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November 12, 2026

Consolidated Financial Results for the Three Months Ended September 30, 2026 [Japanese GAAP]

Company name: Pan Pacific International Holdings Corporation
Listing: Tokyo Stock Exchange
Securities code: 7532
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Scheduled date to commence dividend payments: –
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 three months of the fiscal year ending June 30, 2027 (July 1, 2026 to September 30, 2026)

(1) Consolidated operating results (Cumulative)

(Percentages indicate year-over-year changes.)

	Net sales		Operating income		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	649,283	13.3	44,109	6.7	42,193	(0.0)	27,630	(3.0)
September 30, 2025	573,283	4.1	41,346	0.7	42,195	31.4	28,479	39.2

Note: Comprehensive income Three months ended September 30, 2026: ¥ 31,268 million [16.5%]
Three months ended September 30, 2025: ¥ 26,850 million [(12.0)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
September 30, 2026	9.15	9.13
September 30, 2025	9.54	9.49

Note: During the third quarter of the fiscal year ended June 30, 2026, the Company finalized the provisional accounting treatment relating to a business combination. Accordingly, the figures for the first quarter of the fiscal year ended June 30, 2026 reflect the finalized provisional accounting treatment.

(2) Consolidated financial position

(Percentages indicate year-over-year changes.)

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2026	1,651,655	770,680	44.7
June 30, 2026	1,602,386	736,425	44.0

Reference: Equity
As of September 30, 2026: ¥ 739,040 million
As of June 30, 2026: ¥ 705,211 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Full year
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended June 30, 2026	–	3.00	–	6.50	9.50
Fiscal year ending June 30, 2027	–				
Fiscal year ending June 30, 2027 (Forecast)		3.50	–	6.50	10.00

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

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
Fiscal year ending June 30, 2027	2,687,000	9.9	179,000	2.4	175,300	(1.2)	110,500	0.4	36.61

Note: Revisions to the consolidated earnings forecasts most recently announced — None

Notes

(1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 1 company (Olympic Group Corporation)
Excluded: None

Note: For details, please refer to page 11, "2. Quarterly Consolidated Financial Statements and Material Notes Thereto – (4) Notes to the quarterly consolidated financial statements – *Significant changes in the scope of consolidation during the period under review*" of the accompanying materials.

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) 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

(4) Number of issued shares (common shares)

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

As of September 30, 2026	3,177,296,700 shares
As of June 30, 2026	3,177,296,700 shares

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

As of September 30, 2026	156,001,096 shares
As of June 30, 2026	186,453,825 shares

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

Three months ended September 30, 2026	3,019,241,754 shares
Three months ended September 30, 2025	2,986,655,595 shares

Notes:
- Review of the attached quarterly consolidated financial statements by a certified public accountant or an audit firm: Yes (voluntary)
- 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 4 of the accompanying materials, "1. Qualitative Information — (3) Explanation of consolidated earnings forecasts and other forward-looking statements."

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 Thursday, November 12, 2026. The briefing presentation materials will be made available on the Company's website.

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1. Qualitative Information

(1) Consolidated operating results

During the three months ended September 30, 2026, Japan's economy continued to recover moderately, supported by improvements in employment and income conditions. However, the outlook remains uncertain, with continued attention required to the impact of persistent price increases, geopolitical risks arising from the situation in the Middle East, natural disasters, and other factors.

In the retail industry, the business environment remained challenging amid higher policy interest rates in response to inflation and a prolonged period of high prices due to the continued depreciation of the yen, as consumers became increasingly inclined to save and more selective in their spending, while price competition with competitors further intensified.

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

In July 2026, Olympic Group Corporation, which operates specialty stores, discount stores, supermarkets, and other retail businesses primarily in the Tokyo metropolitan area, became a wholly owned subsidiary of the Group through a share exchange. Given the limited risk of cannibalization between Olympic Group stores and the Group's existing store network, the Group plans to convert selected Olympic Group stores to *Don Quijote*, *MEGA Don Quijote*, and *Robin Hood* formats based on the characteristics of each location to support further growth.

During the first quarter of the fiscal year under review, the Group opened Don Quijote Okayama Saidaiji in Okayama Prefecture. In addition, following the acquisition of Olympic Group Corporation as a wholly owned subsidiary through a share exchange, 98 stores were added to the Group's store network. As for store closures, two stores in the Domestic Business were temporarily closed for format conversions, while one store in the North American Business was closed.

As a result, the Group operated a total of 895 stores worldwide as of September 30, 2026, comprising 773 stores in the domestic business, 78 stores in the North America business, and 44 stores in the Asia business, compared with 799 stores as of June 30, 2026.

In connection with the business combination with Mikuni Restaurant Group, Inc. on April 1, 2025, the Group applied provisional accounting treatment in the first quarter of the previous fiscal year, and such treatment was finalized in the third quarter of the previous fiscal year. Accordingly, year-on-year comparisons are made using figures for the corresponding period of the previous fiscal year that have been retrospectively adjusted to reflect the finalization of the provisional accounting treatment.

Performance by reportable segment is as follows.

Domestic Business

Net sales were ¥553.797 billion, up 13.7% year-over-year, and operating income was ¥42.192 billion, up 4.0% year-over-year in the Domestic Business segment. In the Domestic Business segment, net sales and selling, general and administrative (SG&A) expenses increased following Olympic Group Corporation becoming a wholly owned subsidiary through a share exchange. In addition, amid accelerating changes in consumer behavior, the Company implemented app member-exclusive initiatives designed to address customer needs and promoted its pricing strategies, while sales remained strong for product categories with high customer appeal, including beauty-related and trending products.

Tax-free sales reached a record high, supported by an increase in store visits by foreign tourists driven by successful promotional initiatives, contributing to growth in same-store sales. In addition, the contribution from new store openings during the second half of the previous fiscal year also supported an increase in net sales. Operating income was affected by an increase in SG&A expenses, reflecting costs associated with new store openings, continued increases in personnel expenses, as well as IT-related and marketing expenses aimed at supporting medium- to long-term growth. However, the impact of higher net sales and improvements in labor productivity at stores helped limit the increase in the SG&A expense ratio, resulting in an increase in operating profit.

North America Business

Net sales were ¥70.196 billion, up 9.5% year-over-year, and operating income was ¥431 million, up 445.6% year-over-year in the North America Business segment. In the North American Business segment, net sales and selling, general and administrative expenses (SG&A) increased due to the impact of foreign exchange rates, while the closure of unprofitable stores had a negative impact. Net sales increased, driven by contributions from new store

openings and successful promotional initiatives in Guam. Operating income increased due to the contribution to earnings from stores opened in the previous fiscal year, an improvement in the gross profit margin resulting from improved inventory operations in Hawaii, and improvements in labor productivity at existing stores.

Asia Business

Net sales were ¥25.290 billion, up 14.6% year-over-year, and operating income was ¥1.486 billion, up 116.9% year-over-year in the Asia Business segment. In the Asia Business segment, net sales increased due to the accelerated introduction of new products and strong sales in key product categories, as well as increased customer traffic at urban downtown stores in Hong Kong and Macau, supported by an increase in the number of inbound visitors. Operating income increased significantly as SG&A expenses became more efficient through measures including the closure of unprofitable stores and improvements in labor productivity resulting from the appropriate allocation of employees and further progress in multitasking.

As a result of the above, the consolidated results for the three-month period under review were as follows:

Net sales	¥649.283 billion	(up 13.3% year-over-year)
Operating income	¥44.109 billion	(up 6.7% year-over-year)
Ordinary profit	¥42.193 billion	(down 0.0 % year-over-year)
Profit attributable to owners of parent	¥27.630 billion	(down 3.0% year-over-year)

(2) Consolidated financial position

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

	As of June 30, 2026	As of September 30, 2026	Change
Total assets	1,602,386	1,651,655	49,269
Total liabilities	865,961	880,976	15,015
Total net assets	736,425	770,680	34,255

1. Assets, liabilities, and net assets

At the end of the three-month period ended September 30, 2026, total assets increased by ¥49.269 billion from the end of the previous fiscal year on June 30, 2026 to ¥1,651.655 billion. This increase was mainly due to increases in merchandise and finished goods of ¥7.044 billion, property, plant and equipment of ¥20.360 billion, and goodwill of ¥6.359 billion, investment securities of ¥4.157 billion, leasehold and guarantee deposits of ¥13.701 billion, partly offset by a decrease in cash and deposits of ¥6.623 billion.

Total liabilities increased by ¥15.015 billion from the end of the previous fiscal year to ¥880.976 billion. This increase was mainly due to increases in notes and accounts payable – trade of ¥6.475 billion, asset retirement obligations of ¥4.437 billion, and borrowings of ¥26.604 billion, partly offset by decreases in accounts payable – other of ¥9.635 billion and income taxes payable of ¥13.533 billion.

Total net assets increased by ¥34.255 billion from the end of the previous fiscal year to ¥770.680 billion. This increase was mainly due to increases in capital surplus of ¥9.740 billion and retained earnings of ¥8.189 billion, mainly reflecting the payment of dividends and the recording of profit attributable to owners of parent, as well as a decrease in treasury shares of ¥12.950 billion due to the disposal of treasury shares and other factors.

2. Cash flows

At the end of the three-month period ended September 30, 2026, cash and cash equivalents decreased by ¥ 12.785 billion from the end of the previous fiscal year to ¥205.720 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 ¥28.631 billion, up ¥8.406 billion year-over-year. This was mainly due to profit before income taxes of ¥41.883 billion and depreciation of ¥14.381 billion, partly offset by decreases in accounts payable - other of ¥2.924 billion and income taxes paid of ¥24.352 billion.

Cash flows from investing activities

Net cash used in investing activities was ¥20.882 billion, up ¥3.193 billion year-over-year. This was mainly due to purchase of property, plant and equipment of ¥14.105 billion and purchase of intangible assets of ¥3.327 billion.

Cash flows from financing activities

Net cash used in financing activities was ¥22.144 billion, down ¥17.664 billion year over year. This was mainly due to cash outflows resulting from dividends paid of ¥19.440 billion and repayments of long-term borrowings of ¥9.753 billion, partially offset by proceeds from long-term borrowings of ¥10.000 billion.

(3) Explanation of consolidated earnings forecasts and other forward-looking statements

There have been no changes to the first-half and full-year consolidated earnings forecasts for the fiscal year ending June 30, 2027, announced in the “Consolidated Financial Results for the Fiscal Year Ended June 30, 2026” on August 18, 2026. Note that the Group’s business operations are subject to various risks and uncertainties. Accordingly, factors that could materially impact actual financial results include the economic environment and market trends surrounding the Company and the Group.

2. Quarterly Consolidated Financial Statements and Material Notes Thereto

(1) Quarterly consolidated balance sheets

(Millions of yen)

	As of June 30, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	213,293	**206,670**
Notes and accounts receivable - trade	24,246	**26,350**
Accounts receivable - installment	56,934	**57,166**
Operating loans	9,147	**9,032**
Merchandise and finished goods	249,014	**256,058**
Prepaid expenses	10,661	**13,136**
Deposits paid	7,641	**4,527**
Other	43,458	**42,634**
Allowance for doubtful accounts	(4,902)	**(5,436)**
Total current assets	609,491	**610,138**
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	294,136	**297,044**
Tools, furniture and fixtures, net	40,764	**41,172**
Land	364,809	**381,869**
Construction in progress	4,948	**6,193**
Right-of-use assets, net	25,859	**24,563**
Other, net	1,672	**1,706**
Total property, plant and equipment	732,188	**752,548**
Intangible assets		
Goodwill	64,700	**71,059**
Other	48,494	**51,222**
Total intangible assets	113,194	**122,281**
Investments and other assets		
Investment securities	27,865	**32,022**
Long-term prepaid expenses	3,968	**4,133**
Retirement benefit asset	20,413	**20,706**
Deferred tax assets	25,227	**25,307**
Leasehold and guarantee deposits	67,691	**81,392**
Other	3,351	**4,206**
Allowance for doubtful accounts	(1,001)	**(1,077)**
Total investments and other assets	147,513	**166,689**
Total non-current assets	992,895	**1,041,518**
Total assets	1,602,386	**1,651,655**

(Millions of yen)

	As of June 30, 2026	As of September 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	213,580	**220,055**
Short-term borrowings	–	**11,810**
Current portion of long-term borrowings	32,998	**35,526**
Current portion of bonds payable	64,477	**64,100**
Accounts payable - other	57,887	**48,252**
Lease liabilities	3,437	**3,892**
Accrued expenses	33,334	**30,210**
Deposits received	11,476	**12,347**
Income taxes payable	30,798	**17,265**
Provision for point card certificates	1,571	**1,858**
Contract liabilities	19,144	**19,398**
Other	15,427	**17,220**
Total current liabilities	484,130	**481,934**
Non-current liabilities		
Bonds payable	136,000	**136,000**
Long-term borrowings	123,745	**136,011**
Lease liabilities	37,338	**36,364**
Asset retirement obligations	33,161	**37,598**
Other	51,586	**53,069**
Total non-current liabilities	381,831	**399,042**
Total liabilities	865,961	**880,976**
Net assets		
Shareholders' equity		
Share capital	23,738	**23,738**
Capital surplus	14,822	**24,562**
Retained earnings	715,296	**723,485**
Treasury shares	(79,293)	**(66,343)**
Total shareholders' equity	674,563	**705,442**
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,270	**7,661**
Foreign currency translation adjustment	24,433	**25,025**
Remeasurements of defined benefit plans	945	**912**
Total accumulated other comprehensive income	30,648	**33,598**
Share acquisition rights	1,834	**1,798**
Non-controlling interests	29,380	**29,842**
Total net assets	736,425	**770,680**
Total liabilities and net assets	1,602,386	**1,651,655**

(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income

Quarterly consolidated statements of income

(Millions of yen)

	Three months ended September 30, 2025	Three months ended September 30, 2026
Net sales	573,283	**649,283**
Cost of sales	391,263	**443,786**
Gross profit	182,020	**205,497**
Selling, general and administrative expenses	140,674	**161,388**
Operating income	41,346	**44,109**
Non-operating income		
Interest and dividend income	916	**857**
Share of profit of entities accounted for using equity method	198	**50**
Foreign exchange gains	682	**–**
Other	1,001	**998**
Total non-operating income	2,797	**1,905**
Non-operating expenses		
Interest expenses	1,553	**1,861**
Foreign exchange losses	–	**1,756**
Other	396	**203**
Total non-operating expenses	1,948	**3,821**
Ordinary profit	42,195	**42,193**
Extraordinary income		
Gain on sale of non-current assets	448	**1**
Gain on step acquisitions	362	**–**
Other	20	**36**
Total extraordinary income	830	**37**
Extraordinary losses		
Loss on retirement of non-current assets	167	**149**
Loss on store closings	140	**54**
Loss on disaster	1	**140**
Other	581	**4**
Total extraordinary losses	889	**348**
Profit before income taxes	42,136	**41,883**
Income taxes - current	10,979	**12,983**
Income taxes - deferred	2,282	**506**
Income taxes	13,262	**13,489**
Profit	28,874	**28,394**
Profit attributable to non-controlling interests	395	**764**
Profit attributable to owners of parent	28,479	**27,630**

Quarterly consolidated statements of comprehensive income

(Millions of yen)

	Three months ended September 30, 2025	Three months ended September 30, 2026
Profit	28,874	**28,394**
Other comprehensive income		
Valuation difference on available-for-sale securities	8	**2,282**
Foreign currency translation adjustment	(1,836)	**633**
Remeasurements of defined benefit plans, net of tax	(16)	**(41)**
Share of other comprehensive income of entities accounted for using equity method	(181)	-
Total other comprehensive income	(2,024)	**2,874**
Comprehensive income	26,850	**31,268**
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	26,825	**30,579**
Comprehensive income attributable to non-controlling interests	26	**689**

(3) Quarterly consolidated statements of cash flows

(Millions of yen)

	Three months ended September 30, 2025	Three months ended September 30, 2026
Cash flows from operating activities		
Profit before income taxes	42,136	**41,883**
Depreciation	12,949	**14,381**
Increase (decrease) in provisions	273	**326**
Interest and dividend income	(916)	**(857)**
Interest expenses on borrowings and bonds	1,553	**1,861**
Foreign exchange losses (gains)	(703)	**1,959**
Share of loss (profit) of entities accounted for using equity method	(198)	**(50)**
Loss (gain) on sale and retirement of non-current assets	(229)	**148**
Loss (gain) on step acquisitions	(362)	**–**
Decrease (increase) in trade receivables	814	**211**
Decrease (increase) in inventories	(3,252)	**2,354**
Increase (decrease) in trade payables	2,054	**(1,805)**
Decrease (increase) in accounts receivable – installment	1,302	**(301)**
Decrease (increase) in prepaid expenses	(1,367)	**(1,328)**
Increase (decrease) in accounts payable - other	(4,004)	**(2,924)**
Increase (decrease) in income taxes payable - factor based tax	(2,610)	**(2,265)**
Increase (decrease) in deposits received	125	**641**
Other, net	(4,545)	**(111)**
Subtotal	43,021	**54,123**
Interest and dividends received	862	**809**
Interest paid	(1,477)	**(1,858)**
Income taxes paid	(23,169)	**(24,352)**
Income taxes refund	1,003	**–**
Payments associated with disaster loss	(14)	**(91)**
Net cash provided by (used in) operating activities	20,225	**28,631**
Cash flows from investing activities		
Purchase of property, plant and equipment	(14,068)	**(14,105)**
Proceeds from sale of property, plant and equipment	1,485	**2**
Purchase of intangible assets	(4,891)	**(3,327)**
Decrease (increase) in time deposits	0	**(2,731)**
Payments of leasehold and guarantee deposits	(158)	**(129)**
Proceeds from refund of leasehold and guarantee deposits	281	**69**
Payment for store opening in progress	(265)	**(865)**
Other, net	(75)	**204**
Net cash provided by (used in) investing activities	(17,689)	**(20,882)**

(Millions of yen)

	Three months ended September 30, 2025	Three months ended September 30, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	12,000	**(2,131)**
Proceeds from long-term borrowings	–	**10,000**
Repayments of long-term borrowings	(27,277)	**(9,753)**
Redemption of bonds	(325)	**(377)**
Dividends paid	(15,529)	**(19,440)**
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(8,130)	**–**
Other, net	(547)	**(442)**
Net cash provided by (used in) financing activities	(39,808)	**(22,144)**
Effect of exchange rate change on cash and cash equivalents	87	**(1,728)**
Net increase (decrease) in cash and cash equivalents	(37,186)	**(16,123)**
Cash and cash equivalents at beginning of period	175,837	**218,505**
Increase (decrease) in cash and cash equivalents resulting from share exchanges	–	**3,337**
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	17,864	**–**
Cash and cash equivalents at end of period	156,515	**205,720**

(4) Notes to the quarterly consolidated financial statements

Notes on the going concern assumptions

Not applicable.

Notes on significant changes in the amount of shareholders' equity

On July 1, 2026, the Company conducted a share exchange with Olympic Group Corporation, under which the Company became the wholly owning parent company and Olympic Group Corporation became the wholly owned subsidiary in the share exchange, and disposed of 27,105,063 treasury shares. As a result of the share exchange, capital surplus increased by ¥10,455 million and treasury shares decreased by ¥11,527 million.

As a result, as of the end of the first quarter of the fiscal year ending June 30, 2027, capital surplus amounted to ¥24,562 million and treasury shares amounted to ¥66,343 million.

Significant changes in the scope of consolidation during the period under review

During the first quarter of the current fiscal year, the Company made Olympic Group Corporation a wholly owned subsidiary through a share exchange in which the Company became the wholly owning parent company and Olympic Group Corporation became the wholly owned subsidiary. Accordingly, Olympic Group Corporation and its 26 subsidiaries were included in the scope of consolidation.

Olympic Group Corporation is a specified subsidiary of the Company.

Business combination and related matters

Finalization of provisional accounting treatment for the business combination

The Group applied provisional accounting treatment to the business combination with Mikuni Restaurant Group, Inc. on April 1, 2025, during the first quarter of the previous fiscal year, and finalized such treatment during the third quarter of the previous fiscal year.

Following the 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 quarterly consolidated financial statements for the three-month period of the fiscal year under review.

As a result, in the quarterly consolidated statements of income for the first quarter of the previous fiscal year, operating income decreased by ¥2 million, ordinary profit, profit before income taxes and quarterly profit increased by ¥6 million, respectively, and profit attributable to owners of parent increased by ¥2 million.

Business combination through acquisition

(1) Overview of business combination

(i) Name and business description of the acquired company

Name of the acquired company: Olympic Group Corporation

Business description: Development of optimal management strategies for the Olympic Group as a whole, allocation of management resources, centralized management of administrative functions on behalf of Group companies, and management and operation of shopping centers, among others

(ii) Primary reasons for business combination

Olympic Group operates stores primarily in the Tokyo metropolitan area, providing opportunities to expand the Group's store network by converting existing stores to *Don Quijote*, *MEGA Don Quijote*, and other formats. It also provides a platform for area-wide expansion of the new *Robin Hood* format, particularly in the Kanto region, facilitating the launch of the new format and accelerating the pace of new store openings. In addition, the combination is expected to strengthen competitiveness in non-food categories by leveraging both groups' price competitiveness in food and daily necessities and Olympic Group companies' expertise in non-food categories.

(iii) Date of business combination

July 1, 2026

(iv) Legal form of business combination

A share exchange in which the Company became the wholly owning parent company and Olympic Group Corporation became the wholly owned subsidiary

(v) Names of the companies after the business combination

No change

(vi) Change in voting rights ratio

Percentage of voting rights acquired through the share exchange: 100%

(vii) Primary basis for determining the acquirer

The Company acquired 100% of the voting rights in Olympic Group Corporation through the share exchange.

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

From July 1, 2026 to September 30, 2026

(3) Share exchange ratio by class of shares, method of calculation, and number of shares to be delivered

(i) Share exchange ratio by class of shares

The Company delivered 1.18 shares of its common shares for each share of common shares of Olympic Group Corporation.

(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

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

Fees, commissions, and other payments to advisors ¥605 million

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

(i) Amount of goodwill recognized

¥9,058 million

The amount of goodwill was provisionally determined because the allocation of the acquisition cost had not been completed as of the end of the first quarter of the fiscal year ending June 30, 2027.

(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 11 years

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

	(Millions of yen)
Current assets	17,256
Non-current assets	43,599
Total assets	60,856
Current liabilities	31,838
Non-current liabilities	16,094
Total liabilities	47,932

Notes on segment information and related disclosures

Segment information

I. Three-month period ended September 30, 2025 (July 1, 2025 to September 30, 2025)

1. Information on net sales and profit or loss by reportable segment

(Millions of yen)

	Reportable segments				Adjustment	Amount recorded in quarterly consolidated statements of income
	Domestic Business	North America Business	Asia Business	Total		
Net sales						
Sales to external customers	487,081	64,126	22,076	573,283	–	573,283
Intersegment sales or transfers	3,199	–	60	3,258	(3,258)	–
Total	490,279	64,126	22,135	576,541	(3,258)	573,283
Segment profit	40,582	79	685	41,346	–	41,346

Note: Segment profit corresponds to operating income in the quarterly consolidated statements of income.

2. Information on impairment losses on property, plant and equipment and on goodwill by reportable segment

Significant impairment losses on property, plant and equipment

Not applicable.

Significant changes in goodwill

During the first quarter of the previous fiscal year, the amount of goodwill increased by ¥1,699 million in the Domestic Business segment as a result of the inclusion of Kanemi Co., Ltd. in the scope of consolidation.

Significant gains on bargain purchase

Not applicable.

II. Three-month period ended September 30, 2026 (July 1, 2026 to September 30, 2026)

1. Information on net sales and profit or loss by reportable segment

(Millions of yen)

	Reportable segments				Adjustment	Amount recorded in quarterly consolidated statements of income
	Domestic Business	North America Business	Asia Business	Total		
Net sales						
Sales to external customers	553,797	70,196	25,290	649,283	–	649,283
Intersegment sales or transfers	3,779	–	107	3,886	(3,886)	–
Total	557,577	70,196	25,396	653,169	(3,886)	649,283
Segment profit	42,192	431	1,486	44,109	–	44,109

Notes 1. Segment profit corresponds to operating income in the quarterly consolidated statements of income.
2. Segment information for the first quarter of the previous fiscal year is presented based on amounts reflecting a significant revision to the initial allocation of acquisition cost following the finalization of the provisional accounting treatment described in *Notes – Business combination and related matters*.

2. Information on impairment losses on property, plant and equipment and on goodwill by reportable segment

Significant impairment losses on property, plant and equipment
Not applicable.

Significant changes in goodwill
During the first quarter of the fiscal year ending June 30, 2027, the amount of goodwill increased by ¥9,058 million in the Domestic Business segment as a result of the acquisition of all shares of Olympic Group Corporation through a share exchange and its inclusion in the scope of consolidation. The amount of goodwill was provisionally determined because the allocation of the acquisition cost had not been completed as of the end of the first quarter of the fiscal year ending June 30, 2027.

Significant gains on bargain purchase
Not applicable.

Significant subsequent events
Acquisition of business by a consolidated subsidiary

The Company and its wholly owned subsidiary, Operation Shared Service Co., Ltd., entered into a business transfer agreement serving as a sponsorship agreement (the "Sponsorship Agreement") with Toys"R"Us-Japan, Ltd., which filed a petition with the Tokyo District Court for the commencement of civil rehabilitation proceedings on October 1, 2026. Under the Sponsorship Agreement, Operation Shared Service Co., Ltd. acquired all businesses operated by Toys"R"Us-Japan, Ltd. on October 30, 2026.

(1) Overview of the business transfer

(i) Name and business description of the business transferor
Name of the business transferor: Toys"R"Us-Japan, Ltd.
Business description: Retail sales of toys, baby goods, and other merchandise

(ii) Primary reasons for acquiring the business through a business transfer
Toys"R"Us-Japan, Ltd. is a specialty retailer of toys and baby goods, serving a broad customer base ranging from infants and children to families. It has built extensive expertise in these categories and operates a nationwide store network in Japan. The Company believes that the business transfer will provide access to Toys"R"Us-Japan, Ltd.'s established customer base and retail platform in Japan, creating opportunities to reach new customer segments, expand into new business areas, and increase lifetime value (LTV), thereby contributing to the Group's sustainable growth.

(iii) Date of the business transfer
October 30, 2026

(iv) Legal form of the business transfer
Business transfer for cash consideration

(2) Acquisition cost of the transferred business and breakdown of consideration by type
Not determined at this time.

(3) Amount of goodwill to be recognized, reasons for recognition, amortization methods and periods
Not determined at this time.

(4) Amounts of assets acquired and liabilities assumed at the business transfer date and their major components
Not determined at this time.

Independent Auditor's Review Report on Quarterly Consolidated Financial Statements

November 12, 2026

The Board of Directors
Pan Pacific International Holdings Corporation

UHY Tokyo & Co.
Shinagawa-ku, Tokyo

Nobuyuki Hara
Certified Public Accountant
Designated and Engagement Partner

Hikoichi Inoue
Certified Public Accountant
Designated and Engagement Partner

Akira Yasukouchi
Certified Public Accountant
Designated and Engagement Partner

Auditor's Conclusion

We have reviewed the quarterly consolidated financial statements of Pan Pacific International Holdings Corporation (the "Company") for the three-month period from July 1, 2026 to September 30, 2026 and for the three-month period from July 1, 2026 to September 30, 2026 of the fiscal year under review, which are included in the Attachments of the Quarterly Consolidated Financial Results. These quarterly financial statements comprise the quarterly consolidated balance sheets, the quarterly consolidated statements of income and comprehensive income, the quarterly consolidated statements of cash flows, and notes thereto.

Based on the interim review conducted by our audit firm, nothing has come to our attention that causes us to believe that the above-mentioned quarterly consolidated financial statements are not prepared, in all material respects, in accordance with Article 4, Paragraph 1 of the Standards for the Preparation of Quarterly Financial Statements, etc. prescribed by the Tokyo Stock Exchange and with accounting standards generally accepted in Japan for quarterly financial statements; provided that the omission of certain disclosures prescribed in Article 4, paragraph 2 of the Standards for the Preparation of Quarterly Financial Statements, etc. has been applied.

Basis for Conclusion

We conducted our interim review in accordance with standards for interim review generally accepted in Japan. Our responsibilities under these standards are further described in the Auditor's Responsibility for the Interim Review of the Quarterly Consolidated Financial Statements section of this report. We are independent of the Company and its consolidated subsidiaries in accordance with the provisions of the Code of Professional Ethics in Japan, including those applicable to audits of financial statements of entities with significant public interest, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe we have obtained sufficient and appropriate evidence to provide a basis for our conclusion.

Emphasis of Matter

As described in *Significant subsequent events*, the Company and its consolidated subsidiary, Operation Shared Services Co., Ltd., entered into a business transfer agreement with Toys"R"Us-Japan, Ltd. on October 1, 2026, as a sponsorship agreement. Pursuant to the agreement, Operation Shared Services Co., Ltd. acquired all businesses operated by Toys"R"Us-Japan, Ltd. on October 30, 2026.

This matter does not affect our conclusion.

Responsibilities of Management and the Audit & Supervisory Committee for the Quarterly Consolidated Financial Statements

Management is responsible for the preparation of the quarterly consolidated financial statements in accordance with Article 4, Paragraph 1 of the Standards for the Preparation of Quarterly Financial Statements, etc. prescribed by the Tokyo Stock Exchange and accounting standards for quarterly financial statements that are generally accepted in Japan; provided that the omission of certain disclosures as stipulated in Article 4, paragraph 2 of the Standards for the Preparation of Quarterly Financial Statements, etc. has been applied. These responsibilities include designing and operating internal controls that management determines necessary to enable the preparation of quarterly consolidated financial statements free from material misstatement, whether due to fraud or error.

In preparing the quarterly consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the quarterly consolidated financial statements based on the going concern assumption, and for disclosing matters related to going concern, if such disclosure is required, in accordance with Article 4, Paragraph 1 of the Standards for the Preparation of Quarterly Financial Statements, etc. prescribed by the Tokyo Stock Exchange, Inc. and accounting standards for quarterly financial statements that are generally accepted in Japan; provided that the omission of certain disclosures as stipulated in Article 4, Paragraph 2 of the Standards for the Preparation of Quarterly Financial Statements, etc. has been applied.

The responsibility of the Audit & Supervisory Committee is to monitor the execution of duties by directors with respect to the design and operation of the financial reporting process.

Auditor's Responsibility for the Interim Review of the Quarterly Consolidated Financial Statements

The auditor's responsibility is to express a conclusion on the quarterly consolidated financial statements from an independent standpoint in the interim review report, based on the interim review performed by the auditor.

The auditor conducts the interim review in accordance with interim review standards that are generally accepted in Japan. Throughout the interim review process, the auditor exercises professional judgment and maintains professional skepticism in performing the following procedures:

- The auditor performs inquiries of management and persons responsible for financial and accounting matters, analytical procedures, and other interim review procedures. Interim review procedures are less in scope than an audit of annual financial statements conducted in accordance with auditing standards generally accepted in Japan.
- With respect to matters related to the going concern assumption, if the auditor concludes that a material uncertainty exists related to events or conditions that may cast material doubt on the Company's ability to continue as a going concern, the auditor concludes, based on the evidence obtained, whether there are any matters that lead the auditor to believe that the quarterly consolidated financial statements have not been prepared in accordance with Article 4, Paragraph 1 of the Standards for the Preparation of Quarterly Financial Statements, etc. prescribed by the Tokyo Stock Exchange, Inc. and accounting standards for quarterly financial statements that are generally accepted in Japan; provided that the omission of certain disclosures as stipulated in Article 4, Paragraph 2 of the Standards for the Preparation of Quarterly Financial Statements, etc. has been applied. If a material uncertainty related to going concern exists, the auditor is required to draw attention in the interim review report to the related note disclosures in the quarterly consolidated financial statements, or, if such disclosures are inadequate, to express a qualified conclusion or an adverse conclusion on the quarterly consolidated financial statements. The auditor's conclusion is based on the evidence obtained up to the date of the interim review report; however, future events or conditions may cause the Company to cease to continue as a going concern.
- The auditor evaluates whether there are any matters that lead the auditor to believe that the presentation and note disclosures of the quarterly consolidated financial statements have not been prepared in accordance with Article 4, Paragraph 1 of the Standards for the Preparation of

Quarterly Financial Statements, etc. prescribed by the Tokyo Stock Exchange, Inc. and accounting standards for quarterly financial statements that are generally accepted in Japan; provided that the omission of certain disclosures as stipulated in Article 4, Paragraph 2 of the Standards for the Preparation of Quarterly Financial Statements, etc. has been applied.

- The auditor obtains evidence regarding the financial information of the Company and its consolidated subsidiaries to provide a basis for expressing a conclusion on the quarterly consolidated financial statements. The auditor is responsible for directing, supervising, and reviewing the interim review of the quarterly consolidated financial statements. Responsibility for the auditor's conclusion rests solely with the auditor.

The auditor reports to the Audit & Supervisory Committee regarding the planned scope and timing of the interim review, as well as material findings arising from the interim review.

The auditor reports to the Audit & Supervisory Committee that the auditor has complied with relevant ethical requirements regarding independence in Japan. The auditor also reports to the Audit & Supervisory Committee the relationships and other matters that may reasonably be thought to bear on the auditor's independence and, where applicable, the related safeguards applied to eliminate threats to independence or reduce such threats to an acceptable level.

Conflicts of Interest

Neither the Company nor its consolidated subsidiaries have any interests that are required to be disclosed under the Certified Public Accountants Act in relation to the audit firm or the engagement partners.

Notes: 1. The original of the above interim review report is retained separately by the Company that discloses quarterly financial results materials.

2. The XBRL data and HTML data are not subject to the interim review.