Results for FY6/25

August 18, 2025
Pan Pacific International Holdings Corporation

Briefing Agenda

1 Overview of FY6/25 results

2 Financial Targets for FY6/26

3 Appendix

Explanatory notes

1. The actual monetary figures presented in these materials are rounded to the nearest full unit.
2. The following abbreviations are used: Pan Pacific International Holdings (7532) as “PPIH", Don Quijote Co., Ltd. and its stores as “DQ", UNY Co., Ltd. as “UNY", UD Retail Co., Ltd. as “UDR", Singapore as “SG", ” Hong Kong as “HK", Thailand as “TH", Taiwan as “TW”, Malaysia as “MY”, Macau as “MO” and Group as “GP".
3. PPIH applies the “Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements", but there are sections where the account items and other information have been simplified to an extent where they do not change the intent or meaning of the contents.
4. The exchange rates used for overseas operations are below. The different exchange rates are applied to Gelson's because its fiscal year ends in June.

Unit: Yen	USD U.S. dollar		USD (Gelson’s)		SGD Singapore dollar		THB Thai baht		HKD Hong Kong dollar		TWD Taiwan dollar	
	P/L	B/S	P/L	B/S	P/L	B/S	P/L	B/S	P/L	B/S	P/L	B/S
FY6/24	145.31	151.40	149.97	161.14	108.04	112.11	4.12	4.16	18.57	19.34	4.63	4.74
FY6/25	152.60	149.53	148.97	144.82	114.01	111.55	4.40	4.41	19.58	19.22	4.70	4.51

Note: Regarding exchange rate

- The exchange rates applied for P/L are the average exchange rate for the fiscal period (July 2024 to June 2025 for Gelson’s, and April 2024 to March 2025 for the others).
- The exchange rates applied for B/S are the exchange rate as of the end of June 2025 for Gelson’s, and as of the end of March 2025 for the others.

Executive Summary

- Key Takeaways from FY6/25 Results -

Confirmed growth driven by sustained "Earnings capability" = "Adaptability to change" × "Knowing our customers"

Net sales reached ¥2.2468 tn, up ¥151.7 bn/7.2% YoY, led by growth in domestic retail, especially same stores.

- In Japan, tax-free sales increased by capturing demand from a diverse range of foreign visitors, supported by rising interest in entertainment-focused shopping experiences. Sales grew across both domestic and overseas businesses, driven by 33 new store openings throughout the Group and marketing strategies centered on dynamic pricing. Growth in PB/OEM, seasonal items, and trend-driven products also contributed.

Operating income rose to ¥162.3 bn, up ¥22.1 bn/15.8% YoY. Operating margin improved 0.5pt YoY to 7.2%, despite ongoing cost inflation. This laid a solid foundation for future growth strategies.

- Gross profit margin: PB/OEM grew through deeper collaboration with manufacturers, driven by original product development, OEM conversion of regular items, and initiatives to offer exclusive products. Expansion in the tax-free sales mix also contributed to margin improvement. Profitability continued to improve, even with reinvestment in pricing.
- SG&A: The SG&A ratio declined YoY, supported by net sales growth and productivity improvements, even as SG&A expenses increased due to higher personnel, utility, and tax-free operation-related costs.

Profit attributable to owners of parent rose to ¥90.5 bn, up ¥1.8 bn or 2.0% YoY, despite significant foreign exchange impacts and impairment losses.

- Long-term Business Plan -

The new management team has announced the long-term business plan, "Double Impact 2035." We are accelerating growth investments to enter a decade of breakthrough advancement. Earnings capability strengthens confidence in growth and evolves into "next-level earnings capability."

- Next-level earnings capability = TAM (growth opportunities) × Execution model × Talent × Capabilities

Overview of FY6/25 results

Earnings Summary for FY6/25

【Period: July 1, 2024 – June 30, 2025】

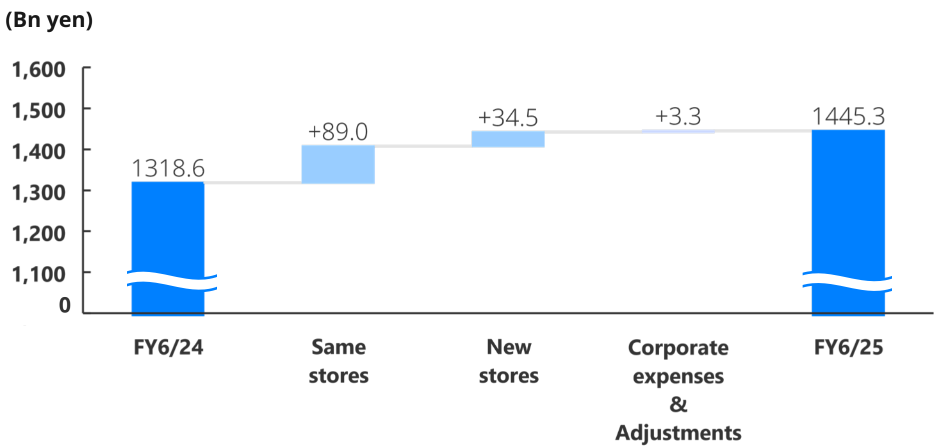
(Unit: Bn yen, except per share data)

	FY6/24	FY6/25			FY6/25 forecast	
	Amount *% of net sales*	Amount *% of net sales*	YoY Change Amount	YoY Change %	Amount *% of net sales*	Actual vs. Forecast %
Net sales	**2,095.1**	**2246.8**	**+151.7**	**+7.2%**	**2,220.0**	**+1.2%**
Gross profit	662.9 *31.6%*	716.7 *31.9%*	+53.8	+8.1%	712.0 *32.1%*	+0.7%
SG&A	522.7 *24.9%*	554.4 *24.7%*	+31.7	+6.1%	557.0 *25.1%*	(0.5)%
Operating income	**140.2** ***6.7%***	**162.3** ***7.2%***	**+22.1**	**+15.8%**	**155.0** ***7.0%***	**+4.7%**
Ordinary profit	**148.7** ***7.1%***	**158.5** ***7.1%***	**+9.8**	**+6.6%**	**150.8** ***6.8%***	**+5.1%**
Profit attributable to owners of parent	**88.7** ***4.2%***	**90.5** ***4.0%***	**+1.8**	**+2.0%**	**90.0** ***4.1%***	**+0.6%**
Basic EPS (¥)	**¥148.64**	**¥151.59**	**+¥2.95**	**+2.0%**	**¥150.74**	**+0.6%**
EBITDA[1]	**186.6** ***8.9%***	**210.5** ***9.4%***	**+23.9**	**+12.8%**	**-**	**-**

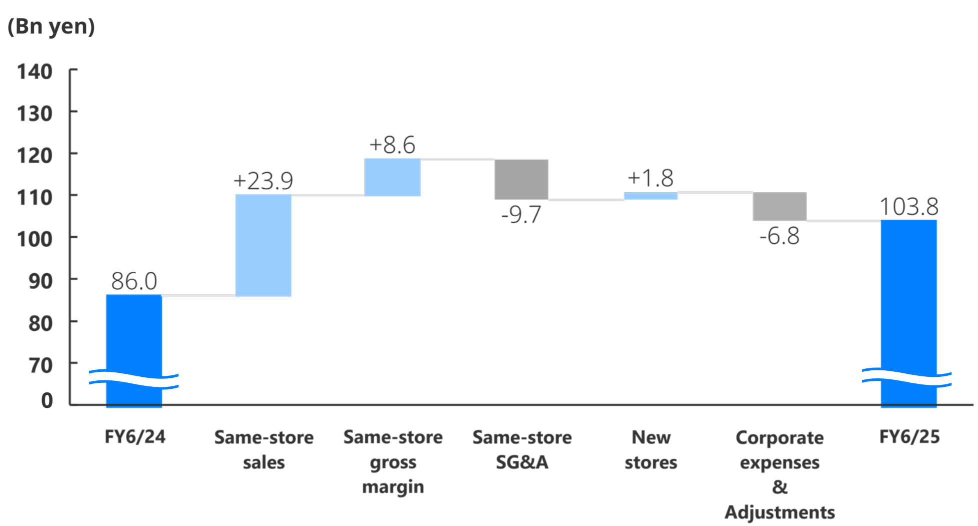
1. From Q2 FY6/25, EBITDA is disclosed as a static measure of operating performance, excluding the impact of capital expenditures and other non-cash items.
EBITDA = Operating income + Depreciation of property, plant and equipment + Amortization of intangible assets + Stock-based compensation

Discount Store Business

Analysis of Changes in FY6/25 Net Sales



Analysis of Changes in FY6/25 Operating Income



Achieved ¥100 bn in operating income for the first time, with operating margin exceeding 7.2%. Marketing initiatives focused on tax-free sales and pricing strategies effectively responded to inflation and shifting customer needs. New store openings and PB/OEM offerings also contributed, driving significant growth. The growth strategy continued to deliver strong results and evolved into a solid foundation for mid- to long-term expansion[1].

Same-store net sales increased 7.1% YoY, marking 37 consecutive months of YoY growth as of fiscal year-end

- Tax-free net sales expanded significantly, leveraging strengths in product variety and amusement-like shopping experiences. Captured demand from diverse nationalities through social media and word-of-mouth.

- Non-tax-free net sales increased 2.9% YoY. *Maji-kakaku* (exclusive price for app members) pricing strategies effectively addressed rising price sensitivity, boosting sales of food and daily consumables. Seasonal items and trend-driven merchandising strategies contributed to growth in non-food categories.

Gross margin improved to 27.9% (up 0.5pt YoY)

- PB/OEM net sales reached ¥317.0 bn (up 28.8% YoY). Profitability improved through product development tailored to Japanese and international customers, as well as accelerated OEM conversion strategies.

SG&A ratio declined to 20.7% (down 0.1pt YoY), despite cost increases related to tax-free operations, employee benefit enhancements, and capital increases. Net sales growth and productivity improvements offset the cost pressures.

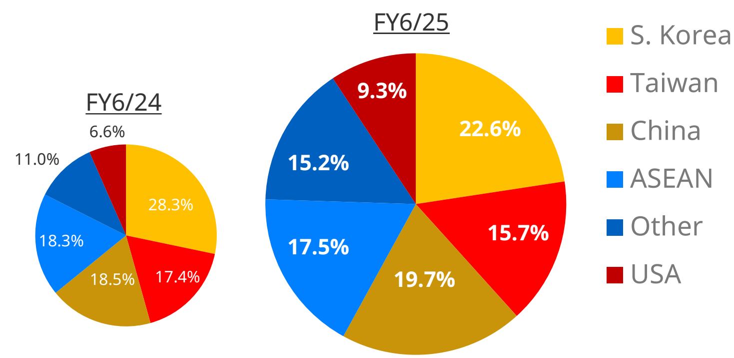
1. For details, please refer to pages 7, 9, 11, 12, 14, 17, and 18 of the long-term business plan

Discount Store Business – Tax-free sales & PB/OEM

Tax-free sales: Reached a record-high ¥174.2 bn in FY6/25, up 48.6% YoY. The tax-free customer ratio rose to 24.7%, up 2.3pt YoY. Store traffic from international customers increased, and the customer base became more multinational, reflecting stronger popularity of our store brand. This growth was supported by area-specific merchandising and product development that captured diverse customer preferences, amid growing inbound tourism to Japan. Advanced toward becoming the undisputed leader in tax-free sales and positioned the business as a core strategy to drive further growth.

- Promotions were strengthened by country, contributing to customer acquisition through partnerships with travel agencies and airlines.
- Piloted AI-powered product search system at a flagship tax-free store in response to the high volume of customers seeking specific products. Improved customer convenience and reduced service time, contributing to higher productivity.
- Tax-free sales in July 2025 reach ¥15.4 bn, up 22.7% YoY. The business continues to grow by capturing demand from a broad range of foreign visitors to Japan, without relying on any specific nationality. This approach differentiates us from competitors.

▶ Tax-free sales by nationality



PB/OEM sales: Reached ¥317.0 bn in FY6/25, up 28.8% YoY with sales accounting for 22.8% of total net sales, up 3.5 pt YoY. Strengthened product development aligned with customer needs in price and functionality, along with a strategic shift to OEM for regular items, contributed to improved profitability. The FY6/26 target is ¥400.0 bn, with growth strategies focused on enhancing margins through OEM conversion and expanding "NPB" product[1] offerings.

- Early OEM conversions of regular assortment items performed strongly. More items to be converted in FY6/26.
- To unlock further development potential for PB/OEM, a new strategy is underway to promote "NPB" products. Partnering with national brand manufacturers to develop NPB items that combine national brand equity with our unique ability to take on bold challenges. Aiming to reduce costs, differentiate the product lineup, and drive sales growth.

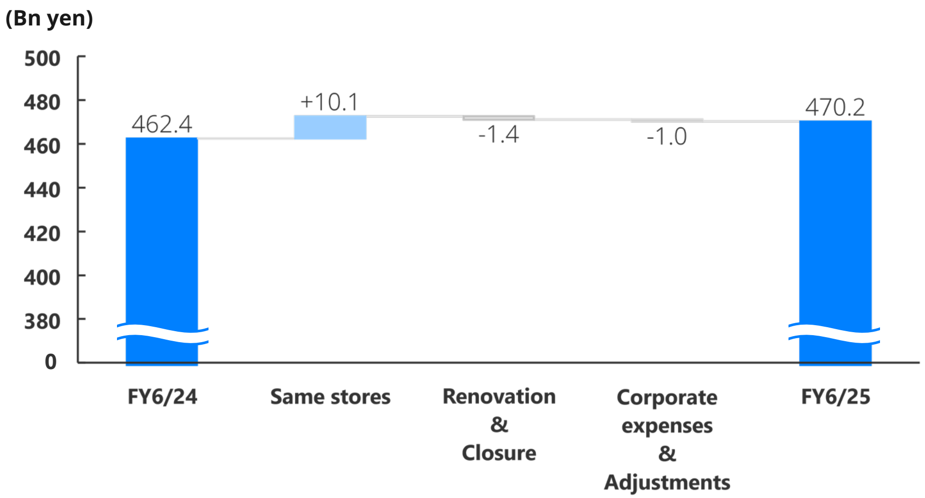
▶ Example of a collaborative product: Gorilla Grip Foot Massager

- A successful collaboration with our partner led to the development of this hit product
- Ranked among the top-selling products in the tax-free category, driven by global social media exposure and strong appeal to international visitors

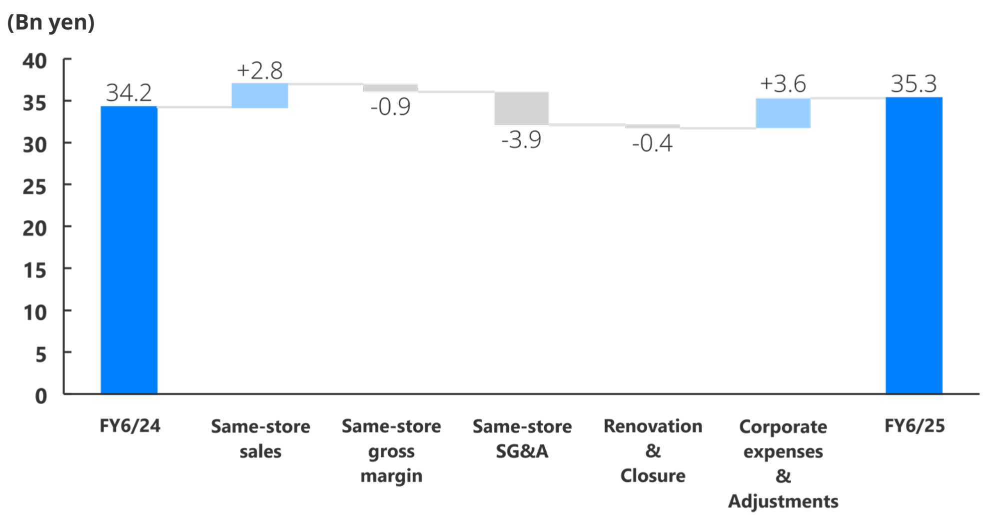
1. For details, please refer to pages 9 and 11 of the long-term business plan

UNY Business

Analysis of Changes in FY6/25 Net Sales



Analysis of Changes in FY6/25 Operating Income



Group-wide collaboration on talent and merchandise is now fully operational. Non-food merchandising reform, driven by the adoption of successful discount store practices, is expected to contribute to earnings in FY6/26. Meanwhile, pricing strategies helped improve customer traffic, but challenges remain at small and mid-sized stores, prompting a major decision to pursue structural reform[1].

Same-store net sales increased 2.4% YoY

- Food performed strongly, supported by increased sales of confectionery following assortment changes, growth in direct-from-source items, and special demand for rice. Group-wide promotional initiatives such as *maji-kakaku* (exclusive promotions for app members) proved effective.
- In non-food, early success cases at pilot stores showed that electronics and kitchen goods contributed to net sales, validating the new merchandising strategy.
- Customer traffic increased 0.9% YoY as pricing strategies were reinforced. To drive further improvement, a structual reform focused on 'popularity' will be implemented at small and mid-sized stores.

Same-store gross margin was 26.9%, down 0.2pt YoY, in line with expectations

- PB/OEM sales grew to ¥120.7 bn (up 9.8% YoY), and strong performance in character goods and seasonal appliances supported margin improvement, exceeding the targets.

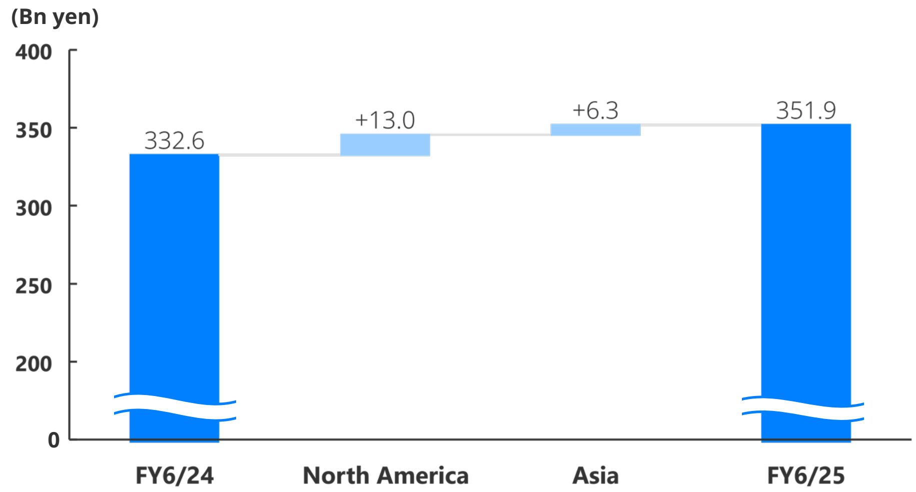
SG&A expenses decreased 0.4% YoY

- Productivity improvements by Million Star-selected branch managers, empowered through delegated authority, and optimized staffing across group companies helped control expenses.

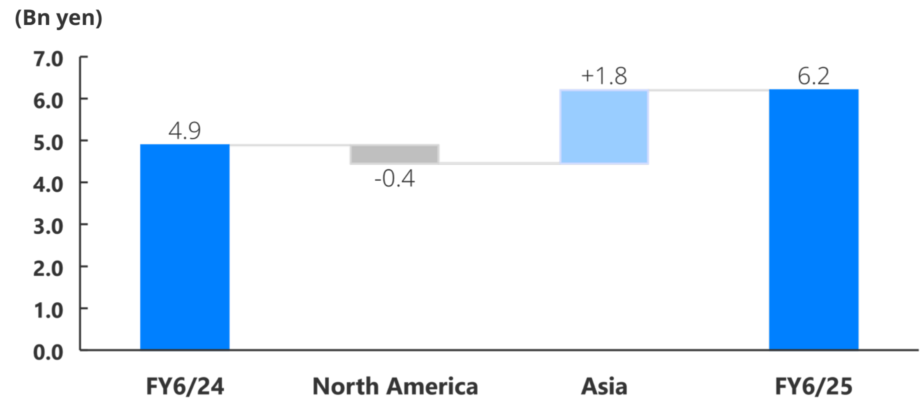
1. For details, please refer to pages 20-21 of the long-term business plan

Overseas Business

Analysis of Changes in FY6/25 Net Sales[1,2]



Analysis of Changes in FY6/25 Operating Income[1,2,3]



Overseas operations posted an operating income margin of 1.8%. Impairment losses were recorded due to delays in business decisions during the COVID-19 pandemic and subsequent struggles in shifting strategic direction.FY6/26 will focus on redefining business concepts and stabilizing operations, marking a step toward future growth.

Asia business: Achieved the operating income target

- Operating income reached ¥2.1 bn, up ¥1.8 bn YoY. Improved productivity across Asia through workforce optimization and in-house operations, resulting in a 2.7pt YoY decline in SG&A ratio.
- Net sales improved in H2, driven by Thailand, Hong Kong, and Macau. Negotiations with local businesses enabled opportunistic buying, and pricing initiatives under the "astonishingly reasonable" strategy delivered some results. Sustained growth remains a challenge.
- Singapore and Taiwan fell short of targets, but plan to apply successful practices from high-performing countries mentioned above to drive improvement.

North America business: Results exceeded the targets revised downward in Q2 FY6/25

- Marukai CA exceeded targets, driven by continued seasonal merchandising strategies and event promotions, along with extended store hours and the launch of EBT payment acceptance. Customer traffic increased 8.6% YoY, reflecting sustained popularity.
- Gelson's also outperformed initial targets, supported by loyal customers visiting other locations after 1 store was lost to wildfires. Sales grew, and ongoing efforts since the beginning of FY6/25 to reduce losses and manage labor costs contributed to the results.
- Hawaii and Guam continue initiatives to stabilize operations through infrastructure improvements and to build merchandise assortments tailored to local needs.

1. Figures for North America are the total of DQ USA, MARUKAI, QSI, Gelson's, and Guam. Cumulative period: April 2024 to March 2025 for all except Gelson's, which is from July 2024 to June 2025.
2. Figures for Asia are the total of PPRM (SG), PPRM (HK), DONKI Thailand, PPRM (TW), PPRM (MY), and Macau PRRM (MO). Cumulative period: April 2024 to March 2025.
3. Gelson's operating income is calculated after deducting goodwill amortization (total ￥3.7 bn for FY6/24, total ￥3.7 bn for FY6/25).

Asia Business - Astonishingly Reasonable Concept Brings Shoppers Back, Trendy Picks Win the Young

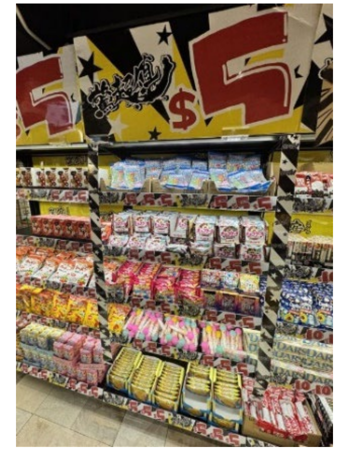
Enhance monthly opportunistic buying from local businesses and expand the lineup of "astonishingly reasonable" products to improve delayed pricing strategies and a stagnant product mix. Boost store visits with trend-focused products and build a foundation for future growth.

- Same-store customer traffic improved YoY, up 11.5% in Thailand and 1.2% in Hong Kong, driven by strengthened negotiations with local manufacturers and wholesalers for selective sourcing.
  - Introduced around 1,000 SKUs through opportunistic buying in Thailand and Hong Kong to deliver "something new." Gained positive traction.
  - Continue expanding "astonishingly reasonable" products across Asia to drive store visits. Strengthen ongoing partnerships with local businesses to support recovery in popularity.

Attract new customers through a pricing strategy centered on "astonishingly reasonable" products, while establishing a clear business concept by evolving into a "Trend Store" featuring a curated selection of the latest hot items

- Strengthened assortment of trending items such as popular character goods and cosmetics from Japanese and Korean brands. Differentiating the store by offering popular products among foreign visitors to Japan at strategic prices, contributing to ongoing sales growth.
  - Build a merchandise cycle that enables rapid introduction of high-demand trending items to meet constantly evolving customer needs.
- A local customer survey revealed expectations for Don Don Donki to be a go-to place for the latest trending items. To meet the growing demand for trend-driven shopping experiences, the assortment of such products from Japan will be expanded.
  - The JAPAN TREND INDEX showcases best-seller rankings derived from Japan sales data. Developing stores that feature the latest trending items in Japan.

▶ Price-focused in-store promotions



▶ Best-seller ranking displays

Status of Major Assets, Liabilities and Net Assets

(Unit: Bn yen)

	June 30, 2024	June 30, 2025	
	Amount	Amount	YoY Change
Current assets	**513.4**	**528.0**	**+14.6**
Cash and deposits	172.7	172.0	(0.8)
Account receivable-installment	57.3	57.7	+0.4
Merchandise and finished goods	199.0	224.9	+25.9
Non-current assets	**985.0**	**983.0**	**(1.9)**
Buildings and structures, net	308.7	295.7	(13.0)
Land	356.7	354.2	(2.4)
Intangible assets	94.6	103.6	+8.9
Leasehold and guarantee deposits	68.7	68.2	(0.5)
Total assets	**1,498.4**	**1,511.0**	**+12.6**

(Unit: Bn yen)

	June 30, 2024	June 30, 2025	
	Amount	Amount	YoY Change
Current liabilities	**419.2**	**441.6**	**+22.4**
Notes and accounts payable	197.2	194.9	(2.3)
Short-term interest-bearing debt[1]	49.3	77.0	+27.8
Non-current liabilities	**532.2**	**445.4**	**(86.8)**
Bonds payable	191.1	170.4	(20.7)
Long-term borrowings	224.7	156.9	(67.7)
Total liabilities	**951.4**	**887.0**	**(64.4)**
Total net assets	**547.0**	**624.0**	**+77.0**
Total liabilities and net assets	**1,498.4**	**1,511.0**	**+12.6**

1. Short-term interest-bearing debt = Short-term borrowings, current portion of long-term debt, and bonds payable due within 1 year

＜Major assets＞

Non-current asset

▶ Property, plant and equipment: ￥718.0 bn (down ￥17.5 bn)

・ Investment related to store openings: ￥43.8 bn

・ Depreciation: ￥38.5 bn

＜Major liabilities＞

▶ Interest-bearing debt: ￥404.4 bn (down ￥60.6 bn)

＜Net assets＞

▶ Equity: ￥605.8 bn (up ￥69.3 bn from the end of FY6/24)

▶ Equity-to-asset ratio: 40.1% (up 4.3pt from the end of FY6/24)

＜Others＞

▶ Net D/E ratio: 0.38x (down 0.16x from the end of FY6/24)

▶ ROE: 15.8% (annual basis/down 2.1pt from the end of FY6/24)

➢ The repayment of long-term borrowings reduced interest-bearing debt, leading to improvements in the equity ratio and net debt-to-equity ratio, thereby enhancing overall financial soundness.

Status of Cash Flows and Capital Expenditure

▶ Cash flows

(Unit: Bn yen)

	June 30, 2024	June 30, 2025	
	Amount	Amount	YoY Change
Balance at beginning of the period	246.2	187.2	(59.0)
Cash flows from operating activities	150.6	132.0	(18.6)
Cash flows from investing activities	(94.7)	(61.1)	+33.7
Cash flows from financing activities	(129.9)	(75.9)	+54.0
Changes during the period	(59.0)	(11.4)	+47.6
Balance at end of the period	187.2	175.8	(11.4)
Free cash flow[1]	55.8	70.9	+15.1

1. Free Cash Flow = Cash flows from operating activities + Cash flows from investing activities

▶ Capital expenditures

Capital expenditures	95.9	53.2	(42.7)

Capital expenditures fell short of the planned amount due to delays in domestic store openings and in both domestic and overseas IT investments.

<Operating activities: up ¥132.0 bn>

Cash inflow factors:
- ¥136.9 bn for profit before income taxes
- ¥47.9 bn for depreciation

Cash outflow factors:
- ¥26.9 bn for decrease (increase) in inventories
- ¥48.1 bn for income taxes paid

<Investing activities: down ¥61.1 bn>

Cash outflow factors:
- ¥38.7 bn for purchase of property, plant and equipment
- ¥13.5 bn for purchase of intangible assets

<Financing activities: down ¥75.9 bn>

Cash inflow factor:
- ¥40.0 bn for proceeds from long-term borrowings

Cash outflow factors:
- ¥99.3 bn for repayments of long-term borrowings
- ¥20.3 bn for dividends paid

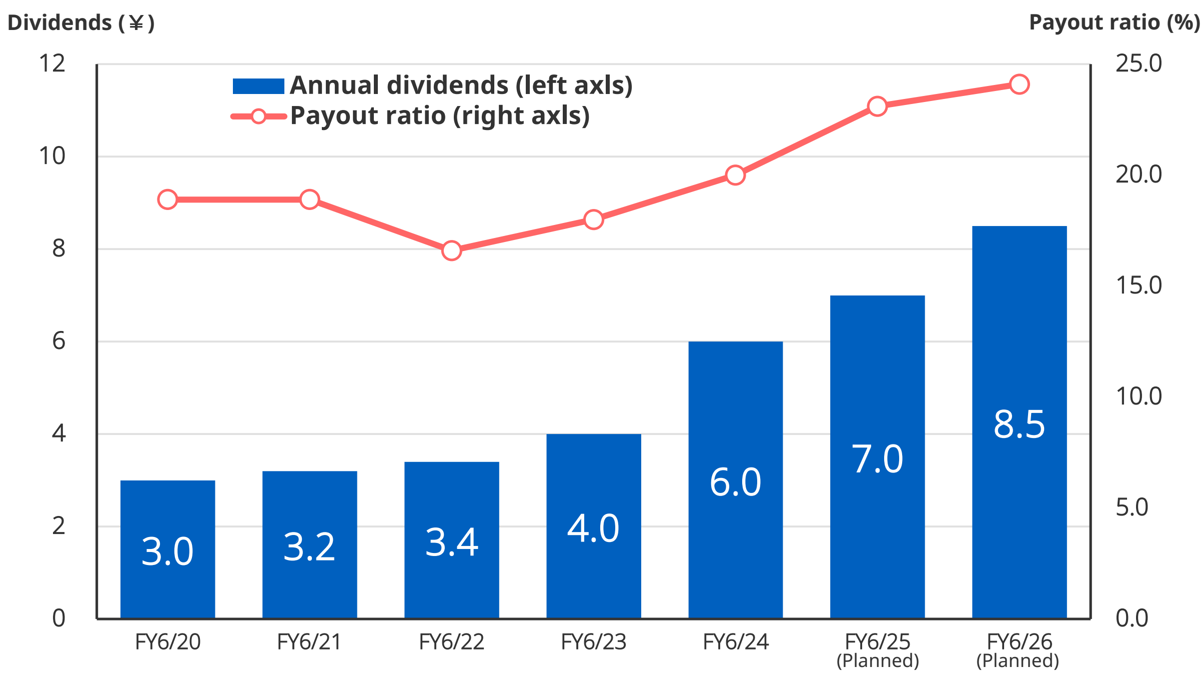
<Breakdown of capital expenditures>

Domestic Discount Store business: ¥16.6 bn
UNY business: ¥6.4 bn
Overseas business: ¥9.0 bn
Financial business: ¥3.6 bn
IT investments: ¥13.7 bn
Others: ¥3.9 bn

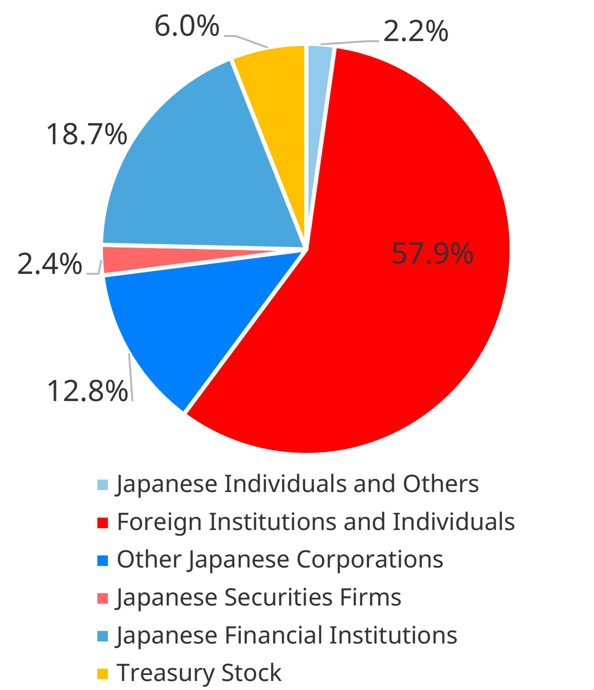
Shareholder Returns - Dividend Policy

- FY6/25 marks the 22nd consecutive year of dividend increases. The year-end dividend has been revised upward from the initial forecast of ¥25 to ¥26, reflecting strong business performance, bringing the full-year dividend to a planned ¥35.
- To enhance stock liquidity and broaden the investor base, a stock split will be conducted at a ratio of 5 shares for every 1 common share.
- For FY6/26, the Company plans to achieve its 23rd consecutive year of dividend increases. Following the stock split, the full-year dividend is expected to increase to ¥8.5, up ¥1.5 YoY.
- Maintain a progressive dividend policy, keep a 25% payout ratio in mind, consider increasing the ratio over the long term, and balance growth investments with shareholder returns.

▶ Annual dividends and payout ratio trends (post stock split)



▶ Breakdown of Shareholders as of FY6/25



Notes:

- A 5-for-1 common stock split is scheduled to take effect on October 1, 2025
- The dividend payout ratio for FY6/26 is calculated based on the number of shares outstanding, excluding treasury shares, as of the end of FY6/25
- For prior periods, figures are retroactively adjusted

Shareholder Returns - Dividend Policy (cont'd)

- Reduce capital costs by stabilizing share price volatility through enhanced stock liquidity and a broader investor base, particularly among individual investors
- Initiatives to increase the proportion of individual shareholders will be strengthened in conjunction with the stock split
- The shareholder benefit program will be expanded. In addition to the existing majica point offering, new experiential benefits will be introduced, allowing shareholders to engage directly with brand's value, products, and services. As a BtoC company, the goal is to increase the number of "fan shareholders." Details will be announced around November 2025.

Stock split

Stock split ratio: Each share of common stock held by shareholders recorded in the final shareholder registry as of the record date will be split into 5 shares

Record date: September 30, 2025

Effective date: October 1, 2025

Enhance shareholder benefit program offerings

Shareholder Benefits	100 to under 300 shares	300 to under 500 shares	500+ shares (pre-split equivalent: 100 shares)
Majica point-based rewards (granted via app)	300pt	1,000pt	2,000pt
<New> Experience-based benefits	Available to shareholders holding 100 shares or more (Details of the benefit program will be announced around November 2025)		

Sustainable Management

- Long-term sustainability is reinforced by addressing environmental and social challenges alongside business growth
- ESG ratings from third-party agencies are utilized to secure strong evaluations and support inclusion in major indices

	Medium-term targets	Progress in FY6/25
E	Reduce CO2 emissions from domestic stores and offices by 50% by 2030	Reduced 32.7% of CO2 emissions (compared to FY6/13) ※Preliminary figures
E	Reduce plastic usage in customer service by 70% by 2030	Reduced 67.0% of plastic usage (compared to FY6/19)
E	Quantify emissions across Scope 3 categories and establish reduction targets	Scope 3: Held briefing sessions for business partners to communicate the need for emissions reduction across the supply chain and to support emissions calculation
S	Promote sustainable procurement and enforcing supply chain code of conduct	Confirmed that no factories with significant human rights or labor-related risks or incidents were found among business partners following a risk assessment
S	Produce 200 store merchandise (MD) planners among “mate employees” every year until FY6/30	127 mate MD Planners ※ Aggregated for only half the year due to the timing of biannual training sessions for candidate development. Annual figures to be compiled in FY6/26.
S	Increase the number of female store managers to 100 by FY6/30	46 female store managers, up by 33 from FY6/21
S	Improve the retention rate of female employees: reduce turnover rate to 5% by FY6/30	Turnover rate of female employees: 7.3%, down by 4.3pt from FY6/21
S	Promote the operation of next-generation executive development program	Develop next-generation executives: 81 participants attended training for executives and executive candidates
G	Establish and operate the Nomination and Compensation Committee	Nomination and Compensation Committee: 9 meetings held
G	Formulate and disclose the business continuity plan (BCP)	Initiated to formulate a BCP to address natural disaster risks in IT and overseas operations

Third-party agencies Selected for inclusion in the FTSE Blossom Japan Index in FY6/25 and adopted as a constituent of all ESG indices used by GPIF

-NEW-

FTSE Blossom Japan Index

FTSE Blossom Japan Sector Relative Index

2025 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

2025 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

Morningstar Japan ex-REIT Gender Diversity Tilt Index

S&P/JPX Carbon Efficient Index

Sustainable Management (cont'd)

Major initiatives in FY6/25

Empowering “Mate employees”

Promote initiatives to create environments and systems that allow each mate employee supporting individual store management to enjoy working within the PPIH Group

- Assigned career supporters and conducted approximately 6 months of training to help mate employees acquire the necessary knowledge and skills for MDP advancement
- Introduced the “FOR THE TEAM AWARD,” which offered achievement-based rewards every 6 months, based on store performance and adjusted according to employment type and working hours.
- Presented the Best Mate Employee Award at the company-wide PPIH Awards

Advancing a responsible supply chain: human rights & environmental commitment

Promote initiatives with PB/OEM manufacturers to reduce human rights and environmental risks in the supply chain

- Conducted third-party CSR audits (39 factories) and self-assessment surveys (159 factories) for risk assessment of PB/OEM products
  - Planning follow-up audits in FY2026 for factories where issues were identified through the third-party CSR audits
- Provided follow-up training for business partners with external instructors

Taking action on climate change

Reduce environmental impact from business activities not only through CO_2 reduction via renewable energy, but also across the supply chain and PB/OEM products

- Introduced renewable energy at 5 additional stores (27 stores and 1 office in total)
- Hold briefing sessions for business partners to collect primary GHG emissions data related to purchased products as part of Scope 3 initiatives
- Use environmentally friendly materials and technologies in packaging and containers for PB/OEM products



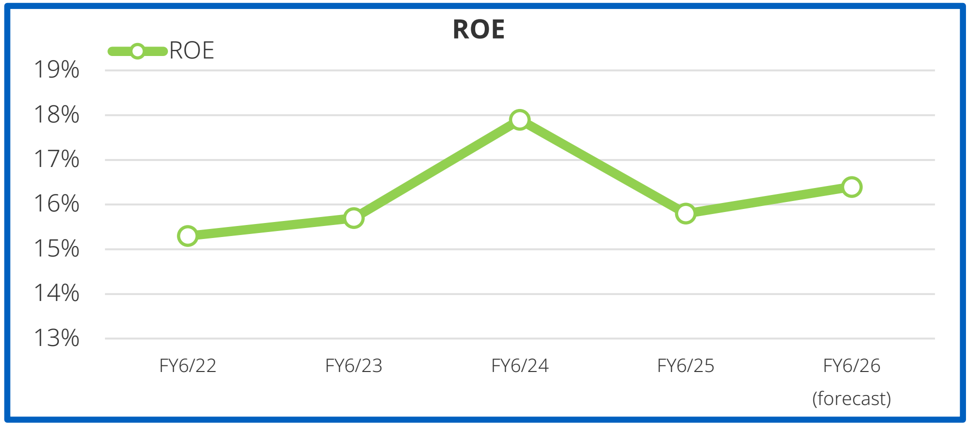


Toward the long-term business plan, “Double Impact 2035”

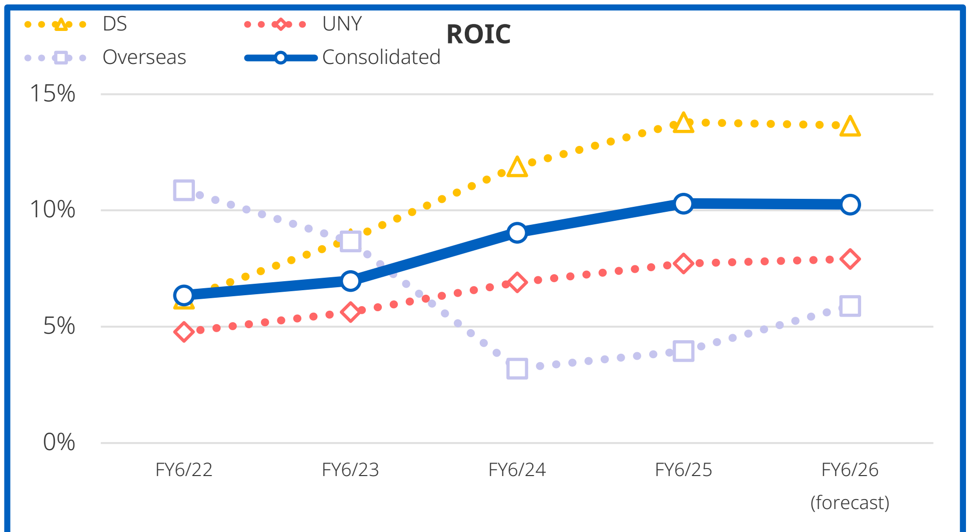
- Enhance the sustainability of society and our business through sustainability-driven management by deepening initiatives across each material issue
- Drive sustainable value creation by strengthening focus on areas where our strengths can be fully leveraged and those essential to our business

Trends in Key Management Indicators

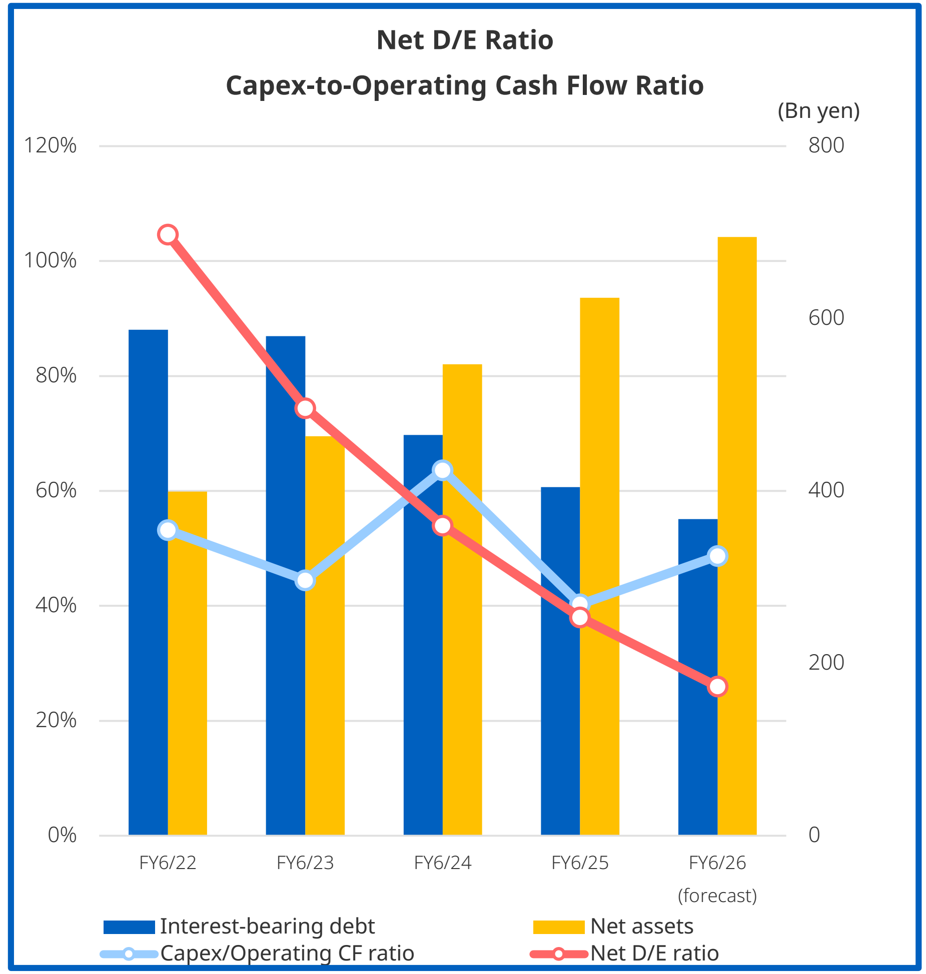
Continue investing in growth to achieve "Double Impact 2035" while pursuing capital-efficient operations. Improve and stabilize ROE and ROIC to enhance long-term corporate value



Declined in FY6/25 due to forex gains recorded in FY6/24. Expect improvement in FY6/26 driven by stronger profitability, with stable levels around 15–16%.



Improved YoY in FY6/25 as profitability increased across both consolidated and individual businesses. Further improvement is expected in FY6/26, supported by profit growth in overseas operations.



- Net assets steadily increased in FY6/25. Interest-bearing debt declined following partial repayments. Net D/E ratio improved, enhancing financial soundness.
- Capex-to-operating cash flow ratio decreased in FY6/25 due to delays in store openings and IT investments. Plan to accelerate growth investments to achieve targets set in the long-term management plan.

Financial Targets for FY6/26

FY6/26 Full-Year Consolidated Earnings Forecast

Target net sales of ¥2.3270 tn, operating income of ¥170.0 bn, and an operating income margin of 7.3% for FY6/26. Expects profit attributable to owners of parent to grow 16.5% YoY to ¥105.5 bn.

(Unit: Bn yen, except per share data)

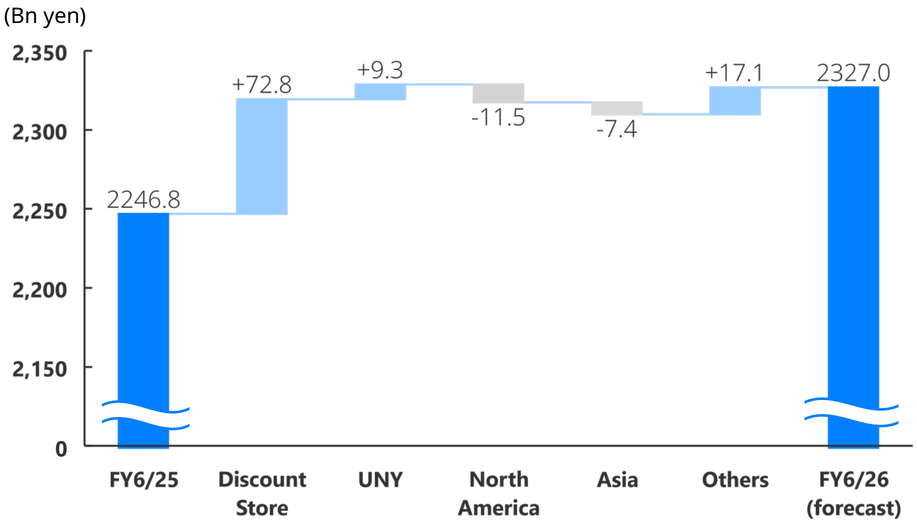
	FY6/25		2Q FY6/26 Earnings Forecast (Cum.)			FY6/26 Full-Year Earnings Forecast		
	Amount	% of Net Sales	Amount	% of Net Sales	YoY Change	Amount	% of Net Sales	YoY Change
Net sales	**2,246.8**	**100.0%**	**1,170.5**	**100.0%**	**+3.7%**	**2,327.0**	**100.0%**	**+3.6%**
Gross profit	716.7	31.9%	377.2	32.2%	+3.7%	751.5	32.3%	+4.9%
SG&A	554.4	24.7%	287.5	24.6%	+4.9%	581.5	25.0%	+4.9%
Operating income	**162.3**	**7.2%**	**89.8**	**7.7%**	**+0.1%**	**170.0**	**7.3%**	**+4.7%**
Ordinary profit	**158.5**	**7.1%**	**88.6**	**7.6%**	**+2.0%**	**167.1**	**7.2%**	**+5.4%**
Profit attributable to owners of parent	**90.5**	**4.0%**	**57.7**	**4.9%**	**+6.9%**	**105.5**	**4.5%**	**+16.5%**
Basic EPS (yen)	**￥151.59**	**-**	**￥96.70**	**-**	**+6.9%**	**￥176.74**	**-**	**+16.5%**
EBITDA	**210.6**	**9.4%**	**115.0**	**9.8%**	**+1.0%**	**219.0**	**9.4%**	**+4.0%**
CAPEX	53.2	-				75.0 + extra	-	-

Notes:

- Assumed Exchange Rates are 1 USD＝￥140.00, 1 HKD＝￥17.37, 1 SGD＝￥105.45, 1 THB＝￥4.17, 1 MYR＝￥32.89, 1 TWD＝￥4.27, 1 MOP＝￥16.94
- Capex by segment: ¥33.2 bn for the Discount Store business, ¥8.9 bn for the UNY business, ¥5.6 bn for Overseas business, ¥20.0 bn for IT, and ¥7.2 bn for other areas

Assumptions Underlying FY6/26 Earnings Forecast

FY6/26 Net Sales Forecast by Segment



(Bn yen)	Net Sales	
	Amount	YoY Change
Discount Store	1,518.0	+5.0%
UNY	479.5	+2.0%
North America	248.9	(4.4)%
Asia	84.1	(8.1)%
Others	(3.6)	-
Total	2,327.0	+3.6%

■ Discount Store business

New Store Openings: 25 stores + extra (excluding new format)

Same Stores: net sales increase 3.0% YoY

- Tax-Free Sales: ¥190.0 bn, up 9.1%/¥15.8 bn YoY
- Strengthen product strategies to drive store visits, focusing on wallet share expansion through majica and growth in high-performing categories such as delicatessen

■ UNY business

Same Stores: net sales increase 2.0% YoY

- Reinforce pricing strategy to boost visit frequency and attract new customers
- Expand non-food offerings by leveraging the Group's strengths across more stores

■ North America business

New Store Openings: 4 stores

- Expect net sales growth excluding foreign exchange impact, as market share expands with new Marukai CA stores and Mikuni consolidation
- Limit tariff impact through pricing adjustments

■ Asia business

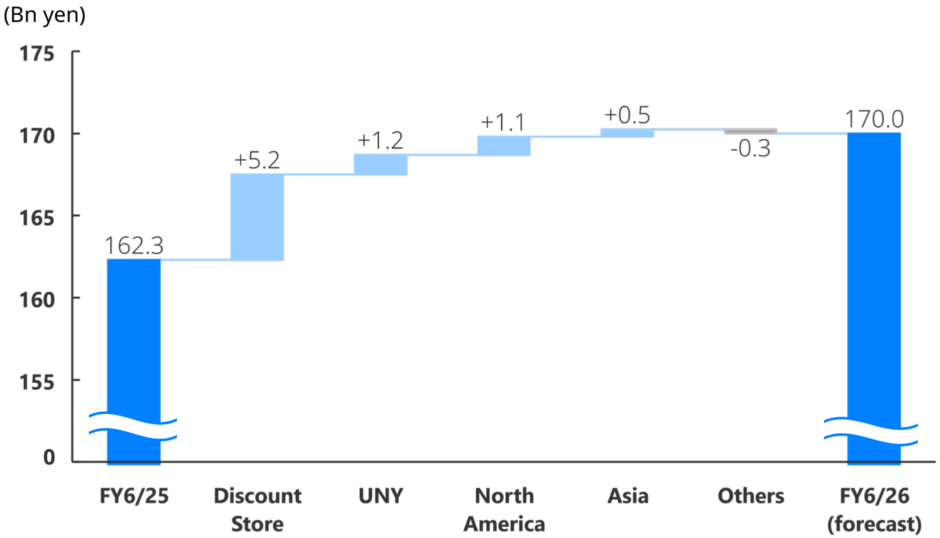
New Store Opening: 1 store

- Expect net sales growth excluding impact from store closures and foreign exchange impact
- Strengthen negotiations with local suppliers to drive same store growth through value-focused pricing, especially on “astonishingly reasonable” products

Note: Assumed Exchange Rates are 1 USD = ¥140.00, 1 HKD = ¥17.37, 1 SGD = ¥105.45, 1 THB = ¥4.17, 1 MYR = ¥32.89, 1 TWD = ¥4.27, 1 MOP = ¥16.94

Assumptions Underlying FY6/26 Earnings Forecast (cont'd)

FY6/26 Operating Income Forecast by Segment



(Bn yen)

	Operating income	
	Amount	YoY Change
Discount Store	109.0	+5.0%
UNY	36.5	+3.4%
North America	5.3	+26.5%
Asia	2.5	+22.0%
Others	16.7	(1.8)%
Total	170.0	+4.7%

■ Discount Store business

Gross Margin: 28.1%, up 0.2pt YoY

- PB/OEM Sales: ¥400.0 bn, up 26.2%/¥83.0 bn YoY

SG&A Ratio: 20.9%, up 0.2pt YoY

- Increase in SG&A driven by: new store-related costs, continued investment in labor, higher utility expenses due to expected reduction in government subsidies, and strategic investments related to majica

■ UNY business

Gross Margin: 34.4%, flat YoY

- Maintain margin in non-food categories while advancing pricing strategy

SG&A Ratio: 26.8%, down 0.1pt YoY

- Improve SG&A ratio through continued sales growth and productivity gains, offsetting expected increases in renovation costs, utilities, and majica-related expenses

■ North America business

Gross Margin: 39.5%, up 2.4pt YoY

SG&A Ratio: 36.0%, up 0.5pt YoY

- Shift profit structure due to Mikuni consolidation
- Expect profitability improvement through operational enhancements in Hawaii and Guam

■ Asia business

Gross Margin: 36.3%, flat YoY

SG&A Ratio: 33.3%, down 0.8pt YoY

- Expect profitability improvement through expansion of locally manufactured PB products and enhanced loss control
- Advance productivity gains through continued labor cost ratio management

Notes:

- Assumed Exchange Rates are 1 USD=￥140.00, 1 HKD=￥17.37, 1 SGD=￥105.45, 1 THB=￥4.17, 1 MYR=￥32.89, 1 TWD=￥4.27, 1 MOP=￥16.94
- Calculated after deducting the planned goodwill amortization (approximately ￥3.5 billion)

Appendix

Q4 FY6/25 Standalone Financial Results

【Period: Q4 FY6/25 alone (April 1, 2025 – June 30, 2025)】

(Unit: Bn yen)

	Q4 FY6/24 Results		Q4 FY6/25 Results			
					YoY Change	
	Amount	Share	Amount	Share	Amount	%
Net sales	**527.7**	**100.0%**	**558.6**	**100.0%**	**+30.8**	**+5.8%**
Gross profit	169.2	32.1%	178.0	31.9%	+8.8	+5.2%
SG&A	139.3	26.4%	144.4	25.9%	+5.1	+3.7%
Operating income	**29.9**	**5.7%**	**33.6**	**6.0%**	**+3.7**	**+12.3%**
Ordinary profit	**35.1**	**6.7%**	**32.9**	**5.9%**	**(2.2)**	**(6.4)%**
Profit attributable to owners of parent	**16.6**	**3.1%**	**14.6**	**2.6%**	**(2.0)**	**(11.9)%**

Note: The YoY decrease in ordinary profit and profit attributable to owners of parent is attributable to the absence of FX gains recorded in Q4 FY6/24

Results by Business Segment

【Period: Q4 FY6/25 alone (April 1, 2025 – June 30, 2025)】

(Unit : Bn yen)

	Discount Store			UNY			Asia[2]			North America[1,3]			Others/Adjustments		
	Q4 FY6/24	Q4 FY6/25	YoY Change	Q4 FY6/24	Q4 FY6/25	YoY Change	Q4 FY6/24	Q4 FY6/25	YoY Change	Q4 FY6/24	Q4 FY6/25	YoY Change	Q4 FY6/24	Q4 FY6/25	YoY Change
Net sales	333.9	364.9	30.9	112.2	113.5	1.4	23.6	24.3	0.8	62.5	62.2	(0.3)	(4.5)	(6.4)	(1.9)
Gross profit	92.5	101.5	9.0	39.5	39.6	0.1	8.6	8.5	(0.0)	23.6	22.3	(1.3)	5.0	6.1	1.1
Gross margin	27.7%	27.8%	0.1%	35.2%	34.8%	(0.4)%	36.4%	35.1%	(1.3)%	37.8%	35.8%	(2.0)%	-	-	-
SG&A	72.2	80.0	7.9	32.4	32.0	(0.4)	8.6	7.7	(0.9)	23.4	22.8	(0.6)	2.7	1.9	(0.7)
OP income	20.4	21.5	1.2	7.1	7.5	0.5	(0.1)	0.9	0.9	0.2	(0.5)	(0.7)	2.4	4.2	1.8
OP margin	6.1%	5.9%	(0.2)%	6.3%	6.6%	0.3%	(0.2)%	3.5%	3.7%	0.3%	(0.8)%	(1.1)%	-	-	-
EBITDA[4]	23.7	25.2	1.5	9.3	9.8	0.6	0.8	1.4	0.6	2.7	1.9	(0.8)	5.7	7.7	2.0
EBITDA margin	7.1%	6.9%	(0.2)%	8.3%	8.7%	0.4%	3.6%	5.9%	2.3%	4.3%	3.0%	(1.3)%	-	-	-

【Period: FY6/25 (July 1, 2024 – June 30, 2025)】

(Unit : Bn yen)

	Discount Store			UNY			Asia[2]			North America[1,3]			Others/Adjustments		
	FY6/24	FY6/25	YoY Change	FY6/24	FY6/25	YoY Change	FY6/24	FY6/25	YoY Change	FY6/24	FY6/25	YoY Change	FY6/24	FY6/25	YoY Change
Net sales	1,318.6	1,445.3	126.8	462.4	470.2	7.7	85.2	91.5	6.3	247.4	260.4	13.0	(18.5)	(20.7)	(2.2)
Gross profit	360.2	402.6	42.4	161.0	161.6	0.6	31.6	33.3	1.6	92.5	96.7	4.2	17.5	22.6	5.1
Gross margin	27.3%	27.9%	0.6%	34.8%	34.4%	(0.4)%	37.1%	36.3%	(0.8)%	37.4%	37.1%	(0.3)%	-	-	-
SG&A	274.2	298.8	24.6	126.8	126.3	(0.5)	31.3	31.2	(0.1)	87.9	92.5	4.6	2.5	5.6	3.1
OP income	86.0	103.8	17.8	34.2	35.3	1.1	0.3	2.1	1.8	4.6	4.1	(0.4)	15.0	17.0	2.0
OP margin	6.5%	7.2%	0.7%	7.4%	7.5%	0.1%	0.4%	2.2%	1.8%	1.9%	1.6%	(0.3)%	-	-	-
EBITDA[4]	98.2	117.1	18.9	42.9	44.5	1.6	4.0	4.7	0.7	14.1	13.7	(0.4)	27.5	30.7	3.2
EBITDA margin	7.4%	8.1%	0.7%	9.3%	9.5%	0.2%	4.6%	5.1%	0.5%	5.7%	5.3%	(0.4)%	-	-	-

1. Figures for North America are the total of DQ USA, MARUKAI, QSI, Gelson's, and Guam. Cumulative period: April 2024 to March 2025 for all except Gelson's, which is from July 2024 to June 2025.
2. Figures for Asia are the total of PPRM (SG), PPRM (HK), DONKI Thailand, PPRM (TW), PPRM (MY), and Macau PRRM (MO). Cumulative period: April 2024 to March 2025.
3. Gelson's operating income is calculated after deducting amortization of goodwill (Q4 FY6/24: ¥1.0 bn, Q4 FY6/25: ¥0.9bn, FY6/24: ¥3.7 bn, and FY6/25: ¥3.7 bn)
4. EBITDA = Operating income + Depreciation of property, plant and equipment + Amortization of intangible assets + Stock-based compensation

Overview of Consolidated Results by Business Segment

【Period: FY6/25 (July 1, 2024 – June 30, 2025)】

(Unit: Bn yen)

	FY6/24		FY6/25		
	Amount	% of Net Sales	Amount	% of Net Sales	YoY Change
Domestic Discount Store	1,275.1	60.9%	1,396.1	62.1%	+9.5%
Home electrical appliances	90.2	4.3%	92.4	4.1%	+2.5%
Miscellaneous household goods	345.4	16.5%	393.5	17.5%	+13.9%
Food products	569.1	27.2%	613.7	27.3%	+7.8%
Watches and fashion merchandise	168.4	8.0%	182.2	8.1%	+8.2%
Sporting goods and leisure goods	81.1	3.9%	92.3	4.1%	+13.8%
Other	20.9	1.0%	22.0	1.0%	+5.2%
Domestic UNY	411.2	19.6%	426.2	19.0%	+3.6%
Clothing	44.5	2.1%	43.8	1.9%	(1.5)%
Household goods	65.1	3.1%	67.6	3.0%	+3.7%
Food products	301.4	14.4%	313.8	14.0%	+4.1%
Other	0.2	0.0%	1.0	0.0%	+400.5%
Overseas	329.6	15.7%	348.1	15.5%	+5.6%
North America	244.7	11.7%	257.1	11.4%	+5.1%
Asia	85.0	4.1%	91.0	4.1%	+7.1%
Other[1]	79.2	3.8%	76.4	3.4%	(3.5)%
Total	2,095.1	100.0%	2,246.8	100.0%	+7.2%

1. Includes tenant leasing business and credit card business.

Breakdown of SG&A

【Period: Q4 FY6/25 alone (April 1, 2025 – June 30, 2025)】

(Unit : Bn yen)

	Q4 FY6/24		Q4 FY6/25		
	Amount	Share	Amount	Share	YoY Change
SG&A	139.3	26.4%	144.4	25.9%	+3.7%
Payroll and allowances	49.6	9.4%	51.0	9.1%	+3.0%
Rent	15.9	3.0%	15.8	2.8%	(0.7)%
Commission paid	17.9	3.4%	19.5	3.5%	+8.8%
Depreciation and amortization	10.1	1.9%	10.3	1.8%	+2.6%
Utilities	7.2	1.4%	7.9	1.4%	+8.4%
Other	38.6	7.3%	39.9	7.1%	+3.5%

【Period: FY6/25 (July 1, 2024 – June 30, 2025)】

(Unit : Bn yen)

	FY6/24		FY6/25		
	Amount	Share	Amount	Share	YoY Change
SG&A	522.7	24.9%	554.4	24.7%	+6.1%
Payroll and allowances	194.4	9.3%	203.0	9.0%	+4.4%
Rent	62.3	3.0%	63.2	2.8%	+1.5%
Commission paid	64.6	3.1%	71.6	3.2%	+10.8%
Depreciation and amortization	37.8	1.8%	39.6	1.8%	+4.7%
Utilities	29.1	1.4%	34.6	1.5%	+18.9%
Other	134.6	6.4%	142.5	6.3%	+5.9%

FY6/25 New Store

Business	Format	Q1 Jul	Q1 Aug	Q1 Sept	Q2 Oct	Q2 Nov	Q2 Dec	Q3 Jan	Q3 Feb	Q3 Mar	Q4 Apr	Q4 May	Q4 Jun	Full-year Forecast
Discount Store	DQ		Sakudaira (Nagano)	Chofu Ekimae (Tokyo)		Komatsushima Lupia (Tokushima); Tanashi Ekimae (Tokyo)	Tsurumi Nishiguchi (Kanagawa)		Shimizu (Shizuoka); Kochi (Kochi); Tateyama (Chiba)		Hamamatsu Shitoro (Shizuoka); Kitakami (Iwate)	Uzumasa Tenjingawa (Kyoto)	Makinohara MORE (Chiba); Kyoto Fushimi (Kyoto); Chitose (Hokkaido); Ishioka (Ibaraki); Sakai-Higashi Ekimae (Osaka); Rinku (Osaka); Ohashi Ekimae (Fukuoka); Tokiwadaira (Chiba); Moriya (Ibaraki); Seiyu Gyotoku (Chiba); Shinjuku Southeast Annex (Tokyo); Kokusai-dori Kumoji (Okinawa)	New store openings: 25 stores
	Small DQ											Takasaki Nishiguchi (Gunma)	Tonarie Utsunomiya (Tochigi)	
Overseas[1]	Asia			Mong Kok MPM Plaza (Hong Kong)			Taoyuan Tolin (Taiwan); Bukit Pan-Jang Plaza (Singapore)							New store openings: 8 stores[2]
	North America				Kapolei Commons (Hawaii)		PCH Torrance (California)		Don Don Donki Kapolei (Hawaii)		MIKUNI El Dorado Hills (California)			

1. Overseas stores are shown under their opening months
2. Except for Gelson's, the period is from April 2024 to March 2025. For Gelson's, the period is from July 2024 to June 2025.

Store Network

Number of Domestic Retail Stores

	FY 6/23	FY 6/24	FY6/25			
			Q1	Q2	Q3	Q4
Discount Store business	**486**	**501**	**503**	**505**	**508**	**525**
Don Quijote	250	262	264	267	270	285
MEGA Don Quijote[1]	140	143	143	143	143	143
(MEGA) Don Quijote UNY	63	62	62	62	62	62
Small Format[2]	33	34	34	33	33	35
UNY business[3]	**131**	**131**	**131**	**131**	**130**	**130**
Domestic total	**617**	**632**	**634**	**636**	**638**	**655**

Don Quijote Shinjuku Tonanguchi (Tokyo)

Don Quijote Kyoto Fushimi (Kyoto)

Number of Overseas Stores

	FY 6/23	FY 6/24	FY6/25			
			Q1	Q2	Q3	Q4
North America	**65**	**65**	**66**	**66**	**66**	**76**
California[5]	37	37	37	37	37	46
Hawaii	28	28	28	28	28	29
Guam	NA	NA	1	1	1	1
Asia	**36**	**45**	**46**	**46**	**48**	**48**
Singapore	15	16	16	16	17	17
Hong Kong	9	10	10	11	11	11
Thailand	6	8	8	8	8	8
Taiwan	2	5	5	5	6	6
Malaysia	3	4	5	4	4	4
Macau	1	2	2	2	2	2
Overseas total[4]	**101**	**110**	**112**	**112**	**114**	**124**
Total	**718**	**742**	**746**	**748**	**752**	**779**

1. Includes NEW MEGA format
2. Includes Picasso, Essence, Kyoyasudo, Domise, Ekidonki, Soradonki, Jonetz Shokunin, Kirakira Donki and Nagasakiya
3. Includes Apita, Piago, U-STORE, PiagoPower, and Power Super Piago etc.
4. The number of stores for each quarter is adjusted accordingly, since the fiscal year for overseas companies ends in March, except for Gelson's which ends in June
5. Added 9 Mikuni Restaurant locations in California

IR Information

IR Inquiries

IR Division, Pan Pacific International Holdings Corporation
Dogenzaka-dori 8F 2-25-12 Dogenzaka, Shibuya-ku, Tokyo 150-0043
TEL: 03-6416-0418 / FAX: 03-6416-0994
e-mail : ir@ppih.co.jp

IR Calendar

Announcement of Q1 earnings for FY6/26

Date of announcement: November 12, 2025 (scheduled)

Venue: TBI

Notice: ESG briefing

We held our first ESG briefing in July 2025. Based on "*The Source*," the briefing highlighted our sustainability initiatives across 5 key themes: ESG management, human capital, diversity, supply chain, and the environment.

【**Presentation material** (Japanese version only currently available)】
https://ppih.co.jp/sustainability/pdf/esg_250703.pdf

Cautionary Statement Regarding Forward-Looking Statements

memo

memo

PPIH

Pan Pacific International Holdings

Dogenzaka-dori 8F 2-25-12 Dogenzaka, Shibuya-ku, Tokyo 150-0043
TEL: 03-6416-0418 / FAX: 03-6416-0994 / e-mail: ir@ppih.co.jp
https://ppih.co.jp/en/