Q1 Results for FY6/26

November 12, 2025
Pan Pacific International Holdings Corporation

Agenda

1	Q1 FY6/26 Results Overview
2	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
FY6/25	158.27	161.14	146.72	142.82	116.70	118.60	4.29	4.36	20.24	20.63	4.87	4.95
FY6/26	143.77	144.82	148.41	148.89	111.44	113.52	4.37	4.43	18.39	18.44	4.74	4.99

Note: Regarding exchange rate
The exchange rate applies to P/L are average exchange rates for the fiscal period: July 2025 to September 2025 for Gelson’s, and April 2025 to June 2025 for the others.
The exchange rate applies to B/L are exchange as of the end of September 2025 for Gelson’s, and as of the end of June 2025

Executive Summary

Q1 FY6/26 Overall Review

- **Net sales totaled ¥573.3 bn, up ¥22.7 bn YoY (+4.1%), driven by continued growth in domestic retail**
  - ✓ Tax-free increased as promotions expanded across countries and regions, and visiting foreign customers spread to regional stores. Same stores grew by capturing seasonal demand and adapting to rising price sensitivity and changing customer behavior. New stores opened in FY6/25 contributed to net sales growth, centered on domestic retail.
- **Operating income was ¥41.3 bn, up ¥0.3 bn YoY (+0.7%). Ordinary profit totaled ¥42.2 bn, up ¥10.1 bn YoY (+31.4%). Profit attributable to owners of parent was ¥28.5 bn, up ¥8.0 bn YoY (+39.1%). All profit levels increased, marking a solid start to FY6/26.**
  - ✓ Gross Profit: PB/OEM growth improved profitability through product development aligned with customer needs and manufacturer collaboration. Meanwhile, gross profit margin fell to 31.8%, down 0.3pt YoY. Strategic pricing to broaden customer base and pullback from last year's earthquake alert-driven demand weighed on margin.
  - ✓ SG&A: Increased due to talent investment, new store openings, and temporary factors including external standard taxations. However, SG&A ratio improved to 24.5%, down 0.2pt YoY, supported by net sales growth, domestic PMI effects, and efficiency gains from overseas operations.
- **Double Impact 2035 Preparation: Bold Growth Investments in Stores, Talent, and MD**
  - ✓ Expand store formats tailored to catchment areas and customer segments, including rail-side and tax-free sales models, and prepare new business format to grow future market share.
  - ✓ Along with the continuous strengthening of successful PB/OEM and tax-free sales strategies, accelerate MD strategies such as collaboration with manufacturers and development of prepared foods to drive future growth, supported by increased investment in talent.

Q1 FY6/26
Results Overview

Financial Highlights

【Q1：July 1, 2025~September 30, 2025】

(Bn yen, except basic EPS)

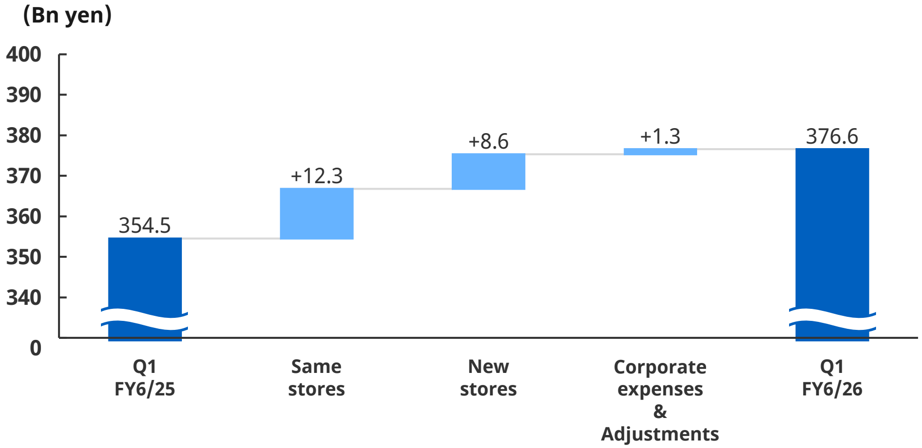
	Q1 FY6/25		Q1 FY6/26				H1 FY6/26 forecast		
	Amount	% of net sales	Amount	% of net sales	Change	YoY(%)	Amount	% of net sales	Actual vs. Forecast (%)
Net sales	**550.6**	**-**	**573.3**	**-**	**+22.7**	**+4.1%**	**1,170.5**	**-**	**49.0%**
Gross profit	176.8	32.1%	182.0	31.8%	+5.2	+3.0%	377.2	32.2%	48.3%
SG&A	135.7	24.7%	140.7	24.5%	+4.9	+3.6%	287.5	24.6%	48.9%
Operating income	**41.1**	**7.5%**	**41.3**	**7.2%**	**+0.3**	**+0.7%**	**89.8**	**7.7%**	**46.0%**
Ordinary profit	**32.1**	**5.8%**	**42.2**	**7.4%**	**+10.1**	**+31.4%**	**88.6**	**7.6%**	**47.6%**
Profit attributable to owners of parent	**20.5**	**3.7%**	**28.5**	**5.0%**	**+8.0**	**+39.1%**	**57.7**	**4.9%**	**49.4%**
Basic EPS (¥)	**6.86**	**-**	**9.53**	**-**	**+2.67**	**+38.9%**	**19.32**	**-**	**49.3%**
EBITDA*	**53.0**	**9.6%**	**54.2**	**9.5%**	**+1.2**	**+2.3%**	**-**	**-**	**-**

*From FY6/25, EBITA 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

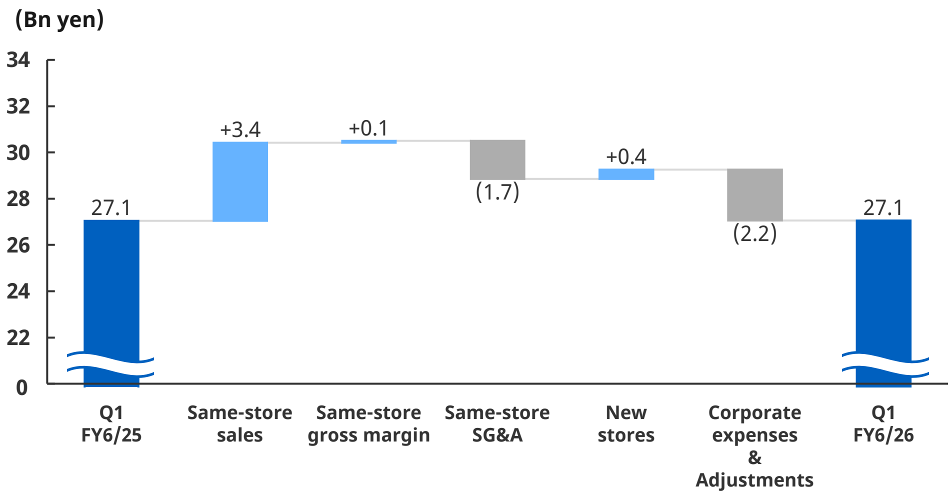
Discount Store (DS) Business

Net sales totaled ¥376.6 bn, up ¥22.1 bn YoY, driven by new store openings and tax-free sales. Operating income was ¥27.1 bn, flat YoY, supported by existing store growth despite higher costs from talent investments and external standard taxation. Aim to attract more customers by reinforcing pricing strategy grounded in stable profit margins, addressing rising consumer price sensitivity.

1Q FY6/26 Net Sales Details



1Q FY6/26 Operating Income Details



- **Net sales increased 6.2% YoY, driven by new store openings and MD strategies aligned with changing customer behavior and market environment**
  - ✓ Same-store sales increased 3.6% YoY. New store openings have progressed steadily, contributing to market share expansion. 25 stores were added in FY6/25 supporting the growth as well.
  - ✓ Tax-free sales grew across 32 flagship and regional stores, driven by optimized product assortments resulting from positioning tax-free as a distinct MD category. Tax-free sales contributed to overall store sales. In Q1, the number of stores achieving over ¥10 mn in tax-free sales reached to 127.
  - ✓ Seasonal products performed strongly, responding to shifts in demand amid notable changes in customer behavior caused by the extreme summer heat.
- **Gross profit margin was 28.0%, down 0.2pt YoY due to temporary factors**
  - ✓ This year saw a pullback in high-margin categories such as power banks and batteries, following last year’s surge in demand for disaster-related products triggered by earthquake alerts, leading to a softer gross margin.
  - ✓ PB/OEM sales reached ¥91.5 bn, up 23.1% YoY, in line with forecast. OEM conversion strategy has continued to improve profitability.
- **SG&A increased 7.8% YoY in line with the plan**
  - ✓ The rise was due to growth investments, including new store costs and talent. External standard taxation added about ¥0.9 bn YoY in Q1.

DS: Progress on Strategies（PB/OEM & Tax-free Sales）

PB/OEM: Net sales reached ¥91.5 bn, increased 23.1% YoY in line with plan. Growth was driven by contributions from OEM conversion of core products, and NPB strategy steadily progressed.

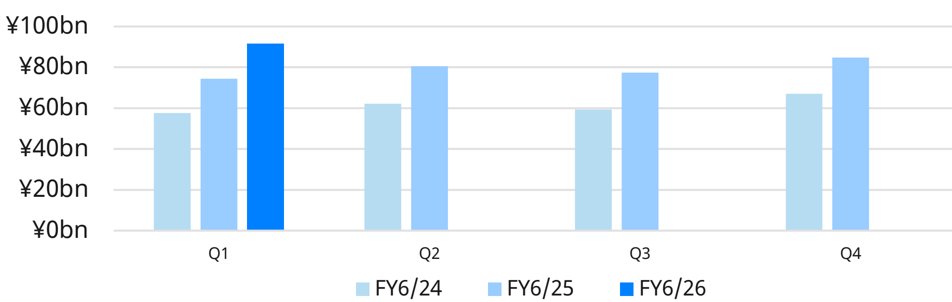
Tax-free Sales: Net sales reached ¥47.5 bn, up 35.5% YoY. October exceeded ¥20.0 bn for the first time in a single month. Market share expanded steadily.

■ PB/OEM Strategy:

✓ OEM convention of core products progressed as planned and contributed to profitability. NPB product development advanced through stronger manufacturer collaboration. In Q1, blind box items targeting collector demand performed well.

▷ Top-selling NPB: BANDAI “KAIJU COLORS”

▷ PB/OEM Sales



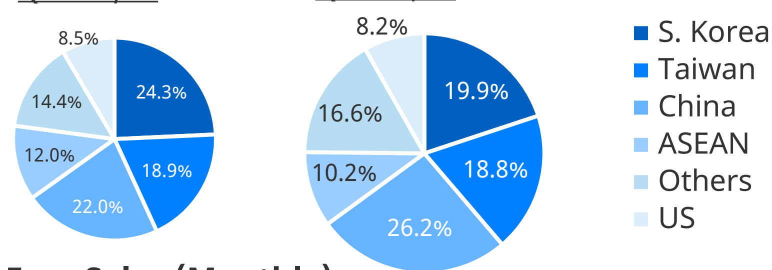
■ Tax-free Sales Strategy:

✓ Pre-arrival promotions expanded to 19 countries and regions, mainly in Asia. Coupon usage rate rose to 22.0% of store visitors, up 3.7pt compared to FY6/25.

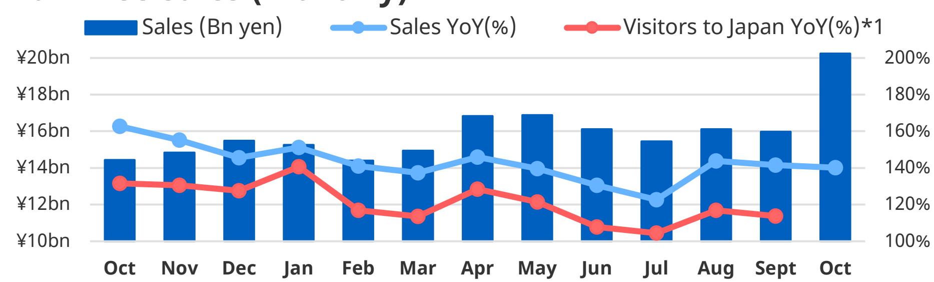
✓ Strengthened competitive positioning in pharmaceuticals. Net sales in this category was up 19.8% YoY in Q1, driven by pricing strategy boosting purchase volume and traffic.

▷ Tax-Free Sales by Nationality

Q1 FY6/25 Q1 FY6/26



▷ Tax-Free Sales (Monthly)

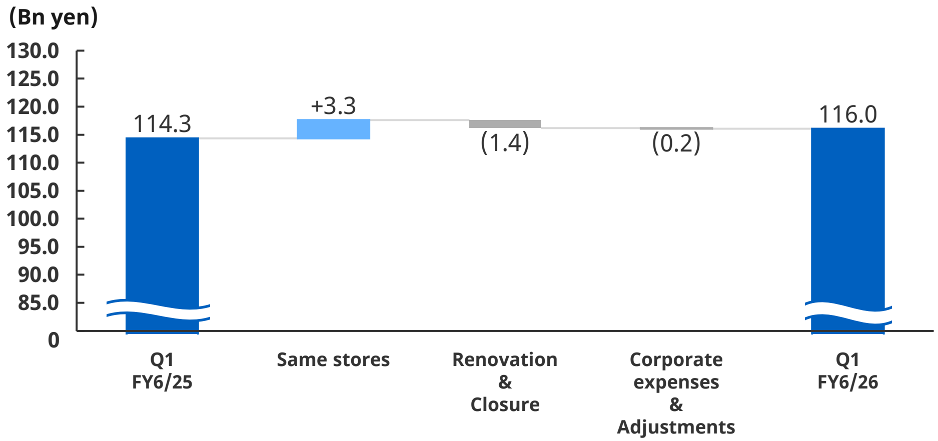


*1 Based on Japan National Tourism Organization (JNTO) statistics

UNY Business

Net sales totaled ¥116.0 bn, up ¥1.7 bn YoY. Continuous enhancement of pricing strategy and non-food expansion lifted customer traffic and sales. Despite a softer gross margin, operating income increased to ¥6.8 bn, up ¥0.5 bn YoY, supported by efficiency improvement that kept SG&A on plan.

1Q FY6/26 Net Sales Details



1Q FY6/26 Operating Income Details

- **Same-store net sales increased 3.2% YoY**
  - ✓ Food sales led growth as pricing strategy centered on *maji-kakaku* met customers' budget-conscious demand. Traffic increased 1.6% YoY.
  - ✓ Good practices in non-food expansion spread across multiple stores. Character goods, carrying cases, and kitchen appliances supported sales growth.
  - ✓ Summer seasonal items successfully captured outdoor demand and delivered strong performance in sales throughout the season.
- **Same-store gross margin was 25.3%, down 1.3pt YoY due to multiple factors**
  - ✓ Strategic pricing on fresh food and alcoholic beverages supported sales growth, but it was also the main factor behind margin pressure.
  - ✓ Higher demand for rice and related products increased their sales mix. Prolonged summer heat delayed fall-winter apparel sales.
- **SG&A decreased 4.3% YoY, in line with forecast**
  - ✓ Through optimized staffing for greater group synergy and strong sales growth, the SG&A ratio decreased to 27.0%, down 1.6pt YoY.

UNY: Boost Customer Traffic by Leveraging Proven Knowhow

Accelerate net sales growth by expanding well-received PB/OEM products from DS business to boost purchase intent and applying successful non-food practices to broaden customer base and increase traffic.

■ Enhance PB/OEM: Expand "JONETZ" lineup with "Competitive Pricing + Originality" to drive purchase intent

✓ Adopt the competitively priced PB "JONETZ" to meet customers' rising price sensitivity and frugality trends, boosting visit frequency and number of items purchased to drive net sales growth.

✓ Build on competitive advantage through products with originality that meet customers' needs, and leverage strong brand recognition and popularity to expand the customer base.

- Plan: Start in November 2025, introduce 500 SKUs in FY6/26
- Target Products: Top sellers in DS Business with wide popularity

  *snacks, beer, detergents, bath & kitchen items, etc.

▷ **Competitive Pricing**

*JONETZ Lager Beer

▷ **Originality**

*JONETZ Nano-Bubble Shower Head (Premium)

■ Reinforce non-food: Expand product categories to align with lifestyle changes and attract new customers

✓ Successful cases spread across stores, with 70% of stores exceeding last year's non-food sales, contributing to broaden overall sales growth. The strategy's impact is steadily emerging.

✓ Accelerate horizontal-spread across stores. Expand offerings in *Beauty*, *Entertainment*, and *Wellness* to meet lifestyle shifts. Grow customer base through proposals that make shopping enjoyable and enrich daily life.

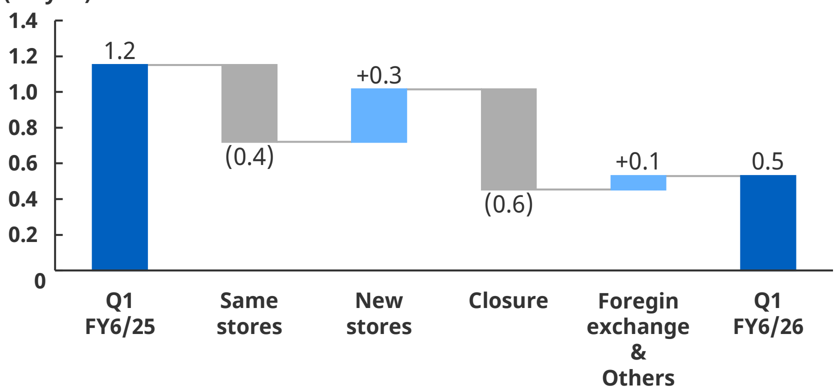
Beauty	Entertainment	Wellness
➢ Expand high-value products such as premium shampoo and whitening toothpaste • Appeal to beauty-conscious customers and boost net sales by raising spend per visit	➢ Launch exclusive character products ➢ Expand capsule toys areas • Provide enjoyable store experiences for all age groups to drive repeat visits and increase visit frequency	➢ Enhance the lineup of recovery wear and functional innerwear tailored to different age groups • Reach wider demographics including seniors and wellness-concious customers

North America Business

Net sales totaled ¥64.3 bn, down ¥0.2 bn YoY. Despite store closures and currency fluctuations, improvements at same stores and contributions from new stores kept sales in line with Q1 FY6/25. Operating income was ¥0.5 bn, down ¥0.6 bn YoY, due to growth investments for new stores and the closure of Gelson's flagship store. Despite the decline, progress remains on track with plan.

1Q FY6/26 Net Sales Details

1Q FY6/26 Operating Income Details



■ **Same-store net sales increased 1.4% YoY with improvements across regions**

- ✓ Sales at Marukai CA increased, supported by greater recognition of extended opening hours and food stamp acceptance introduced last year.
- ✓ Hawaii and Gelson's saw higher traffic as customers from closed stores migrated to surrounding locations.

■ **Same-store gross profit margin landed at 36.8%, down 1.2pt YoY**

- ✓ Traffic increased through strategic pricing during continued inflation. Margin has faced challenge.
- ✓ Optimized pricing and margin mix by category to maintain popularity and improve profitability.

■ **Same-store SG&A ratio was 31.1%, down 0.3pt YoY, reflecting improved efficiency**

- ✓ Reduced labor costs through productivity-based labor hour management, driving continued improvement. Made solid progress toward stable operations.
- ✓ SG&A increased driven by growth investments in new store openings and talent to support network expansion.

*With the addition of consolidated entity, the profit structure shifted, driving an increase in both gross margin and SG&A ratio.

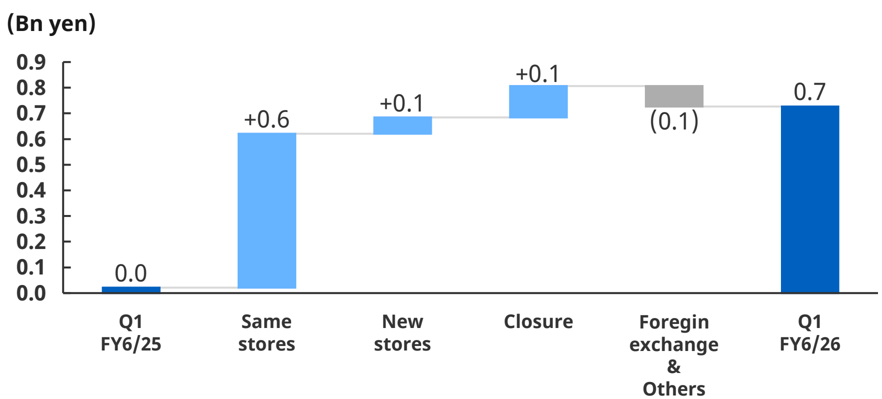
* Figures for North America are the total of DQ USA, MARUKAI, QSI, Gelson's, Guam and Mikuni. Cumulative period: April 2025 to June 2025 for all except Gelson's, which is from July 2025 to September 2025.
* Gelson's operating income is calculated after deducting amortization of goodwill (Q1 FY6/25: ￥0.91bn, Q1 FY6/26: ￥0.92 bn).
* Mikuni's net sales and operating income are counted under new stores.

Asia Business

Net sales was ¥22.1 bn, up ¥0.3 bn YoY, driven by pricing strategies and new product launches. Same-store traffic rose 5.9% YoY, signaling popularity recovery. Operating income reached ¥0.7 bn, up ¥0.7 bn YoY with margin climbing to 3.3%, up 3.2 pts YoY. Progress in building operations improved productivity, led profitability increased and exceeded the forecast.

1Q FY6/26 Net Sales Details

1Q FY6/26 Operating Income Details



■ Same-store sales increased 3.5% YoY

- ✓ Effective pricing strategy captured continuous rising customer price sensitivity and supported growth in net sales and traffic.
- ✓ Expanded supply network by maintaining imports from Japan while enhancing local partnerships. Sales rose as expanded assortment of trend-focused items such as snacks, cosmetics, and character goods captured demand from younger demographics.

■ Gross profit ratio stood at 36.0%, down 1.2pt YoY on stronger pricing strategy

- ✓ Enhanced pricing strategy to regain popularity, and drove stronger traffic across Asia. Although gross margin softened, but gross profit came in above plan.

■ SG&A ratio was 32.7%, down 4.4 pts YoY as productivity improved

- ✓ Productivity improved through optimized staffing including self-checkout adoption and promotion of multitasking among MD personnel based on labor cost ratio.
- ✓ Review of supply and cleaning expenses expanded across Asia. Variable cost optimization progressed.

*Figures for Asia are the total of PPRM (SG), PPRM (HK), DONKI Thailand, PPRM (TW), PPRM (MY), and Macau PRRM (MO). Cumulative period: April 2025 to June 2025.

Major Assets, Liabilities and Net Assets

Assets

(Bn yen)

	June 30, 2025	September 30, 2025	
	Amount	Amount	Change
Current assets	**528.0**	**514.5**	**(13.4)**
Cash and Deposits	172.0	151.7	(20.2)
Account receivable-installment	57.7	56.4	(1.4)
Merchandise and finished goods	224.9	228.6	3.7
None-current assets	**983.0**	**978.6**	**(4.4)**
Buildings and structures, net	295.7	296.2	0.5
Land	354.2	356.7	2.5
Intangible assets	103.6	106.2	2.6
Leasehold and guarantee deposits	68.2	68.0	(0.2)
Total assets	**1,511.0**	**1,493.2**	**(17.8)**

Liabilities

(Bn yen)

	June 30, 2025	September 30, 2025	
	Amount	Amount	Change
Current Liabilities	**441.6**	**405.1**	**(36.5)**
Notes and accounts payable	194.9	199.8	4.9
Short-term interest-bearing debt[1]	77.0	63.1	(13.9)
None-current liabilities	**445.4**	**444.3**	**(1.1)**
Bonds payable	170.4	170.1	(0.3)
Long-term borrowings	156.9	155.7	(1.3)
Total liabilities	**887.0**	**849.4**	**(37.6)**
Total net assets	**624.0**	**643.8**	**19.7**
Total liabilities and net assets	**1,511.0**	**1,493.2**	**(17.8)**

1. Short-term interest-bearing debt＝Short-term borrowings, long-term borrowings and bonds payables due within 1 year

▷ Details

■ Current assets

✓ Property, plant and equipment:
¥723.6 bn（up ¥5.6 bn from FYE6/25）
- Investment related to store opening: ¥8.1 bn
- Depreciation: ¥9.4 bn

■ Liabilitiess

✓ Interest-bearing:
¥388.9 bn（down ¥15.5 bn from FYE6/25）

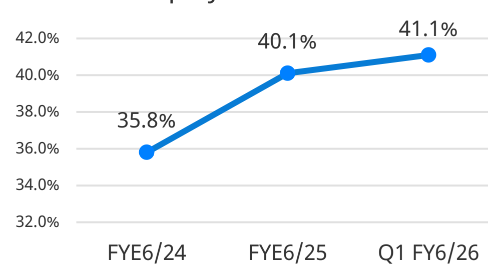
■ Net assets

✓ Equity: ¥614.1 bn（up ¥8.3 bn from FYE6/25）
✓ Equity-to-asset ratio: 41.1%（up 1.0pt from FYE6/25）

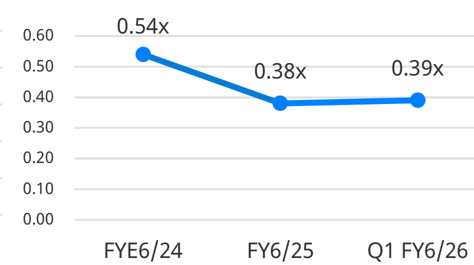
■ Others

✓ Net D/E ratio: 0.39x（up 0.01x from FYE6/25）
✓ ROE: 18.7%（up 2.9pt annualized from FYE6/25）

▷ Equity-to-Asset Ratio



▷ Net D/E Ratio



Interest-bearing debt decreased through loan repayments.
Key metrics of financial soundness, such as equity-to-asset ratio and net D/E ratio, remained stable.

Cash Flows and Capital Expenditures

▷ Cash Flows

(Bn yen)

	1Q FY6/25	1Q FY6/26	
	Amount	Amount	Change YoY
Balance at the beginning of the period	**187.2**	**175.8**	**(11.4)**
Cash flows from operating activities	8.3	20.2	11.9
Cash flows from investing activities	(13.8)	(17.7)	(3.8)
Cash flows from financing activities	(21.0)	(39.8)	(18.8)
Change during the period	**(36.2)**	**(19.3)**	**16.9**
Balance at the end of the period	**151.0**	**156.5**	**5.5**
Free cash flow[1]	(5.5)	2.5	8.0

1. Cash flows from operating activities + Cash flows from investing activities

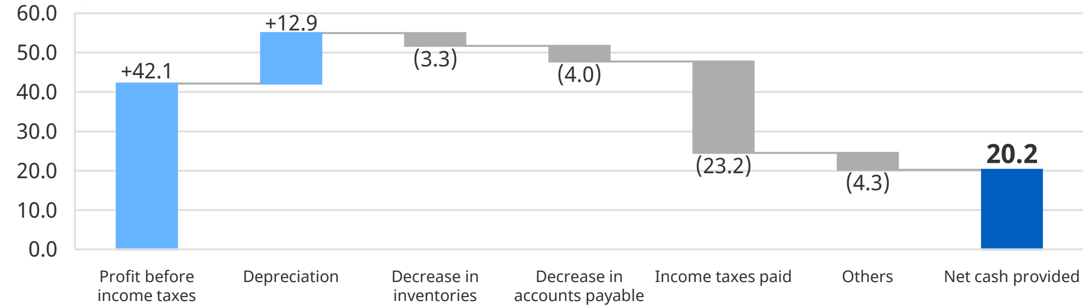
▷ Capital Expenditures

(Bn yen)

Capital Expenditures	**16.7**	**19.4**	**2.7**

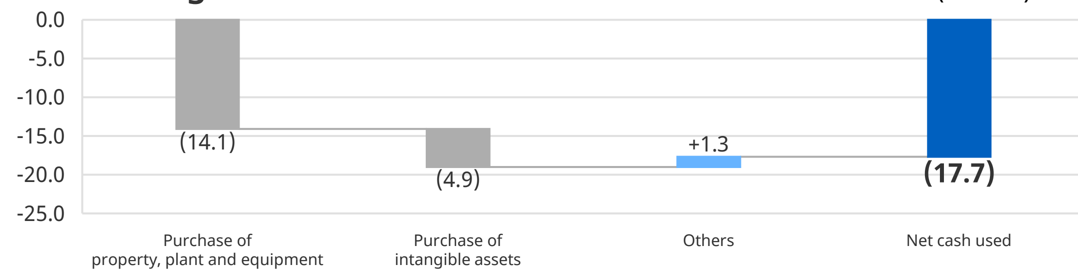
▷ Operating Activities

(Bn Yen)



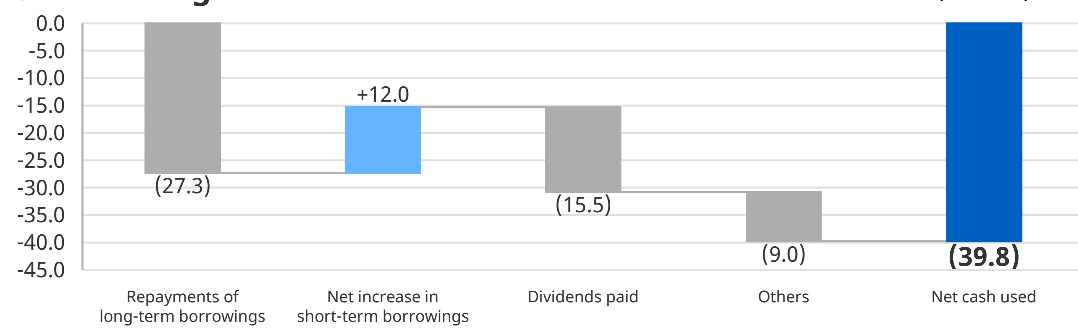
▷ Investing Activities

(Bn Yen)



▷ Financing Activities

(Bn Yen)



▷ Q1 Capital Expenditure Breakdown

Domestic Discount Store business ¥8.4 bn, UNY business ¥3.1 bn, Overseas business ¥2.1 bn, IT investments ¥3.7 bn, Others ¥2.0 bn.

October Flash notes: Domestic Discount Store and UNY Business

In the domestic retail business, both segments recorded YoY growth in sales and customer traffic, with all product categories exceeding prior-year levels.
In October, demand for seasonal items was captured effectively, and categories such as seasonal home appliances and winter apparel contributed to sales toward the end of the month. Additionally, food, fresh produce, and everyday consumables showed consistent growth throughout the month.

▷ YoY Same-store Sales

	Q1				Q2
Unit：%	Jul	Aug	Sept	Cum.	Oct
Domestic Total	103.2	103.4	104.0	103.5	106.4
DS	103.3	103.6	103.8	103.6	106.8
UNY	102.5	102.6	104.4	103.2	105.2

■ **Discount Store Business**

- ✓ Seasonal home appliances such as ceramic heaters and humidifiers, as well as winter accessories including gloves and scarves, began to show growth.
- ✓ Skincare sales also increased, driven by demand for moisturizing care during dry conditions, particularly sheet masks and serums.
- ✓ Strategically reinforced character merchandise continued to perform well, with strong contributions from popular stationery and *kawaii* goods on social media, as well as blind boxes capturing collector demand.

■ **UNY Business**

- ✓ Rising demand for warmth and comfortable sleep supported sales of items such as feather comforters and mattress pads, while winter innerwear contributed to apparel performance.
- ✓ Categories where assortment has been strengthened, including carrying cases, nail products, and hair care, continued to grow, alongside increased sales of new game software.
- ✓ Additionally, meat, rice, and daily essentials, areas where promotional efforts have been reinforced, contributed to overall sales.

Shareholder Benefits Program

The shareholder benefit program will be expanded for shareholders records as of end-December. New experiential options will be introduced to promote direct engagement with brand, products, and services. As a B2C business, the company aim to increase "fan shareholders".

■ Benefit Program Details (For shareholders recorded as of end-December)

1. New experiential options (Eligible with 100 shares or more)

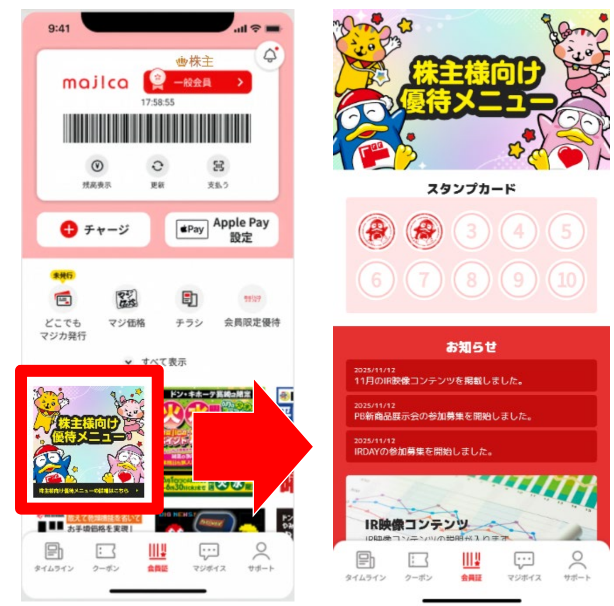
Digital Stamp Card	Various Events
Earn 1 stamp for every ¥1,000 purchase before tax (double stamps for shareholders with 500 or more shares). Redeem stamps for JONETZ products from a select list.	Event invitations (lottery required). E.g. New PB Products Hands-on Event, Donki Cosmetics Fest, Meguro River Cherry Blossom Viewing , etc.
"Handwritten POP" Digital Message Cards	**IR Day for Individual Shareholders**
Digital message cards designed by POP specialists (lottery required)	In-person and online IR Day for individual shareholders

2. majica points by shareholding tier (Repeated notice)

100-300 Shares	300-500 Shares	≥500 Shares (Pre-Split: 100 Shares)
300pts	1,000pts	2,000pts

Use the "Coupon Code" feature in the majica app, shareholders can enter benefit codes to receive majica points and access an exclusive shareholder page (name TBD).

*Currently under development



*UI image for reference only

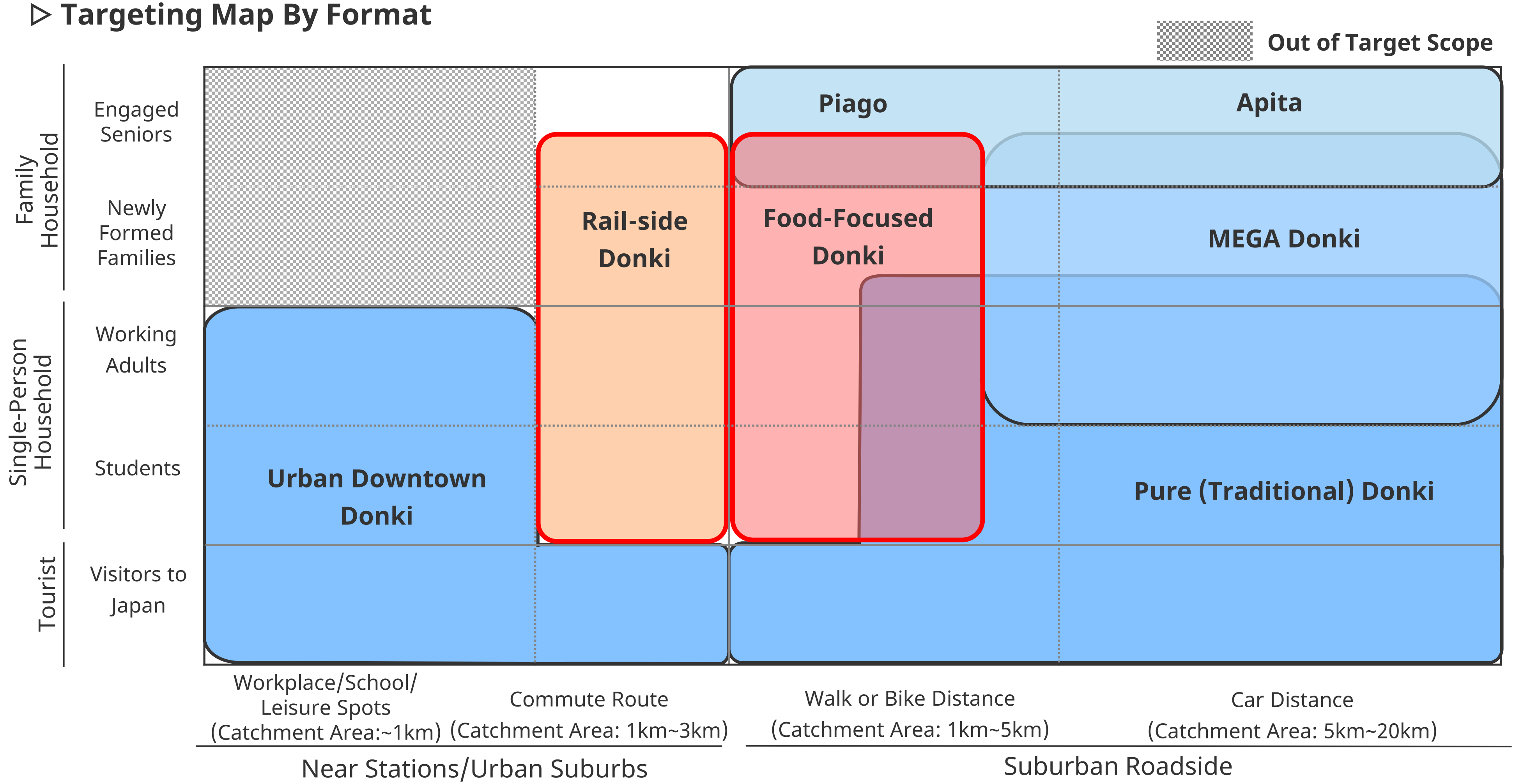
Final design and specifications subject to change

Market Share Expansion:
Business Models by Target Segment

Market Share Expansion: Business Models by Target Segment I

Position environmental changes as growth opportunities. Expand market share by developing formats including “Rail-side Donki” and “Food-Focused Donki” in addition to existing formats. Strengthen competitiveness by enhancing format-specific MD strategies. Leverage product curation capabilities to deliver assortments and value tailored to local customer needs.

▷ Targeting Map By Format



Market Share Expansion: Target-Specific Business Models II

■ Develop store formats to expand market share

✓ Rail-side Donki

- Open stores in station-front and near–station locations across Tokyo, Chiba, Kanagawa, Saitama and Osaka, capturing demand in commuter catchment areas. Store network continues to grow.

✓ Food-Focused Donki

- Plan store openings within walking or biking distance in populated suburban residential areas.
- Combine prepared foods, fresh foods and daily essentials with non-food strengths in Pure (Traditional) Donki to build everyday-use Don Quijote stores.

✓ Tourism-Oriented store strategy

- Enhance entertainment experiences such as mochi-pounding to position stores as tourist destinations.
- Open satellite stores and expand shop floors at roadside stores near tourist areas. Evolve tax-free from a flagship store-focused category, as a distinct MD category.

■ Deepen and refine non-food MD strategies to boost competitiveness

✓ Pursue product assortments aligned with evolving customer lifestyles. Amplify and deepen categories. Grow categories into “XX? It’s Donki!” positioning. Drive traffic by creating destination non-food categories across formats.

MD examples include: Asian cosmetics, facial masks, character goods, and bath ball

▷ Store Characteristics by Format

* 1 *tsubo* ≈ 3.3 m²

	Average Size (Tsubo)	Average Size (m^2)	Food/Non-food Sales Ratio	Catchment Area (km)	SKUs
Urban Downtown Donki	300~700	990~2,310	20%/80%	~1	20K~40K
Rail-side Donki	~500	~1,650	30%/70%	1~3	30K~40K
Food-Focused Donki	~700	~2,310	75%/25%	1~3	30K~50K
Pure (Traditional) Donki	~1,000	~3,300	35%/65%	5~20	40K~60K
MEGA Donki	1,500~	4,950~	60%/40%	10~20	60K~150K
Piago	500~1,500	1,650~4,950	80%/20%	1~10	10K~30K
Apita	1,800~4,500	5,940~14,850	70%/30%	5~10	50K~80K

▷ Tourism-Oriented format

▷ Experience events

Appendix

Business Segment Results & SG&A Breakdown

【Q1：July 1, 2025 – September 30, 2025】

▷ **Business Segment Results**

(Unit : Billion yen)

	DS			UNY			Asia[2]			North America[1,3]			Others/Adjustments[5]		
	Q1 FY6/25	Q1 FY6/26	Change	Q1 FY6/25	Q1 FY6/26	Change	Q1 FY6/25	Q1 FY6/26	Change	Q1 FY6/25	Q1 FY6/26	Change	Q1 FY6/25	Q1 FY6/26	Change
Net sales	354.5	376.6	22.1	114.3	116.0	1.7	21.8	22.1	0.3	64.4	64.3	(0.2)	(4.5)	(5.7)	(1.2)
Gross profit	99.9	105.6	5.7	39.0	38.1	(0.9)	8.1	8.0	(0.2)	24.5	24.7	0.2	5.3	5.7	0.4
GP margin	28.2%	28.0%	(0.2)pt	34.1%	32.8%	(1.3)pt	37.2%	36.0%	(1.2)pt	38.0%	38.4%	0.4pt	-	-	-
SG&A	72.9	78.5	5.7	32.7	31.3	(1.4)	8.1	7.2	(0.9)	23.3	24.2	0.9	(1.3)	(0.6)	0.7
OP income	27.1	27.1	0.0	6.3	6.8	0.5	0.0	0.7	0.7	1.2	0.5	(0.6)	6.6	6.2	(0.3)
OP margin	7.6%	7.2%	(0.4)pt	5.5%	5.9%	0.4pt	0.1%	3.3%	3.2pt	1.8%	0.8%	(1.0)pt	-	-	-
EBITDA[4]	30.2	30.6	0.4	8.5	9.1	0.6	0.8	1.3	0.5	3.5	2.9	(0.6)	10.1	10.4	(0.3)
EBITDA margin	8.5%	8.1%	(0.4)pt	7.4%	7.8%	0.4pt	3.6%	5.9%	2.3pt	5.4%	4.4%	(0.9)pt	-	-	-

1. Figures for North America are the total of DQ USA, MARUKAI, QSI, Gelson’s, Guam and Mikuni. Cumulative period: April 2025 to June 2025 for all except Gelson’s, which is from July 2025 to September 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 2025 to June 2025.
3. Gelson’s operating income is calculated after deducting amortization of goodwill (Q1 FY6/25: ￥0.91bn , Q1 FY6/26: ￥0.92 bn)
4. EBITDA = Operating income + Depreciation of property, plant and equipment + Amortization of intangible assets + Stock-based compensation
5. Operating income changed due to factors in others/adjustments : ¥(0.51) bn from intercompany transactions, ¥0.21 bn from financial services, ¥0.10 bn from Dogenzaka hotel business, ¥(0.10) bn from consolidation adjustments.

▷ **SG＆A Breakdown**

(Unit : Billion yen)

	Q1 FY6/25		Q1 FY6/26		
	Amount	Ratio	Amount	Ratio	YoY
SG&A	135.7	24.7%	140.7	24.5%	+3.6%
Personnel expense[1]	62.5	11.4%	64.7	11.3%	+3.4%
Rent	15.7	2.9%	16.2	2.8%	+3.0%
Commission paid	16.5	3.0%	17.2	3.0%	+4.3%
Depreciation and amortization	9.5	1.7%	10.1	1.8%	+6.3%
Utilities	10.8	2.0%	10.3	1.8%	(4.5)%
Other	20.7	3.8%	22.2	3.9%	+7.2%

1.Personnel expenses =Salaries and allowances + Bonuses + Legal welfare expenses + Retirement payment + Hiring expenses

Consolidated Business Segments Overview

【Q1: July 1, 2025 – September 30, 2025】

(Unit: Billion yen)

	Q1 FY6/25		Q1 FY6/26		
	Amount	Ratio	Amount	Ratio	YoY
Domestic DS	343.4	62.4%	363.8	63.5%	**+6.0%**
Home electrical appliances	24.2	4.4%	23.5	4.1%	(2.8%)
Miscellaneous household goods	96.4	17.5%	102.7	17.9%	+6.5%
Foods	147.2	26.7%	154.8	27.0%	+5.1%
Watches and fashion merchandise	45.3	8.2%	49.9	8.7%	+10.2%
Sporting goods and leisure goods	24.7	4.5%	27.4	4.8%	+10.7%
Other	5.5	1.0%	5.6	1.0%	+0.8%
Domestic UNY	103.4	18.8%	104.8	18.3%	**+1.4%**
Home electrical appliances	1.5	0.3%	1.6	0.3%	+8.0%
Miscellaneous household goods	10.8	2.0%	10.6	1.8%	(1.8%)
Foods	76.9	14.0%	78.3	13.7%	+1.8%
Watches and fashion merchandise	11.9	2.2%	12.1	2.1%	+1.6%
Sporting goods and leisure goods	2.2	0.4%	2.3	0.4%	+3.2%
Other	0.2	0.0%	0.1	0.0%	(74.6%)
Overseas	85.5	15.5%	85.5	14.9%	**+0.1%**
North America[1]	63.7	11.6%	63.5	11.1%	(0.4%)
Asia[2]	21.8	4.0%	22.0	3.8%	+1.2%
Other[3]	18.3	3.3%	19.1	3.3%	**+4.1%**
Total	550.6	100.0%	573.3	100.0%	**+4.1%**

1. Figure for North America covers April 2025 to June 2025, except for Gelson's, which reports figures from July 2025 to September 2025.
2. Figure for Asia covers April 2025 to June 2025.
3. Includes tenant leasing business and credit card business.

FY6/26 New Store

Business	Format	Q1			Q2			Q3			Q4			Full-Year Forecast
		Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Discount Store	DQ				Hatchōbori Nishi (Hiroshima) Takayama (Gifu) Apita Matsusaka Mikumo (Mie) Oizumi (Tokyo)		1 Store	1 Store	1 Store	1 Store	2 Stores	1 Store	1 Store	New Store：25+
	Small Format				Kira Kira Donki Sendai Nagamachi (Miyagi)	Kira Kira Donki Ebina (Kanagawa)								
Overseas [1]	Asia			Central Westgate (Thailand)										New Store：5[2]
	North America	Irvine (California)						1 Store	1 Store			1 Store		

1. Overseas stores are shown under their opening months
2. Except for Gelson's, the period is from April 2025 to March 2026. For Gelson's, the period is from July 2025 to June 2026.

Store Count by Region and Format

Domestic Retail Store

	FY6/24	FY6/25	FY6/26 Q1
Discount Store business	**501**	**525**	**525**
Don Quijote	262	285	285
MEGA Don Quijote[1]	143	143	143
(MEGA) Don Quijote UNY	62	62	62
Small Format[2]	34	35	35
UNY business[3]	**131**	**130**	**130**
Domestic total	**632**	**655**	**655**

TOKYO CENTRAL Irvine (California)

DON DON DONKI Central Westgate (Thailand)

Overseas Store

	FY6/24	FY6/25	FY6/26 Q1
North America[5]	**65**	**76**	**77**
California	37	46	47
Hawaii	28	29	29
Guam		1	1
Asia	**45**	**48**	**45**
Singapore	16	17	17
Hong Kong	10	11	10
Thailand	8	8	7
Taiwan	5	6	6
Malaysia	4	4	3
Macau	2	2	2
Overseas total[4]	**110**	**124**	**122**
Group total	**742**	**779**	**777**

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. Store counts for each quarter reflect the fiscal year end, March for overseas companies except Gelson's, which ends in June.
5. Includes Mikuni Restaurant

IR Information

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IR Calendar

Announcement of Q2 earnings for FY6/26

Date of announcement: February 12, 2026 (scheduled)

Venue: TBI

*IR Day in March 2026: Progress update on “Double Impact 2035”. Further details coming soon.

Cautionary Statement Regarding Forward-Looking Statements

The purpose of this document is solely to provide information to investors, and does not constitute a solicitation to buy or sell securities. The forward-looking statements set out in this document are based on targets and forecasts, and do not provide any commitments or guarantees. While forward-looking statements are prepared based on various data that we consider to be reliable, we do not provide any guarantees on their accuracy or safety. This document is presented based on the premise that it will be used at the discretion and responsibility of the investor, regardless of purpose of use, and Pan Pacific International Holdings Corporation bears no responsibility in any circumstances.

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