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August 18, 2026

Consolidated Financial Results for the Fiscal Year Ended June 30, 2026 [Japanese GAAP]

Company name: Pan Pacific International Holdings Corporation
Listing: Tokyo Stock Exchange
Securities code: 7532
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Representative: Hideki Moriya, President and CEO, Representative Director
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Scheduled date of annual general meeting of shareholders: September 29, 2026
Scheduled date to commence dividend payments: September 30, 2026
Scheduled date to file annual securities report: September 25, 2026
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 to the nearest million, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended June 30, 2026 (July 1, 2025 to June 30, 2026)

(1) Consolidated operating results (Percentages indicate year-over-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, 2026	2,445,260	8.8	174,842	7.7	177,509	12.0	110,088	21.6
June 30, 2025	2,246,758	7.2	162,296	15.8	158,542	6.6	90,512	2.0

Note: Comprehensive income Fiscal year ended June 30, 2026: ¥ 127,340 million [41.0%]
Fiscal year ended June 30, 2025: ¥ 90,329 million [(4.2)%]

	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, 2026	36.84	36.71	16.8	11.4	7.2
June 30, 2025	30.32	30.19	15.8	10.5	7.2

Reference: Share of profit (loss) of entities accounted for using equity method
For the fiscal year ended June 30, 2026: ¥347 million
For the fiscal year ended June 30, 2025: ¥615 million

Notes: The Company conducted a 5-for-1 stock split of its common shares, effective October 1, 2025. Assuming that this stock split had been effective at the beginning of the previous fiscal year, basic earnings per share and diluted earnings per share have been calculated accordingly.

(2) Consolidated financial position

(Percentages indicate year-over-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, 2026	1,602,386	736,425	44.0	235.79
June 30, 2025	1,511,445	624,045	40.1	202.84

Reference: Equity
As of June 30, 2026: ¥ 705,211 million
As of June 30, 2025: ¥ 605,754 million

Notes: 1. The Company conducted a 5-for-1 stock split of its common shares, effective October 1, 2025. Assuming that this stock split had been effective at the beginning of the previous fiscal year, net assets per share have been calculated accordingly.
2. The provisional accounting treatment for the business combination was finalized during the fiscal year ended June 30, 2026. Accordingly, the figures for the fiscal year ended June 30, 2025 reflect the finalization of the provision accounting treatment.

(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, 2026	160,939	(62,287)	(81,812)	218,505
June 30, 2025	131,968	(61,080)	(75,914)	175,837

Notes: The provisional accounting treatment for the business combination was finalized during the fiscal year ended June 30, 2026. Accordingly, the figures for the fiscal year ended June 30, 2025 reflect the finalization of the provision accounting treatment.

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, 2025	–	9.00	–	26.00	35.00	20,903	23.1	3.7
Fiscal year ended June 30, 2026	–	3.00	–	6.50	9.50	28,406	25.8	4.3
Fiscal year ending June 30, 2027 (Forecast)	–	3.50	–	6.50	10.00		–	

Notes: The Company conducted a 5-for-1 stock split of its common shares, effective October 1, 2025. For the fiscal year ended June 30, 2025, the actual dividend amount before the stock split is presented.

3. Consolidated earnings forecasts for the fiscal year ending June 30, 2027 (July 1, 2026 to June 30, 2027)

(Percentages indicate year-over-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, 2026	1,337,500	10.5	94,500	0.5	92,100	(4.5)	59,100	(7.3)	19.58
Full year ending June 30, 2027	2,687,000	9.9	179,000	2.4	175,300	(1.2)	110,500	0.4	36.61

Notes: The Company and Olympic Group Corporation resolved on April 6, 2026 to enter into a share exchange agreement and conducted a share exchange with an effective date of July 1, 2026 with the Company as the wholly owning parent company resulting from a share exchange and Olympic Group as the wholly owned subsidiary resulting from a share exchange. Basic earnings per share have been calculated taking into 27,105,063 shares of treasury shares held by the Company delivered through a share exchange.

Notes

(1) Significant changes in the scope of consolidation during the period: None
Newly included: None
Excluded: None

(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: None
(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, 2026	3,177,296,700 shares
As of June 30, 2025	3,176,766,700 shares

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

As of June 30, 2026	186,453,825 shares
As of June 30, 2025	190,367,105 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Fiscal year ended June 30, 2026	2,988,298,063 shares
Fiscal year ended June 30, 2025	2,985,366,170 shares

Note: The Company conducted a 5-for-1 stock split of its common shares, effective October 1, 2025. Assuming that this stock split had been effective at the beginning of the previous fiscal year, "total number of issued shares at the end of the period," "number of treasury shares at the end of the period," and "average number of shares outstanding during the period" have been calculated accordingly.

[Reference] Overview of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended June 30, 2026 (July 1, 2025 to June 30, 2026)

(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, 2026	121,403	21.3	51,299	29.7	52,753	46.2	52,834	43.8
June 30, 2025	100,069	27.9	39,567	35.7	36,088	(2.4)	36,745	8.5

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
June 30, 2026	17.68	17.62
June 30, 2025	12.31	12.26

Note: The Company conducted a 5-for-1 stock split of its common shares, effective October 1, 2025. Assuming that this stock split had been effective at the beginning of the previous fiscal year, basic earnings per share and diluted earnings per share have been calculated accordingly.

(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, 2026	708,824	195,330	27.3	64.70
June 30, 2025	697,943	163,209	23.1	53.95

Reference: Equity
As of June 30, 2026: ¥193,495 million
As of June 30, 2025: ¥161,129 million

Note: The Company conducted a 5-for-1 stock split of its common shares, effective October 1, 2025. Assuming that this stock split had been effective at the beginning of the previous fiscal year, net assets per share have been calculated accordingly.

Notes:

- 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

  Cautionary statement regarding forward-looking information
  This document contains forward-looking statements, including the Company’s outlook for business results. These statements are based on information currently available to the Company and on certain assumptions that the Company considers reasonable; however, they are not intended to constitute a guarantee of performance. Actual results may differ materially due to various factors. For the assumptions underlying the Company’s forecasts and important notes regarding the use of such projections, please refer to page 7 of the Attachments, “1. Overview of Consolidated Operating Results — (4) Business outlook.”

  Method of obtaining supplementary materials and contents of the financial results briefing
  The Company plans to hold a financial results briefing for institutional investors and securities analysts on Tuesday, August 18, 2026. The briefing presentation materials will be made available on the Company’s website.

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1. Overview of Consolidated Operating Results

(1) Consolidated operating results

During the fiscal year ended June 30, 2026, Japan's economy recovered moderately, supported by improvements in the employment and income conditions. However, the outlook remained uncertain due to the deterioration of Japan–China relations, the prolonged situation in Ukraine, and rising geopolitical risks in the Middle East.

In the retail sector, Japan's market expanded due to growing demand from overseas visitors, but the operating environment remained highly challenging, as price competition intensified amid: rising logistics and utility costs driven by higher crude oil prices and yen depreciation; rising personnel expenses reflecting labor shortages and minimum wage increases; and rising consumer value-seeking behavior following repeated price increases for daily necessities.

Amid these challenging conditions, the Group formulated a new long-term management plan "Double Impact 2035" in August 2025 to ensure continued growth. Since then, the Group has been advancing various measures to achieve its objectives.

In April 2026, the Group opened *Robin Hood Jimokuji Store*, the first store under its new food-focused retail format "Robin Hood, the Astonishingly Fun Store."

Robin Hood is a new food-focused retail format designed for everyday shopping within local living areas. It combines UNY Co., Ltd.'s strengths in fresh-food procurement with Don Quijote Co., Ltd.'s expertise in optimizing non-food assortments based on trends and customer needs, together with its "astonishingly affordable" DNA. *Robin Hood* meets customers' needs for a more efficient and cost-effective shopping experience amid changing lifestyles, while making shopping easier than at a conventional supermarket and offering the fun shopping experience typical of *Don Quijote*, creating an entirely new retail format under the concept of "Supermarket? Not quite." *Robin Hood* opened 5 stores by the end of the fiscal year under review and aims to expand to 200 to 300 stores by 2035.

In April 2026, the Group entered into a share exchange agreement with Olympic Group Corporation ("Olympic Group"), which operates a range of retail business in the Tokyo metropolitan area, including specialty stores, discount stores, and supermarkets. Subsequently, the share exchange became effective on July 1, 2026, resulting in Olympic Group becoming a consolidated subsidiary of the Group.

Olympic Group joining the Group is expected to generate a wide range of synergies—including the expansion of store networks and acceleration of new format development and store openings, enhanced competitive edge in non-food and other categories through the combination of both groups' strengths, and cost reductions through the consolidation of purchasing and other operations. Leveraging these synergies, the Group aims to achieve further growth.

With respect to ESG initiatives, the Group is taking measures to address environmental issues and realize a decarbonized society by expanding the use of renewable energy at its stores, introducing energy-efficient equipment, and improving operational efficiency. In addition, the Group positions the expansion of its PB/OEM products and food offerings as one of its growth strategies. As the importance of nature capital in the production and procurement of raw materials has increased, the Group is advancing initiatives to address nature-related issues with reference to the TNFD (Taskforce on Nature-related Financial Disclosures) framework. Furthermore, to reduce plastic consumption, the Group is taking measures to lessen its environmental impact, including reducing the use of materials for in-store services such as shopping bags and cutlery, reviewing product packaging, and utilizing recycled raw materials.

To address social issues, the Group is promoting initiatives based on its Supply Chain Code of Conduct to achieve responsible sourcing that respects human rights and the environment, in line with the strategic expansion of its PB/OEM product offerings. In addition, following the signing of the Women's Empowerment Principles (WEPs), the Group is further strengthening diversity initiatives, including women's participation and advancement, and fostering a rewarding workplace to establish a diverse and inclusive organization where a wide range of talent can thrive. Furthermore, the Group issued its first digital bond, with the proceeds allocated to initiatives supporting young people and contributing to local communities, thereby promoting its social contribution activities. Through its business activities as a comprehensive retailer, the Group seeks to address environmental and social issues and contribute to the achievement of a sustainable society, while enhancing corporate value over the medium- to long-term.

During the period under review, the Group opened 25 stores under the domestic business, all operated by Don Quijote Co., Ltd. The store openings by region were as follows:

- Kanto region: Don Quijote Oizumi (Tokyo); Don Quijote Togoshi Ginza Store (Tokyo); Don Quijote Asakusa EKIMISE Store (Tokyo); Kira Kira Donki Mits Kokubunji Store (Tokyo); Kirakira Donki Ebina Vinawalk (Kanagawa); Don Quijote Kohoku Northport Store (Kanagawa); Don Quijote (Kirakira Donki) Chiba Fujimi (Chiba); Don Quijote Ichikawa Eki Kitaguchi Store (Chiba); Don Quijote Hamano Store (Chiba); and Re:Price Kumagaya NITTOH MALL (Saitama)
- Hokkaido region: Mega Don Quijote Kitami Store (Hokkaido)
- Tohoku region: KiraKira Donki the Mall at Sendai Nagamachi (Miyagi) and MEGA Don Quijote MAX Fukushima Store (Fukushima)
- Chubu region: Don Quijote Matsumoto Store (Nagano); Don Quijote Niitsu Store (Niigata); Don Quijote Takayama (Gifu): and Don Quijote Gifu Hashima Store (Gifu)
- Kinki region: MEGA Don Quijote Katano Store (Osaka); Don Quijote Shijodori (Kyoto); and Don Quijote Apita Matsusaka Mikumo (Mie)
- Chugoku region: Don Quijote Hatchobori Nishi (Hiroshima) and Don Quijote Hofu Store (Yamaguchi)
- Shikoku region: Don Quijote Yashima (Kagawa)
- Kushu region: Don Quijote Tenjin Nishidori Store (Fukuoka) and Omiyage Donki 730 COURT Store (Okinawa)

In the overseas business, the Group opened 4 stores in California, U.S.—Tokyo Central Irvine, Tokyo Central Emeryville, Gelson’s Toluca Lake, and Sushi Restaurant El Dorado Hills—along with one store in Thailand, DON DON DONKI Central Westgate.

Meanwhile, the Group closed 4 stores in the domestic business, 1 store in the North America business, and five stores in the Asia business.

As a result, the Group operated a total of 799 stores worldwide as of June 30, 2026, comprising 676 domestic stores and 123 overseas stores, compared with 779 stores as of June 30, 2025.

As a result of the above, the Group achieved higher net sales and profits, with consolidated results for the fiscal year under review as follows.

Net sales	¥2,445.260 billion	(up 8.8% year-over-year)
Operating income	¥174.842 billion	(up 7.7% year-over-year)
Ordinary profit	¥177.509 billion	(up 12.0% year-over-year)
Profit attributable to owners of parent	¥110.088 billion	(up 21.6% year-over-year)

(i) Consolidated financial results

(Unit: Millions of yen; amounts are rounded to the nearest million yen.)

	Fiscal year ended June 30, 2025	Fiscal year ended June 30, 2026	Change	Change (%)
Net sales	2,246,758	2,445,260	198,502	8.8
Operating income	162,296	174,842	12,546	7.7
Ordinary profit	158,542	177,509	18,967	12.0
Profit attributable to owners of parent	90,512	110,088	19,576	21.6

(ii) Net sales by business

Operating results by segment are as follows.

Effective from the fiscal year under review, the segment previously titled “Domestic Business (General Merchandise Store)" has been renamed “Domestic Business (UNY business),” and the product categories have been revised accordingly. This change has been applied retroactively, and the figures for the fiscal year ended June 30, 2025 have been restated accordingly.

(Unit: Millions of yen; amounts are rounded to the nearest million yen.)

	Fiscal year ended June 30, 2025	Fiscal year ended June 30, 2026	Change	Change (%)
Domestic Business	**1,896,113**	**2,068,195**	**172,082**	**9.1**
Discount store				
Home electrical appliances	92,391	93,241	850	0.9
Miscellaneous household goods	393,490	428,832	35,342	9.0
Foods	613,713	654,814	41,101	6.7
Watches and fashion merchandise	182,209	200,876	18,667	10.2
Sporting goods and leisure goods	92,288	105,243	12,955	14.0
Others	21,998	22,322	324	1.5
UNY business				
Home electrical appliances	6,153	7,544	1,391	22.6
Miscellaneous household goods	44,192	45,439	1,247	2.8
Foods	313,871	336,289	22,418	7.1
Watches and fashion merchandise	52,146	50,719	(1,427)	(2.7)
Sporting goods and leisure goods	8,806	9,583	777	8.8
Others	986	202	(784)	(79.5)
Others				
Other revenue	73,869	113,092	39,223	53.1
North America Business	**259,437**	**277,936**	**18,499**	**7.1**
Asia Business	**91,209**	**99,129**	**7,920**	**8.7**
Total	**2,246,758**	**2,445,260**	**198,502**	**8.8**

Performance by reportable segment is as follows.

Domestic Business

Net sales increased by ¥172.082 billion, or 9.1% year over year, to ¥2,068.195 billion, and operating income was ¥165.829 billion, up 4.9% year-over-year in the Domestic Business segment. Amid growing consumer value-seeking behavior and selective spending, the Group bolstered pricing strategies and sales promotion initiatives in response to changes in consumer behavior, resulting in higher customer traffic at existing stores. Moreover, amid increasingly selective consumer spending, sales of the Group's customer-favored IP content products and trend products, which are key strengths of the Group, remained strong and contributed to net sales growth. Tax-free sales reached a record high as the Group's inbound strategies—not reliant on any single country—drove an increase in customers from Southeast Asia, North America, and Europe. The openings of 25 new stores also contributed to net sales growth.

For the new retail format *Robin Hood*, the first store opened in April 2026, and a total of 5 stores had been opened by June 2026 as planned. This format has attracted significant attention, including extensive media coverage, and initial net sales have been trending above plan.

Operating income increased as improved labor productivity helped curb the rise in selling, general, and administrative (SG&A) expenses, despite higher SG&A expenses associated with new store openings and conversion to the new retail format, both of which are undertaken as strategic investments, higher personnel expenses resulting from ongoing remuneration revisions and minimum wage increases, and an increase in the number of subsidiaries subject to factor-based tax.

North America Business

Net sales increased by ¥18.499 billion, or 7.1% year over year, to ¥277.936 billion, and operating income was ¥3.497 billion, up 53.2% year-over-year in the North America Business segment. Net sales and SG&A expenses increased due to new store openings in California, the consolidation of Mikuni Restaurant Group, Inc. as a subsidiary, and foreign exchange impacts. These increases were partly offset by decreases resulting from store losses caused by wildfires and the closure of an unprofitable store. Operating income increased supported by an improvement in gross margin and higher productivity in Guam, and a rebound following inventory disposals resulting from a system failure in Hawaii in the previous fiscal year, partly offset by higher costs associated with strategic new store openings and higher personnel expenses.

Asia Business

Net sales increased by ¥7.920 billion, or 8.7% year over year, to ¥99.129 billion, and operating income was ¥5.517 billion, up 186.0% year over year in the Asia Business segment. Net sales increased as customer traffic grew, driven by enhanced price competitiveness resulting from a review of merchandise mix in each area—such as the introduction of new products, expanded product offerings, and strengthened merchandise procurement leveraging local distribution channels. In addition, operating income increased significantly, driven by improved SG&A efficiency through the closure of unprofitable stores, a lower disposal ratio resulting from sophisticated inventory management, progress in personnel development centered on local talents, and improved labor productivity.

(2) Consolidated financial position

In the previous fiscal year, the Group applied provisional accounting treatment to the business combination with Mikuni Restaurant Group, Inc. executed on April 1, 2025, and finalized this treatment during the fiscal year under review. Following this finalization, the Group conducted a comparative analysis for the previous fiscal year using figures reflecting the retrospective application.

(Unit: Millions of yen; amounts are rounded to the nearest million yen.)

	As of June 30, 2025	As of June 30, 2026	Change
Total assets	1,511,445	1,602,386	90,941
Total liabilities	887,401	865,961	(21,440)
Total net assets	624,045	736,425	112,380
Cash flows from operating activities	131,968	160,939	28,971
Cash flows from investing activities	(61,080)	(62,287)	(1,207)
Cash flows from financing activities	(75,914)	(81,812)	(5,898)
Cash and cash equivalents at end of period	175,837	218,505	42,668

Assets, liabilities, and net assets

At the end of the fiscal year ended June 30, 2026, total assets increased by ¥90.941 billion from the end of the previous fiscal year to ¥1,602.386 billion. This increase was mainly due to increases in cash and deposits of ¥41.335 billion, merchandise and finished goods of ¥24.112 billion, property, plant and equipment of ¥14.155 billion, and intangible assets of ¥9.232 billion, partly offset by a decrease in investment securities of ¥10.036 billion.

Total liabilities decreased by ¥21.440 billion from the end of the previous fiscal year to ¥865.961 billion. This decrease was mainly due to increases in notes and accounts payable – trade of ¥18.697 billion and bonds payable of ¥9.402 billion, partly offset by a decrease in borrowings of ¥56.561 billion.

Total net assets increased by ¥112.380 billion from the end of the previous fiscal year to ¥736.425 billion. This increase was mainly due to an increase in retained earnings of ¥85.543 billion—mainly reflecting the dividends paid and recording of profit attributable to owners of parent—an increase in foreign currency translation adjustment under accumulated other comprehensive income of ¥12.777 billion, and an increase in non-controlling interests of ¥13.170 billion.

(3) Cash flows

At the end of the fiscal year ended June 30, 2026, cash and cash equivalents increased by ¥42.668 billion from the end of the previous fiscal year to ¥218.505 billion.

The cash flows from each activity and their underlying factors were as follows.

Cash flows from operating activities

Net cash provided by operating activities was ¥160.939 billion, up ¥28.971 billion year over year. This increase was mainly due to profit before income taxes of ¥163.578 billion, depreciation of ¥53.599 billion, an increase in trade payables of ¥13.935 billion, and impairment losses of ¥11.492 billion, partly offset by an increase in inventories of ¥20.915 billion and income taxes paid of ¥50.443 billion.

Cash flows from investing activities

Net cash used in investing activities was ¥62.287 billion, up ¥1.207 billion year over year. This increase was mainly due to purchase of property, plant and equipment of ¥47.820 billion and the purchase of intangible assets of ¥16.028 billion.

Cash flows from financing activities

Net cash used in financing activities was ¥81.812 billion, up ¥5.898 billion year over year. This increase was mainly due to cash outflows resulting from repayments of long-term borrowings of ¥56.796 billion, dividends paid of ¥24.495 billion and redemption of bonds payables of 20.650 billion, partly offset by a cash inflow resulting from proceeds from issuance of bonds of ¥29.924 billion.

Trends in the Group's cash flow indicators are as follows.

	Fiscal year ended June 30, 2022	Fiscal year ended June 30, 2023	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025	Fiscal year ended June 30, 2026
Equity-to-asset ratio (%)	28.3	30.6	35.8	40.1	44.0
Equity-to-asset ratio based on market value (%)	93.3	103.6	150.0	196.0	153.6
Interest-bearing debt to cash flow ratio (years)	6.2	4.2	3.1	3.1	2.2
Interest coverage ratio (times)	12.2	17.8	20.6	19.9	24.2

Equity-asset ratio (%): Equity / total assets
Equity-to-asset ratio based on market value (%): Market capitalization / total assets
Interest-bearing debt to cash flow ratio (years): Interest-bearing debt / cash flows from operating activities
Interest coverage ratio (times): Cash flows from operating activities / interest paid

Notes:
1. All indicators are calculated based on consolidated financial data.
2. Market capitalization is calculated by multiplying closing share price at the end of the period by the total number of issued shares at the end of the period (excluding treasury shares). Cash flows from operating activities are those reported as cash flows from operating activities in the consolidated statements of cash flows. Interest-bearing debt comprises liabilities reported in the consolidated balance sheet on which interest is paid, excluding lease liabilities. In addition, interest paid is based on the amount of interest paid reported in the consolidated statements of cash flows.
3. During the fiscal year under review, the Company finalized the provisional accounting treatment for a business combination. Accordingly, the trends in the relevant cash flow indicators for the fiscal year ended June 30, 2025 are based on the amounts after reflecting a material revision to the initial allocation of the acquisition cost resulting from the finalization of the provisional accounting treatment.

(4) Business outlook

A highly challenging business environment is expected to continue due to increasing tensions in the international situations, soaring energy prices, and rising prices caused by the depreciation of yen.

Amid this challenging environment, the Group formulated a new long-term business plan “Double Impact 2035” in August 2025 to achieve further growth. This plan targets net sales of ¥4,200 billion and operating income of ¥330 billion for the fiscal year ending June 30, 2035. To achieve these targets, the Group will pursue various initiatives based on its growth strategies.

For the fiscal year ending June 30, 2027, the Group will strive to accelerate domestic store openings while revitalizing Olympic Group stores. In addition, the Group will pursue advancing information dissemination tailored to the needs of individual *majica* members, strengthening sales promotions through social networking services for foreign travelers, and strengthening supply chain management initiatives.

The Group will continue to offer the joy of shopping while supporting the daily lives of local customers, thereby aiming for sustainable growth and the enhancement of corporate value.

Growth policies of Group’s long-term plan

(i) Store opening strategies	The Group has opened stores in all prefectures across Japan and continues to see a significant room for further expansion. By leveraging its unique range of opening patterns, the Group is increasing market share while steadily filling untapped areas and accelerating new store openings in Japan.
(ii) Existing store strategies	In addition to overall retail market expansion and the rising share of discount store formats, the Group strengthens initiatives to encourage store visits among hesitant shoppers, promote purchases of products not typically purchased by existing customers, and increase their visit frequency, aiming to achieve phenomenal growth in net sales.
(iii) Tax-free sales strategies	To solidify the brand position that “people visit Japan because Don Quijote is there,” the Group will deepen its unique entertainment offerings that enable customers to experience Japanese culture beyond shopping and create a distinctive world unlike any other companies, thereby establishing tourist-oriented retail.
(iv) Development of new formats	By expanding into the limited catchment area for grocery needs, the Group aims to develop a new food-focused Don Quijote format that leverages various resources within the PPIH Group, combining Don Quijote’s merchandising expertise and UNY’s fresh procurement capabilities with discount pricing. Through this initiative, the Group seeks to establish a one-of-a-kind business model that delivers both strong customer traffic and high profitability.
(v) M&A strategies	In anticipation of further industry restructuring and market concentration in the retail industry, the Group positions M&A as one of its strategies going forward.

Based on the management strategies outlined above, the Group forecasts the following financial results for the fiscal year ending June 30, 2027.

Net sales	¥2,687.0 billion	(up 9.9% year-over-year)
Operating income	¥179.0 billion	(up 2.4% year-over-year)
Ordinary profit	¥175.3 billion	(down 1.2% year-over-year)
Profit attributable to owners of parent	¥110.5 billion	(up 0.4% year-over-year)

2. Basic approach to the selection of accounting standards

The Group has adopted Japanese generally accepted accounting principles (Japanese GAAP) to ensure comparability with other Japanese companies in the same industry.

The Group will continue to consider the adoption of International Financial Reporting Standards (IFRS), taking into account trends in IFRS adoption among other Japanese companies in the same industry.

3. Consolidated Financial Statements and Material Notes Thereto

(1) Consolidated balance sheets

(Millions of yen)

	As of June 30, 2025	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	*2 171,958	*2 **213,293**
Notes and accounts receivable - trade	18,956	**24,246**
Accounts receivable - installment	57,749	**56,934**
Operating loans	9,456	**9,147**
Merchandise and finished goods	*2 224,902	*2 **249,014**
Prepaid expenses	9,476	**10,661**
Deposits paid	5,764	**7,641**
Other	35,367	**43,458**
Allowance for doubtful accounts	(5,637)	**(4,902)**
Total current assets	527,990	**609,491**
Non-current assets		
Property, plant and equipment		
Buildings and structures :	*2 559,008	*2 **590,256**
Accumulated depreciation	(220,052)	**(245,312)**
Accumulated impairment	(43,243)	**(50,808)**
Buildings and structures, net	295,714	**294,136**
Tools, furniture and fixtures	144,664	**162,980**
Accumulated depreciation	(97,879)	**(110,418)**
Accumulated impairment	(8,889)	**(11,798)**
Tools, furniture and fixtures, net	37,895	**40,764**
Other	3,102	**3,401**
Accumulated depreciation	(1,535)	**(1,724)**
Accumulated impairment	(2)	**(4)**
Other, net	1,565	**1,672**
Land	*2 354,219	*2 **364,809**
Construction in progress	3,657	*2 **4,948**
Right-of-use assets	39,800	**43,602**
Accumulated depreciation	(6,582)	**(8,184)**
Accumulated impairment	(8,236)	**(9,560)**
Right-of-use assets, net	24,982	**25,859**
Total property, plant and equipment	718,033	**732,188**
Intangible assets		
Goodwill	63,224	**64,700**
Other	40,738	**48,494**
Total intangible assets	103,962	**113,194**
Investments and other assets		
Investment securities	*1 37,901	*1 **27,865**
Long-term prepaid expenses	4,460	**3,968**
Retirement benefit asset	18,355	**20,413**
Deferred tax assets	28,042	**25,227**
Leasehold and guarantee deposits	68,226	**67,691**
Other	*2 5,617	*2 **3,351**
Allowance for doubtful accounts	(1,140)	**(1,001)**
Total investments and other assets	161,461	**147,513**
Total non-current assets	983,455	**992,895**
Total assets	1,511,445	**1,602,386**

(Millions of yen)

	As of June 30, 2025	As of June 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	194,883	**213,580**
Current portion of long-term borrowings	*7 56,375	**32,998**
Current portion of bonds payable	20,650	**64,477**
Accounts payable - other	57,757	**57,887**
Lease liabilities	2,853	**3,437**
Accrued expenses	29,540	**33,334**
Deposits received	13,396	**11,476**
Income taxes payable	29,299	**30,798**
Provision for point card certificates	1,598	**1,571**
Contract liabilities	20,055	**19,144**
Other	*2 15,475	*2 **15,427**
Total current liabilities	441,881	**484,130**
Non-current liabilities		
Bonds payable	170,425	**136,000**
Long-term borrowings	156,929	**123,745**
Lease liabilities	35,501	**37,338**
Asset retirement obligations	32,077	**33,161**
Other	*2 50,588	*2 **51,586**
Total non-current liabilities	445,520	**381,831**
Total liabilities	887,401	**865,961**
Net assets		
Shareholders' equity		
Share capital	23,689	**23,738**
Capital surplus	17,810	**14,822**
Retained earnings	629,753	**715,296**
Treasury shares	(80,957)	**(79,293)**
Total shareholders' equity	590,294	**674,563**
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,161	**5,270**
Foreign currency translation adjustment	11,656	**24,433**
Remeasurements of defined benefit plans	643	**945**
Total accumulated other comprehensive income	15,460	**30,648**
Share acquisition rights	2,080	**1,834**
Non-controlling interests	16,210	**29,380**
Total net assets	624,045	**736,425**
Total liabilities and net assets	1,511,445	**1,602,386**

(2) Consolidated statements of income and consolidated statements of comprehensive income

Consolidated statements of income

(Millions of yen)

	Fiscal year ended June 30, 2025 (From July 1, 2024 to June 30, 2025)	Fiscal year ended June 30, 2026 (From July 1, 2025 to June 30, 2026)
Net sales	2,246,758	**2,445,260**
Cost of sales	*1 1,530,025	*1 **1,676,814**
Gross profit	716,733	**768,446**
Selling, general and administrative expenses	*2 554,437	*2 **593,604**
Operating income	162,296	**174,842**
Non-operating income		
Interest and dividend income	1,326	**2,061**
Share of profit of entities accounted for using equity method	615	**347**
Foreign exchange gains	–	**4,295**
Other	6,307	**4,008**
Total non-operating income	8,249	**10,711**
Non-operating expenses		
Interest expenses on borrowings and bonds	6,403	**6,411**
Foreign exchange losses	4,619	**–**
Other	981	**1,634**
Total non-operating expenses	12,002	**8,045**
Ordinary profit	158,542	**177,509**
Extraordinary income		
Gain on sale of non-current assets	*3 216	*3 **688**
Reversal of provision for loss on store closings	798	**–**
Gain on forgiveness of debts	–	**1,346**
Gain on step acquisitions	–	**362**
Gain on reversal of foreign currency translation adjustment	–	**704**
Other	10	**685**
Total extraordinary income	1,023	**3,785**
Extraordinary losses		
Impairment losses	*4 18,467	*4 **11,492**
Loss on retirement of non-current assets	*5 1,507	*5 **3,483**
Loss on store closings	*6 1,745	*6 **296**
Loss on valuation of investment securities	200	**691**
Loss on disaster	52	**387**
Other	684	**1,366**
Total extraordinary losses	22,655	**17,716**
Profit before income taxes	136,910	**163,578**
Income taxes - current	48,276	**46,687**
Income taxes - deferred	(2,718)	**4,799**
Total income taxes	45,558	**51,486**
Profit	91,352	**112,092**
Profit attributable to non-controlling interests	840	**2,004**
Profit attributable to owners of parent	90,512	**110,088**

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended June 30, 2025 (From July 1, 2024 to June 30, 2025)	Fiscal year ended June 30, 2026 (From July 1, 2025 to June 30, 2026)
Profit	91,352	**112,092**
Other comprehensive income		
Valuation difference on available-for-sale securities	1,315	**2,006**
Foreign currency translation adjustment	(2,247)	**12,915**
Remeasurements of defined benefit plans, net of tax	(164)	**508**
Share of other comprehensive income of entities accounted for using equity method	73	**(181)**
Total other comprehensive income	* (1,023)	*** 15,248**
Comprehensive income	90,329	**127,340**
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	89,256	**125,275**
Comprehensive income attributable to non-controlling interests	1,073	**2,065**

(3) Consolidated Statement of changes in net assets
Fiscal year ended June 30, 2025 (from July 1, 2024 to 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 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 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	Remeasure-ments of defined benefit plans	Total accumulated other comprehen-sive income			
Balance at beginning of period	2,126	13,857	733	16,716	1,442	9,066	547,003
Changes 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 during period	1,036	(2,201)	(90)	(1,256)	638	7,144	77,042
Balance at end of period	3,161	11,656	643	15,460	2,080	16,210	624,045

Fiscal year ended June 30, 2026 (from July 1, 2025 to June 30, 2026)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	23,689	17,810	629,753	(80,957)	590,294
Changes during period					
Issuance of new shares	49	49			99
Dividends of surplus			(24,495)		(24,495)
Profit attributable to owners of parent			110,088		110,088
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		(50)		1,665	1,615
Transfer of loss on disposal of treasury shares		50	(50)		–
Change in scope of consolidation					
Purchase of shares of consolidated subsidiaries		(3,037)			(3,037)
Net changes in items other than shareholders' equity					
Total changes during period	49	(2,988)	85,543	1,664	84,269
Balance at end of period	23,738	14,822	715,296	(79,293)	674,563

	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	3,161	11,656	643	15,460	2,080	16,210	624,045
Changes during period							
Issuance of new shares							99
Dividends of surplus							(24,495)
Profit attributable to owners of parent							110,088
Purchase of treasury shares							(1)
Disposal of treasury shares							1,615
Transfer of loss on disposal of treasury shares							–
Change in scope of consolidation	(153)		(93)	(246)		16,499	16,254
Purchase of shares of consolidated subsidiaries						(5,093)	(8,130)
Net changes in items other than shareholders' equity	2,262	12,776	395	15,433	(246)	1,763	16,951
Total changes during period	2,109	12,776	302	15,187	(246)	13,170	112,380
Balance at end of period	5,270	24,433	945	30,648	1,834	29,380	736,425

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended June 30, 2025	Fiscal year ended June 30, 2026
Cash flows from operating activities		
Profit before income taxes	136,910	**163,578**
Depreciation	47,889	**53,599**
Impairment losses	18,467	**11,492**
Increase (decrease) in allowance for doubtful accounts	2,212	**(907)**
Interest and dividend income	(1,326)	**(2,061)**
Interest expenses on borrowings and bonds	6,403	**6,411**
Foreign exchange losses (gains)	4,162	**(3,562)**
Share of loss (profit) of entities accounted for using equity method	(615)	**(347)**
Loss (gain) on sale and retirement of non-current assets	1,322	**2,849**
Gain on forgiveness of debts	–	**(1,346)**
Loss (gain) on step acquisitions	–	**(362)**
Loss on store closings	1,745	**296**
Offset payments for house rental fee with lease and guarantee deposits	2,035	**1,996**
Decrease (increase) in trade receivables	(1,958)	**(765)**
Decrease (increase) in inventories	(26,931)	**(20,915)**
Increase (decrease) in trade payables	(1,902)	**13,935**
Decrease (increase) in accounts receivable - installment	(650)	**589**
Increase (decrease) in accounts payable - other	(3,909)	**(3,326)**
Increase (decrease) in deposits received	(602)	**(503)**
Decrease (increase) in other current assets	(3,031)	**(6,699)**
Increase (decrease) in other current liabilities	(637)	**(1,467)**
Increase (decrease) in other non-current liabilities	(1,063)	**(145)**
Other, net	2,947	**(978)**
Subtotal	181,467	**211,362**
Interest and dividends received	1,087	**1,845**
Interest paid	(6,628)	**(6,664)**
Income taxes paid	(48,129)	**(50,443)**
Income taxes refund	3,383	**1,612**
Proceeds from insurance income	1,043	**3,320**
Payments associated with disaster loss	(434)	**(133)**
Dividends received from entities accounted for using equity method	179	**39**
Net cash provided by (used in) operating activities	131,968	**160,939**

(Millions of yen)

	Fiscal year ended June 30, 2025	Fiscal year ended June 30, 2026
Cash flows from investing activities		
Purchase of property, plant and equipment	(38,672)	**(47,820)**
Proceeds from sale of property, plant and equipment	3,160	**2,464**
Purchase of intangible assets	(13,461)	**(16,028)**
Payments of leasehold and guarantee deposits	(1,484)	**(1,582)**
Proceeds from refund of leasehold and guarantee deposits	673	**1,571**
Payment for store opening in progress	(512)	**(414)**
Purchase of shares of subsidiaries and associates	(387)	**–**
Purchase of shares of subsidiaries resulting in change in scope of consolidation	*2 (10,331)	*2 **(274)**
Other, net	(67)	**(204)**
Net cash provided by (used in) investing activities	(61,080)	**(62,287)**
Cash flows from financing activities		
Proceeds from long-term borrowings	40,000	**–**
Repayments of long-term borrowings	(99,257)	**(56,796)**
Proceeds from issuance of bonds	-	**29,924**
Redemption of bonds	(650)	**(20,650)**
Dividends paid	(20,297)	**(24,495)**
Proceeds from share issuance to non-controlling shareholders	6,120	**–**
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	–	**(8,130)**
Other, net	(1,830)	**(1,665)**
Net cash provided by (used in) financing activities	(75,914)	**(81,812)**
Effect of exchange rate change on cash and cash equivalents	(6,336)	**7,964**
Net increase (decrease) in cash and cash equivalents	(11,362)	**24,804**
Cash and cash equivalents at beginning of period	187,199	**175,837**
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	–	*3 **17,864**
Cash and cash equivalents at end of period	*1 175,837	*1 **218,505**

(5) Notes to the consolidated financial statements

Notes on the going concern assumptions

Not applicable.

Significant matters forming the basis for preparing consolidated financial statements

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 70 companies
Names of consolidated subsidiaries

Don Quijote Co., Ltd.
UNY Co., Ltd.
Nagasakiya Co., Ltd.
UD Retail Co., Ltd.
Japan Asset Marketing Co., Ltd.
Pan Pacific International Financial Service Corporation
UCS Co., Ltd.
Japan Commercial Establishment Co., Ltd.
Kanemi Co, Ltd.
Pan Pacific Retail Management (Singapore) Pte. Ltd.
Pan Pacific Retail Management (Hong Kong) Co., Ltd.
Don Quijote (USA) Co., Ltd.
Gelson's Markets
MARUKAI CORPORATION
QSI, Inc.
Other consolidated subsidiaries: 55 companies

During the fiscal year under review, Kanemi Co., Ltd., which had been an equity-method associate of the Company, repurchased a portion of its issued shares as treasury shares resulting in the Company holding 40.3% of its voting rights. Accordingly, Kanemi Co., Ltd. was newly included in the scope of consolidation under the substantive control standard. In addition, 3 companies were excluded from the scope of consolidation due to their dissolution through absorption-type mergers, and 1 company was excluded following the completion of its liquidation.

(2) Names of major non-consolidated subsidiaries and other matters
All 8 non-consolidated subsidiaries are excluded from the scope of consolidation because each of them is small in size, and their total assets, net sales, profit or loss (attributable to the Group's equity interest), and retained earnings (attributable to the Group's equity interest) do not have a material impact on the consolidated financial statements.

2. Application of equity method

(1) Number of associates accounted for using the equity method: 1 company
Name of associates accounted for using the equity method
Accretive Co., Ltd.

(2) Non-consolidated subsidiaries and associates not accounted for using the equity method
8 non-consolidated subsidiaries and 5 associates are excluded from the scope of the equity method because the impact of such exclusion on the consolidated financial statements is immaterial, both individually and in aggregate, in terms of profit or loss (attributable to the Group's equity interest), retained earnings (attributable to the Group's equity interest), and other items.

3. Fiscal year of the consolidated subsidiaries and other matters

The closing dates of Don Quijote (USA) Co., Ltd. and 25 other consolidated subsidiaries differ from the closing date of the consolidated financial statements. As the differences do not exceed three months, the financial statements of those subsidiaries are used in preparing the consolidated financial statements.

However, necessary adjustments are made in the consolidation process for significant transactions occurring between the closing dates of those subsidiaries and the closing date of the consolidated financial statements.

Kanemi Co., Ltd. and 7 other consolidated subsidiaries have closing dates that differ from the closing date of the consolidated financial statements, and the differences exceed three months. Accordingly, the Group uses financial statements prepared on the basis of a provisional settlement of accounts conducted in a manner similar to a regular settlement of accounts.

The closing dates of Japan Asset Marketing Co., Ltd. and 13 other consolidated subsidiaries differ from the closing date of the consolidated financial statements. However, to obtain more timely management information, the Group uses financial statements prepared on the basis of a provisional settlement of accounts conducted as of the closing date of the consolidated financial statements.

4. Accounting policies

(1) Valuation standards and methods for significant assets

(i) Securities

Shares of subsidiaries and associates

Cost method based on the moving-average method.

Available-for-sale securities

Securities other than shares, etc. with no market prices

Fair value method (Unrealized gains and losses are recognized directly in net assets, and the cost of securities sold is determined using the moving-average method.)

Shares, etc. with no market prices

Cost method based on the moving average method.

(ii) Derivatives

Fair value method.

(iii) Inventories

Mainly stated at cost based on the moving-average method.

(The carrying amounts in the balance sheet are calculated by the write-down method based on a decline in profitability.)

However, fresh food products are mainly stated at cost based on the last purchase cost method.

(2) Depreciation and amortization methods for significant depreciable and amortizable assets

(i) Property, plant and equipment (excluding leased assets and right-of-use assets)

Declining-balance method is principally applied.
However, the Company and its domestic consolidated subsidiaries apply the straight-line method to buildings (excluding facilities attached to buildings) acquired on and after April 1, 1998, and to facilities attached to buildings and structures acquired on and after April 1, 2016.

In addition, UNY Co., Ltd. and 4 other consolidated subsidiaries, and foreign consolidated subsidiaries apply the straight-line method.

Useful lives and residual values are determined in accordance with the provisions of the Corporation Tax Act.

(ii) Intangible assets (excluding leased assets)

Straight-line method is applied.
Software for internal use is amortized by the straight-line method over a period of 5 years, which is the period available for internal use.

(iii) Leased assets and right-of-use assets

Straight-line method is applied using the lease period as the useful life and a residual value of zero.

(iv) Long-term prepaid expenses

Straight-line method is applied.

(3) Accounting treatment of deferred assets

(i) Share issuance costs

Fully expensed when incurred.

(ii) Bond issuance costs

Fully expensed when incurred.

(4) Recognition standards for significant allowances

(i) Allowance for doubtful accounts

To provide for losses on doubtful receivables, including trade receivables and loans receivables, the allowance for doubtful accounts is recorded for general receivables based on a prescribed standard that takes into account historical loss rates and other relevant factors. For specific receivables, including doubtful receivables, the estimated uncollectable amount is recorded based on an individual assessment of collectability. At foreign consolidated subsidiaries, the estimated uncollectible amount is recorded primarily for specific receivables.

(ii) Provision for point card certificates

To provide for future costs associated with the use of points granted to credit card members and others, provision for point card certificates is recorded for the estimated amount of points expected to be used based on historical use rates and other factors.

(5) Accounting treatment of retirement benefits

(i) Method of attributing projected retirement benefit obligations to periods

In calculating retirement benefit obligations, the projected retirement benefit obligations are attributed to the periods through the end of the fiscal year under review using the benefit formula basis.

(ii) Method of amortizing actuarial differences and prior service costs

Prior service costs are recognized as expenses on a straight-line basis over a fixed period of years, primarily 10 years, within the average remaining service period of employees at the time such costs are incurred.

Actuarial differences are amortized on a straight-line basis over a fixed period of years, primarily 10 years, within the average remaining service period of employees at the time of occurrence in each fiscal year, and are recognized as expenses from the fiscal year following the year in which they arise.

As pension assets exceeded retirement benefit obligations as of the end of the fiscal year under review, the excess amount is presented as a retirement benefit asset under investments and other assets.

(6) Recognition standards for significant revenue and expenses

The following are the principal performance obligations arising from contracts with customers in the major businesses of the Company and its consolidated subsidiaries and the timing at which such performance obligations are generally satisfied (the timing of revenue recognition).

(i) Sale of merchandise

Revenue from the sale of merchandise in the Domestic Business, North America Business and Asia Business is recognized when control of the merchandise is transferred to customers through delivery of the merchandise.

In addition, for transactions involving the sale of merchandise in which the Company and its consolidated subsidiaries are determined to be acting as an agent, revenue is recognized on a net basis, representing the amount received in exchange for goods provided by another party less the amount paid to such other party.

(ii) Tenant leasing

The Company and its consolidated subsidiaries lease portions of commercial complexes and stores in the Domestic Business, North America Business and Asia Business. Revenue from such leasing transactions is recognized in accordance with Accounting Statement No. 13, *Accounting Standard for Lease Transactions*, and related guidance.

(iii) Financial revenue

Financial revenue in the Domestic Business consists of credit commission fees and other revenue derived from financial services and is recognized in accordance with Accounting Statement No. 10, *Accounting Standard for Financial Instruments*, and related guidance.

(7) Foreign currency translation standards for significant assets and liabilities into Japanese yen

Foreign currency-denominated monetary receivables and payables are translated into Japanese yen at the spot exchange rates prevailing at the end of the fiscal year under review, and translation differences are recognized in profit or loss.

The assets and liabilities of foreign consolidated subsidiaries are translated into Japanese yen at the spot exchange rates prevailing at the end of the respective fiscal years under review of such subsidiaries, while revenues and expenses are translated at the average exchange rates for the period. Translation adjustments are included in foreign currency translation adjustments under net assets.

(8) Amortization methods and periods for goodwill

Goodwill is amortized on a straight-line basis over the period during which its effect is expected to be realized, as reasonably estimated.

(9) Scope of funds in the consolidated statements of cash flows

Funds consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less that are readily convertible into cash and subject to an insignificant risk of changes in value.

Notes to consolidated balance sheets

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

(Millions of yen)

	As of June 30, 2025	As of June 30, 2026
Investment securities (shares)	¥18,245	**¥5,520**

2. Assets pledged as collateral and secured liabilities

Assets pledged as collateral are as follows.

(Millions of yen)

	As of June 30, 2025	As of June 30, 2026
Cash and deposits	¥2,651	**¥3,219**
Merchandise and finished goods	526	**491**
Buildings and structures	742	**195**
Land	2,190	**1,190**
Construction in progress	–	**204**
Other	342	**385**
Total	¥6,451	**¥5,684**

Secured liabilities are as follows.

(Millions of yen)

	As of June 30, 2025	As of June 30, 2026
Current liabilities (other)	¥67	**¥91**
Non-current liabilities (other)	797	**797**
Total	¥864	**¥888**

3. Recourse obligations arising from securitization of receivables

(Millions of yen)

	As of June 30, 2025	As of June 30, 2026
Recourse obligations arising from securitization of receivables	¥5,775	**¥5,820**

4. The Company and its consolidated subsidiaries have overdraft agreements with 39 banks to efficiently procure working capital. The unused borrowing capacity under these agreements is as follows.

(Millions of yen)

	As of June 30, 2025	As of June 30, 2026
Total overdraft facilities	¥36,910	**¥37,810**
Outstanding borrowings	–	**–**
Unused borrowing capacity	¥36,910	**¥37,810**

5. The Company has entered into loan commitment agreements with three banks to efficiently procure working capital. The unused borrowing capacity under these agreements is as follows.

(Millions of yen)

	As of June 30, 2025	As of June 30, 2026
Total loan commitment facilities	¥30,000	**¥30,000**
Outstanding borrowings	–	**–**
Unused borrowing capacity	¥30,000	**¥30,000**

6. UCS Co., Ltd., a consolidated subsidiary of the Company, engages in cash advance services and other businesses incidental to its credit card business. The unused balance of loan commitments related to such services is as follows.

(Millions of yen)

	As of June 30, 2025	As of June 30, 2026
Total loan commitment facilities	¥511,430	**¥479,446**
Outstanding loans	9,219	**8,857**
Unused balance	¥502,211	**¥470,589**

As most of these loan commitments are granted to members of UCS Co., Ltd. as part of the cash advance services associated with its credit card business, the entire unused amount of such loan commitments is not necessarily expected to be drawn down.

7. The Company had syndicated loan agreements with 16 financial institutions totaling ¥20,000 million in the fiscal year ended June 30, 2025. These agreements contain financial covenants based on certain financial indicators calculated from the amount of net assets reported in the consolidated balance sheet. The outstanding borrowings under these agreements are as follows.

(Millions of yen)

	As of June 30, 2025	As of June 30, 2026
Outstanding borrowing under syndicated loan agreements	¥20,000	–

Notes to consolidated statements of income

1. The balance of inventories at the fiscal year-end represents the amount after write-downs of book value due to a decline in profitability. The following inventory valuation losses are included in cost of sales.

(Millions of yen)

Fiscal year ended June 30, 2025	Fiscal year ended June 30, 2026
¥1,776	**¥2,870**

2. Major items and amounts of selling, general and administrative expenses are as follows.

(Millions of yen)

	Fiscal year ended June 30, 2025	Fiscal year ended June 30, 2026
Payroll and allowances	¥202,974	**¥218,437**
Rent expenses on land and buildings	63,212	**66,250**
Commission expenses	71,553	**80,541**
Depreciation	39,591	**43,734**
Provision for point card certificates	5,899	**5,614**
Amortization of goodwill	4,991	**6,201**
Retirement benefit expenses	¥1,650	**¥1,838**

3. The components of gain on sale of non-current assets are as follows.

(Millions of yen)

	Fiscal year ended June 30, 2025	Fiscal year ended June 30, 2026
Buildings and structures	¥179	**¥190**
Tools, furniture and fixtures	3	**22**
Land	21	**465**
Other	13	**10**
Total	¥216	**¥688**

4. Impairment losses

The Group recognized impairment losses on the following asset groups.

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

(Millions of yen)

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

The Group identifies asset groups principally by individual store or business division. For rental properties and idle assets, each property is regarded as the smallest cash-generating unit.

During the fiscal year ended June 30, 2025, for stores whose profitability had declined or whose operating activities had continuously generated losses, the Group reduced the book value of the relevant assets to their recoverable amounts and recognized the resulting reductions as impairment losses. Impairment losses of ¥13,060 million for buildings and structures, ¥2,383 million for tools, furniture and fixtures, ¥2 million for property, plant and equipment (other), ¥109 million for land, ¥1,946 million for right-of-use assets, ¥962 million for intangible assets (other), and ¥6 million for long-term prepaid expenses were recorded as extraordinary losses.

The recoverable amounts of these asset groups were determined as the higher of their net selling value or value in use. Net selling value was determined based on the appraisal values estimated by real estate appraisers and other related information. As for the value in use, asset groups whose value in use based on future cash flows was negative were measured at zero as their recoverable amount, while for other asset groups, value in use was calculated by discounting future cash flows at a rate of 5.1%.

For the fiscal year ended June 30, 2025 (From July 1, 2025 to June 30, 2026)

(Millions of yen)

Region	Usage	Asset type	Impairment losses
Hokkaido	Store facilities	Buildings and structures; tools, furniture, and fixtures	¥491
Tohoku	Store facilities	Buildings and structures; tools, furniture, and fixtures	385
Kanto	Store facilities	Buildings and structures; tools, furniture, and fixtures	1,460
Chubu	Store facilities	Buildings and structures; tools, furniture, and fixtures	1,299
Kinki	Store facilities	Buildings and structures; tools, furniture, and fixtures	538
Chugoku	Store facilities	Buildings and structures; tools, furniture, and fixtures	74
Shikoku	Store facilities	Buildings and structures; tools, furniture, and fixtures	23
Kyushu	Store facilities	Buildings and structures; tools, furniture, and fixtures	291
Asia	Store facilities	Buildings and structures; tools, furniture, and fixtures	27
North America	Store facilities	Buildings and structures; tools, furniture, and fixtures; property, plant and equipment (other); construction in progress, right-of-use assets	6,905
Total			¥11,492

The Group identifies asset groups principally by individual store or business division. For rental properties and idle assets, each property is regarded as the smallest cash-generating unit.

During the fiscal year ended June 30, 2026, for stores whose profitability had declined or whose operating activities had continuously generated losses, the Group reduced the book value of the relevant assets to their recoverable amounts and recognized the resulting reductions as impairment losses. Impairment losses of ¥6,981 million for buildings and structures, ¥2,707 million for tools, furniture and fixtures, ¥1 million for property, plant and equipment (other), ¥169 million for construction in progress, and ¥1,633 million for right-of-use assets were recorded as extraordinary losses.

The recoverable amounts of these asset groups were determined as the higher of their net selling value or value in use. Net selling value was determined based on the appraisal values estimated by real estate appraisers and other related information. As for the value in use, asset groups whose value in use based on future cash flows was negative were measured at zero as their recoverable amount, while for other asset groups, value in use was calculated by discounting future cash flows at a rate of 4.5%.

5. The components of loss on retirement of non-current assets are as follows.

(Millions of yen)

Fiscal year ended June 30, 2025		Fiscal year ended June 30, 2026	
Buildings and structures	¥49	Buildings and structures	**¥32**
Furniture and fixtures	104	Furniture and fixtures	**130**
Property, plant and equipment (other)	2	Property, plant and equipment (other)	**0**
Construction in progress	–	Construction in progress	**3**
Intangible assets (other)	3	Intangible assets (other)	**59**
Removal expenses	1,349	Removal expenses	**3,258**
Total	¥1,507	Total	**¥3,483**

6. The components of loss on the closing of stores are as follows.

Fiscal year ended June 30, 2025

Loss on store closures represents removal costs incurred in connection with store closures.

Fiscal year ended June 30, 2026

Loss on store closures represents removal costs incurred in connection with store closures.

Notes to consolidated statements of comprehensive income

The reclassification adjustments, as well as income taxes and deferred tax effects, attributable to each component of other comprehensive income are follows.

(Millions of yen)

	Fiscal year ended June 30, 2025	Fiscal year ended June 30, 2026
Valuation difference on available-for-sale securities		
Amount arising during the fiscal year	¥2,013	**¥2,925**
Reclassification adjustment to profit (loss)	–	**1**
Amount before tax	2,013	**2,926**
Tax effect	(698)	**(920)**
Valuation difference on available-for-sale securities	1,315	**2,006**
Foreign currency translation adjustment		
Amount arising during the fiscal year	(2,234)	**13,619**
Reclassification adjustment to profit (loss)	(13)	**(704)**
Amount before tax	(2,247)	**12,915**
Tax effect	–	**–**
Foreign currency translation adjustment	(2,247)	**12,915**
Remeasurements of defined benefit plans		
Amount arising during the fiscal year	(166)	**858**
Reclassification adjustment to profit (loss)	(111)	**(122)**
Amount before tax	(277)	**736**
Tax effect	113	**(228)**
Remeasurements of defined benefit plans	(164)	**508**
Share of other comprehensive income of associates accounted for using equity method		
Amount arising during the fiscal year	73	**(181)**
Total other comprehensive income	¥(1,023)	**¥15,248**

Notes to consolidated statements of changes in net assets

Fiscal year ended June 30, 2025 (From July 1, 2024 to June 30, 2025)

1. Class and total number of issued 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
Issued 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

Notes 1. The increase of 325 thousand shares in the total number of issued common shares is attributable to the exercise of stock options.

2. The increase of 0 thousand shares in the number of treasury shares of common stock is attributable to the purchase of less-than-one-unit shares.

2. Share acquisition rights and treasury share acquisition rights

Classification	Details of share acquisition rights	Class of shares subject to share acquisition 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, 2025	
The Company	Share-based compensation stock options	–	–	–	–	–	¥246
The Company	Paid-in stock options	–	–	–	–	–	1,833
Total		–	—	–	–	–	2,080

3. Dividends

(1) Dividends paid

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

Note: Dividends per share of ¥25.0 include a commemorative dividend of ¥9.0 per share to celebrate the achievement of consolidated net sales of ¥2 trillion.

(2) Dividends with a record date in the fiscal year ended June 30, 2025, but with an effective date in the following fiscal year

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

4. Significant changes in net assets
Not applicable.

Fiscal year ended June 30, 2026 (From July 1, 2025 to June 30, 2026)

1. Class and total number of issued shares, and class and number of treasury shares

(Thousands of shares)

	Number of shares as of July 1, 2025	Increase	Decrease	Number of shares as of June 30, 2026
Issued shares				
Common shares*1	635,353	2,541,943	–	3,177,297
Total	635,353	2,541,943	–	3,177,297
Treasury shares				
Common shares*2 *3	38,073	152,294	3,914	186,454
Total	38,073	152,294	3,914	186,454

Notes 1. The increase of 2,541,943 thousand shares in the total number of issued common shares is attributable to an increase of 2,541,837 thousand shares resulting from a stock split and an increase of 106 thousand shares resulting from the exercise of stock options.
2. The increase of 152,294 thousand shares in the number of treasury shares of common stock is attributable to an increase of 152,294 thousand shares resulting from a stock split and an increase of one thousand shares resulting from the purchase of less-than-one-unit shares.
3. The decrease of 3,914 thousand shares in the number of treasury shares of common shares is attributable to a decrease of 3,914 thousand shares resulting from the exercise of stock options.
4. The Company conducted a 5-for-1 stock split of its common shares, effective October 1, 2025.

2. Share acquisition rights and treasury share acquisition rights

Classification	Details of share acquisition rights	Class of shares subject to share acquisition rights	Number of shares subject to share rights (shares)				As of June 30, 2026 (millions of yen)
			Number of shares as of July 1, 2025	Increase	Decrease	Number of shares as of June 30, 2026	
The Company	Share-based compensation stock options	–	–	–	–	–	¥241
The Company	Paid-in stock options	–	–	–	–	–	1,593
Total		–	–	–	–	–	1,834

3. Dividends

(1) Dividends paid

Resolutions	Class of shares	Total dividends (millions of yen)	Dividends per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on September 26, 2025	Common shares	15,529	26.0	June 30, 2025	September 29, 2025
Board of Directors meeting held on February 12, 2026	Common shares	8,966	3.0	December 31, 2025	March 23, 2026

Note: The Company conducted a 5-for-1 stock split of its common shares, effective October 1, 2025. The dividend per share approved by resolution at the Ordinary General Meeting of Shareholders held on September 26, 2025 is stated at the actual amount paid prior to the stock split.

(2) Dividends with a record date in the fiscal year ended June 30, 2026, but with an effective date in the following fiscal year

The Company plans to submit the following proposal to the Ordinary General Meeting of Shareholders scheduled to be held on September 29, 2026.

Resolution	Class of shares	Source of dividends	Total dividends (millions of yen)	Dividends per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on September 29, 2026	Common shares	Retained earnings	19,440	6.5	June 30, 2026	September 30, 2026

4. Significant changes in net assets

Not applicable.

Notes to consolidated statements of cash flows

1. The following table reconciles cash and cash equivalents at the end of the fiscal year with the corresponding amounts of accounts reported in the consolidated balance sheets.

(Millions of yen)

	Fiscal year ended June 30, 2025	Fiscal year ended June 30, 2026
Cash and deposits	¥171,958	**¥213,293**
Time deposits with original maturity of more than three months	–	**(61)**
Deposits and time deposits pledged as collateral	(494)	**(469)**
Cash equivalents included in deposits paid	4,373	**5,742**
Cash and cash equivalents	¥175,837	**¥218,505**

2. Major classes of assets acquired and liabilities assumed upon the acquisition of shares of a company newly included in the scope of consolidation

Fiscal year ended June 30, 2025 (From July 1, 2024 to June 30, 2025)

As a result of the acquisition of shares, Mikuni Restaurant Group, Inc. became a consolidated subsidiary. The following table presents the major classes of assets acquired and liabilities assumed at the time of initial consolidation, as well as the relationship between the acquisition cost of the shares of Mikuni Restaurant Group, Inc. and the net cash outflow for the acquisition.

	(Millions of yen)
Current assets	666
Non-current assets	3,499
Goodwill	10,422
Current liabilities	(1,857)
Non-current liabilities	(1,864)
Share acquisition cost	10,866
Accounts payable (other) related to the acquisition of shares	(274)
Cash and cash equivalents	(261)
Net cash outflow for the acquisition	10,331

The amounts reflect the significant revision of the initial allocation of the acquisition cost following the finalization of the provisional accounting treatment for the business combination.

Fiscal year ended June 30, 2026 (From July 1, 2025 to June 30, 2026)

“Purchase of shares of subsidiaries resulting in change in the scope of consolidation” for the fiscal year under review consisted of the payment of ¥274 million in outstanding amounts related to the acquisition of shares of Mikuni Restaurant Group, Inc., which became a consolidated subsidiary through the acquisition of its shares in the previous fiscal year.

3. Significant non-cash transactions

Fiscal year ended June 30, 2026 (From July 1, 2025 to June 30, 2026)

During the fiscal year under review, Kanemi Co., Ltd., which had been an equity-method associate, became a consolidated subsidiary. The following table presents the assets acquired and the liabilities assumed following the consolidation.

	(Millions of yen)
Current assets	25,035
Non-current assets	11,520
Total assets	36,555
Current liabilities	8,014
Non-current liabilities	895
Total liabilities	8,909

In addition, current assets include cash and cash equivalents of ¥17,864 million, which is recorded under "Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation."

Business combination and related matters

Finalization of the provisional accounting treatment relating to a business combination

The Group applied provisional accounting treatment to the business combination with Mikuni Restaurant Group, Inc., which was executed on April 1, 2025, in the previous fiscal year, and finalized such treatment during the fiscal year under review.

Following this finalization of the provisional accounting treatment, significant revisions to the initial allocation of the acquisition cost are reflected in the comparative information included in the consolidated financial statements for the fiscal year under review.

As a result of this finalized accounting treatment, the provisionally calculated goodwill of ¥10,050 million increased ¥371 million to ¥10,422 million. Moreover, the balances of the following balance sheet items as of the end of the previous fiscal year increased by the amounts described below:

- Right-of-use assets:	¥48 million
- Accounts payable – other:	¥274 million
- Lease liabilities under current liabilities:	¥14 million
- Lease liabilities under non-current liabilities	¥131 million
- Foreign currency translation adjustment:	¥0 million
- Non-controlling interests:	¥0 million

There is no impact on the consolidated statements of income for the previous fiscal year ended June 30, 2025.

Business combination through acquisition

Kanemi Co., Ltd., which had been an equity-method associate of the Company, repurchased a portion of its issued shares as treasury shares as of August 20, 2025, resulting in the Company holding 40.3% of its voting rights. Accordingly, Kanemi Co., Ltd. was newly included in the scope of consolidation under the substantive control standard.

(1) Overview of business combination

(i) Name and business description of the acquired company

Name of the acquired company: Kanemi Co., Ltd.

Business description: Manufacture and sale of boxed lunches, sushi, rice balls, and prepared foods

(ii) Primary reasons for business combination

The prepared food business operated by Kanemi Co., Ltd. is expected to achieve strong growth in the future. Furthermore, it was concluded that leveraging the strengths of both companies would enhance the corporate value of both companies.

(iii) Effective date of this business combination

August 20, 2025 (deemed acquisition date: September 30, 2025)

(iv) Legal form of business combination

Acquisition of treasury shares by the acquired company

(v) Names of the companies after the business combination

No change

(vi) Change in voting rights ratio

Ratio of voting rights held immediately before the business combination:	39.4%
Increase in ratio of voting rights changed on the acquisition date:	0.9%
Ratio of voting rights held on the acquisition date:	40.3%

(vii) Primary basis for determining the acquiree

The ratio of the Company’s voting rights increased as a result of Kanemi Co., Ltd.’s acquisition of its own treasury shares.

(2) Period for which the acquiree's operating results are included in the consolidated financial statements

From October 1, 2025 to June 30, 2026

(3) Measurement of the acquired company and related matters

(i) Acquisition cost for the acquired company

Fair value, as of business combination date, of the shares held immediately before the business combination date	¥12,846 million

(ii) Difference between the acquisition cost of the acquiree and the aggregate acquisition cost of individual transactions leading to the acquisition

Gain on step acquisitions ¥362 million

(4) Major acquisition-related costs and amount

No acquisition-related costs were incurred.

(5) Amount of goodwill recognized, reason for its recognition, and the amortization method and period

(i) Amount of goodwill recognized

¥1,699 million

(ii) Reason for the recognition of goodwill

As the acquisition cost exceeded the net amount of assets acquired and liabilities assumed, the difference was recognized as goodwill.

(iii) Amortization method and period of goodwill

Goodwill is amortized using the straight-line method over five years

(6) Major components of assets acquired and liabilities assumed at the business combination date

	(Millions of yen)
Current assets	25,035
Non-current assets	11,520
Total assets	36,555
Current liabilities	8,014
Non-current liabilities	895
Total liabilities	8,909

(7) Estimated impact on the consolidated statement of income for the fiscal year under review, assuming that the business combination had been completed on the first day of the fiscal year, and the method of calculating such estimate

	(Millions of yen, unless otherwise note)
Net sales	22,035
Operating income	999
Ordinary profit	1,028
Profit before income taxes	990
Profit attributable to owners of parent	664
Basic earnings per share (yen)	0.22

Method for calculating the estimated amount

The estimated amount is the difference between information on net sales and profit calculated assuming that the business combination had been completed on the first day of the fiscal year and the information on net sales and profit reported in the consolidated statement of income of the acquiring company. Gain on step acquisitions and amortization of goodwill recognized in connection with the business combination have not been taken into account. The Company conducted a 5-for-1 stock split of its common shares, effective October 1, 2025. Basic earnings per share are calculated assuming that this stock split had been conducted at the beginning of the fiscal year under review.

This note has not been audited.

Notes on segment information and related disclosures

[Segment information]

1. Overview of reportable segments

   The Company's reportable segments are those for which separate financial information is available and which are regularly reviewed by the Board of Directors for the purpose of determining the allocation of management resources and evaluating performance.

   The Company is principally engaged in merchandise sales and has three reportable segments: Domestic Business, North America Business, and Asia Business.

   The Domestic Business segment operates stores primarily under the Don Quijote format, a big convenience and discount store; the MEGA Don Quijote and MEGA Don Quijote UNY formats, family-oriented general discount stores; and the Apita and Piago formats, general merchandise stores.

   The North America Business segment operates discount stores and supermarkets in Hawaii, California, and other areas in the United States.

   The Asia Business segment operates DON DON DONKI stores in Asia under a Japanese-brand specialty store concept.

2. Method of determining the amounts of net sales, profit or loss, assets, liabilities, and other items for each reportable segment

   Accounting treatment methods of reportable segments are the same as those described in *Significant matters forming the basis for preparing consolidated financial statements*.

   Segment profit is measured based on operating income. Intersegment sales or transfers are primarily determined based on market prices.

3. Information on the amounts of net sales, profit or loss, assets, liabilities, and other items for each reportable segment

Fiscal year ended June 30, 2025 (From July 1, 2024 to June 30, 2025)

(Millions of yen)

	Reportable segments				Adjustment (Note 1)	Amount recorded in consolidated financial statements (Note 2)
	Domestic Business	North America Business	Asia Business	Total		
Net sales						
Sales to external customers	1,896,113	259,437	91,209	2,246,758	–	2,246,758
Intersegment sales or transfers	14,140	33	245	14,418	(14,418)	–
Total	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	202,022	27,944	1,411,822	99,624	1,511,445
Other items (Note 3)						
Depreciation	34,179	10,916	2,794	47,889	–	47,889
Increases in property, plant and equipment and intangible assets	43,199	7,995	1,517	52,711	–	52,711

Notes 1. The reconciliation of segment assets of ¥99,624 million includes ¥104,122 million of the Company's surplus funds (cash and deposits and investment securities), which are classified as corporate assets, and ¥(4,498) million related to eliminations of receivables among reportable segments and other items.

2. Segment profit corresponds to operating income in the consolidated statements of income.

3. Increases in property, plant and equipment and intangible assets include an increase in long-term prepaid expenses.

Fiscal year ended June 30, 2026 (From July 1, 2025 to June 30, 2026)

(Millions of yen)

	Reportable segments				Adjustment (Note 1)	Amount recorded in consolidated financial statements (Note 2)
	Domestic Business	North America Business	Asia Business	Total		
Net sales						
Sales to external customers	2,068,195	277,936	99,129	2,445,260	–	2,445,260
Intersegment sales or transfers	13,971	–	296	14,267	(14,267)	–
Total	2,082,166	277,936	99,425	2,459,527	(14,267)	2,445,260
Segment profit	165,829	3,497	5,517	174,842	–	174,842
Segment assets	1,239,791	200,709	31,729	1,472,229	130,156	1,602,386
Other items (Note 3)						
Depreciation	39,077	12,349	2,173	53,599	–	53,599
Increases in property, plant and equipment and intangible assets	58,702	5,540	277	64,518	–	64,518

Notes 1. The reconciliation of segment assets of ¥130,156 million includes ¥133,220 million of the Company's surplus funds (cash and deposits and investment securities), which are classified as corporate assets, and ¥(3,064) million related to eliminations of receivables among reportable segments and other items.

2. Segment profit corresponds to operating income in the consolidated statements of income.
3. Increases in property, plant and equipment and intangible assets include an increase in long-term prepaid expenses.
4. The segment information for the fiscal year ended June 30, 2025 is disclosed based on the amounts after reflecting significant revisions to the initial allocation of acquisition cost resulting from the finalization of the provisional accounting treatment described in *Notes – Business combination and related matters*.

4. Impairment losses, goodwill or other information related to non-current assets by reportable segment

Significant changes in the amount of goodwill

During the fiscal year under review, goodwill of ¥1,699 million was recognized in the Domestic Business segment as a result of the inclusion of Kanemi Co., Ltd. in the scope of consolidation.

As the allocation of the acquisition cost for the business combination with Mikuni Restaurant Group, Inc., which was conducted on April 1, 2025, was incomplete, the amount of goodwill was calculated provisionally. However, during the fiscal year under review, such allocation of the acquisition cost was completed and the provisional accounting treatment was finalized. As a result, the amount of goodwill in the North America Business segment was revised.

[Related information]

Fiscal year ended June 30, 2025 (From July 1, 2024 to June 30, 2025)

1. Products and services

The information is omitted, as the same information is presented in “1. Overview of Consolidated Operating Results, (1) Consolidated operating results, (ii) Net sales by business.”

2. Regions

(1) Net sales

(Millions of yen)

Japan	North America	Asia	Total
1,896,113	259,437	91,209	2,246,758

Note: Net sales are classified by country or region based on the location of customers.

(2) Property, plant and equipment

(Millions of yen)

Japan	North America	Asia	Total
633,540	76,792	7,701	718,033

3. Major customers

This information is omitted because there were no external customers to whom sales accounted for 10% or more of net sales reported in the consolidated statement of income.

Fiscal year ended June 30, 2026 (From July 1, 2025 to June 30, 2026)

1. Products and services

The information is omitted, as the same information is presented in “1. Overview of Consolidated Operating Results, (1) Consolidated operating results, (ii) Net sales by business.”

2. Regions

(1) Net sales

(Millions of yen)

Japan	North America	Asia	Total
2,068,195	277,936	99,129	2,445,260

Note: Net sales are classified by country or region based on the location of customers.

(2) Property, plant and equipment

(Millions of yen)

Japan	North America	Asia	Total
647,605	78,338	6,245	732,188

3. Major customers

This information is omitted because there were no external customers to whom sales accounted for 10% or more of net sales reported in the consolidated statement of income.

[Impairment losses on non-current assets by reportable segment]

Fiscal year ended June 30, 2025 (From July 1, 2024 to June 30, 2025)

(Millions of yen)

	Reportable segments				Adjustment	Amount recorded in consolidated statements of income
	Domestic Business	North America Business	Asia Business	Total		
Impairment losses	2,482	14,955	1,029	18,467	–	18,467

Fiscal year ended June 30, 2026 (From July 1, 2025 to June 30, 2026)

(Millions of yen)

	Reportable segments				Adjustment	Amount recorded in consolidated statements of income
	Domestic Business	North America Business	Asia Business	Total		
Impairment losses	4,561	6,905	27	11,492	–	11,492

[Goodwill amortization and unamortized balances by reportable segment]

Fiscal year ended June 30, 2025 (From July 1, 2024 to June 30, 2025)

(Millions of yen)

	Reportable segments				Adjustment	Amount recorded in consolidated financial statements
	Domestic Business	North America Business	Asia Business	Total		
Amortization	228	4,763	–	4,991	–	4,991
Balance at the year-end	1,673	61,551	–	63,224	–	63,224

There were no amortization expenses or unamortized balances of negative goodwill arising from business combinations and other transactions conducted prior to April 1, 2010.

Fiscal year ended June 30, 2026 (From July 1, 2025 to June 30, 2026)

(Millions of yen)

	Reportable segments				Adjustment	Amount recorded in consolidated financial statements
	Domestic Business	North America Business	Asia Business	Total		
Amortization	483	5,718	–	6,201	–	6,201
Balance at the year-end	2,889	61,810	–	64,700	–	64,700

There were no amortization expenses or unamortized balances of negative goodwill arising from business combinations and other transactions conducted prior to April 1, 2010.

[Gains on bargain purchase by reportable segment]

Fiscal year ended June 30, 2025 (From July 1, 2024 to June 30, 2025)

Not applicable.

Fiscal year ended June 30, 2026 (From July 1, 2025 to June 30, 2026)

Not applicable.

Per share information

Fiscal year ended on June 30, 2025 (From July 1, 2024 to June 30, 2025)		Fiscal year ended on June 30, 2026 (From July 1, 2025 to June 30, 2026)	
Net assets per share	¥202.84	Net assets per share	¥235.79
Basic earnings per share	30.32	Basic earnings per share	36.84
Diluted earnings per share	30.19	Diluted earnings per share	36.71

Notes 1. The Company conducted a 5-for-1 stock split of its common shares, effective October 1, 2025. Assuming that this stock split had been conducted at the beginning of the previous fiscal year, net assets per share, basic earnings per share, and diluted earnings per share have been calculated accordingly.

2. The following are the basis for calculating basic earnings per share and diluted earnings per share

	Fiscal year ended on June 30, 2025 (From July 1, 2024 to June 30, 2025)	Fiscal year ended on June 30, 2026 (From July 1, 2025 to June 30, 2026)
Basic earnings per share		
Profit attributable to owners of parent (million yen)	90,512	110,088
Amount not attributable to common shareholders (million yen)	–	–
Profit attributable to owners of parents relating to common shares (million yen)	90,512	110,088
Average number of common shares outstanding during the fiscal year (share)	2,985,366,170	2,988,298,063
Diluted earnings per share		
Adjustments to profit attributable to owners of parent (million yen)	–	–
Increase in the number of common shares (share)	12,733,575	10,637,540
[of which, share acquisition rights]	[12,733,575]	[10,637,540]
Summary of potential shares not included in the calculation of diluted earnings per share due to the absence of a dilutive effect	–	–

Significant subsequent events

Business integration with Olympic Group Corporation through a share exchange agreement

The Company and Olympic Group Corporation (hereinafter "Olympic Group," and together with the Company, hereinafter the "Companies") resolved at their respective Boards of Directors meetings on April 6, 2026 to conduct a business integration through a share exchange (hereinafter the "Share Exchange") with the Company as the wholly owning parent company resulting from the Share Exchange and Olympic Group as the wholly owned subsidiary resulting from the Share Exchange. On the same day, the Companies entered into a share exchange agreement (hereinafter the "Share Exchange Agreement") and conducted the Share Exchange with an effective date of July 1, 2026.

(1) Overview of the Share Exchange

(i) Name and business description of the wholly owned subsidiary resulting from the Share Exchange

Name of the wholly owned subsidiary resulting from the Share Exchange: Olympic Group Corporation

Business description: Formulation of business strategies for the Olympic Group as a whole, allocation of management resources, centralized management of indirect operations, and the management and operation of shopping centers, among others

(ii) Primary reasons for implementing the Share Exchange

Olympic Group operates stores primarily in the Tokyo metropolitan area, and by converting these stores into *Don Quijote* or *MEGA Don Quijote* formats, the Group expects to expand its store network. In addition, the new retail format *Robin Hood* is expected to enable comprehensive regional expansion centered around the Kanto region, and is anticipated to accelerate both the rollout of the new format and the pace of store openings. Furthermore, the Group expects to enhance its competitiveness in the non-food category by combining the price competitiveness in food products and daily necessities of the Group and the Olympic Group with the Olympic Group's expertise in the non-food category.

(iii) Effective date of the Share Exchange

July 1, 2026

(iv) Legal form of business integration

Share exchange

(v) Names of the companies after the business integration

No change

(vi) Ratio of voting rights to be acquired

Ratio of voting rights to be acquired through the Share Exchange 100%

(vii) Primary basis for determining the acquiree

Acquisition of the 100% voting rights of Olympic Group through the Share Exchange

(2) Share exchange ratio by class of shares, the method for calculating such ratio, and the number of shares to be delivered

(i) Share exchange ratio by class of shares

1.18 shares of the common shares of the Company were delivered per share of Olympic Group

(ii) Method for calculating share exchange ratio

To secure fairness and appropriateness, each of the Companies requested an independent third-party valuation institution to calculate the share exchange ratio, and determined the ratio through discussions between the parties based on the submitted reports.

(iii) Number of shares to be delivered

Treasury shares of the Company 27,105,063 shares

(3) Details and amounts of major acquisition-related costs

Fees, commissions, and other payments to advisors ¥581 million (estimated amount)

(4) Amount of goodwill to be recognized, reasons for recognition, amortization methods and periods

These items have not been determined at this time.

(5) Amounts of assets acquired and liabilities assumed at the business combination date and their major components

These items have not been determined at this time.