividends.” If the stock split is not taken into account, the forecasted basic earnings per share for the fiscal year ending June 30, 2026 would be 176.63 yen.

**\* Notes**

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 2 companies (Vanshow USA Co. , Vanshow California)

Excluded: —

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2025	635,353,340 shares
As of June 30, 2024	635,028,540 shares

(ii) Number of treasury shares at the end of the period

As of June 30, 2025	38,073,421 shares
As of June 30, 2024	38,073,252 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended June 30, 2025	597,073,234 shares
Fiscal year ended June 30, 2024	596,760,042 shares

**[Reference] Overview of non-consolidated financial results**

**1. Non-consolidated financial results for the fiscal year ended June 30, 2025 (from July 1, 2024 to June 30, 2025)**

**(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	100,069	27.9	39,567	35.7	36,088	(2.4)	36,745	8.5
June 30, 2024	78,221	24.6	29,167	35.4	36,960	47.5	33,879	43.4

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
June 30, 2025	61.54	61.28
June 30, 2024	56.77	56.56

**(2) Non-consolidated financial position**

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2025	697,943	163,209	23.1	269.77
June 30, 2024	708,691	145,084	20.3	240.62

Reference: Equity

As of June 30, 2025: ¥161,129 million

As of June 30, 2024: ¥143,641 million

- \* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.
- \* Proper use of earnings forecasts, and other special matters

This financial summary is not subject to audit conducted by certified public accountants or an audit firm.

The financial forecasts of business results are based on judgments and estimates that have been made using currently available information. By nature, such financial forecasts are subject to uncertainties and risks. Therefore, actual results might be significantly different from the aforementioned forecasts for a variety of reasons, including changes in economic environments related to our business, market trends and foreign currency exchange rates.

The Company plans to hold a financial result briefing for security analysts and institutional investors on August 18, 2025. Presentation materials for the briefing will be available on the Company's website.

# Consolidated Balance Sheets

(Millions of yen)

	As of June 30, 2024	As of June 30, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	※ 2 ¥172,719	※ 2 ¥171,958
Notes and accounts receivable - trade	17,068	18,956
Accounts receivable - installment	57,333	57,749
Operating loans	9,613	9,456
Merchandise and finished goods	※ 2 198,979	※ 2 224,902
Prepaid expenses	8,695	9,476
Deposits paid	15,800	5,764
Other	36,452	35,367
Allowance for doubtful accounts	(3,227)	(5,637)
Total current assets	513,432	527,990
Non-current assets		
Property, plant and equipment		
Buildings and structures	※ 2 540,773	※ 2 559,008
Accumulated depreciation	(201,256)	(220,052)
Accumulated impairment	(30,843)	(43,243)
Buildings and structures, net	308,674	295,714
Tools, furniture and fixtures	135,202	144,664
Accumulated depreciation	(90,524)	(97,879)
Accumulated impairment	(6,707)	(8,889)
Tools, furniture and fixtures, net	37,971	37,895
Other	3,163	3,102
Accumulated depreciation	(1,629)	(1,535)
Accumulated impairment	(0)	(2)
Other, net	1,534	1,565
Land	※ 2 356,663	※ 2 354,219
Construction in progress	4,197	3,657
Right-of-use assets	40,985	39,752
Accumulated depreciation	(7,397)	(6,582)
Accumulated impairment	(7,166)	(8,236)
Right-of-use assets, net	26,423	24,934
Total property, plant and equipment	735,463	717,985
Intangible assets		
Goodwill	62,574	62,853
Other	32,074	40,738
Total intangible assets	94,647	103,590

**Consolidated Balance Sheets**

(Millions of yen)

	As of June 30, 2024	As of June 30, 2025
Investments and other assets		
Investment securities	※ 1 35,688	※ 1 37,901
Long-term prepaid expenses	4,647	4,460
Retirement benefit asset	18,372	18,355
Deferred tax assets	25,609	28,042
Leasehold and guarantee deposits	68,737	68,226
Other	※ 2 3,171	※ 2 5,617
Allowance for doubtful accounts	(1,357)	(1,140)
Total investments and other assets	154,867	161,461
Total non-current assets	984,978	983,036
Total assets	¥1,498,410	¥1,511,026

**Consolidated Balance Sheets**

(Millions of yen)

	As of June 30, 2024	As of June 30, 2025
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	¥197,151	¥194,883
Current portion of long-term borrowings	※ 7 48,615	※ 7 56,375
Current portion of bonds payable	650	20,650
Accounts payable - other	60,874	57,483
Lease liabilities	2,809	2,839
Accrued expenses	31,300	29,540
Deposits received	13,971	13,396
Income taxes payable	25,547	29,299
Provision for point card certificates	1,379	1,598
Contract liabilities	18,966	20,055
Other	※ 2 17,958	※ 2 15,475
Total current liabilities	419,220	441,593
Non-current liabilities		
Bonds payable	191,075	170,425
Long-term borrowings	※ 7 224,657	156,929
Lease liabilities	32,897	35,370
Asset retirement obligations	31,395	32,077
Other	※ 2 52,163	※ 2 50,588
Total non-current liabilities	532,187	445,389
Total liabilities	951,407	886,982
Net assets		
Shareholders' equity		
Share capital	23,538	23,689
Capital surplus	17,659	17,810
Retained earnings	559,538	629,753
Treasury shares	(80,956)	(80,957)
Total shareholders' equity	519,778	590,294
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,126	3,161
Foreign currency translation adjustment	13,857	11,656
Remeasurements of defined benefit plans	733	643
Total accumulated other comprehensive income	16,716	15,460
Share acquisition rights	1,442	2,080
Non-controlling interests	9,066	16,210
Total net assets	547,003	624,044
Total liabilities and net assets	¥1,498,410	¥1,511,026

**Consolidated Statements of Income**

(Millions of yen)

	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
Net sales	¥2,095,077	¥2,246,758
Cost of sales	※ 1 1,432,179	※ 1 1,530,025
Gross profit	662,898	716,733
Selling, general and administrative expenses	※ 2 522,705	※ 2 554,437
Operating income	140,193	162,296
Non-operating income		
Interest and dividend income	1,063	1,326
Share of profit of entities accounted for using equity method	666	615
Foreign exchange gains	10,278	-
Penalty income	1,068	519
Other	4,039	5,788
Total non-operating income	17,114	8,249
Non-operating expenses		
Interest expenses paid on loans and bonds	6,986	6,403
Foreign exchange losses	-	4,619
Other	1,612	981
Total non-operating expenses	8,598	12,002
Ordinary profit	148,709	158,542
Extraordinary income		
Gain on sale of non-current assets	※ 3 15	※ 3 216
Compensation income	550	-
Gain on reversal of asset retirement obligations	228	-
Reversal of provision for loss on store closings	-	798
Other	94	10
Total extraordinary income	887	1,023
Extraordinary losses		
Impairment loss	※ 4 14,165	※ 4 18,467
Loss on retirement of non-current assets	※ 5 1,834	※ 5 1,507
Loss on store closings	※ 6 2,240	※ 6 1,745
Loss on disaster	654	52
Other	196	884
Total extraordinary losses	19,089	22,655
Profit before income taxes	130,506	136,910
Income taxes - current	47,395	48,276
Income taxes - deferred	(4,085)	(2,718)
Total income taxes	43,309	45,558
Profit	87,197	91,352
Profit (loss) attributable to non-controlling interests	(1,504)	840
Profit attributable to owners of parent	¥88,701	¥90,512



## Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
Profit	¥87,197	¥91,352
Other comprehensive income		
Valuation difference on available-for-sale securities	236	1,315
Foreign currency translation adjustment	6,580	(2,247)
Remeasurements of defined benefit plans, net of tax	221	(164)
Share of other comprehensive income of entities accounted for using equity method	65	73
Total other comprehensive income	※ 7,101	※ (1,023)
Comprehensive income	¥94,298	¥90,329
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	¥95,427	¥89,256
Comprehensive income attributable to non-controlling interests	(1,128)	1,073

## Consolidated Statements of Changes in Net Assets

(Fiscal year ended June 30, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	¥23,351	¥17,509	¥483,366	¥(80,956)	¥443,270
Changes of items during period					
Issuance of new shares	186	186			373
Dividends of surplus			(12,529)		(12,529)
Profit attributable to owners of parent			88,701		88,701
Purchase of treasury shares				(0)	(0)
Capital increase of consolidated subsidiaries		(37)			(37)
Net changes in items other than shareholders' equity					
Total changes of items during period	186	149	76,172	(0)	76,508
Balance at end of period	¥23,538	¥17,659	¥559,538	¥ (80,956)	¥519,778

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	¥1,690	¥7,797	¥503	¥9,991	¥771	¥9,507	¥463,539
Changes of items during period							
Issuance of new shares							373
Dividends of surplus							(12,529)
Profit attributable to owners of parent							88,701
Purchase of treasury shares							(0)
Capital increase of consolidated subsidiaries							(37)
Net changes in items other than shareholders' equity	436	6,060	230	6,725	671	(441)	6,956
Total changes of items during period	436	6,060	230	6,725	671	(441)	83,464
Balance at end of period	¥2,126	¥13,857	¥733	¥16,716	¥1,442	¥9,066	¥547,003

## Consolidated Statements of Changes in Net Assets

(Fiscal year ended June 30, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	¥23,538	¥17,659	¥559,538	¥ (80,956)	¥519,778
Changes of items during period					
Issuance of new shares	151	151			302
Dividends of surplus			(20,297)		(20,297)
Profit attributable to owners of parent			90,512		90,512
Purchase of treasury shares				(1)	(1)
Capital increase of consolidated subsidiaries					
Decrease in consolidated subsidiaries - non-controlling interests					
Net changes in items other than shareholders' equity					
Total changes of items during period	151	151	70,215	(1)	70,516
Balance at end of period	¥23,689	¥17,810	¥629,753	¥ (80,957)	¥590,294

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	¥2,126	¥13,857	¥733	¥16,716	¥1,442	¥9,066	¥547,003
Changes of items during period							
Issuance of new shares							302
Dividends of surplus							(20,297)
Profit attributable to owners of parent							90,512
Purchase of treasury shares							(1)
Capital increase of consolidated subsidiaries						6,120	6,120
Decrease in consolidated subsidiaries - non-controlling interests						(86)	(86)
Net changes in items other than shareholders' equity	1,036	(2,201)	(90)	(1,256)	638	1,111	492
Total changes of items during period	1,036	(2,201)	(90)	(1,256)	638	7,144	77,041
Balance at end of period	¥3,161	¥11,656	¥643	¥15,460	¥2,080	¥16,210	¥624,044

# Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
<b>Cash flows from operating activities</b>		
Profit before income taxes	¥130,506	¥136,910
Depreciation and amortization	46,231	47,889
Impairment loss	14,165	18,467
Increase in allowance for doubtful accounts	716	2,212
Interest and dividend income	(1,063)	(1,326)
Interest expenses on borrowings and bonds	6,986	6,403
Foreign exchange losses (gains)	(9,763)	4,162
Share of profit of entities accounted for using equity method	(666)	(615)
Gain on sale and retirement of non-current assets	1,823	1,322
Loss on store closings	2,240	1,745
Offset payments for house rental fee with lease and guarantee deposits	2,111	2,035
Increase in trade receivables	(3,012)	(1,958)
Increase in inventories	(1,623)	(26,931)
Increase (decrease) in trade payables	26,106	(1,902)
Increase in accounts receivable - installment	(2,164)	(650)
Increase (decrease) in accounts payable - other	8,722	(4,182)
Decrease in deposits received	(69)	(602)
Increase (decrease) in other current liabilities	2,394	(637)
Increase (decrease) in other non-current liabilities	78	(1,063)
Other, net	(20,841)	189
Subtotal	202,878	181,467
Interest and dividends received	800	1,087
Interest paid	(7,296)	(6,628)
Income taxes paid	(48,659)	(48,129)
Income taxes refund	3,284	3,383
Proceeds from insurance income	-	1,043
Payments associated with disaster loss	(630)	(434)
Dividends received from entities accounted for using equity method	178	179
Net cash provided by operating activities	150,554	131,968
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	¥ (86,221)	¥ (38,672)
Proceeds from sale of property, plant and equipment	124	3,160
Purchase of intangible assets	(8,372)	(13,461)
Payments of leasehold and guarantee deposits	(1,199)	(1,484)
Proceeds from refund of leasehold and guarantee deposits	1,532	673
Payment for store opening in progress	(159)	(512)

## Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
Purchase of shares of subsidiaries and associates	(93)	(387)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	※ 2 (10,331)
Other, net	(345)	(67)
Net cash used in investing activities	(94,733)	(61,080)
<b>Cash flows from financing activities</b>		
Proceeds from long-term borrowings	¥50,000	¥40,000
Repayments of long-term borrowings	(84,820)	(99,257)
Proceeds from issuance of bonds	69,789	-
Redemption of bonds	(150,930)	(650)
Dividends paid	(12,529)	(20,297)
Proceeds from share issuance to non-controlling shareholders	407	6,120
Other, net	(1,862)	(1,830)
Net cash used in financing activities	(129,945)	(75,914)
Effect of exchange rate change on cash and cash equivalents	15,129	(6,336)
Net decrease in cash and cash equivalents	(58,995)	(11,362)
Cash and cash equivalents at beginning of period	246,195	187,199
Cash and cash equivalents at end of period	※ 1 ¥187,199	※ 1 ¥175,837

## Notes to consolidated financial statements

### Notes to consolidated balance sheets

1. The item relating to non-consolidated subsidiaries and affiliates is as follows.

(Millions of yen)

	As of June 30, 2024	As of June 30, 2025
Investment securities (shares)	¥17,829	¥18,245

2. Assets pledged as collateral and liabilities corresponding to assets pledged as collateral  
Assets pledged as collateral are as follows.

(Millions of yen)

	As of June 30, 2024	As of June 30, 2025
Cash and deposits	¥1,535	¥2,651
Merchandise and finished goods	438	526
Buildings and structures	791	742
Land	2,202	2,190
Other	200	342
Total	¥5,166	¥6,451

Liabilities corresponding to assets pledged as collateral are as follows.

(Millions of yen)

	As of June 30, 2024	As of June 30, 2025
Current liabilities (other)	¥126	¥67
Non-current liabilities (other)	1,101	797
Total	¥1,227	¥864

3. Retroactive obligations due to securitization of receivables

(Millions of yen)

	As of June 30, 2024	As of June 30, 2025
Retroactive obligations due to securitization of receivables	¥5,580	¥5,775

4. The Company and its consolidated subsidiaries entered into bank overdraft agreements with 40 banks as of June 30, 2024 and 39 banks as of June 30, 2025, respectively, to ensure the procurement of efficient funds as working capital. The balance of unused funds based on these agreements is as follows.

(Millions of yen)

	As of June 30, 2024	As of June 30, 2025
Total credit line for bank overdraft	¥37,410	¥36,910
Bank loans arranged	—	—
Unused balance	¥37,410	¥36,910

5. The Company and its consolidated subsidiaries have entered into loan commitment agreements with three banks as of June 30, 2025 to ensure the procurement of efficient funds as working capital. The balance of unused funds based on these agreements is as follows.

(Millions of yen)

	As of June 30, 2024	As of June 30, 2025
Total amount of loan commitment	¥30,000	¥30,000
Bank loans arranged	—	—
Unused balance	¥30,000	¥30,000

6. UCS Co., Ltd., a consolidated subsidiary of the Company, engages in the credit card cash advance service business. The unused amount of credit lines given is as follows.

(Millions of yen)

	As of June 30, 2024	As of June 30, 2025
Total amount of credit lines given	¥539,880	¥511,430
Loan receivables from cash advances	9,432	9,219
Unused balance	¥530,448	¥502,211

\*As the credit lines are mostly given to credit card holders of UCS Co., Ltd. for cash advances of credit cards, the amount of all unused balance is not always executed as loan receivables.

7. The Company signed syndicated loan agreements with 33 financial institutions totaling ¥40,000 million as of June 30, 2024 and 16 financial institutions totaling ¥20,000 million as of June 30, 2025, respectively. These agreements include financial covenants based on certain indices calculated from net assets on the consolidated balance sheets. The balance of loan payables based on these agreements is as follows.

(Millions of yen)

	As of June 30, 2024	As of June 30, 2025
Balance of loan payables based on syndicated loan agreements	¥40,000	¥20,000

## Notes to consolidated statements of income

1. The balance of inventories at the fiscal year-end shows the amount after writing down the book value due to a decline in profitability. The following amount of loss on valuation of inventories is included in cost of sales.

(Millions of yen)

Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
¥2,558	¥2,266

2. Of selling, general and administrative expenses, major items and their amounts are as follows.

(Millions of yen)

	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
Payroll and allowances	¥194,409	¥202,974
Rent expenses on land and buildings	62,257	63,212
Commission expenses	64,557	71,553
Depreciation	37,805	39,591
Provision for point card certificates	5,484	5,899
Amortization of goodwill	4,964	4,991
Retirement benefit expenses	¥1,835	¥1,650

3. The breakdown of gain on sale of non-current assets is as follows.

(Millions of yen)

	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
Buildings and structures	¥—	¥179
Tools, furniture and fixtures	0	3
Land	5	21
Other	10	13
Total	¥15	¥216

4. Impairment loss

The Group recognized impairment loss on the following asset groups.

### For the fiscal year ended June 30, 2024 (From July 1, 2023 to June 30, 2024)

(Millions of yen)

Region	Usage	Asset Type	Impairment
Hokkaido	Store facilities	Buildings and structures; tools, furniture, and fixtures	¥731
Tohoku	Idle assets	Construction in progress	492
Kanto	Store facilities	Buildings and structures; tools, furniture, and fixtures	531
Chubu	Store facilities	Buildings and structures; tools, furniture, and fixtures	36
Kinki	Store facilities	Buildings and structures; tools, furniture, and fixtures	51
Kyushu	Store facilities	Buildings and structures; tools, furniture, and fixtures	46
Asia	Store facilities	Buildings and structures; tools, furniture, and fixtures; intangible assets (other)	3,831
North America	Store facilities	Buildings and structures; tools, furniture, and fixtures; right-of-use assets	8,448
Total			¥14,165

The Group categorizes its assets by store and operating division, which are the minimum cash-generating units. For rental properties and idle assets, each property is regarded as a minimum cash-generating unit. In the fiscal year ended June 30, 2024, the Group reduced

the book value of assets to their recoverable amounts for stores whose profitability declined significantly or stores that continuously generated losses from their operating activities

The amounts of these reductions were recorded as an impairment loss (¥5,655 million for buildings and structures, ¥2,075 million for tools, furniture and fixtures, ¥5,879 million for right-of-use assets, ¥64 million for intangible assets (other) under extraordinary losses). The recoverable amounts of these asset groups were determined to be the higher of their net selling value or value in use. The net selling value was based on the appraisal value by a real estate appraiser, whereas the value in use is calculated by discounting the estimated future cash flows by 3.1%. If the value in use based on estimated future cash flows was negative, the Group recognized the recoverable amounts as zero.

For idle assets, recoverable amounts were assessed as zero because the asset is not salable, resulting in an impairment loss of ¥492 million for construction in progress.

#### For the fiscal year ended June 30, 2025

(Millions of yen)

Region	Usage	Asset Type	Impairment
Hokkaido	Store assets	Buildings and structures; tools, furniture, and fixtures	¥546
Kanto	Store assets	Buildings and structures; tools, furniture, and fixtures; land; intangible assets(other); long-term prepaid expenses	1,063
Chubu	Store assets	Buildings and structures; tools, furniture, and fixtures	138
Kinki	Store assets	Buildings and structures; tools, furniture, and fixtures	736
Asia	Store assets	Buildings and structures; tools, furniture, and fixtures; intangible assets(other)	1,029
North America	Store assets	Buildings and structures; tools, furniture, and fixtures; non-current assets(other); land; right-of-use assets; intangible assets(other)	14,955
Total			¥18,467

The Group categorizes its assets by store and operating division, which are the minimum cash-generating units. For rental properties and idle assets, each property is regarded as a minimum cash-generating unit. In the fiscal year ended June 30, 2025, the Group reduced the book value of assets to their recoverable amounts for stores whose profitability declined significantly or stores that continuously generated losses from their operating activities

The amounts of these reductions were recorded as an impairment loss (¥13,060 million for buildings and structures, ¥2,383 million for tools, furniture and fixtures, ¥2 million for non-current assets (other), ¥109 million for land, ¥1,946 million for right-of-use assets, ¥962 million for intangible assets (other), ¥6 million for long-term prepaid expenses under extraordinary losses). The recoverable amounts of these asset groups were determined to be the higher of their net selling value or value in use. The net selling value was based on the appraisal value by a real estate appraiser, whereas the value in use is calculated by discounting the estimated future cash flows by 5.1%. If the value in use based on estimated future cash flows was negative, the Group recognized the recoverable amounts as zero.

#### 5. The breakdown of loss on retirement of non-current assets is as follows.

(Millions of yen)

Fiscal year ended June 30, 2024		Fiscal year ended June 30, 2025	
Buildings and structures	¥218	Buildings and structures	¥49
Furniture and fixtures	125	Furniture and fixtures	104
Property, plant and equipment (other)	414	Property, plant and equipment (other)	2
Construction in progress	10	Construction in progress	—
Intangible assets (other)	36	Intangible assets (other)	3
Removal expenses	1,031	Removal expenses	1,349
Total	¥1,834	Total	¥1,507



6. The breakdown of loss on the closing of stores is as follows.

(Millions of yen)			
Fiscal year ended June 30, 2024		Fiscal year ended June 30, 2025	
Buildings and structures	¥258	Buildings and structures	¥—
Furniture and fixtures	270	Furniture and fixtures	—
Removal expenses, etc.	1,712	Removal expenses, etc.	1,745
Total	¥2,240	Total	¥1,745

## Notes to consolidated statements of comprehensive income

\* The reclassification adjustments and tax effects allocated to each component of other comprehensive income are as follows.

(Millions of yen)			
		Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
Valuation difference on available-for-sale securities			
Amount arising during the fiscal year		¥320	¥2,013
Reclassification adjustment to profit (loss)		(2)	—
Amount before tax		318	2,013
Tax effect		(81)	(698)
Valuation difference on available-for-sale securities		236	1,315
Foreign currency translation adjustment			
Amount arising during the fiscal year		6,580	(2,234)
Reclassification adjustment to profit (loss)		—	(13)
Amount before tax		6,580	(2,247)
Tax effect		—	—
Foreign currency translation adjustment		6,580	(2,247)
Remeasurements of defined benefit plans			
Amount arising during the fiscal year		366	(166)
Reclassification adjustment to profit (loss)		(75)	(111)
Amount before tax		291	(277)
Tax effect		(70)	113
Remeasurements of defined benefit plans		221	(164)
Share of other comprehensive income of affiliates accounted for using equity method			
Amount arising during the fiscal year		65	73
Total other comprehensive income		¥7,101	¥(1,023)

## Notes to consolidated statements of changes in net assets

### For the fiscal year ended June 30, 2024 (From July 1, 2023 to June 30, 2024)

#### 1. Matters regarding class and total number of outstanding shares, and class and number of treasury shares

(Thousands of shares)

	Number of shares as of July 1, 2023	Increase	Decrease	Number of shares as of June 30, 2024
Outstanding shares				
Common shares *1	634,666	362	—	635,029
Total	634,666	362	—	635,029
Treasury shares				
Common shares*2	38,073	0	—	38,073
Total	38,073	0	—	38,073

#### Note

- The increase of 362 thousand shares of common shares issued and outstanding is due to the exercise of stock options.
- The increase of 0 thousand shares of common stock in treasury is due to the purchase of shares less than one unit.

#### 2. Share acquisition rights and treasury share acquisition rights

Category	Scheme of share acquisition rights	Class of shares subject to rights	Number of shares subject to shares acquisition rights (shares)				As of June 30, 2024 (millions of yen)
			Number of shares as of July 1, 2023	Increase	Decrease	Number of shares as of June 30, 2024	
The Company	Share-based compensation stock options	—	—	—	—	—	¥246
The Company	Paid-in stock options	—	—	—	—	—	1,196
Total		—	—	—	—	—	¥1,442

#### 3. Matters regarding dividends

##### i. Dividends payment

(Resolution)	Class of share	Total amount of dividends (millions of yen)	Dividends per share (yen)	Record date	Effective date
September 27, 2023 Ordinary General Meeting of Shareholders	Common shares	9,545	16.0	June 30, 2023	September 28, 2023
February 13, 2024 Board of Directors' meeting	Common shares	2,984	5.0	December 31, 2023	March 22, 2024

##### ii. Dividends with a record date during the fiscal year ended June 30, 2024, but with an effective date subsequent to the fiscal year ended June 30, 2024

(Resolution)	Class of share	Source of dividends	Total amount of dividends (millions of yen)	Dividends per share (yen)	Record date	Effective date
September 27, 2024 Ordinary General Meeting of Shareholders	Common shares	Retained earnings	14,924	25.0	June 30, 2024	September 30, 2024

Note The dividends per share figure of ¥25.0 includes a commemorative dividend of ¥9.0 per share to celebrate consolidated net sales surpassing the ¥2 trillion mark.

#### 4. Significant changes in net assets

Not applicable.

**For the fiscal year ended June 30, 2025 (From July 1, 2024 to June 30, 2025)**

1. Matters regarding class and total number of outstanding shares, and class and number of treasury shares

(Thousands of shares)

	Number of shares as of July 1, 2024	Increase	Decrease	Number of shares as of June 30, 2025
Outstanding shares				
Common shares*1	635,029	325	—	635,353
Total	635,029	325	—	635,353
Treasury shares				
Common shares*2	38,073	0	—	38,073
Total	38,073	0	—	38,073

Note

- The increase of 325 thousand shares in the total number of issued common shares is due to the exercise of stock options.
- The increase of 0 thousand shares of common stock in treasury is due to the purchase of shares less than one unit.

2. Matters regarding share acquisition rights and treasury share acquisition rights

Category	Scheme of share acquisition rights	Class of shares subject to rights	Number of shares subject to share rights(shares)				As of June 30, 2025 (millions of yen)
			Number of shares as of July 1, 2024	Increase	Decrease	Number of shares as of June 30, 2028	
The Company	Share-based compensation stock options	—	—	—	—	—	¥246
The Company	Paid-in stock options	—	—	—	—	—	1,833
Total		—	—	—	—	—	¥2,080

3. Matters regarding dividends

i. Dividends payment

(Resolutions)	Share Types	Total amount of dividends (millions of yen)	Dividends per share (yen)	Record date	Effective date
September 27, 2024 Ordinary General Meeting of Shareholders	Common shares	14,924	25.0	June 30, 2024	September 30, 2024
February 13, 2025 Board of Directors' meeting	Common shares	5,374	9.0	December 31, 2024	March 25, 2025

Note The dividends per share figure of ¥25.0 includes a commemorative dividend of ¥9.0 per share to celebrate consolidated net sales surpassing the ¥2 trillion mark.

ii. Dividends with a record date during the fiscal year ended June 30, 2025, but with an effective date subsequent to the fiscal year ended June 30, 2025

(Resolution)	Share type	Source of dividends	Total amount of dividends (millions of yen)	Dividends per share (yen)	Record date	Effective date
September 26, 2025 Ordinary General Meeting of Shareholders	Common shares	Retained earnings	15,529	26.0	June 30, 2025	September 29, 2025

4. Significant changes in net assets

Not applicable.

## Notes to consolidated statements of cash flows

1. The relationship between the fiscal year-end balances of cash and cash equivalents and the amounts of accounts on the consolidated balance sheets is as follows.

	(Millions of yen)	
	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
Cash and deposits	¥172,719	¥171,958
Deposits and time deposits pledged as collateral	-	(494)
Cash equivalents included in deposits paid	14,480	4,373
Cash and cash equivalents	¥187,199	¥175,837

2. Breakdown of major assets and liabilities of a company which became a consolidated subsidiary due to the acquisition of shares  
As a result of the share acquisition, Mikuni Restaurant Group, Inc. has become a newly consolidated subsidiary. The major components of its assets and liabilities at the time of consolidation, as well as the relationship between the acquisition cost of Mikuni Restaurant Group, Inc. shares and the net expenditure for the acquisition, are as follows.

	(Millions of yen)
Current assets	¥666
Non-current assets	3,452
Goodwill	10,050
Current liabilities	(1,842)
Non-current liabilities	¥(1,733)
Share acquisition cost	10,592
Cash and cash equivalents	(261)
Net expenditure for the acquisition	¥10,331

## Business combinations

### Business combination by acquisition

1. Overview of the business combination

i. Name and description of business of the acquired company

Name of acquired company	Mikuni Restaurant Group, Inc.
Business description	Operation of sushi restaurants

ii. Main reason of the business combination

The acquisition is intended to expand and streamline the food service operations of the Group in North America, and to contribute to the increased recognition and consumption of Japan-branded products.

iii. Date of business combination

April 1, 2025

iv. Legal form of the business combination

Share acquisition in exchange for cash

v. Name of the entity after the business combination

There will be no change to be the name.

vi. Percentage of voting rights acquired	
Percentage of voting rights held immediately before the business combination	-%
Percentage of voting rights additionally acquired on the day of the business combination	100%
Percentage of voting rights held after the business combination	100%

vii. Major basis for determining the acquiring company  
Acquisition of shares in exchange for cash

2. The period of operations of the acquired company included in the consolidated financial statements  
Mikuni Restaurant Group, Inc. has a fiscal year-end of December 31. For consolidation purposes, financial statements based on a provisional closing as of April 1, 2025 were used. Only the balance sheet is included in the current consolidated fiscal year.

3. The breakdown of the acquisition cost and the type of consideration given to acquire the acquired company

		(Millions of yen)
Consideration of acquisition	Cash	10,592
Acquisition cost		10,592

4. The description and amount of major acquisition-related cost  
Advisory fee, etc. ¥682 million

## Segment Information

### Information concerning sales and income by reporting segments

For the fiscal year ended June 30, 2024

(Millions of yen)

	Reportable segments				Reconciling items*1	Per consolidated financial statements*2
	Domestic Business	North America Business	Asia Business	Reportable segments		
Sales						
Revenues from external customers	¥1,763,062	¥246,875	¥85,140	¥2,095,077	—	¥2,095,077
Transactions with other segments	12,662	—	129	12,791	(12,791)	—
Net sales	1,775,724	246,875	85,269	2,107,868	(12,791)	2,095,077
Segment profit	136,606	3,442	146	140,193	—	140,193
Segment assets	1,162,700	200,996	28,890	1,392,586	105,824	1,498,410
Other items*3						
Depreciation	31,707	10,777	3,747	46,231	—	46,231
Increase in property, plant and equipment and intangible assets	¥77,884	¥13,538	¥4,383	¥95,804	—	¥95,804

#### Note

1. Adjustment of segment assets of ¥105,824 million includes corporate assets of ¥112,102 million, which are surplus funds (cash and deposits and investment securities) of the Company, and ¥(6,278) million, which are offsetting eliminations of inter-segment receivables.
2. Segment profit is consistent with operating income as reported in the consolidated statements of income.
3. Increase in property, plant and equipment and intangible assets includes an increase in long-term prepaid expenses.

**Information concerning sales and income by reporting segments**  
**For the fiscal year ended June 30, 2025**

(Millions of yen)

	Reportable segments				Reconciling items*1	Per consolidated financial statements*2
	Domestic Business	North America Business	Asia Business	Reportable segments		
Sales						
Revenues from external customers	¥1,896,113	¥259,437	¥91,209	¥2,246,758	—	¥2,246,758
Transactions with other segments	14,140	33	245	14,418	(14,418)	—
Net sales	1,910,253	259,470	91,454	2,261,176	(14,418)	2,246,758
Segment profit	158,084	2,283	1,929	162,296	—	162,296
Segment assets	1,181,856	201,603	27,944	1,411,403	99,624	1,511,026
Other items*3						
Depreciation	34,179	10,916	2,794	47,889	—	47,889
Increase in property, plant and equipment and intangible assets	¥43,199	7,995	1,517	52,711	—	¥52,711

**Note**

1. Adjustment of segment assets of ¥99,624 million includes corporate assets of ¥104,122 million, which are surplus funds (cash and deposits and investment securities) of the Company, and ¥(4,498) million, which are offsetting eliminations of inter-segment receivables.
2. Segment profit is consistent with operating income as reported in the consolidated statements of income.
3. Increase in property, plant and equipment and intangible assets includes an increase in long-term prepaid expenses.

**Subsequent event**

On August 18, 2025, the Company's Board of Directors resolved to conduct a stock split and to partially amend the Articles of Incorporation in connection with the split.

**1. Purpose of stock split**

The stock split is intended to enhance the liquidity of the Company's shares and broaden the investor base by lowering amount per trading unit price.

**2. Overview of stock split**

**i. Method**

Each share held by shareholders listed or recorded in the final shareholder registry as of September 30, 2025, will be split at a ratio of 5 shares for every 1 share.

**ii. Increase in number of shares**

Total shares issued before the split:	635,370,940 shares
Increase in shares due to the split :	2,541,483,760 shares
Total shares issued after the split:	3,176,854,700 shares
Total authorized shares after the split:	9,360,000,000 shares

Note: The above figures are based on the status as of July 31, 2025. The number of shares may increase due to the exercise of share acquisition rights before the record date.

iii. Schedule

Public notice of record date:	September 12, 2025
Record date:	September 30, 2025
Effective date:	October 1, 2025

iv. Impact on per share information

If the stock split had been effective as of June 30, 2024, per share figures would have been as follows:

	As of June 30, 2024	As of June 30, 2025
Net assets per share	179.74 yen	202.84 yen

	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
Basic earnings per share	29.73 yen	30.32 yen
Diluted earnings per share	29.62 yen	30.19 yen

### 3. Partial amendment to Articles of Incorporation

i. Reason for the Amendment

In accordance with Article 184, Paragraph 2 of the Companies Act of Japan, the Company will amend Article 6 of its Articles of Incorporation to reflect the change in authorized shares resulting from the stock split, effective as of October 1, 2025, pursuant to the Board resolution dated August 18, 2025.

i. Details of the amendment

The underlined portions indicate the amendments.

Current Article	Amended Article
(Total Authorized Shares) Article 6: The total number of shares authorized by the Company shall be <u>1,872,000,000 shares</u> .	(Total Authorized Shares) Article 6: The total number of shares authorized by the Company shall be <u>9,360,000,000 shares</u> .

iii. Effective date

October 1, 2025

### 4. Changes to shareholder benefit

The Company currently grants points for the Group's electronic money service "majica" to shareholders who hold 100 shares or more and are listed in the shareholder register as of June 30 or December 31 each year.

In connection with the stock split, the shareholder benefit will be revised as follows:

i. Details of change

Before change:

Number of shares held	Benefits details
≥ 100 shares	<u>2,000</u> yen worth of majica points

After change:

Number of shares held	Benefits details
100-300 shares	<u>300</u> yen worth of majica points
300-500 shares	<u>1,000</u> yen worth of majica points
≥ 500 shares	<u>2,000</u> yen worth of majica points



ii. Timing of change

The revised criteria will apply to the post-split number of shares held by shareholders recorded in the shareholder registry as of the record date, December 31, 2025.

## 5. Others

i. Change in capital

No change in the amount of stated capital as a result of the stock split.

ii. Adjustment to exercise price of share acquisition rights

In connection with the stock split, the exercise price per share of the Company's share acquisition rights will be adjusted as follows, effective from October 1, 2025:

	Board resolution date	Pre-adjustment exercise price	Post-adjustment exercise price
1st Series of Paid-in Share Acquisition Rights	June 30, 2016	925 yen	185 yen
2nd Series of Paid-in Share Acquisition Rights	October 3, 2022	2,560 yen	512 yen

Note:

1. The pre-adjustment exercise price of the 1st series of paid-in share acquisition rights reflects the 4-for-1 stock split conducted on September 1, 2019.
2. The Company has issued multiple share-based compensation stock acquisition rights, each with an exercise price of ¥1 per share. As the resolutions authorizing these rights did not include provisions for adjustment of the exercise price in the event of a stock split, no adjustment to the exercise price has occurred as a result of the stock split.