

Six Months Ended August 31, 2025

PAL GROUP HOLDINGS

Materials for Financial Results Briefing

October 10, 2025

PAL GROUP Holdings CO., LTD.

Securities code: 2726

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Management dedicated to the happiness of all employees
and shareholders



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Financial Report

Review of Financial Results
for the Six Months Ended August 31, 2025

Full-year Financial Results Forecast
for the Fiscal Year Ending February 28, 2026



Review on the first half of the fiscal year

● Prices in Japan have continued trending upward, particularly for food products, while positive growth in real wages has remained elusive. Although consumer spending was generally lackluster, the Company has put sales back on a growth track since 2Q, including sales by existing stores. This was partly because the impact of last year’s server failure has ended. Forex effects were stable for the most part, with some instances of the yen rising against the US dollar.

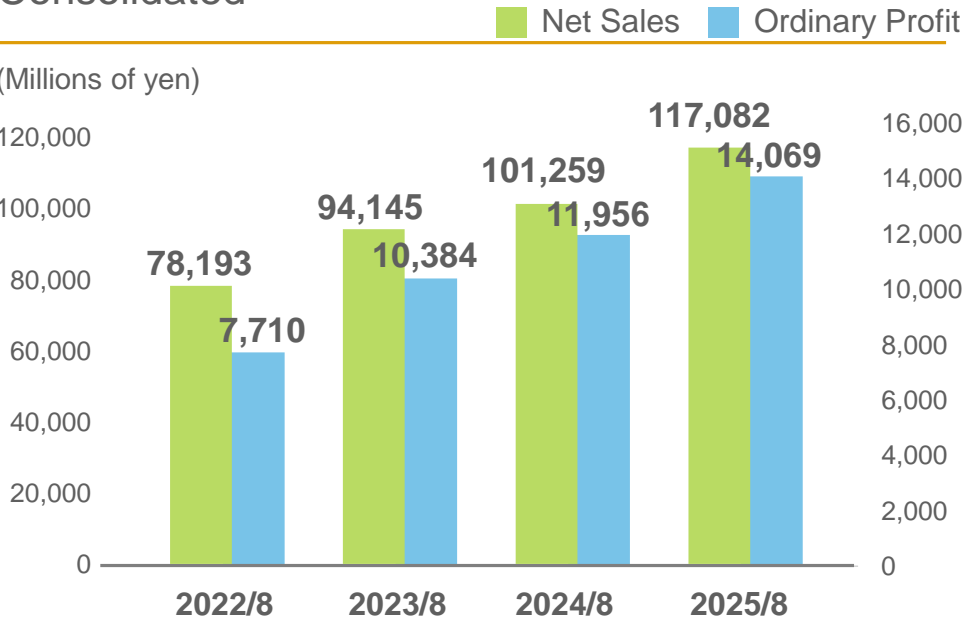
Net sales

In the Apparel Business, sales of town brands (dress-up brands) were boosted with the continuation of last year’s fashion trends, and E-commerce (EC) sales continued to post double-digit growth. In addition, the Group’s performance was further boosted by the addition of sales by NOLLEY’S, which was converted to a consolidated subsidiary. The Miscellaneous Goods/Accessories Business posted record-high consolidated net sales for the first half of the fiscal year, with 3COINS’ continued strong momentum producing double-digit growth year on year.

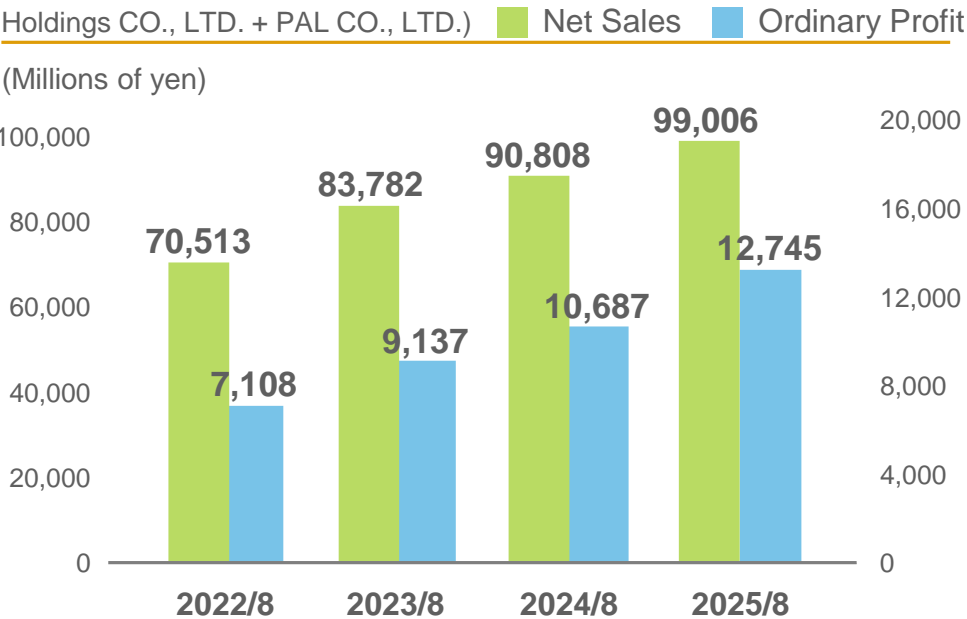
Profit

The Miscellaneous Goods/Accessories Business significantly improved its gross profit margin year on year, which was buoyed by proactive launch of new products priced above 300 yen. The Apparel Business grew its operating profit with rising net sales and achieved its highest consolidated ordinary profit ever in the first half of the fiscal year.

Consolidated



Non-consolidated (PAL GROUP



Consolidated Statements of Income of PAL GROUP Holdings CO., LTD. for the Six Months Ended August 31, 2025

PAL GROUP HOLDINGS

(Millions of yen)

	Six months ended August 31, 2023	Six months ended August 31, 2024	Six months ended August 31, 2025			
			Forecast	Actual results		
					Changes from the previous corresponding period	Compared to forecast
Net Sales	94,145	101,259	113,500	117,082	115.6%	103.2%
Gross profit	52,327	56,673	63,700	66,874	118.0%	105.0%
(% of net sales)	55.6%	56.0%	56.1%	57.1%	1.1%	1.0%
Operating profit	10,299	11,806	12,700	14,095	119.4%	111.0%
(% of net sales)	10.9%	11.7%	11.2%	12.0%	0.3%	0.8%
Ordinary profit	10,384	11,956	12,700	14,069	117.7%	110.8%
(% of net sales)	11.0%	11.8%	11.2%	12.0%	0.2%	0.8%
Profit attributable to owners of parent	7,001	7,668	8,130	9,186	119.8%	113.0%
(% of net sales)	7.4%	7.6%	7.2%	7.8%	0.2%	0.6%

- 1H net sales were 115.6% year on year, boosted by sales by NOLLEY'S, which was converted into a consolidated subsidiary, and the solid performance of the Miscellaneous Goods/Accessories Business.
- 1H operating profit significantly exceeded the initial forecast by 119.4% year on year. This was primarily due to the expansion of gross profit margin for products priced above 300 yen in the 3COINS business.

Non-consolidated Statements of Income of PAL GROUP Holdings CO., LTD.^{PAL GROUP HOLDINGS} and PAL CO., LTD. for the Six Months Ended August 31, 2025

(Millions of yen)

	Six months ended August 31, 2023	Six months ended August 31, 2024	Six months ended August 31, 2025	
			Actual results	
				Changes from the previous corresponding period
Net Sales	83,782	90,808	99,006	109.0%
Gross profit	46,533	50,889	57,110	112.2%
(% of net sales)	55.5%	56.0%	57.7%	1.7%
Operating profit	9,166	10,680	12,760	119.5%
(% of net sales)	10.9%	11.8%	12.9%	1.1%
Ordinary profit	9,137	10,687	12,746	119.3%
(% of net sales)	10.9%	11.8%	12.9%	1.1%
Profit	6,623	7,921	9,636	121.7%
(% of net sales)	7.9%	8.7%	9.7%	1.0%

- In the Apparel Business, town brands (dress-up brands) posted strong sales with the continuation of last year's fashion trends, and EC sales recorded double-digit growth. As a result, both net sales and profit rose for this segment.
- The 3COINS business dramatically improved its gross profit margin by continuing to open new 3COINS+plus large-scale stores and by setting value-added-based prices for new products priced above 300 yen. These initiatives enabled the brand to significantly grow net sales and operating profit.

Financial Situation of NICE CLAUP Co., LTD. for the Six Months Ended August 31, 2025

PAL GROUP HOLDINGS

(Millions of yen)

	Six months ended August 31, 2023	Six months ended August 31, 2024	Six months ended August 31, 2025	Changes from the previous fiscal year
Net Sales	8,526	8,352	10,679	127.9%
Operating profit	862	824	876	106.3%
Ordinary profit	864	826	875	105.9%
Profit	552	520	572	110.0%

- For the six months ended August 31, 2025, net sales significantly grew by 127.9% year on year. This growth was largely the contribution of BIRTHDAY BAR, a brand of gift miscellaneous goods that was acquired through an absorption-type merger in this term. Even if the contribution of BIRTHDAY BAR is excluded, net sales were 107% year on year, which still represents solid growth. The core brand, “one after another NICECLAUP,” regained its footing and achieved a solid performance in sales by existing stores, which were 111% year on year.
- The number of social media followers, one of our focus business metrics, has been rising steadily. The company-wide total number of followers grew from 2.42 million to 2.85 million, an increase of 430,000. The net sales of EC linked with our socials were 4.1 billion yen, representing 109% year on year.
- Nine new stores were opened, while seven existing stores were closed, a net gain of two stores that brought the current total to 129.
The market’s growing demand for gift miscellaneous goods is driving the rapid influx of requests for BIRTHDAY BAR openings.
We will seek to scale up the company’s brands by pursuing new openings for mainly the strong performers.
- Going forward, we will work to further grow sales by expanding BIRTHDAY BAR, launching new brands, and increasing store size.

Overview of Sales Results and E-commerce Net Sales by Segment

PAL GROUP HOLDINGS

(Millions of yen)

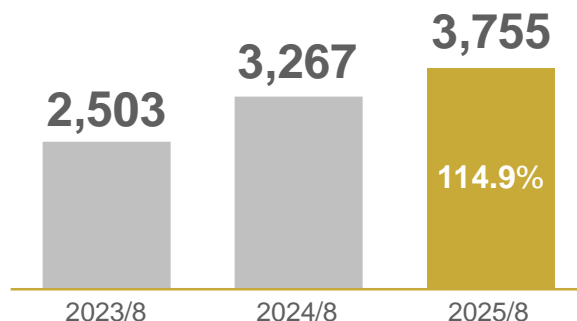
		Six months ended August 31, 2023	Six months ended August 31, 2024	Six months ended August 31, 2025	Changes from the previous corresponding period
Apparel					
	Net Sales	57,673	59,857	70,581	117.9%
	Composition %	61.3%	59.2%	60.3%	1.1%
	Operating profit	8,504	8,649	8,947	103.4%
	Operating profit %	14.7%	14.4%	12.7%	(1.7)%
Miscellaneous Goods/Accessories					
	Net Sales	36,375	41,244	46,279	112.3%
	Composition %	38.6%	40.8%	39.5%	(1.3)%
	Operating profit	1,784	3,173	5,137	161.9%
	Operating profit %	4.9%	7.7%	11.1%	3.4%
Other					
	Net Sales	96	157	222	141.4%
		Six months ended August 31, 2023	Six months ended August 31, 2024	Six months ended August 31, 2025	Changes from the previous corresponding period
E-commerce net sales					
	ZOZO TOWN	11,390	11,772	13,677	116.2%
	PAL CLOSET (Our online store)	9,211	10,905	12,208	112.0%
	Other	2,104	2,373	3,363	141.7%
	Total	22,705	25,049	29,247	116.8%
	Ratio to apparel net sales	39.4%	41.8%	41.4%	(0.4)P

- The Miscellaneous Goods/Accessories Business expanded both sales and profits and recorded its highest operating profit margin ever, 11.1%. 3COINS's first shop in Hong Kong posted the top sales of all stores from the period from its opening in July to the end of August, marking a successful launch that exceeded expectations.
- EC net sales steadily grew, ending at 116.8% year on year, and app membership climbed to 12.41 million with a gain of 960,000 from the end of the previous fiscal year.

Main Brands

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Net Sales (Millions of yen)



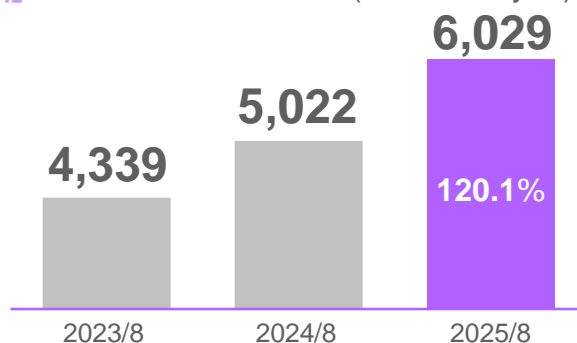
BEARDSLEY

A commitment to comfortable forms and materials.
Embroidery and original prints that lend a whimsical touch of handcrafting.
A unique worldview.
Seasonal themes of crafting inspired by words symbolizing images.
We present a collection that invites you to read one story after another.

BEARDSLEY 19 stores



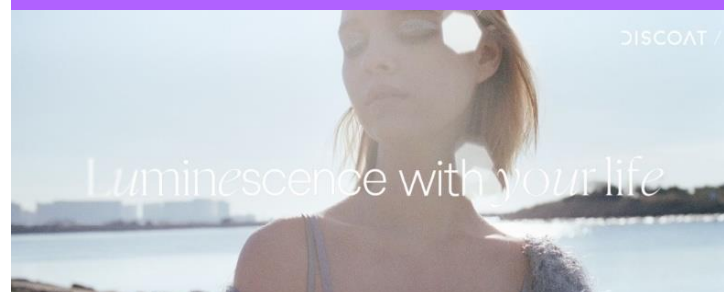
Net Sales (Millions of yen)



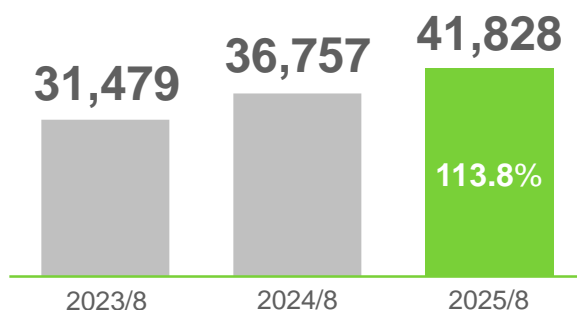
DISCOAT /

“with your life”
The tangible and intangible things that enrich your lifestyle.
We offer “French casual meets vintage” fashion that enables you to enjoy trends in your own way, and lifestyle items that update your everyday.

Discoat 45 stores



Net Sales (Millions of yen)



3COINS

We have a wide range of products from basic lifestyle goods to goods for interior space design and products with intriguing designs. 3COINS, a miscellaneous goods store where there are always new discoveries whenever you visit, promises to bring you a spark of excitement every time. We offer a wide variety of 300-yen goods, everything from lifestyle goods to interior goods, fashion accessories, mobile items, kids' items and more.

3COINS 362 stores



Selling, General and Administrative Expenses

PAL GROUP HOLDINGS

	(Millions of yen)			
	Six months ended August 31, 2023	Six months ended August 31, 2024	Six months ended August 31, 2025	Changes from the previous corresponding period
Non-consolidated PAL GROUP Holdings CO., LTD. + PAL CO., LTD.	37,367	40,209	44,350	110.3%
Consolidated	42,027	44,866	52,778	117.6%
SG&A ratio (consolidated)	44.6%	44.3%	45.1%	0.8P
Personnel expenses ratio	16.3%	16.3%	16.7%	0.4P
Rent expenses ratio	11.6%	11.3%	11.2%	(0.1)P
Advertising expenses ratio	1.0%	0.9%	1.0%	0.1P

- The SG&A ratio rose by 0.8 points year on year.
- The personnel expenses ratio went up by 0.4 points due to an increase in the provision for bonuses scheduled to be provided in December that was made in the first quarter to reflect our strong sales performance.
- Efforts to firmly control rent and advertising expenses enabled us to keep their ratios on par with the previous fiscal year's levels.

Number of Stores in Japan

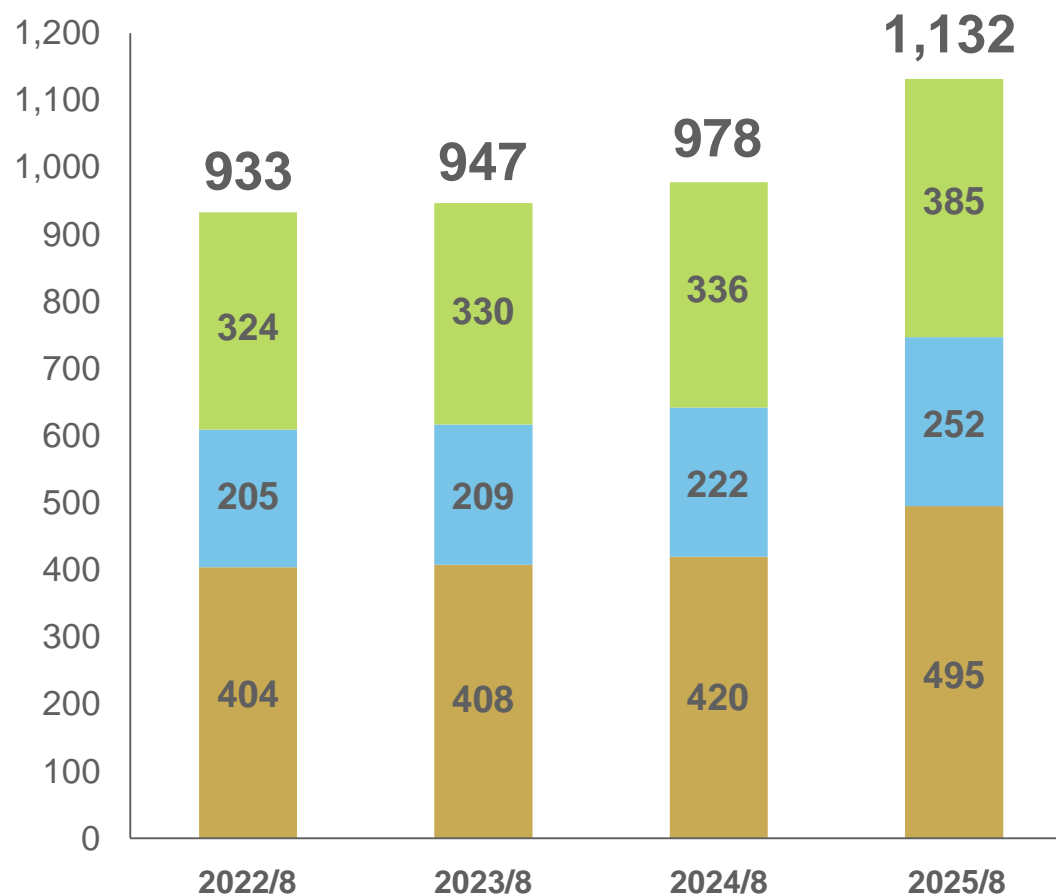
PAL GROUP HOLDINGS

Number of stores

as of August 31, 2025: 1,132

(+54 compared to the end of the previous fiscal year)

- Other regions
- Kansai region
- Kanto region



● Status of opening/closing stores

In the first half, the number of stores increased by 54 from the end of the previous fiscal year as a result of opening 68 new stores and closing 14 stores.

In the Apparel Business, we opened 48 stores and closed 14 stores, resulting in a net increase of 34 stores. In the Miscellaneous Goods/Accessories Business, we opened 20 stores and closed none, resulting in a net increase of 20 stores.

● Store openings by each brand

The Apparel Business opened 17 LOCUST and 4 Discoat stores, as well as 27 other stores, actively pursuing LOCUST openings as an off-price shop. The Miscellaneous Goods/Accessories Business opened 18 3COINS stores and two other stores while closing none, making for a net addition of 20 stores. Also, two 3COINS stores were opened overseas, one each in Hong Kong and Malaysia, but these are not included in the total above.

Extraordinary Income or Losses

PAL GROUP HOLDINGS

(Millions of yen)

	Six months ended August 31, 2023	Six months ended August 31, 2024	Six months ended August 31, 2025
Subsidy income	—	220	—
Total extraordinary income	—	220	—
Loss on tax purpose reduction entry of non-current assets	—	220	—
Loss on retirement of non-current assets	90	45	3
Impairment losses	143	219	131
Total extraordinary losses	233	484	135

- Store openings/closings have proceeded at a steady pace, and impairment losses are slightly lower than usual.

Consolidated Balance Sheets

PAL GROUP HOLDINGS

(Millions of yen)

	As of February 29, 2024	As of February 28, 2025	As of August 31, 2025	Changes from the end of the previous fiscal year	Remarks
Current assets	96,692	114,287	125,592	11,305	
Cash and deposits	67,228	85,715	90,544	4,829	
Accounts receivable - trade	10,374	10,473	14,955	4,483	
Inventories	16,523	16,743	18,991	2,248	
Other	2,565	1,358	1,100	(258)	
Non-current assets	30,230	33,642	34,937	1,295	
Property, plant and equipment	10,905	12,965	13,829	864	
Intangible assets	393	816	724	(92)	
Investments and other assets	18,931	19,861	20,416	555	
Total assets	126,922	147,929	160,563	12,634	
Current liabilities	45,023	50,586	63,458	12,872	
Non-current liabilities	18,453	23,989	19,752	(4,237)	Provision for retirement benefits for directors (and other officers) (3,722)
Total liabilities	63,477	74,576	83,211	8,635	
Total net assets	63,444	73,353	77,352	3,999	
Total liabilities and net assets	126,922	147,929	160,563	12,634	

Consolidated Statements of Cash Flows

PAL GROUP HOLDINGS

(Millions of yen)

	Six months ended August 31, 2023	Six months ended August 31, 2024	Six months ended August 31, 2025
Cash flows from operating activities	5,525	17,398	12,910
Cash flows from investing activities	(2,336)	(2,386)	(2,129)
Cash flows from financing activities	(5,130)	(3,912)	(5,927)
Net increase (decrease) in cash and cash equivalents	(1,941)	11,100	4,829
Cash and cash equivalents at beginning of period	63,845	67,228	85,715
Cash and cash equivalents at end of period	61,903	78,329	90,544

Consolidated and Non-consolidated Full-year Financial Results Forecast of PAL GROUP Holdings CO., LTD. + PAL CO., LTD. for the Fiscal Year Ending February 28, 2026

PAL GROUP HOLDINGS

(Millions of yen)

1. Consolidated

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024	Fiscal year ended February 28, 2025	First half ended August 31, 2025	Second half ending February 28, 2026	Fiscal year ending February 28, 2026	Changes from the previous fiscal year
Net sales	164,482	192,544	207,825	113,500	117,500	231,000	111.2%
Gross profit	90,221	106,283	116,256	63,700	66,100	129,800	111.7%
SG&A expenses	74,399	87,677	92,599	51,000	52,400	103,400	111.7%
Operating profit	15,822	18,605	23,656	12,700	13,700	26,400	111.6%
Ordinary profit	16,061	18,839	23,929	12,700	13,700	26,400	110.3%
Extraordinary income or losses	(831)	(600)	(3,763)	(300)	(400)	(700)	18.7%
Profit attributable to owners of parent	9,955	12,845	11,848	8,130	8,720	16,850	142.2%
Gross profit ratio	54.9%	55.2%	55.9%	56.1%	56.3%	56.2%	0.3P

2. Non-consolidated

(PAL GROUP Holdings CO., LTD.
+ PAL CO., LTD.)

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024	Fiscal year ended February 28, 2025	Fiscal year ending February 28, 2026	Changes from the previous fiscal year
Net sales	145,816	172,051	182,632	195,000	106.8%
Gross profit	80,383	95,038	102,609	110,200	107.4%
SG&A expenses	65,853	78,310	81,325	87,000	107.0%
Operating profit	14,529	16,728	21,284	23,200	109.0%
Ordinary profit	14,600	16,696	21,309	23,200	108.9%
Extraordinary income or losses	(826)	(464)	(3,530)	(500)	14.2%
Profit	9,316	11,826	11,630	14,900	128.1%
Gross profit ratio	55.1%	55.2%	56.2%	56.5%	0.3P

- Increases in net sales and profit are expected due to the effect of boosting net sales and profit with M&A of NOLLEY's and other companies, a reactionary rise arising from a decline in net sales caused by the server failure in the previous fiscal year, calming down of foreign exchange rates, and continued effects of containing SG&A expenses.

Premises for Full-year Financial Results Forecast for the Fiscal Year Ending February 28, 2026

PAL GROUP HOLDINGS

1. Number of stores

	Fiscal year ended February 29, 2024	Fiscal year ended February 28, 2025	As of August 31, 2025	Fiscal year ending February 28, 2026 Forecast
Number of new stores	80	163	68	108
Number of closed stores	58	34	14	41
Net increase in number of stores	22	129	54	67
Number of stores at the end of the period	949	1,078	1,132	1,145

2. Sales at existing stores

(Total for the PAL Group companies)

	Fiscal year ended February 29, 2024	Fiscal year ended February 28, 2025	First half ended August 31, 2025 Actual results	Second half ending February 28, 2026 Forecast	Fiscal year ending February 28, 2026 Forecast
Sales at existing stores	111.1	100.4	102.5	107.5	105.0
Of which, sales at existing retail stores	106.6	97.6	100.0	101.0	100.5
Of which, sales at existing stores via internet	124.6	105.8	111.7	114.7	113.2

	March 2024	March 2025	April	May	June	July	August
Sales at existing stores	103.5	101.7	99.7	100.1	104.9	104.4	104.1
Of which, sales at existing retail stores	98.1	99.5	95.6	97.7	102.4	102.4	102.0
Of which, sales at existing stores via internet	117.6	114.7	112.3	106.2	111.6	111.6	114.3

3. Sales at all stores

	March 2024	March 2025	April	May	June	July	August	First half total
Sales at all stores	111.8	115.4	112.0	114.2	115.4	117.5	117.0	115.6
Of which, E-commerce	121.1	118.3	117.0	112.7	117.4	118.8	116.2	116.8

4. Number of customers and average spending per customer

	Average spending per customer compared to the fiscal year ended February 28, 2025 (Accumulated figure for the first half)	Number of customers compared to the fiscal year ended February 28, 2025 (Accumulated figure for the first half)
Apparel Business	102.8%	100.7%
Miscellaneous Goods/Accessories Business	109.3%	103.1%
Overall	105.4%	102.8%

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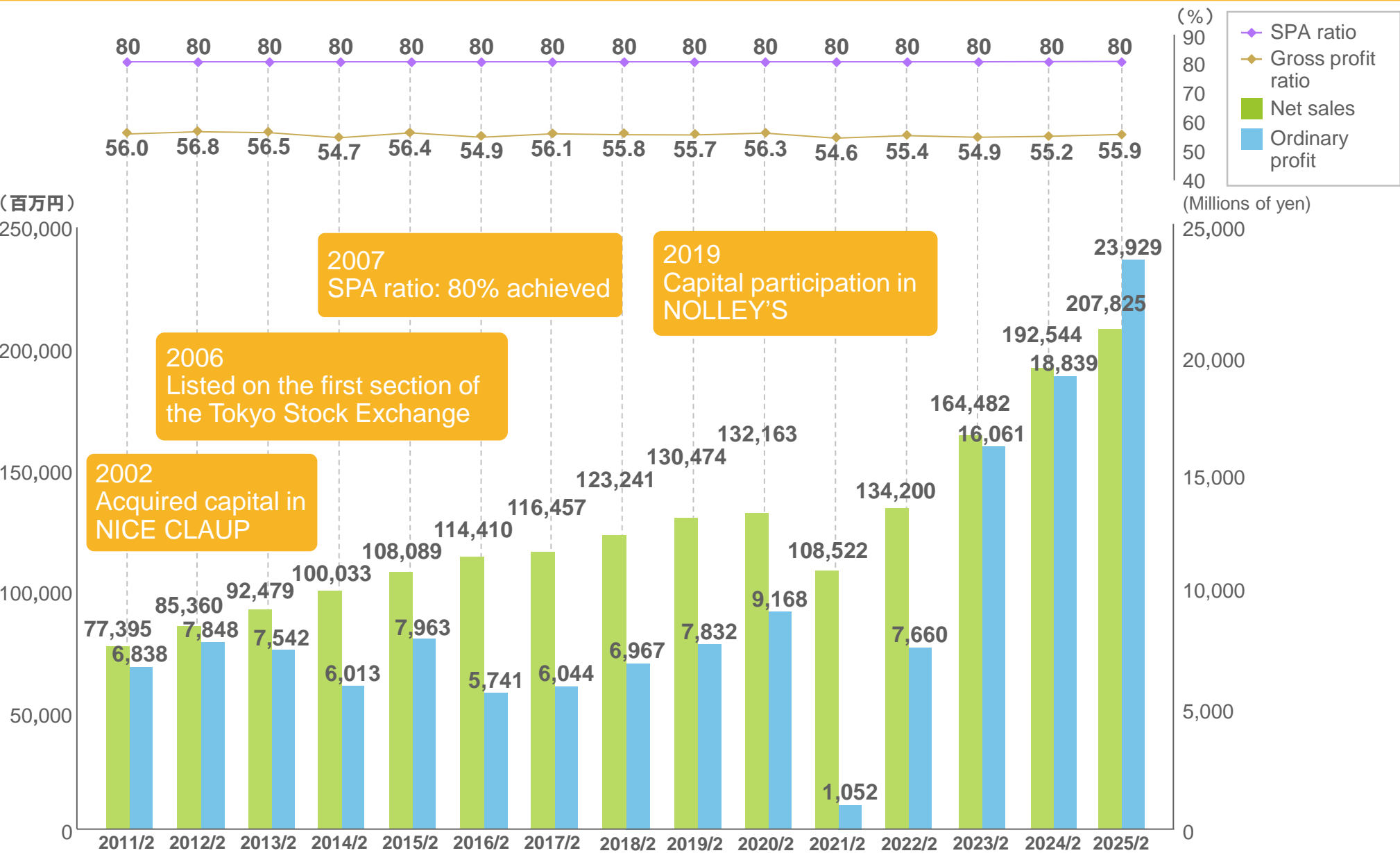
Management Vision

Business Results Trend
Medium- to Long-term Vision



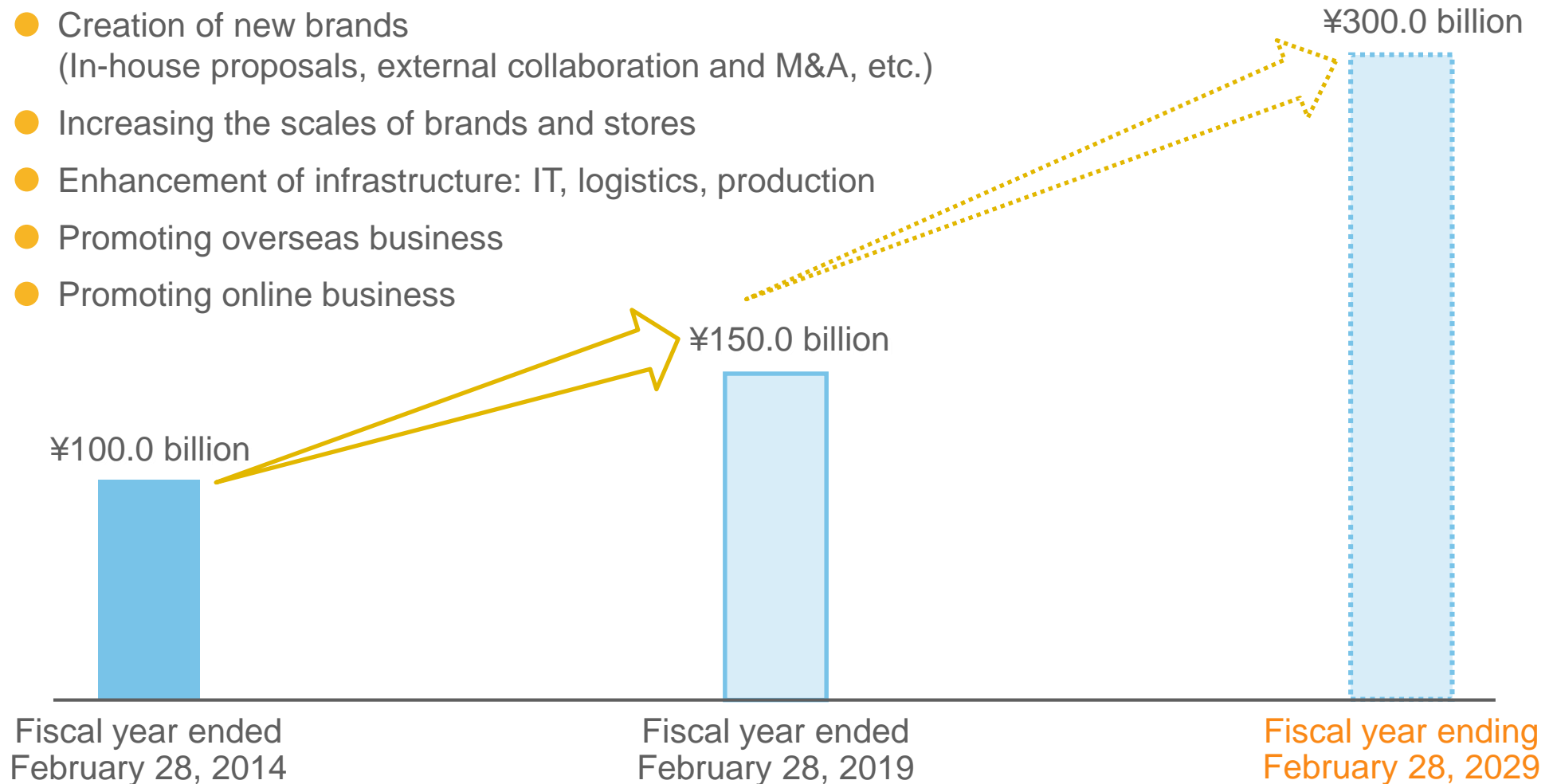
Business Results Trend

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Business strategies

- Further penetration of “PAL-style” management to Group companies: transition to a holding company structure
- Creation of new brands
(In-house proposals, external collaboration and M&A, etc.)
- Increasing the scales of brands and stores
- Enhancement of infrastructure: IT, logistics, production
- Promoting overseas business
- Promoting online business



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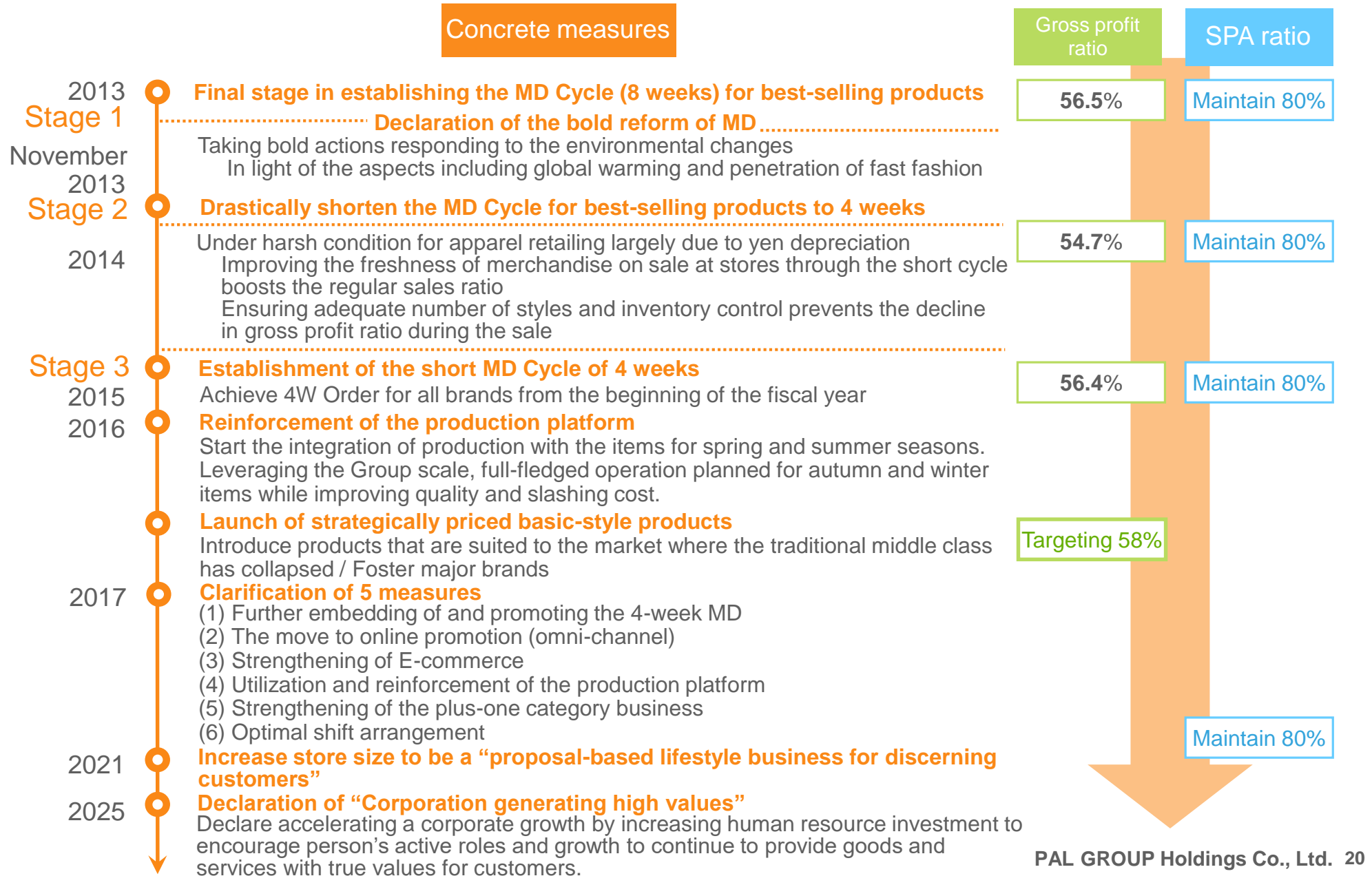
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Topics

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1. Progress of the Reform of MD
 2. Enhancement of E-Commerce Sales
 - 1). Trend in EC net sales
 - 2). Trend in PAL App membership
 3. Initiative for Sustainability
 - 1). Supporting community revitalization through Corporate Furusato Nozei (Hometown Tax) program
 - 2). Investing in our people: Overseas training trip for honored employees
 4. Opening of first 3COINS shops in Hong Kong and Malaysia
 5. PAL GROUP Holdings is now one of the JPX Prime 150



2. Progress of the Reform of MD



2-1). Trend in EC net sales

* Figures for the fiscal year ended February 28, 2023 and beyond reflect the application of the "Accounting Standard for Revenue Recognition"

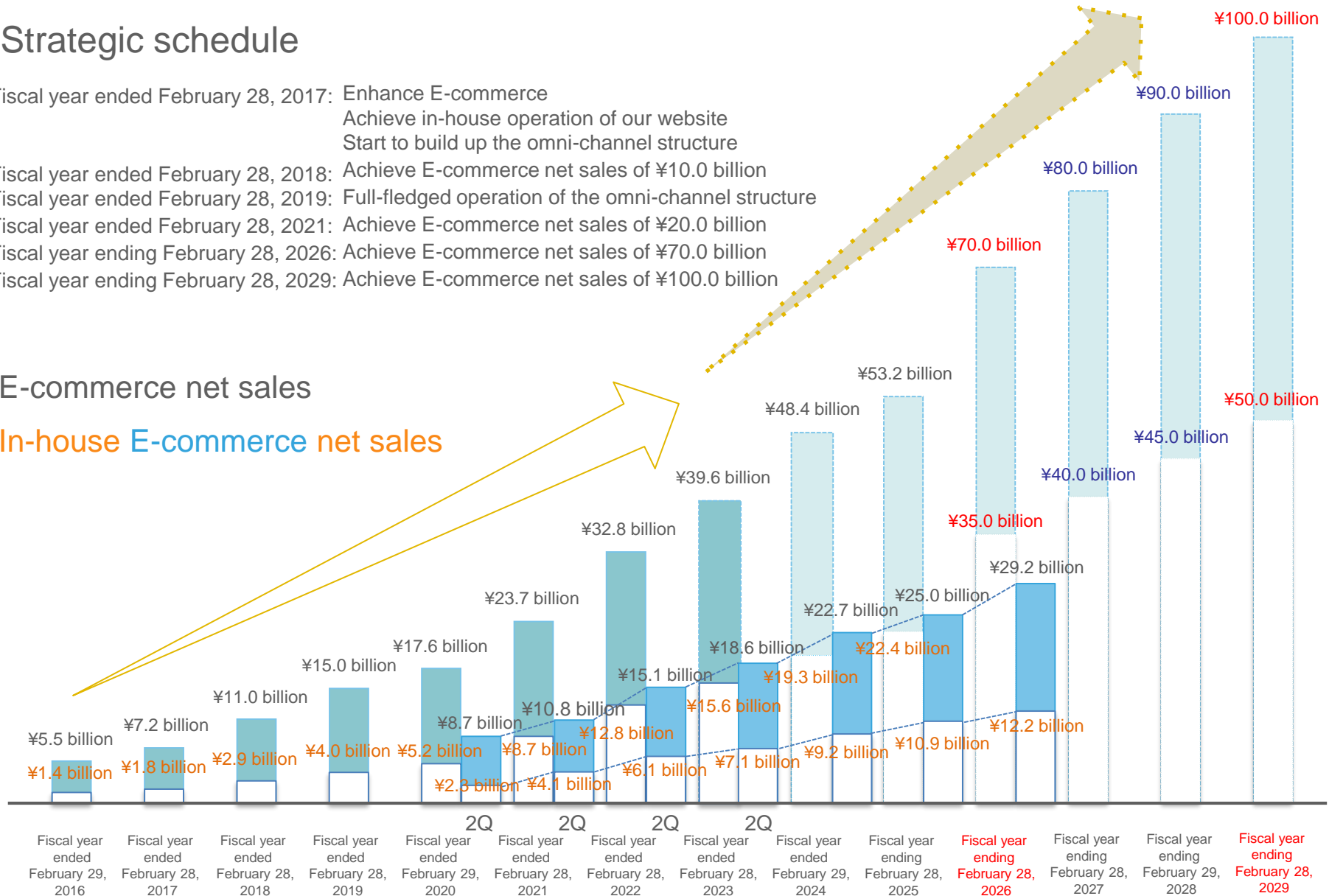
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Strategic schedule

- Fiscal year ended February 28, 2017: Enhance E-commerce
Achieve in-house operation of our website
Start to build up the omni-channel structure
- Fiscal year ended February 28, 2018: Achieve E-commerce net sales of ¥10.0 billion
- Fiscal year ended February 28, 2019: Full-fledged operation of the omni-channel structure
- Fiscal year ended February 28, 2021: Achieve E-commerce net sales of ¥20.0 billion
- Fiscal year ending February 28, 2026: Achieve E-commerce net sales of ¥70.0 billion
- Fiscal year ending February 28, 2029: Achieve E-commerce net sales of ¥100.0 billion

● E-commerce net sales

● In-house E-commerce net sales

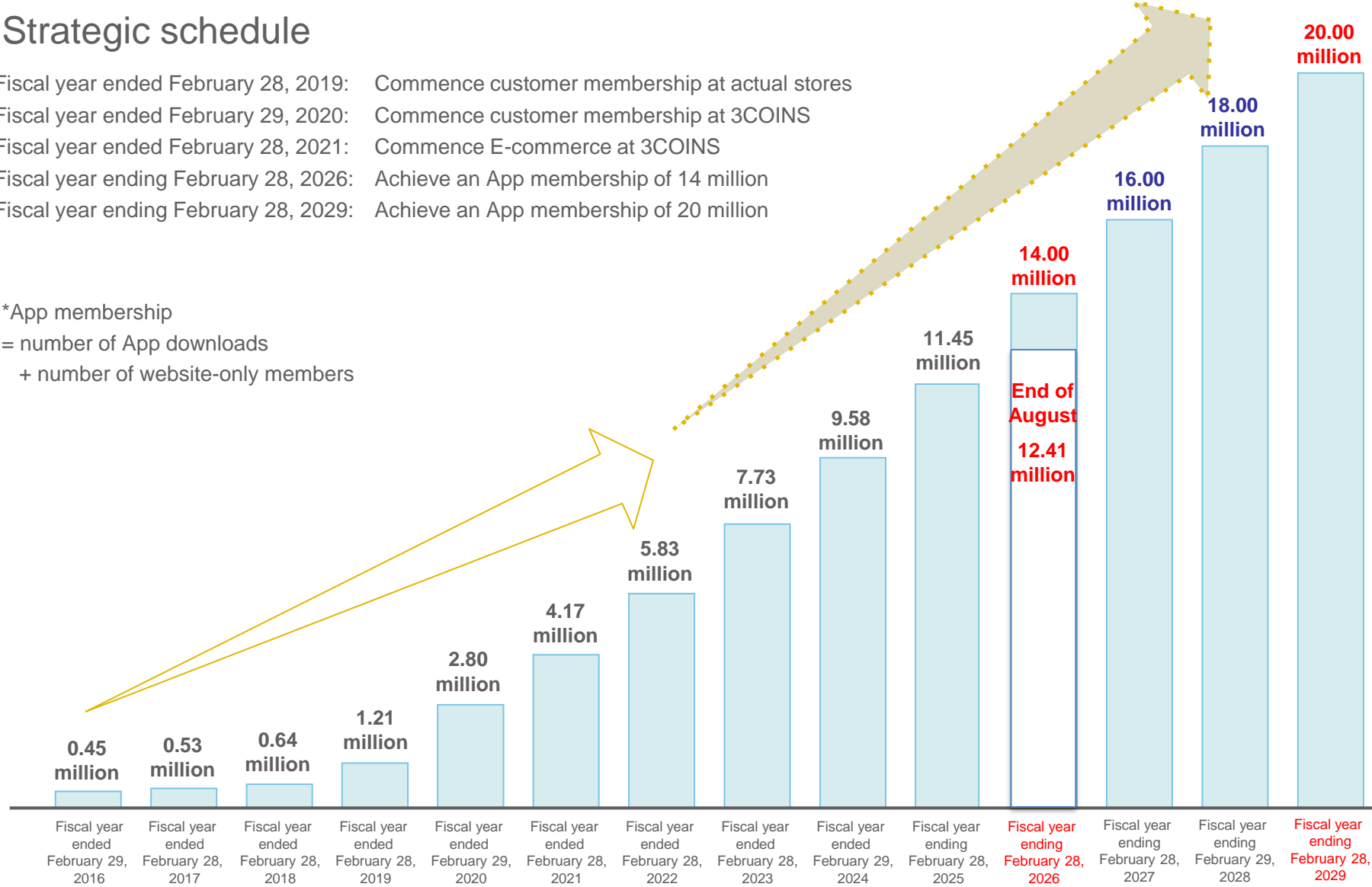


2-2). Trend in PAL App membership

Strategic schedule

- Fiscal year ended February 28, 2019: Commence customer membership at actual stores
- Fiscal year ended February 29, 2020: Commence customer membership at 3COINS
- Fiscal year ended February 28, 2021: Commence E-commerce at 3COINS
- Fiscal year ending February 28, 2026: Achieve an App membership of 14 million
- Fiscal year ending February 28, 2029: Achieve an App membership of 20 million

*App membership
= number of App downloads
+ number of website-only members



3-1). Supporting community revitalization through Corporate Furusato Nozei (Hometown Tax) program

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Accelerating our community revitalization efforts with donations to Shimoichi, Nara

We are stepping up our commitment to community revitalization by broadening our focus

PAL Co., Ltd. (Headquarters: Osaka City; President: Junichi Shoji) renovated a former elementary school in the town of Shimoichi in Nara Prefecture and re-opened it in July 2024 as the mixed-use commercial facility “KITO forest market shimoichi,” an innovative community revitalization project that leverages local resources. The facility attracted nearly 200,000 visitors in its first year of operation and is helping to revitalize the community as a new hub of interaction for residents as well as a hot spot for tourists.

To further accelerate the community’s revitalization, PAL stepped up its commitment by pledging to make donations to Shimoichi-cho, Yoshino-gun in Nara Prefecture through the Corporate Furusato Nozei (Hometown Tax) program, in coordination with the local leadership, including Mayor Hisao Nakajima.

Specifically, PAL will donate 100 million yen in FY2025 and 250 million yen each in FY2026 and FY2027, for a total of 600 million yen, to Shimoichi-cho. The contributions will be paid through the Corporate Furusato Nozei (Hometown Tax) program and will be used to fund various local projects for reenergizing the community and driving its sustainable growth.

PAL and Shimoichi-cho will engage in nationwide PR to showcase this initiative as a new model for building the future through community-industry collaboration.



Honored employees visited Morocco for this year's overseas training trip

Overseas training trip that is more than just a “reward”

Since our founding, we have maintained a culture of honoring employees who “go the extra mile” by establishing various programs to recognize our dedicated team members.

Today, we recognize employee excellence from diverse angles, honoring their contributions to not only sales, but also quality of customer service, social media engagement, and other areas.

Those who have especially demonstrated outstanding dedication are honored with an annual overseas training trip.

This year's trip took the honorees to Morocco in Africa for experiences that completely immersed them in a fresh, unfamiliar environment, space and culture. The purpose of these trips, however, is not to merely be a reward. Instead, this program is intended to foster the participants' personal growth by exposing them to experiences not available in Japan, and to help them network and make new friends through interactions with employees from different brands and career tracks. And, after they return, they are encouraged to share those experiences with other colleagues. Consequently, this valuable program has the broader effect of enhancing employee engagement company-wide.



4. Opening of first 3COINS stores in Hong Kong and Malaysia

PAL GROUP HOLDINGS

3COINS is now in Hong Kong and Kuala Lumpur

The 3COINS brand opened its first Hong Kong location—3COINS Hyasan Place—on Friday, July 18, 2025. The first day drew a long line of over 200 shoppers who had to wait their turn to get inside, making for a successful start.

This was followed by the launch of the first 3COINS store in Malaysia on Saturday, August 16, 2025, 3COINS LaLaport BBCC inside Mitsui Shopping Park LaLaport Bukit Bintang City Centre. The opening was marked with an exciting ceremony that featured a lion dance.

Pig cutting ceremony at Hong Kong opening



Lion dance ceremony at Kuala Lumpur opening

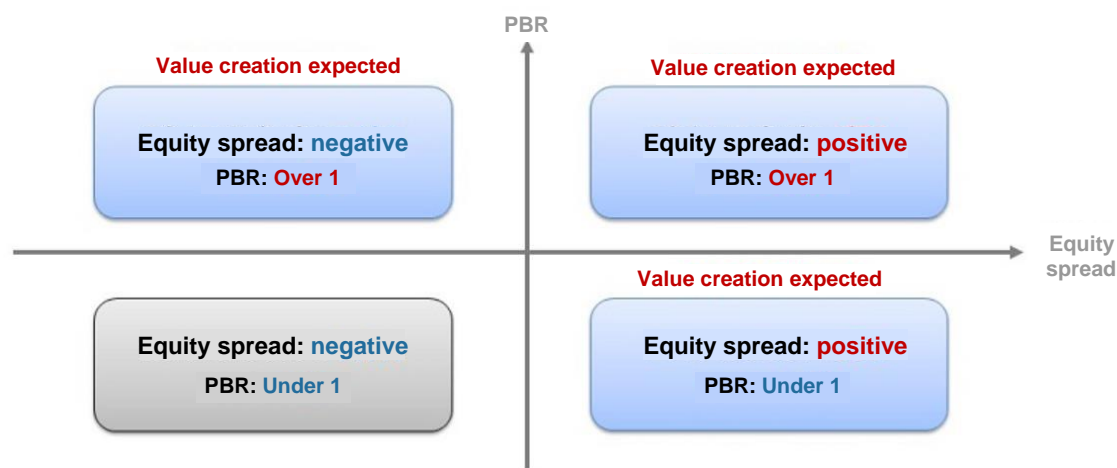


We have been selected for inclusion in the JPX Prime 150 index

PAL GROUP Holdings Co., Ltd. was selected as a component stock of the JPX Prime 150 index for fiscal 2025 (Aug. 29, 2025–Aug. 30, 2026).

This new index was established by JPX Market Innovation & Research, Inc., a member of the Japan Exchange Group, and selects component stocks from among the companies with top-ranked market capitalization on the TSE Prime Market. It comprises 150 stocks selected based on two measures of value creation: return on capital (the equity spread, or difference between return on equity and cost of equity) and market valuation (price-to-book ratio, PBR).

Our selection for the JPX Prime 150 reflects the stock market's recognition of our strong return on capital with a high PBR. Going forward, we will continue working to maintain high return on capital as a company that generates superb value-added.



Source: Japan Exchange Group website. Component stocks are mainly selected from among companies in the upper right quadrant.

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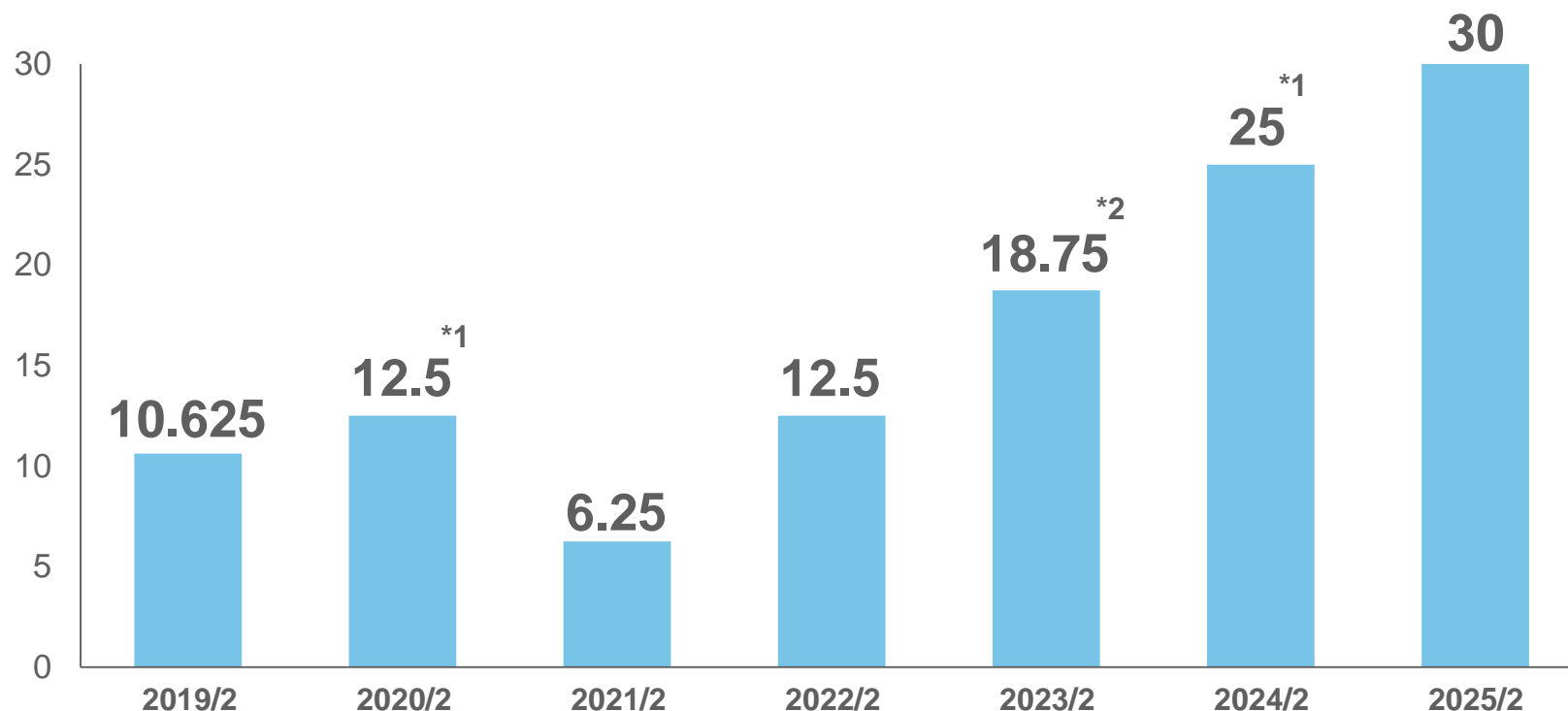
Response to Shareholders

1. Policy for Return to Shareholders
2. Shareholder Benefit Program



1. Policy for Return to Shareholders

- The Company implemented a one-for-two stock split in September 2025.
- Year-end dividend per share for the fiscal year ending February 28, 2026 is planned to be ¥30 (same amount as the previous fiscal year).



*1 The Company has implemented two-for-one stock splits on three occasions, taking effect on March 1, 2020, September 1, 2023, and September 11, 2025. The above figures for dividend per share are calculated based on February 2026.

*2 The breakdown of the ¥18.75 dividend is an ordinary dividend of ¥15 and a commemorative dividend of ¥3.75 for our 50th anniversary.

2. Shareholder Benefit Program

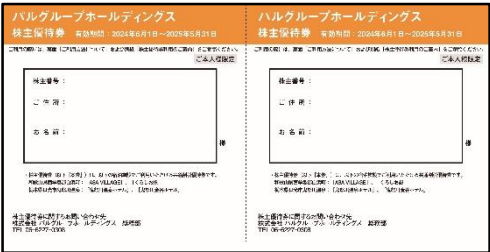
The number of shareholder benefit program accommodations increased to four in June 2025.

The latest addition to the list of accommodations available for shareholder discounts is “SETRE NARAMACHI.” This has expanded the number of accommodations available in western Japan to two, adding to “Kuroshio Sou.” The stock split carried out in September 2025 does not affect the number of discount coupons granted to shareholders.

Details of Benefit Program

- Eligible shareholders
Shareholders recorded or registered on the Company’s shareholder registry as of the last day of February of each year who hold more than 100 shares (one unit) are eligible.
- Details of Shareholder Benefits
Shareholders will receive common discount coupons which allow them to choose from the following two benefits according to the number of shares they hold. The coupons can be used from June 1 every year to May 31 of the following year.
 - 1) 50% discount on accommodation course charges at “Kuroshio Sou” which is an accommodation facility operated by Freegate Shirahama Co., Ltd., an affiliated subsidiary of the Company, in Shirahama-cho, Nishimuro-gun in Wakayama Prefecture
 - 2) 50% discount on accommodation course charges at “SETRE NARAMACHI” in Nara City, in cooperation with the operator, HOLONIC Co., Ltd., and at “Kinugawa Onsen Hotel” and “Kinugawa Kanaya Hotel” in the Nikko and Kinugawa area, in cooperation with the owner, Kanaya Hotel Kanko Co., Ltd.
- Number of coupons to be granted: Remains unchanged by the stock split

Number of shares held	100 shares or more	200 shares or more	500 shares or more	1,000 shares or more
Number of coupons to be granted	2	4	6	10



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Initiatives for ESG

1. PAL's initiatives for ESG
2. PAL Forest Project (Environment)
- 3-1). Endowed courses at Kwansei Gakuin University (Social)
- 3-2). Initiatives by PAL Inoue Scholarship Foundation (Social)
4. Gender equality and work style reform (Governance)



1. PAL's initiatives for ESG

PAL's initiatives for ESG (Environment, Social, Governance) are to strive for achieving its management philosophy of "Management dedicated to the happiness of all employees and shareholders" and "Management dedicated to society and the globe into the future" through its daily corporate activities, i.e. continuously making profits, paying taxes, and maintaining employment.



2. PAL Forest Project (Environment)

PAL Forest Project (Environment)

“PAL Forest Tree-Planting Project” started in 2011 and since then more than 400 broadleaf trees have been planted for 13 years. Tree-planting was cancelled due to the COVID-19 pandemic in 2020 and 2021; however, it was resumed in 2022, and the activities have continued to the present.

Every year many employees participate in the activities to recognize the importance of conserving the global environment as well as to share valuable experiences in interacting with nature.



Endowed courses for the School of International Studies, Kwansei Gakuin University (Social)

Following the endowed courses provided at Osaka University for five years from 2013, PAL started a course for the School of International Studies, Kwansei Gakuin University in 2019. In addition to academic knowledge, we offer frontline experiences in management and distribution, aiming to contribute to developing future talents.



Kwansei Gakuin campus with a beautiful clock tower



Human resources development through the “PAL Inoue Scholarship Foundation” (1) (Social)

PAL established the “PAL Inoue Scholarship Foundation” together with the Inoue family, the founder of the Company. After its establishment in 2013, it has been approved as a public interest incorporated foundation by the Cabinet Office, and operates public services.

Specifically, the foundation has been set up to offer scholarships to students with excellent academic records and personality who have financial difficulties in attending school, with the aim of developing promising human resources capable of contributing to the fashion industry and related fields in the future.

Currently, we offer scholarships to approximately 70 students at universities, colleges and technical schools studying fashion throughout Japan (including international students).



Website of the “PAL Inoue Scholarship Foundation”

Front page



About the PAL Inoue Scholarship Foundation

Human resources development through the “PAL Inoue Scholarship Foundation” (2) (Social)

In addition to the scholarship program, from 2018 PAL Inoue Scholarship Foundation holds a role-playing contest participated by students majoring in distribution courses at fashion schools.

The event named PAL FOUNDATION CUP is a venue for students selected from fashion schools nationwide from Hokkaido to Kyushu, where they demonstrate their extraordinary role-playing performance in their own manner. PAL intends to make this event a goal for the students aiming for fashion business in the future.



4. Gender equality and work style reform (Governance)

Thorough “gender equality” and “work style reform” (Governance)

(1) Gender equality

PAL has a solid “Equal treatment for equal work” guideline for a transparent personnel evaluation system, creating an environment where each and every employee can work with a sense of security while being motivated.

	Sales	Gross profit	Personnel expenses	Inventory	Capital	Stocktaking	Total	Out of 100 points
1 st Division	396	116	84	71	...	...	...	98
2 nd Division	353	78	77	...	...	...	...	86
3 rd Division	310	93	...	...	...	...	...	...
4 th Division	378	...	...	...	...	...	...	...
§
7 th Division	...	...	...	...	...	...	...	...
8 th Division	...	...	...	...	...	...	...	...
9 th Division	...	...	...	...	...	...	...	...
Corporate total	382	82	66	61	...	...	...	85

(2) Work style reform

PAL is working to foster a vibrant work environment by starting operations that allow flexible working hours not bound by the “8-hour system” and make it easier for the employees to take paid and long-term leaves.



“Contributing to society by constantly proposing new fashionable ways of life”



“Management dedicated to the happiness of all employees and shareholders”

Company name	PAL GROUP Holdings CO., LTD.
Location	(Head Office) Keihanshin Midosuji Bldg. 10F, 3-6-1 Doshomachi, Chuo-ku, Osaka-shi, Osaka (Tokyo Office) Akita Bldg. 4F, 12-22 Jingumae 6-chome, Shibuya-ku, Tokyo
Representative	Isamu Matsuo
Capital	¥3,181,200,000
Establishment	October 1973
Description of business	Planning, manufacturing, and wholesale and retail sale of women’s clothing, men’s clothing, miscellaneous goods and accessories, etc.
Number of stores	1,132

Public Affairs Office

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The plans, strategies, predictions, etc., contained in this document which are not matters of historical fact are forecasts related to future business results, etc., and include elements of risk and uncertainty. Please be advised that for various reasons actual results may differ from the results forecast herein.

In addition, this document has been produced for further understanding of the PAL GROUP, not for the purpose of soliciting investment in the Company. Readers are asked to rely on their own judgment when making decisions related to investment.