

41st Fiscal Year (Ending June 2021)

Q3 Results for FY2021

May 11, 2021

Pan Pacific International Holdings Corporation

1 Overview of Q3 results for fiscal year ending June 2021

Director & Senior Managing Executive Officer, CSO

Seiji Shintani

2 Strategy and measures for the future

President & CEO, Representative Director

Naoki Yoshida

3 Appendix

Explanatory notes for these materials

1. The monetary values presented in these materials are rounded off to the nearest full unit.
2. The following abbreviations are used in these materials: Pan Pacific International Holdings (7532) as “PPIH,” Don Quijote Co., Ltd. and its stores as “DQ,” UNY Co., Ltd. as “UNY,” UD Retail Co., Ltd. as “UDR,” Singapore as “SG,” Singapore subsidiary as “PPRM (SG),” Hong Kong as “HK,” Hong Kong subsidiary as “PPRM (HK),” Thailand as “TH,” Japan Asset Marketing Co., Ltd. (8922) as “JAM,” and Group as “GP.”
3. PPIH applies the “Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements,” but there are sections in these materials where the account items and other information have been simplified to an extent where they do not change the intent or meaning of the contents.
4. From the fiscal year ending June 2021, the method used for the valuation of inventories has been changed from the retail inventory method to the moving average method, and figures have been adjusted retroactively for comparison in these materials.
5. The exchange rates used for overseas operations are shown below.

(Unit: Yen)	USD (U.S. dollars)		SGD (Singapore dollars)		THB (Thai baht)		HKD (Hong Kong dollars)	
	P/L	B/S	P/L	B/S	P/L	B/S	P/L	B/S
Previous period	108.95	109.55	79.59	81.06	3.54	3.63	13.91	14.07
Current period	105.55	103.52	76.93	78.00	3.38	3.44	13.62	13.35

Overview of Q3 results

for fiscal year ending June 2021

Earnings summary for Q3

[Period: July 1, 2020 – March 31, 2021]

(Unit: Millions of yen)

	9 months to Mar 2020 ^{*1}		9 months to Mar 2021					Full-year forecast ^{*2}	
	Actual	Share	Actual	Share	Change	YoY	Progress ^{*3}	Actual	Share
Net sales	1,265,759	100.0%	1,268,196	100.0%	2,437	100.2%	74.6%	1,700,000	100.0%
Gross profit	363,639	28.7%	369,944	29.2%	6,305	101.7%	74.3%	498,000	29.3%
SG&A	304,224	24.0%	303,056	23.9%	(1,168)	99.6%	72.5%	418,000	24.6%
Operating profit	59,415	4.7%	66,888	5.3%	7,473	112.6%	83.6%	80,000	4.7%
Recurring profit	58,914	4.7%	67,547	5.3%	8,633	114.7%	85.5%	79,000	4.6%
Profit attributable to owners of parent	37,711	3.0%	45,234	3.6%	7,523	119.9%	85.3%	53,000	3.1%
EPS (Yen)	59.52	—	71.34	—	11.82	119.9%	85.4%	83.58	—

*1. As the method for the valuation of inventories has been changed from the retail inventory method to the moving average method since the current period (FY ending June 2021), figures related to previous periods have been adjusted retroactively and reflected in these materials.

*2. The forecast was revised upward on February 10, 2021 (OP: 77 to 80 billion yen) from the one published originally on August 12, 2020.

*3. Progress rate shows the rate of progress against the full-year forecast.

Despite the negative impact of COVID-19, net sales and operating profit reached their records high for Q3.

Discount Store Business

Although pure DQ (mainly near the station store format) continued to struggle due to inbound evaporation and changes in customer traffic, the strong performance of MEGA DQ (mainly suburban store format) filled the gap, resulting in higher sales YoY. Sales of household appliances, products for sports, outdoor activities and health, home furniture, etc. increased.

GMS Business

SSS increased with the stay-at-home demand driven by the COVID-19. Processed, frozen and fresh food grew.

7 stores were renewed to New GMS, which matches to the characteristics of the region with specialty stores such as U-food, U-drug, general store warehouses, etc.

6 stores were converted to UDR for this fiscal year.

Overseas Business

In North America, sales increased with the continued strong alternative demand for eating out.

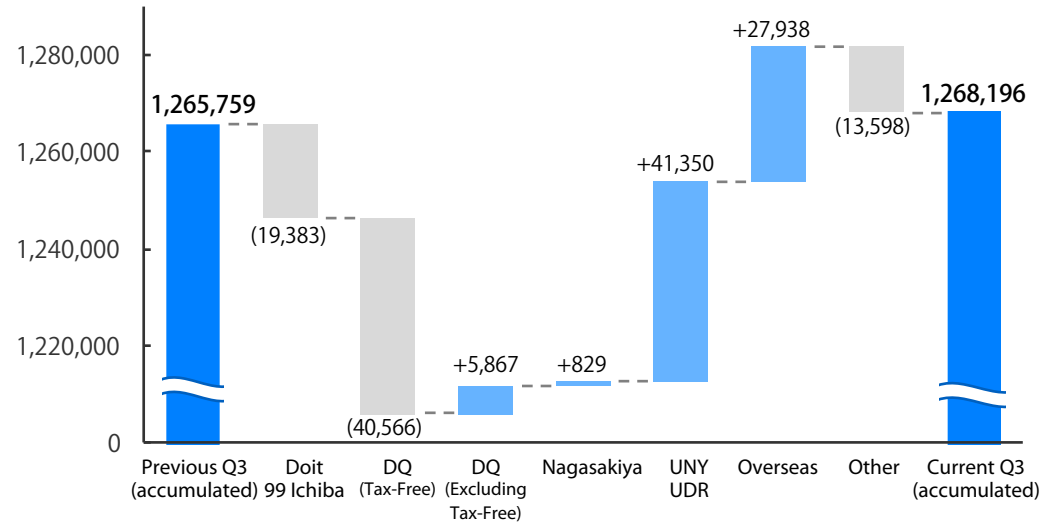
Asia, which is performing well, has opened 5 new stores (4 stores during this 3Q) and boosted its sales further.

SG&A expenses increased due to initial costs for new stores and the preparation for store openings in new countries, but maintained a high operating profit margin.

Consolidated financial results for Q3 (Year-on-year changes by retailer)

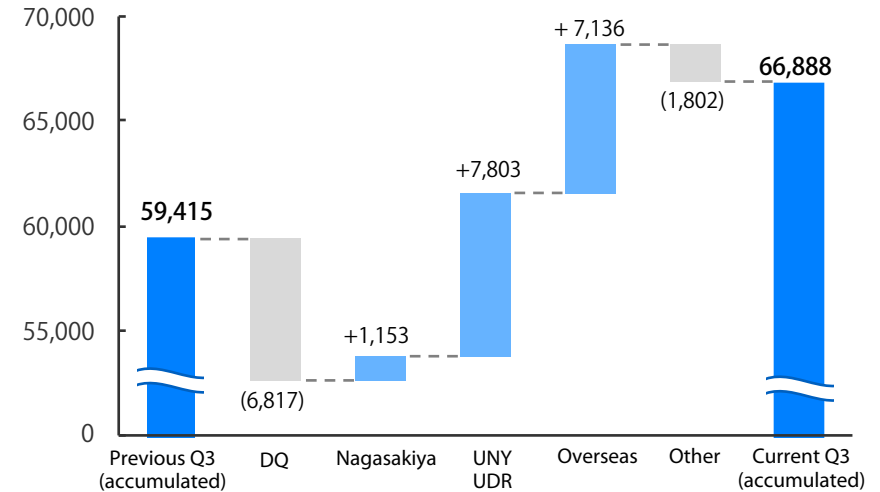
Net Sales Changes

<Million Yen>



Operating Profit Changes

<Million Yen>



- Sales: Although largely affected by inbound evaporation and business transfer (Doit and 99 Ichiba), UNY, UD Retail, and overseas business contributed.
- Operating profit: Increased significantly in UD Retail and overseas business, which drove the overall OP upward.

- The figures for net sales and operating profit are simple totals for each company. Differences with consolidated results are adjusted using "Other".
- DQ merged with Lilac Co., Ltd. in July 2020. Figures for this Q3 are after the merger.
- UNY merged with Unifood Co., Ltd. in July 2020 and NEXCOM Inc. in October 2020. The figures for Q3 are after the mergers.
- Overseas is a simple total of DQ USA, MARUKAI, QSI, PPRM (SG), PPRM (HK) and DONKI Thailand.
- Overseas results are cumulative totals for the period from April to December 2020.

Retail operations information for Q3

[Period: July 1, 2020 – March 31, 2021]

(Unit: Millions of yen)

▶ Domestic retail	Don Quijote			Nagasakiya			UD Retail			UNY		
	9 months to Mar 2020	9 months to Mar 2021	YoY	9 months to Mar 2020	9 months to Mar 2021	YoY	9 months to Mar 2020	9 months to Mar 2021	YoY	9 months to Mar 2020	9 months to Mar 2021	YoY
Sales *1	534,866	500,167	(34,699)	144,060	144,889	829	71,169	135,714	64,545	397,652	374,457	(23,195)
Gross profit	132,120	123,599	(8,521)	35,016	35,430	414	17,202	34,680	17,478	129,919	125,703	(4,216)
Gross profit ratio	24.7%	24.7%	±0.0pt	24.3%	24.5%	0.2pt	24.2%	25.6%	1.4pt	32.7%	33.6%	0.9pt
SG&A	112,344	110,641	(1,703)	30,994	30,255	(739)	21,618	33,321	11,703	108,487	102,245	(6,242)
Operating profit	19,776	12,959	(6,817)	4,022	5,175	1,153	(4,417)	1,359	5,776	21,432	23,459	2,027
Operating profit ratio	3.7%	2.6%	(1.1pt)	2.8%	3.6%	0.8pt	(6.2%)	1.0%	7.2pt	5.4%	6.3%	0.9pt
Total assets	286,722	308,068	21,346	84,442	87,856	3,414	48,289	60,885	12,596	381,975	386,993	5,018
Net assets	146,981	175,301	28,320	55,262	58,903	3,641	787	873	86	82,113	114,280	32,167

▶ Overseas retail	North America *2			Asia *3		
	9 months to Mar 2020	9 months to Mar 2021	YoY	9 months to Mar 2020	9 months to Mar 2021	YoY
Sales *1	69,290	75,509	6,219	12,921	34,640	21,719
Gross profit	21,593	24,143	2,550	3,863	12,026	8,163
Gross profit ratio	31.2%	32.0%	0.8pt	29.9%	34.7%	4.8pt
SG&A	19,364	18,907	(457)	4,543	8,577	4,034
Operating profit	2,229	5,236	3,007	(680)	3,449	4,129
Operating profit ratio	3.2%	6.9%	3.7pt	(5.3%)	10.0%	15.3pt
Total assets	34,306	37,836	3,530	27,697	30,270	2,573
Net assets	25,192	28,526	3,334	5,519	8,751	3,232

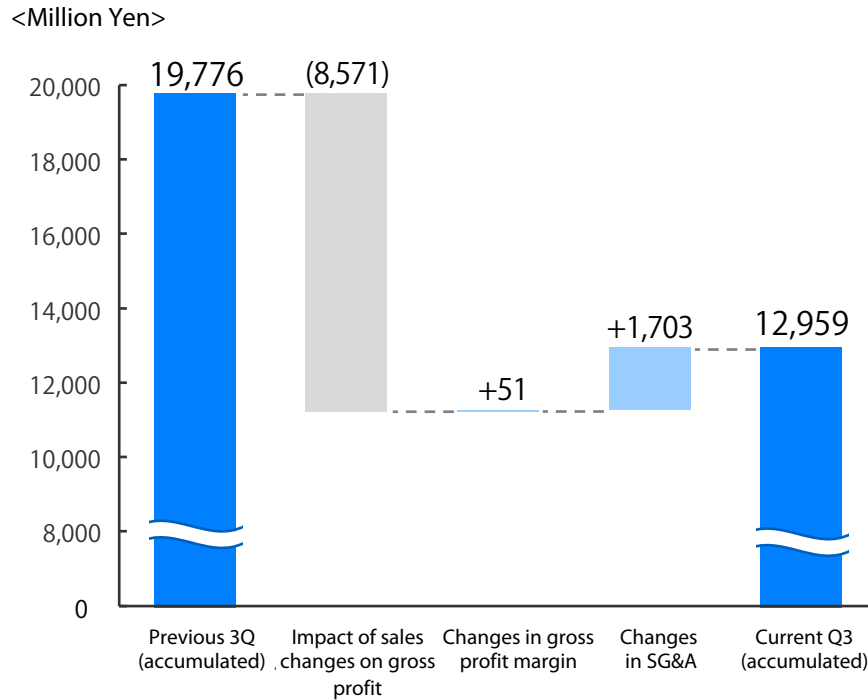
*1. As the method for the valuation of inventories has been changed from the retail inventory method to the moving average method since the current period, figures related to previous periods have been adjusted retroactively and reflected in these materials.

*2. Figures for North America are the simple aggregate for DQ USA, MARUKAI, and QSI. Results are for the period from April to December 2020.

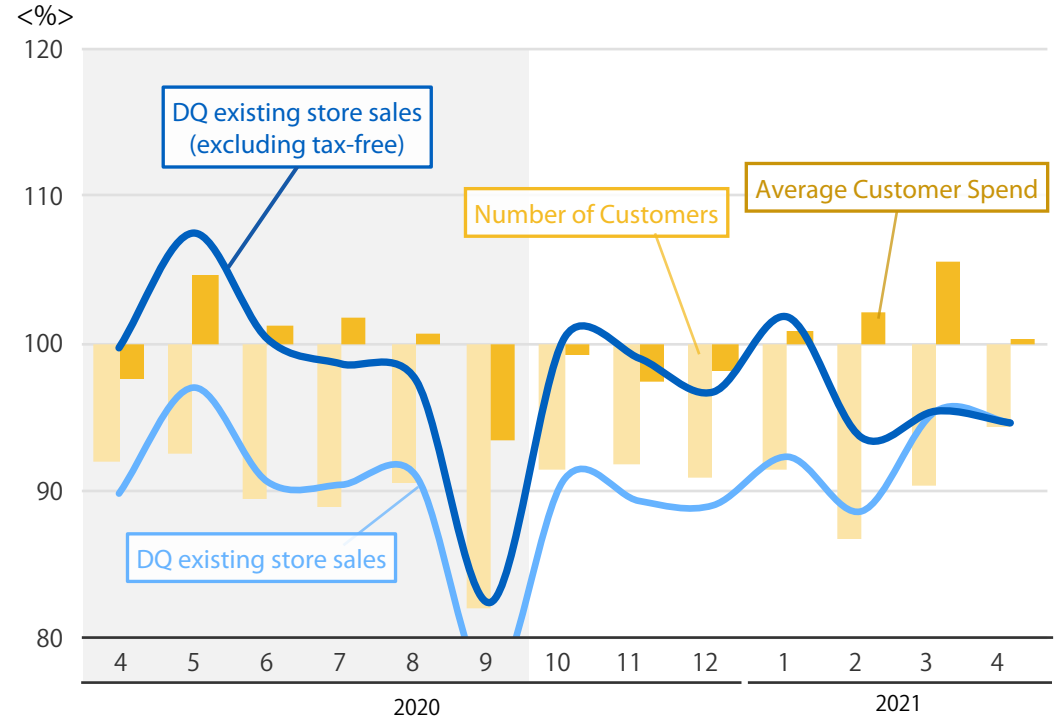
*3. Figures for Asia are the simple aggregate for PPRM (SG), PPRM (HK), and DONKI Thailand. Results are for the period from April to December 2020.

Summary of results by company (Don Quijote)

Changes in operating profit



Trends in sales at existing stores



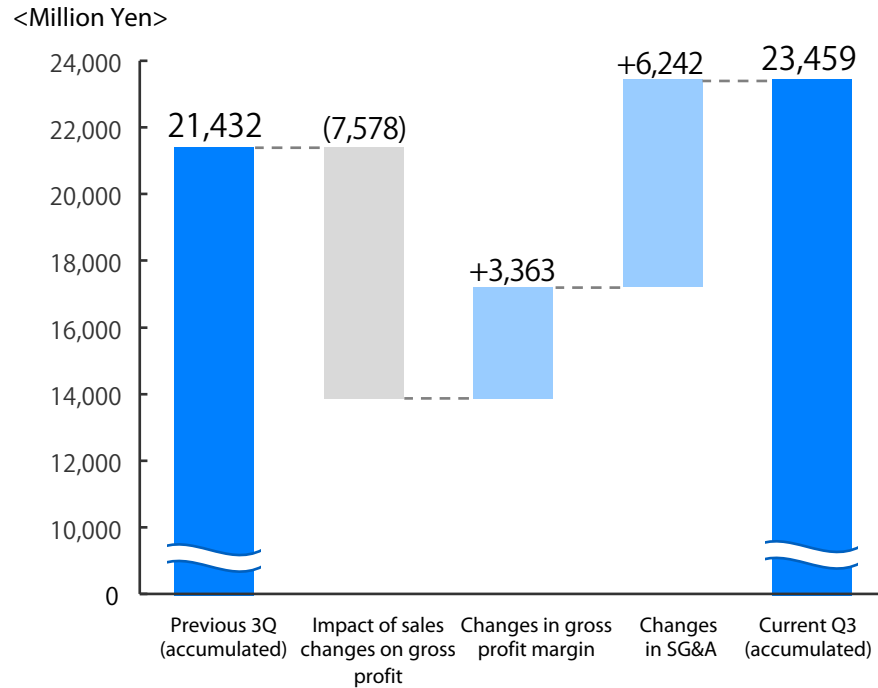
- Due to the evaporation of inbound sales and the change in customer traffic, stores near the station, mainly in the Kanto region, continued to struggle.
- Although sales and OP of suburban stores increased due to the inflow from the urban areas, overall sales and OP stood lower YoY with sluggish near the station stores.
- This Q3 was affected by the impact of the leap days and special demand sales of the previous year, as well as the inbound evaporation.

- DQ merged with Lilac Lilac Co., Ltd. in July 2020. Figures for the current Q3 are post-merger.

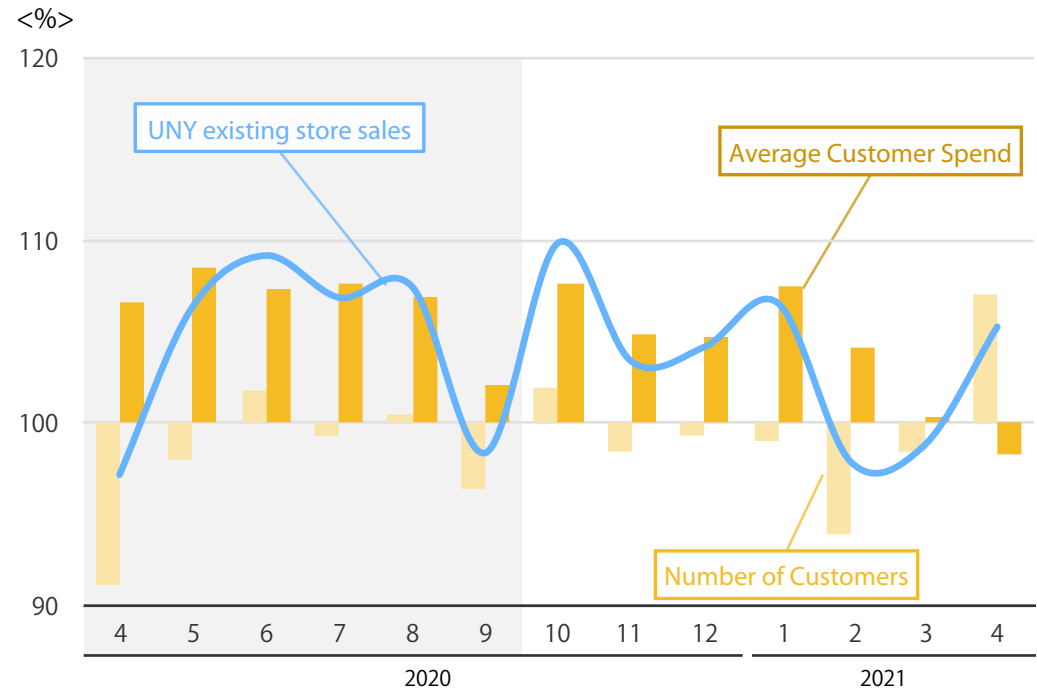
- As inventory valuation methods have been changed from a retail method to a moving-average method from the current quarter, the figures for the previous quarter have been retroactively adjusted.

Summary of results by company (UNY)

Changes in operating profit



Trends in sales at existing stores



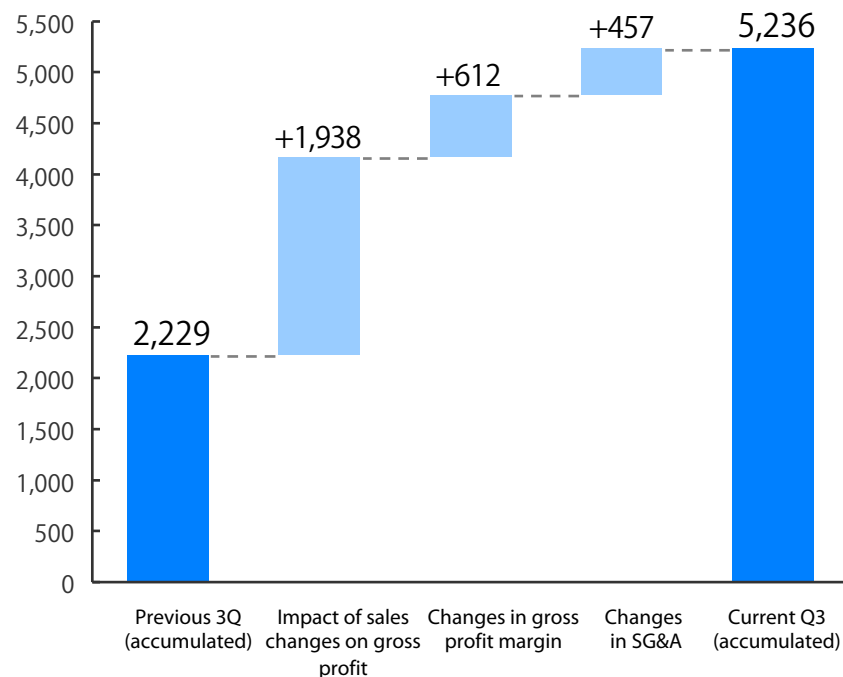
- GMS business improved steadily and 6 stores have been converted to UDR (no conversion was implemented in this 3Q period).
- Operating profit increased to 23.5 billion yen (up 9.5%) due to the improvement in gross profit margin (+0.9pt) and the decrease in SG&A expenses.
- SSS remained strong, except for the factors of leap day and the special demand in the previous year.
- 7 stores have been renewed to new GMS stores.

- UNY merged with Unifood Co., Ltd. in July 2020 and NEXCOM Inc. in October 2020. The figures for Q3 are after the mergers.

Overseas business overview (North America, Asia)

Changes in operating profit (North America)

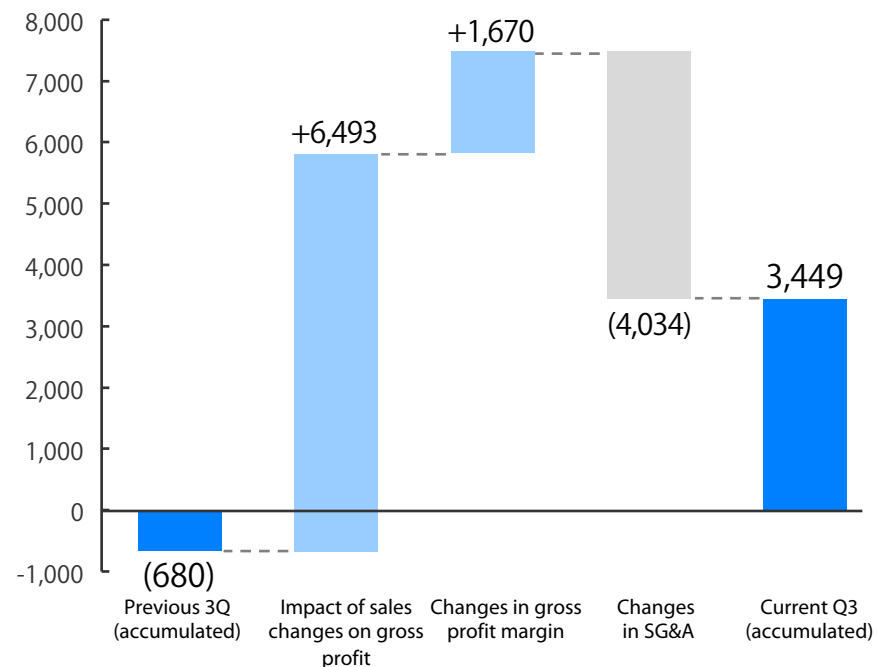
<Million Yen>



- Existing stores continued to perform well capturing the alternative needs for eating out.
- Operating profit largely increased by 2.3 times YoY to 5.2 billion yen by increasing its top line, gross profit margin, and reducing SG&A expenses.

Changes in operating profit (Asia)

<Million Yen>



- Sales largely increased by 2.7 times YoY to 34.6 billion yen with its strong SSS and 5 new store openings.
- Although the SG&A expenses rose due to the cost of the new stores and the preparation of the store opening in new countries, operating profit margin stood at 10.0%.

- North America is a simple sum of DQ USA, MARUKAI, and QSI. Actual results are for the period April to December 2020.

- Asia is the simple sum of PPRM (SG), PPRM (HK), and DONKI Thailand. Actual results are cumulative totals for April to December 2020.

Q3 segment information (by corporation)

▶ Segment overview by corporation for previous Q3 [Period: July 1, 2019 – March 31, 2020]

(Unit: Millions of yen)

	Don Quijote *1	Nagasakiya *1	UD Retail *1	UNY *2	Overseas *1 *3	JAM *1 *4	UCS *5	Consolidated
Sales	534,866	144,060	71,169	397,652	82,211	17,001	15,359	1,265,759
Operating profit	19,776	4,022	(4,417)	21,432	1,549	6,437	1,633	59,415
Total assets	286,722	84,442	48,289	381,975	62,003	169,406	104,234	1,250,879
Net assets	146,981	55,262	787	82,113	30,711	109,158	9,948	374,734

▶ Segment overview by corporation for current Q3 [Period: July 1, 2020 – March 31, 2021]

(Unit: Millions of yen)

	Don Quijote *1	Nagasakiya *1	UD Retail *1	UNY *2	Overseas *1 *3	JAM *1 *4	UCS *5	Consolidated
Sales	500,167	144,889	135,714	374,457	110,149	16,361	14,011	1,268,196
Operating profit	12,959	5,175	1,359	23,459	8,685	5,788	979	66,888
Total assets	308,068	87,856	60,885	386,993	68,106	162,656	167,012	1,323,312
Net assets	175,301	58,903	873	114,280	37,277	114,874	10,053	425,459

*1. The main businesses are discount store operations and its subsidiary operations.

*2. The main businesses are GMS and tenant leasing operations.

*3. Figures for overseas operations are the simple aggregate for DQ USA, MARUKAI, QSI, PPRM(SG), PPRM(HK), and DONKI Thailand.

Results for overseas operations are for the period from April to December 2020, while BS items are as of December 31, 2020.

*4. PL items related to JAM are actual results from July 1, 2020 to March 31, 2021, while BS items are as of March 31, 2021.

*5. The main business is credit card business.

Q3 segment information (by business)

▶ Segment overview by business for previous Q3 [Period: July 1, 2019 – March 31, 2020] ^{*1}_{*2}

(Unit: Millions of yen)

	Discount store	GMS	Tenant leasing	Other ^{*3}	Total	Adjusted	Consolidated
Sales to external customers	831,684	378,266	44,530	11,279	1,265,759	—	1,265,759
Internal sales or transfers between segments	3,926	4,240	2,543	4,803	15,512	(15,512)	—
Total	835,610	382,506	47,073	16,082	1,281,271	(15,512)	1,265,759
Segment profit	35,886	13,123	10,506	(811)	58,704	711	59,415

▶ Segment overview by business for current Q3 [Period: July 1, 2020 – March 31, 2021] ^{*1}

(Unit: Millions of yen)

	Discount store	GMS	Tenant leasing	Other ^{*3}	Total	Adjusted	Consolidated
Sales to external customers	868,670	342,393	46,483	10,649	1,268,196	—	1,268,196
Internal sales or transfers between segments	5,473	6,240	873	3,382	15,968	(15,968)	—
Total	874,143	348,633	47,356	14,031	1,284,164	(15,968)	1,268,196
Segment profit	45,238	14,015	10,498	(3,138)	66,613	275	66,888

*1. Reported segments are organized by the format of service provision, and comprises discount store, GMS, and tenant leasing operations.

*2. As the method for the valuation of inventories has been changed from the retail inventory method to the moving average method since the current period (FY ending June 2021), figures related to previous periods have been adjusted retroactively and reflected in these materials.

*3. "Other" includes holding company management, credit card business, etc.

Q3 overview of results by consolidated businesses

[Period: July 1, 2020 – March 31, 2021]

(Unit: Millions of yen)

	9 months to March 2020		9 months to March 2021		
	Actual	Share	Actual	Share	YoY
Discount store operations *1	831,684	65.7%	868,670	68.5%	104.4%
Home electrical appliances	64,208	5.1%	67,906	5.4%	105.8%
Miscellaneous household goods	181,996	14.4%	168,107	13.3%	92.4%
Food products	308,024	24.3%	344,050	27.1%	111.7%
Watches and fashion merchandise	120,555	9.5%	109,982	8.7%	91.2%
Sporting goods and leisure goods	43,757	3.5%	46,740	3.7%	106.8%
DIY goods	8,632	0.7%	—	—	—
Overseas	81,449	6.4%	110,328	8.7%	135.5%
Other	23,063	1.8%	21,558	1.7%	93.5%
GMS *1	378,266	29.9%	342,393	27.0%	90.5%
Clothing	48,658	3.8%	40,586	3.2%	83.4%
Household goods	57,961	4.6%	54,567	4.3%	94.1%
Food products	258,032	20.4%	243,671	19.2%	94.4%
Other	13,614	1.1%	3,569	0.3%	26.2%
Tenant leasing operations *1	44,530	3.5%	46,483	3.7%	104.4%
Other business operations *2	11,279	0.9%	10,649	0.8%	94.4%
Total	1,265,759	100.0%	1,268,196	100.0%	100.2%

*1. Reported segments are organized by the format of service provision, and comprises discount store, GMS and tenant leasing operations.

*2. "Other" includes holding company management, credit card business, etc.

Status of major assets

(Unit: Millions of yen)

	June 2020	March 2021	
	Actual	Actual	Change
*1			
Current Assets	494,138	520,565	26,427
Cash and Deposits	179,785	202,487	22,702
Account receivable-installment	68,293	66,913	(1,380)
Products	187,775	195,583	7,808
Non-Current Assets	803,093	802,747	(346)
Buildings, etc.	264,035	264,126	91
Land	325,499	323,337	(2,162)
Intangible Assets	36,883	36,370	(513)
Lease and Guarantee Deposits	78,624	74,527	(4,097)
Total Assets	1,297,231	1,323,312	26,081

Status of major assets

▶ Total assets: 1,323.3 billion yen (+26.1 billion yen)

<Current Assets>

- ▶ Cash and deposits: 202.5 billion yen (+22.7 billion yen)
- ▶ Account receivable-installment: 66.9 billion yen (-1.4 billion yen)
- ▶ Products: 195.6 billion yen (+7.8 billion yen)

<Non-Current Assets>

- ▶ Tangible fixed assets: 623.6 billion yen (+0.9 billion yen)
- The main factors leading to change were an increase of 19.8 billion yen in depreciation and an increase of 27.4 billion yen in investments related to store openings, etc.

*1. As the method for the valuation of inventories has been changed from the retail inventory method to the moving average method since the current period (FY ending June 2021), figures related to previous periods have been adjusted retroactively and reflected in these materials.

Status of major liabilities and net assets

(Unit: Millions of yen)

	June 2020	March 2021	
	Actual	Actual	Change
*1			
Total Current Liabilities	312,227	311,559	(668)
Accounts Payable-Trade	148,226	148,778	552
Short-Term Liabilities * 2	25,117	37,712	12,595
Total Noncurrent Liabilities	596,005	586,294	(9,711)
Corporate Bonds	226,542	223,976	(2,566)
Long-Term Borrowings	276,191	268,380	(7,811)
Long-Term Payables Under Fluidity Lease Receivables	191	—	(191)
Total Liabilities	908,232	897,853	(10,379)
Net Assets	388,999	425,459	36,460
Liabilities and Net Assets	1,297,231	1,323,312	26,081

Status of major liabilities and net assets

- ▶ Interest-bearing debt: 530.1 billion yen (+2.2 billion yen)
 - New borrowings: 26.4 billion yen
 - Repayment of borrowings: 12.3 billion yen
 - Redemption of bonds: 11.9 billion yen

▶ Net D/E ratio: 0.81x

▶ Interest coverage ratio: 17.9 times * 3

▶ ROE: 15.5% (annualized)

< Current Liabilities >

- ▶ Accounts payable-trade: 148.8 billion yen (+0.6 billion yen)
- ▶ Short-term debt: 37.7 billion yen (+12.6 billion yen)

< Non-current Liabilities >

- ▶ Long-term liabilities: 492.4 billion yen (-10.4 billion yen)
- ▶ Net assets: 425.5 billion yen (+36.5 billion yen)
- ▶ Shareholders' equity: 405.8 billion yen
(Capital adequacy ratio: 30.7%)

*1. As the method for the valuation of inventories has been changed from the retail inventory method to the moving average method since the current period (FY ending June 2021), figures related to previous periods have been adjusted retroactively and reflected in these materials.

*2. Short-term liabilities = Short-term loans payable + Current portion of long-term loans payable + Current portion of bonds

*3. Interest coverage ratio = (Operating profit + Interest and dividends income) / Interest due

Status of cash flows and capital expenditure

▶ Cash Flow Status

(Unit: Millions of yen)

	9 months to March 2020	9 months to March 2021	
	Actual	Actual	Change
*1 Balance at Beginning of Period	185,136	183,602	(1,534)
Cash Flows from Operating Activities	51,361	63,209	11,848
Cash Flows from Investing activities	(23,207)	(30,463)	(7,256)
Free Cash Flow *2	28,154	32,746	4,592
Cash Flows from Financing Activities	(61,366)	(10,214)	51,152
Change During the Period	(31,929)	22,532	54,461
Balance at End of Period	153,207	206,133	52,926

*1. As the method for the valuation of inventories has been changed from the retail inventory method to the moving average method since the current period (FY ending June 2021), figures related to previous periods have been adjusted retroactively and reflected in these materials.

*2. Free Cash Flow = CF from operating activities + CF from investing activities.

▶ Status of capital expenditures

Capital Expenditures	28,370	30,545	2,175
----------------------	---------------	---------------	--------------

Cash Flow

Operating Cash Flows

- ▶ Positive items: Increase of 67.8 billion yen in income before income taxes and others, 22.4 billion yen in depreciation and amortization, and decrease of 1.3 billion yen in notes and accounts receivable-installment
- ▶ Negative items: Increase of 2.7 billion yen in notes and accounts receivable-trade, 8.1 billion yen in inventory assets and 19.3 billion yen in income taxes paid, resulting in 63.2 billion yen of cash inflow.

Investment Cash Flows

- ▶ Cash outflow of 30.5 billion yen was mainly due to 27.4 billion yen for tangible fixed assets acquisition associated with store openings, 2.5 billion yen for intangible assets acquisition, etc.

Financing Activity Cash Flows

- ▶ Cash outflow of 10.2 billion yen was mainly due to 11.9 billion yen for redemption of bonds, 4.1 billion yen for payables under fluidity lease receivables repayments, 9.5 billion yen for cash dividend payments, etc., while 14.1 billion yen increased for net amount of short-term and long-term borrowings.

Capital Expenditure

- ▶ Capital expenditure: 30.5 billion yen
(DQ: 4.8 billion yen, Nagasakiya: 2 billion yen, UDR: 4.9 billion yen, UNY: 5.5 billion yen, JAM: 1 billion yen, PPIH: 4.2 billion yen, etc.)

Strategy and measures for the future

- Discount store business
- GMS business
- Overseas business

As a first step to strengthen the hypothesis-verification cycle, the "100-day project" has been implemented in 6 stores. The accomplishments will be gradually expanded, and further hypothesis verification will be made in the next fiscal year and beyond.

Contents of the "100-day project"

Implement of intense hypotheses verification with low investment on a store-by-store basis

- Invested about 30 million yen for each store for the renovation and inventory digestion (= improvement of inventory turnover rate)
- Implemented intensive hypothesis verification for the following multiple issues
 - Sluggish spot rate because SKU cannot be narrowed down
 - PB expansion is not progressing sufficiently
 - Measures against competitors are not enough
 - Store layout is not following the lifestyle changes, etc.

Accomplishments and insights

- Since hypothesis verification on a store-by-store basis can be carried out quickly at a low budget, we will accelerate this measure
- Organizational issues were also seen in strengthening efforts across stores

Short-term

Individual store-by-store initiatives will start by order

- Measures that were confirmed by the PJ will be expanded horizontally (e.g. shelves for standard products will be introduced to all stores by July)
- About 200 hypotheses have already been listed for next verification, and we will start from June by selecting them and assembling a budget in the future (redefinition of delegation of authority will also be implemented at the same time)

Medium-term

Company-wide initiatives beyond the scope of individual stores and branches will start by preparing a mechanism and organizations.

(e.g., store renovation with investment, DX promotion, strategic PB development, automatic ordering, business flow review)

Discount store business

▶ “100-day project” implemented stores

Tohachi Mitaka
(Tokyo : 342 tsubo)
May 1999 Open

Takasaki
(Gunma : 601.8 tsubo)
Oct 2003 Open

Sendai-minami
(Miyagi : 679.8 tsubo)
July 2005 Open

Takaoka
(Toyama : 739.3 tsubo)
Mar 2013 Open

Takamatsu
(Kagawa : 758.3 tsubo)
Dec 2004 Open

Nishijin
(Fukuoka : 298.5 tsubo)
Feb 2002 Open

▶ Examples of renovation

	Strengthening PB in standard shelves	Creating a store layout as a measure against competition	Widening the aisles
Before	<p>PB does not stand out</p>	<p>Various POPs and signs are mixed up in the main aisle</p>	<p>Aisle with no extra room</p>
After	<p>Secure a fixed position in the shelf and strengthen the promotion</p>	<p>Thorough appeal of competitive prices in the main aisle</p>	<p>Widen the aisle so that a shopping cart can pass</p>

etc.

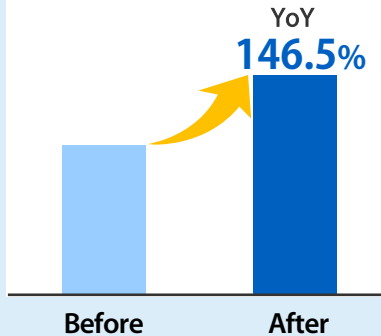
▶ UNY

Store renewal to New GMS accelerated in Q3. We plan to renew the remaining 4 stores for this fiscal year.

March 19 OPEN (Renewed for the 2nd time) PIAGO Power Mykoji

- Strengthened the store once again which was renewed in June last year
- Expanded sales floor area by introducing 4 specialty stores with enhanced expertise
- Strengthened quality fresh food
- Doubled the number of items for drugstore
- Expanded 10 times more of kitchen & dining items and cooking appliances which are in high demand

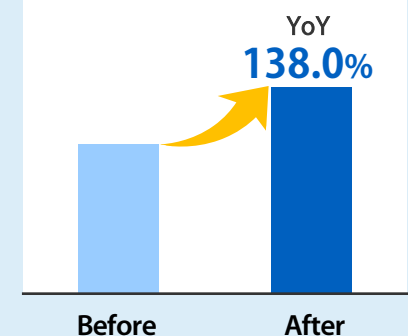
Sales in April, 2021



March 26 OPEN Apita Inazawa

- Rearranged tenants mainly with directly managed stores consisted of a collection of specialty stores.
- Strengthened product lineup by introducing a directly managed specialty store for food, household goods, and medicine on the 1st floor.
- Improved the mobility of customers by relocating tenant specialty stores on the 2nd floor
- Expanded clothing department to meet the needs of new families and younger generations

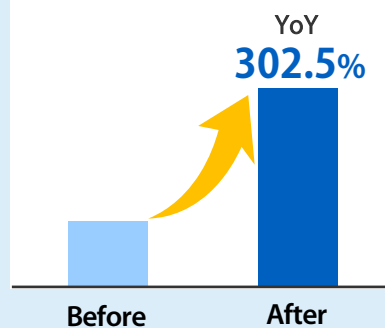
Sales in April, 2021



March 31 OPEN Power Super PIAGO Fujinomiya

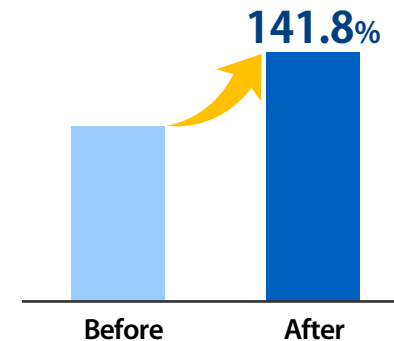
- Doubled the directly managed sales floor so that customers can buy daily necessities for one stop.
- Increased the number of foods and offer the best price in the commercial area based on competitive research
- Expanded the number of daily consumables and kitchen utensils in clothing and housing segment
- Started handling pharmaceutical products

Sales in April, 2021

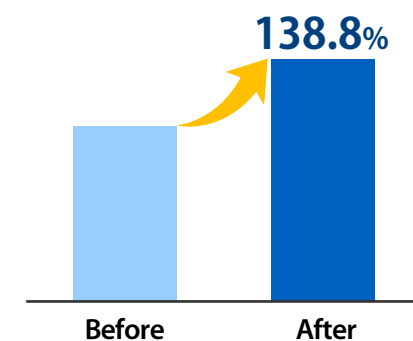


Renewed Stores Avg. (9 stores) ※Sales in April, 2021

Sales



Number of customers



*1. Results of directly managed departments, excluding concept stores

*2. The sales of Utsunomiya store include those of UDR store

Sales topics (overseas business)

▶ Asia

Asian businesses continued to perform well with the support from customers.

In March, first store was opened in Malaysia. 20 stores in 5 different countries to be opened by the end of May 2021.

Asia: Number of stores by country

	2020		2021	
	Jun	Dec	Mar	May
Singapore	7	8	8	9
Hong Kong	2	6	7	7
Thailand	2	2	2	2
Taiwan	0	0	1	1
Malaysia	0	0	1	1
Total	11	16	19	20

(No. of Stores)

Latest sales

Ximen
(Taiwan)

**Approximately
530 million yen**
(Results for April 2021)

JONETZ by DON
DON DONKI Lot10
(Malaysia)

**Approximately
320 million yen**
(Results for April 2021)

Opened January 19, 2021 Ximen (first store in Taiwan)



Strawberries

Period sales: Approx. 25 million yen
(Results for April 2021)

Opened March 19, 2021 JONETZ by DON DON DONKI Lot10 (first store in Malaysia)



We handle a wide variety of Wagyu
beef processed at halal-certified
facilities.



"Jonetsu Kakaku"

Period sales: Approx. 50 million yen,
Share in sales: Approx. 15%
(Results for April 2021)



In addition to Halal certified
products, we are developing non-
pork and non-alcoholic products.

Full-year forecast of consolidated results

(Unit: Millions of yen)

	Results for the previous fiscal year *1		Full-year forecast *2		
	Actual *1	Share	Actual	Share	YoY
Sales	1,681,947	100.0%	1,700,000	100.0%	101.1%
Gross profit	481,116	28.6%	498,000	29.3%	103.5%
SG&A	405,692	24.1%	418,000	24.6%	103.0%
Operating profit	75,424	4.5%	80,000	4.7%	106.1%
Recurring profit	74,600	4.4%	79,000	4.6%	105.9%
Profit attributable to owners of parent	49,927	3.0%	53,000	3.1%	106.2%
EPS (Yen)	78.79	-	83.58	-	106.1%
Dividends per share (Yen)	15.00	-	16.00	-	106.7%
Depreciation	22,841	1.4%	26,500	1.6%	116.0%

*1. As the method for the valuation of inventories has been changed from the retail inventory method to the moving average method since the current period (FY ending June 2021), figures related to previous periods have been adjusted retroactively and reflected in these materials.

*2. The forecast was revised upward on February 10, 2021 (OP: 77 to 80 billion yen) from the one published originally on August 12, 2020.

Appendix

Earnings summary for Q3

[Period: January 1, 2021 – March 31, 2021]

(Unit: Millions of yen)

	3 months to March 2020* 1		3 months to March 2021			
	Actual	Share	Actual	Share	Change	YoY
Sales	406,970	100.0%	415,335	100.0%	8,365	102.1%
Gross profit	116,651	28.7%	118,750	28.6%	2,100	101.8%
SG&A	101,544	25.0%	101,191	24.4%	(352)	99.7%
Operating profit	15,107	3.7%	17,559	4.2%	2,452	116.2%
Recurring profit	14,163	3.5%	19,355	4.7%	5,192	136.7%
Profit attributable to owners of parent	9,347	2.3%	12,596	3.0%	3,248	134.8%

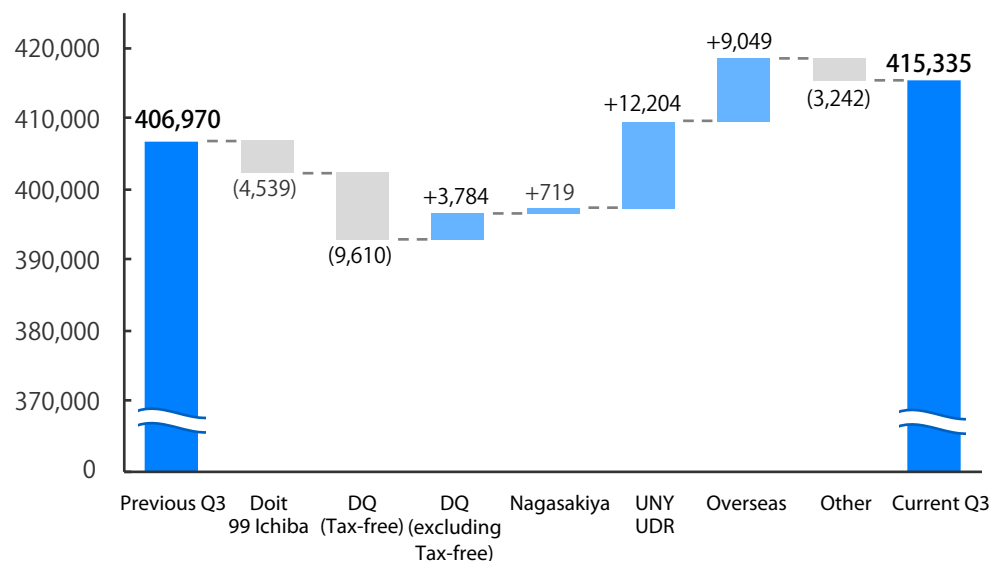
*1. As the method for the valuation of inventories has been changed from the retail inventory method to the moving average method since the current period, figures related to previous periods have been adjusted retroactively and reflected in these materials.

Q3 year-on-year changes by retailer

[Period: January 1, 2021 – March 31, 2021]

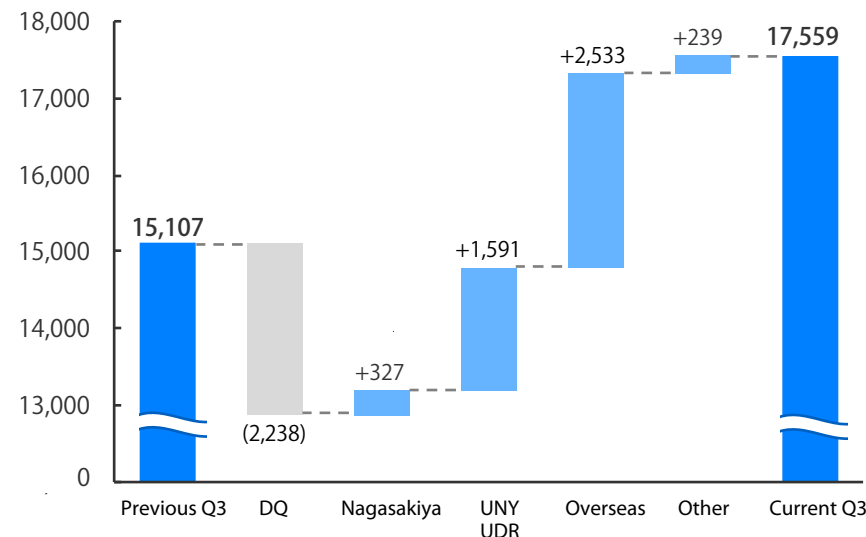
Changes in sales

<Millions of yen>



Changes in operating profit

<Millions of yen>



- The figures for sales and operating profit presented here are the simple aggregate for each company. Differences with the consolidated results are adjusted in other areas.
- DQ merged with Lilac in July 2020. Figures for current Q3 represent results after the merger.
- UNY merged with Unifood Co., Ltd. in July 2020 and NEXCOM Inc. in October 2020. The figures for Q3 are after the mergers.
- Figures for overseas operations are the simple aggregate for DQ USA, MARUKAI, QSI, PPRM(SG), PPRM(HK) and DONKI Thailand. Results for overseas operations are for the period from October to December 2020.

Q3 retail operations information

[Period: January 1, 2021 – March 31, 2021]

(Unit: Millions of yen)

▶ Domestic retail	Don Quijote			Nagasakiya			UD Retail			UNY		
	3 months to Mar 2020	3 months to Mar 2021	YoY	3 months to Mar 2020	3 months to Mar 2021	YoY	3 months to Mar 2020	3 months to Mar 2021	YoY	3 months to Mar 2020	3 months to Mar 2021	YoY
Sales *1	167,988	162,162	(5,826)	46,432	47,151	719	28,079	47,031	18,952	124,700	117,952	(6,748)
Gross profit	41,796	39,395	(2,401)	11,246	11,419	173	7,138	11,860	4,722	40,509	38,998	(1,511)
Gross profit ratio	24.9%	24.3%	(0.6pt)	24.2%	24.2%	±0.0pt	25.4%	25.2%	(0.2pt)	32.5%	33.1%	0.6pt
SG&A	36,875	36,713	(162)	10,268	10,114	(154)	8,678	11,230	2,552	34,196	33,266	(930)
Operating profit	4,921	2,683	(2,238)	978	1,305	327	(1,541)	630	2,171	6,313	5,733	(580)
Operating profit ratio	2.9%	1.7%	(1.2pt)	2.1%	2.8%	0.7pt	(5.5%)	1.3%	6.8pt	5.1%	4.9%	(0.2pt)

▶ Overseas retail	North America *2			Asia *3		
	3 months to Mar 2020	3 months to Mar 2021	YoY	3 months to Mar 2020	3 months to Mar 2021	YoY
Sales *1	24,603	25,315	712	5,326	13,663	8,337
Gross profit	7,594	7,994	400	1,567	4,787	3,220
Gross profit ratio	30.9%	31.6%	0.7pt	29.4%	35.0%	5.6pt
SG&A	6,627	6,235	(392)	1,951	3,430	1,479
Operating profit	967	1,759	792	(384)	1,357	1,741
Operating profit ratio	3.9%	6.9%	3.0pt	(7.2%)	9.9%	17.1pt

*1. As the method for the valuation of inventories has been changed from the retail inventory method to the moving average method since the current period, figures related to previous periods have been adjusted retroactively and reflected in these materials.

*2. Figures for North America are the simple aggregate for DQ USA, MARUKAI, and QSI. Results are for the period from October to December 2020.

*3. Figures for Asia are the simple aggregate for PPRM (SG), PPRM (HK), and DONKI Thailand. Results are for the period from October to December 2020.

Q3 overview of results by consolidated businesses

[Period: January 1, 2021 – March 31, 2021]

(Unit: Millions of yen)

	3 months to March 2020		3 months to March 2021		
	Actual	Share	Actual	Share	YoY
Discount store operations *1	270,732	66.5%	289,325	69.7%	106.9%
Home electrical appliances	20,597	5.1%	22,601	5.4%	109.7%
Miscellaneous household goods	58,188	14.3%	56,075	13.5%	96.4%
Food products	105,806	26.0%	117,806	28.4%	111.3%
Watches and fashion merchandise	35,288	8.7%	33,099	8.0%	93.8%
Sporting goods and leisure goods	12,466	3.1%	13,227	3.2%	106.1%
DIY goods	936	0.2%	—	—	—
Overseas	29,662	7.3%	38,980	9.4%	131.4%
Other	7,790	1.9%	7,536	1.8%	96.7%
GMS *1	117,702	28.9%	107,854	26.0%	91.6%
Clothing	13,677	3.4%	11,574	2.8%	84.6%
Household goods	16,996	4.2%	17,013	4.1%	100.1%
Food products	82,950	20.4%	77,927	18.8%	93.9%
Other	4,079	1.0%	1,341	0.3%	32.9%
Tenant leasing operations *1	14,824	3.6%	14,649	3.5%	98.8%
Other business operations *2	3,712	0.9%	3,507	0.8%	94.5%
Total	406,970	100.0%	415,335	100.0%	102.1%

*1. Reported segments are organized by the format of service provision, and comprises discount store, GMS and tenant leasing operations.

*2. "Other" includes holding company management, credit card business, etc.

Comments on consolidated business results in Q3

Discount store businesses: 289.3 billion yen (+ 6.9 % YoY)

Alongside the negative effect of no tax-free sales and leap days of previous year, stay-at-home demand continued. Cosmetics, haircare products and clothing turned positive after one year of COVID-19 influence.

▶ Home electronic appliances: 22.6 billion yen
(+ 9.7 % YoY)

In addition to the strong performance of heating appliances and air purifiers, TVs, cooking and beauty appliances also grew.

▶ Daily necessities: 56.1 billion yen
(- 3.6% YoY)

The events and chances for going out increased compared to the previous year, causing growth for cosmetics, hair care, sunscreen, etc.

▶ Food products: 117.8 billion yen
(+ 11.3 % YoY)

Demand for eating in further expanded under the prolonged COVID-19 influence, boosting the food growth. Sales for alcoholic beverages and delicacies increased. Fresh and processed meat, and desserts also contributed.

▶ Timepieces/fashion accessories: 33.1 billion yen
(- 6.2 % YoY)

Clothing turned positive in March after one year of COVID-19 influence. Although high-end watches and imported luxury goods are still struggling, the signs of improvement were shown as the negative range has been narrowed down.

▶ Sports/leisure goods: 13.2 billion yen
(+ 6.1% YoY)

Sports related products stayed strong reflecting the health-conscious trend associated with COVID-19. Demand shift from indoors to outdoor, light sports, cycling, etc. Protein was solid.

▶ Overseas: 39 billion yen
(+ 31.4% YoY)

Asia continued to perform well with 3 new stores in Hong Kong and 1 in Singapore. In North America, demand against COVID-19 continued.

General merchandise stores (GMS) business: 107.9 billion yen (- 8.4 % YoY)

In response to the second state of emergency, demand for food increased once more. In addition to the stay-at-home demand, "new life" related demand which was sluggish in the previous year improved with events such as graduation and entrance ceremonies resumed.

▶ Apparel: 11.6 billion yen
(- 15.4 % YoY)

Clothing turned positive from March. This category widely grew including school-related clothing, formal wear, bags and accessories, etc.

▶ Homeware : 17 billion yen
(+0.1 % YoY)

Demand for sanitary products such as masks continued. Sales of home appliances, beauty appliances, interiors, bedding, and cleaning products were strong, capturing demands for new life.

▶ Food products: 77.9 billion yen
(- 6.1% YoY)

Dairy and fresh food were solid as an alternative for eating out. Confectionery, processed foods, and alcoholic beverages were strong.

Tenant leasing business: 14.6 billion yen (-1.2% YoY)

Some tenants evacuated under the influence of COVID-19, because the number of customers decreased.

Breakdown of SG&A

[Period: January 1, 2021 – March 31, 2021]

(Unit: Millions of yen)

	3 months to Mar 2020 *1		3 months to Mar 2021		
	Actual	Share	Actual	Share	YoY
SG&A	101,544	25.0%	101,191	24.4%	99.7%
Salaries and allowances	36,401	8.9%	38,394	9.2%	105.5%
Rent	13,545	3.3%	13,314	3.2%	98.3%
Commission paid	14,947	3.7%	13,628	3.3%	91.2%
Depreciation	5,925	1.5%	6,315	1.5%	106.6%
Other	30,727	7.6%	29,540	7.1%	96.1%

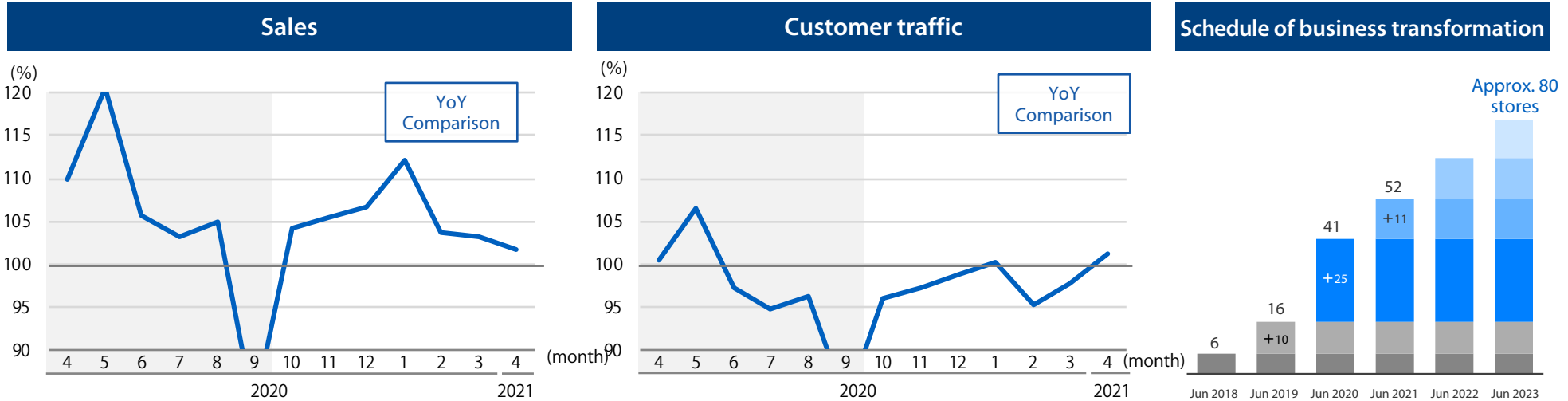
[Period: July 1, 2020 – March 31, 2021]

(Unit: Millions of yen)

	9 months to Mar 2020 *1		9 months to Mar 2021		
	Actual	Share	Actual	Share	YoY
SG&A	304,224	24.0%	303,056	23.9%	99.6%
Salaries and allowances	108,160	8.5%	113,730	9.0%	105.1%
Rent	40,501	3.2%	39,603	3.1%	97.8%
Commission paid	45,805	3.6%	42,832	3.4%	93.5%
Depreciation	17,889	1.4%	19,004	1.5%	106.2%
Other	91,870	7.2%	87,887	6.9%	95.7%

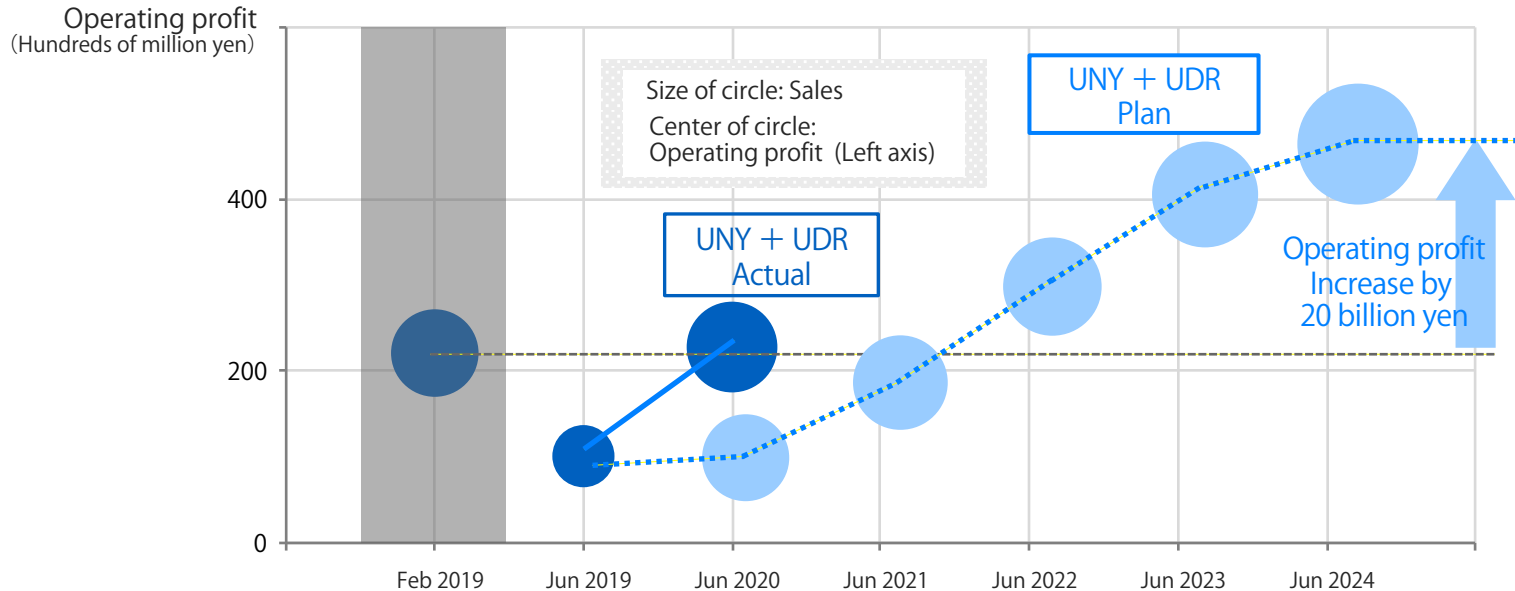
*1. As the method for the valuation of inventories has been changed from the retail inventory method to the moving average method since the current period, figures related to previous periods have been adjusted retroactively and reflected in these materials.

► [Stores operating for one year or more] 30 stores for conversion to double-name business format *1



< Aforementioned >

Plan to increase UNY and UDR earnings



*1. Results of directly managed departments, excluding concept stores

Store openings for current period

15 new stores has been opened by this Q3.

New store openings for the full year: 13 in Japan, 8 overseas, and 11 UDR conversions.

Corporation	Business format	1Q			2Q			3Q			4Q			
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Discount	DQ		Kawagoe Higashiguchi (Saitama)	Shibata (Niigata)	Matsuyama Okaido (Ehime)	Sevenpark Ario Kashiwa (Chiba)	Shinshu Nakano (Nagano)		Sakae San-chome (Aichi)		Tookamachi (Niigata)		Shimokitazawa (Tokyo)	
	MEGA					Yamashina (Kyoto)			Musashi Urawa (Saitama)		Tomigusuku (Okinawa)			
	UDR	Kaguyama (Aichi)	Kakegawa (Shizuoka)			Kira (Aichi)	Seikadai (Kyoto)				Konan (Aichi)	Tsuruga (Fuku)	Isawa (Yamanashi)	
		DQ APITA Utsunomiya (Tochigi)				Takamori (Nagano)						Jyushiyama (Aichi)		
						Aizuwakamatsu (Fukushima)								
GMS	UNY (New GMS)					Iwakura (Aichi)	Mitake (Gifu)		Okaya (Nagano)	Inazawa (Aichi)		1 Apita store	1 Piago store	2 Piago stores
							Kayaba (Aichi)			Fujinomiya (Shizuoka)				
										Akaike (Aichi)				
Overseas *1		Pearl City (Hong Kong)			100QRC (Hong Kong)	Monterey Place (Hong Kong)	Jonetz Market Peak Galleria (Hong Kong)	Ximen (Taiwan)	Island Resort Mall (Hong Kong)	Lot10 (Malaysia)		Downtown East (Singapore)		
					HarbourFront (Singapore)									

*1. As the fiscal year ends in March for overseas corporations, the number of stores for each quarter is adjusted for the applicable fiscal year.

= Conversion of business format

Store network

	No. of stores by format				
	FY2019	FY2020	FY2021		
			1Q	2Q	3Q
Don Quijote	212	225	225	228	227
MEGA * 1	44	44	44	45	45
New MEGA	88	91	91	92	93
MEGA Don Quijote UNY	16	41	44	48	48
APITA/Piago * 2	176	150	147	143	143
Picasso * 3	25	26	25	25	25
Mini Piago	73	0*5	0	0	0
Doito	15	0*6	0	0	0
Nagasakiya/Dept. store	2	3	3	2	2
Overseas * 4	42	49	49	50	54



	No. of stores by corporation				
	FY2019	FY2020	FY2021		
			1Q	2Q	3Q
Don Quijote	322	339	342	346	346
Nagasakiya	44	44	44	44	44
UD Retail	16	41	44	48	48
UNY	176	150	147	143	143
Lilac	4	4	0*7	0	0
99 Ichiba	73	0*5	0	0	0
Doito	15	0*6	0	0	0
Daishin /Tachibana Dept. Store	1	2	2	2	2
Domestic total	651	580	579	583	583
DQUSA	4	4	4	4	4
MARUKAI	10	10	10	10	10
QSI	24	24	24	24	24
PPRM (SG)	3	7	7	7	8
PPRM (HK)	-	2	2	3	6
DONKI Thailand * 4	1	2	2	2	2
Overseas total	42	49	49	50	54
Total	693	629	628	633	637

* 1. Business format conversion stores operated by Nagasakiya are all included in "MEGA".

* 2. "Apita/Piago" includes "U store", "Power Piago" format.

* 3. "Picasso" includes Picasso, Essence, Kyoyasudo, Ekidonki, Soradonki, and Jonetsu Shokunin.

* 4. As the fiscal year ends in March for overseas corporations, the number of stores for each quarter is adjusted for the applicable fiscal year.

* 5. Number of stores has been reduced by 73 as of April 1, 2020 due to transfer of shares.

* 6. Number of stores has been reduced by 15 as of February 1, 2020 due to transfer of business.

* 7. Number of stores has been reduced by 4 as of July 1, 2020 due to absorption and merger with Don Quijote.

Overview of results for listed subsidiaries

▶ Japan Asset Marketing (8922)

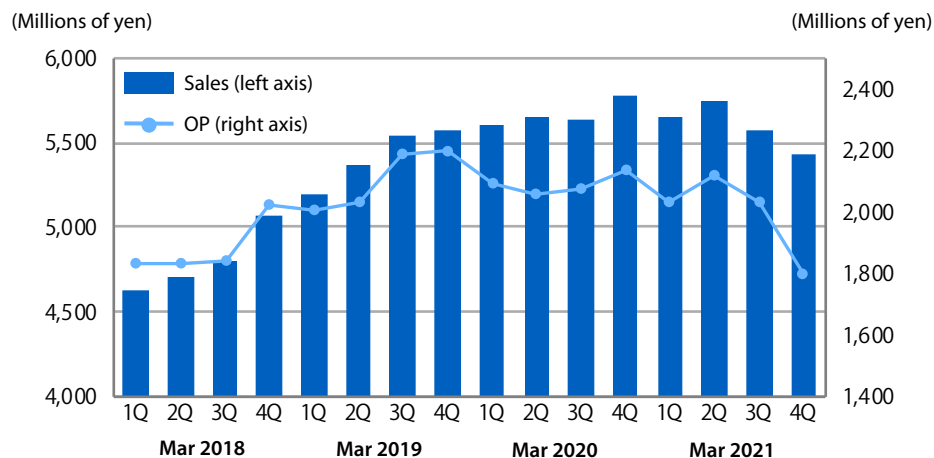
(Unit: Millions of yen)

Profit statement	Previous fiscal year April 1, 2019~March 31, 2020		Current fiscal year April 1, 2020~March 31, 2021		
	Actual	Share	Actual	Share	YoY
Sales	22,665	100.0%	22,427	100.0%	98.9%
Gross profit	9,365	41.3%	8,936	39.8%	95.4%
SG&A	998	4.4%	953	4.2%	95.5%
Operating profit	8,366	36.9%	7,982	35.6%	95.4%
Recurring profit	8,167	36.0%	7,959	35.5%	97.5%
Profit attributable to owners of parent	6,108	26.9%	5,427	24.2%	88.9%

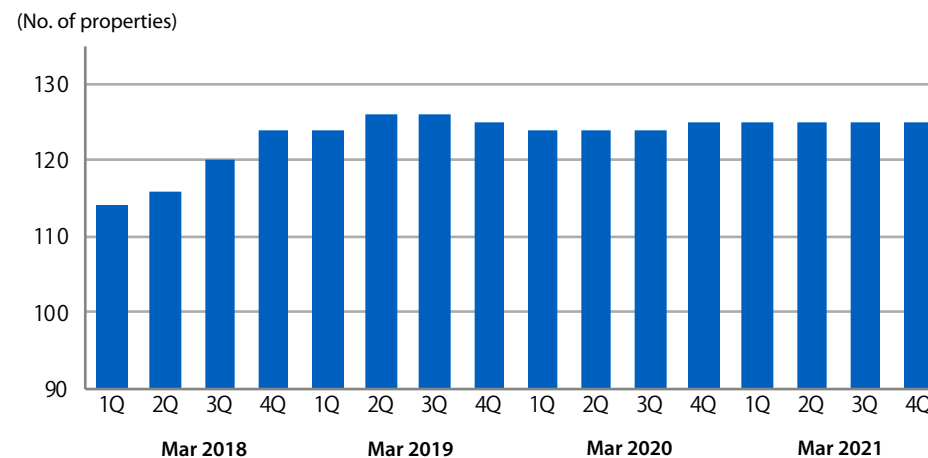
(Unit: Millions of yen)

Balance sheet	March, 2020	March, 2021	
	Actual	Actual	Change
Current assets	11,362	9,402	(1,960)
Non-current assets	158,539	154,710	(3,829)
Total assets	169,902	164,112	(5,790)
Current liabilities	14,817	9,384	(5,433)
Non-current liabilities	47,022	41,238	(5,784)
Total liabilities	61,839	50,622	(11,217)
Total net assets	108,062	113,490	5,428

Sales and operating profit



Changes in number of properties owned



IR inquiries

Pan Pacific International Holdings Corporation, IR Department
2-19-10 Aobadai, Meguro-ku, Tokyo, 153-0042
TEL: 03-5725-7588 FAX: 03-5725-7024
e-mail : ir@ppih.co.jp

IR calendar

Announcement of results for the fiscal year ending June 2021 (Scheduled)
Date of announcement: August 17, 2021 (Tuesday)
Venue: TBD

Cautionary information regarding forward-looking statements

The purpose of these materials is solely to provide information to investors, and not for the solicitation of purchases and sales. The forward-looking statements set out in these materials are based on targets and forecasts, and do not provide any commitments or guarantees. While forward-looking statements are prepared based on various data that we consider to be reliable, we do not provide any guarantees on their accuracy or safety. These materials are presented based on the premise that they will be used at discretion and responsibility of the investor, regardless of the purposes that they use these materials for, and Pan Pacific International Holdings Corporation bears no responsibility in any circumstances.



2-19-10 Aobadai, Meguro-ku, Tokyo, 153-0042
TEL: 03-5725-7588 / FAX: 03-5725-7024 / e-mail: ir@ppih.co.jp
<https://ppih.co.jp/>