

# Results for FY 2022

August 12, 2022

Pan Pacific International Holdings Corporation

**1**

**Fiscal year ended June 30, 2022  
Overview**

**2**

**Appendix**

## Explanatory notes for these materials

1. The actual values presented in these materials are rounded 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,” Taiwan as “TW,” Malaysia as “MY,” Macau as “MO,” Japan Asset Marketing Co., Ltd. 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. PPIH has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. effective from the beginning of the fiscal year ended in June 30, 2022. As a result, comparisons with the same period of the previous fiscal year are based on figures calculated using different standards.
5. The exchange rates used for overseas operations are shown below. (Gelson's fiscal year ends in June, so the exchange rate is different. )
6. For the business integration with GRCY Holdings, Inc. that took place on April 21, 2021, provisional accounting treatment was applied in the previous consolidated fiscal year. This was finalized in the second quarter of the consolidated fiscal year ended in June 30, 2022. Following the determination of this provisional accounting treatment, comparative analysis has been conducted using retroactively adjusted figures.

Unit : yen	USD U.S. dollar		USD (Gelson's)		SGD Singapore dollar		THB Thai baht		HKD Hong Kong dollar	
	P/L	B/S	P/L	B/S	P/L	B/S	P/L	B/S	P/L	B/S
FY 2021	105.95	110.72	109.80	110.61	77.76	82.28	3.42	3.54	13.66	14.24
FY 2022	113.06	122.41	118.42	136.69	83.84	90.47	3.45	3.68	14.52	15.64

# **Fiscal year ended June 30, 2022**

## **Overview**

# Financial Results for the Year Ended June 30, 2022

【Period : July 1, 2021~June 30, 2022】

(Unit: 100 Million yen)

	FY2021		FY2022				Forecast for FY2022		
	<sup>*1</sup> Amount (Adjusted)	Ratio	<sup>*2</sup> Amount	Ratio	Change	YoY	Amount	Ratio	Progress
<b>Net sales</b>	<b>17,086</b>	100.0%	<b>18,313</b>	100.0%	<b>+1,226</b>	107.2%	<b>18,700</b>	100.0%	97.9%
<b>Gross profit</b>	<b>4,972</b>	29.1%	<b>5,434</b>	29.7%	<b>+462</b>	109.3%	<b>5,539</b>	29.6%	98.1%
<b>SG&amp;A</b>	<b>4,160</b>	24.3%	<b>4,547</b>	24.8%	<b>+387</b>	109.3%	<b>4,689</b>	25.1%	97.0%
<b>Operating profit</b>	<b>812</b>	4.8%	<b>887</b>	4.8%	<b>+75</b>	109.2%	<b>850</b>	4.5%	104.3%
<b>Recurring profit</b>	<b>815</b>	4.8%	<b>1,004</b>	5.5%	<b>+190</b>	123.3%	<b>830</b>	4.4%	121.0%
<b>Net income</b>	<b>537</b>	3.1%	<b>619</b>	3.4%	<b>+82</b>	115.2%	<b>576</b>	3.1%	107.5%
<b>EPS (yen) <sup>*3</sup></b>	<b>84.74</b>	-	<b>102.64</b>	-	<b>+17.90</b>	121.1%	<b>95.46</b>	-	107.5%

\*1. In the second quarter of the fiscal year ended June 30, 2022, the Company finalized the provisional accounting treatment for the business consolidation, and each figure for the fiscal year ended June 30, 2021 reflects the details of the accounting treatment.

\*2. PPIH has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. effective from the beginning of the fiscal year ended in June 30, 2022. For this reason, YoY comparisons are based on figures calculated using different standards. No retroactive adjustments will be made to the figures for the previous year. Compared to the case without this accounting standard, sales, gross profit and SG&A expenses decreased by 8.1 billion yen and gross profit margin decreased by 0.3%.

\*3. PPIH repurchased 38,054,300 shares of treasury stock based on the resolution of the Board of Directors meeting held on September 6, 2021. Net income per share in the consolidated earnings forecast takes into account the impact of the share buyback. Without this share buyback, actual cumulative results of net income per share would be 97.63 yen for the fiscal year ended June 30, 2022.

## 1. Consolidated Business Results

- For the full year, PPIH achieved sales of 1,831.3 billion yen (+122.6 billion yen/+7.2% YoY) and operating income of 88.7 billion yen (+7.5 billion yen/+9.2% YoY), achieving its operating income target and 33rd consecutive year of growth in both sales and income.
  - ✓ Sales growth was driven by the overseas business, up 97.4 billion yen due to the newly consolidated Gelson's and new store openings, and the DS business, up 45.6 billion yen due to an increase in the number of stores, including business format conversions, and a recovery in existing stores.
  - ✓ Operating profit recovered from a YoY decline of 7.1 billion yen in Q1 and achieved the announced target. All businesses met their initial targets, with the DS business in particular achieving a significant increase of 13.7 billion yen YoY, driven by strategic measures implemented at the beginning of the period, such as improving gross profit margin by strengthening PB/OEM and improving inventory turnover ratio, which were strengthened during the period.
- The results reached a record high as a Q4 result. Compared to the previous Q4, sales was +20.4 billion yen, and operating profit was +11.3 billion yen. In particular, operating profit was boosted by further improvement in gross profit margin.
  - ✓ Purchase costs are increasing, but the gross profit margin in Q4 improved significantly by 2.1% (DS business: +2.8%, GMS business: +2.3%) from the previous Q4, backed by the improved inventory turnover ratio, which has been strengthened since Q3, in addition to the reinforcement of PB/OEM.
  - ✓ The SG&A ratio also decreased by 0.1% compared to the previous Q4. The company continued to control SG&A expenses within budget, and efforts to curb rising utilities costs at stores were also successful.

## 2. Other Results

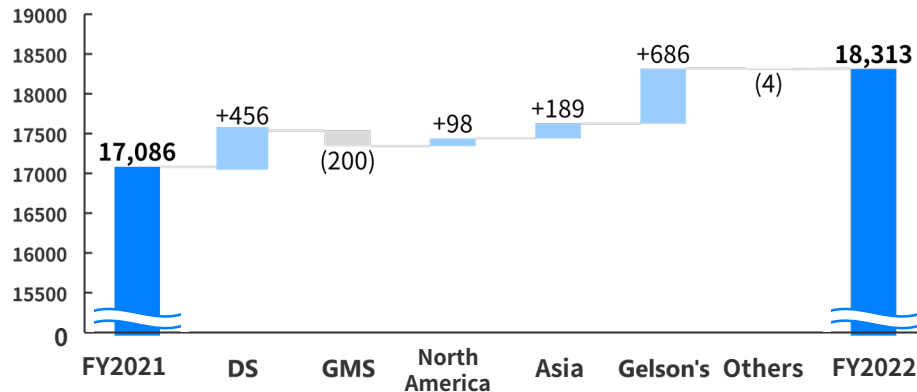
- In the financial business, the merchant store management business started in June and has already realized cost reductions of about 100 million yen.
- Strengthening of ESG promotion, which started from the beginning of the fiscal year, resulted in the selection as a constituent of the FTSE Index and other achievements.

# Cumulative Total Change in Financial Figures

【Period : July 1, 2021~June 30, 2022】

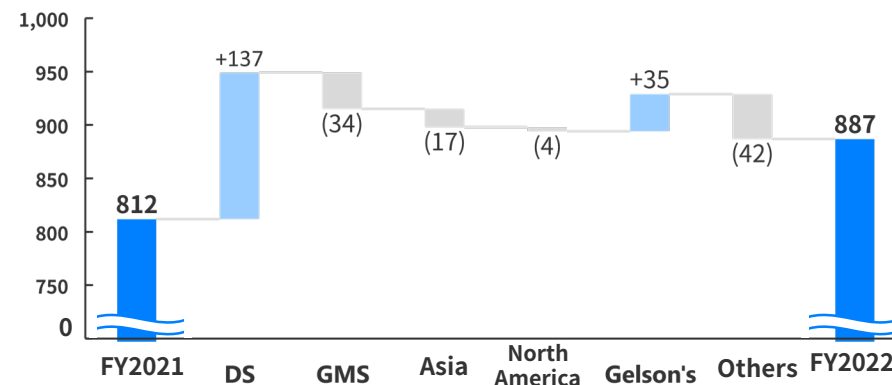
## Sales by Business

<100 Million Yen>



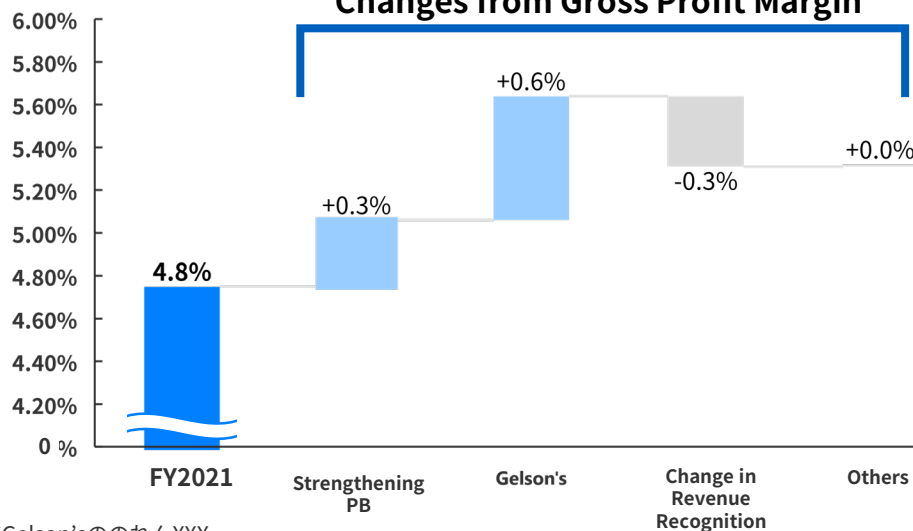
## Operating Profit by Business

<100 Million Yen>

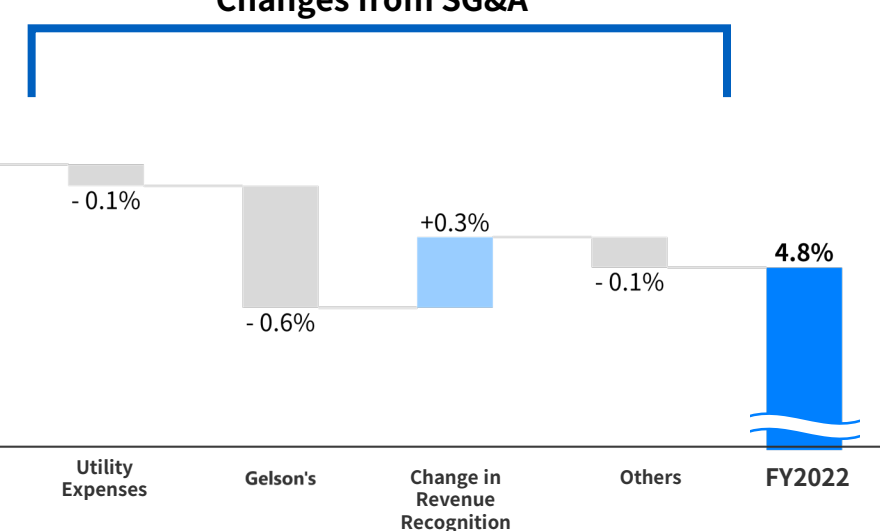


## Operating profit ratio Breakdown

### Changes from Gross Profit Margin



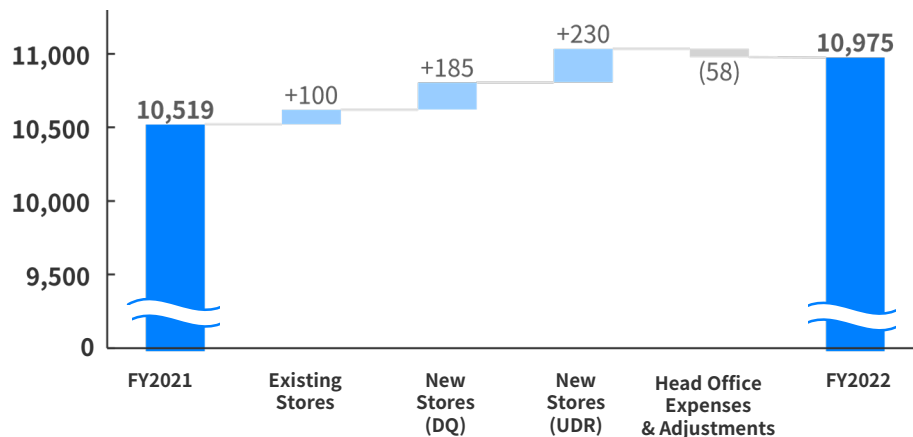
### Changes from SG&A



# Discount Store Business

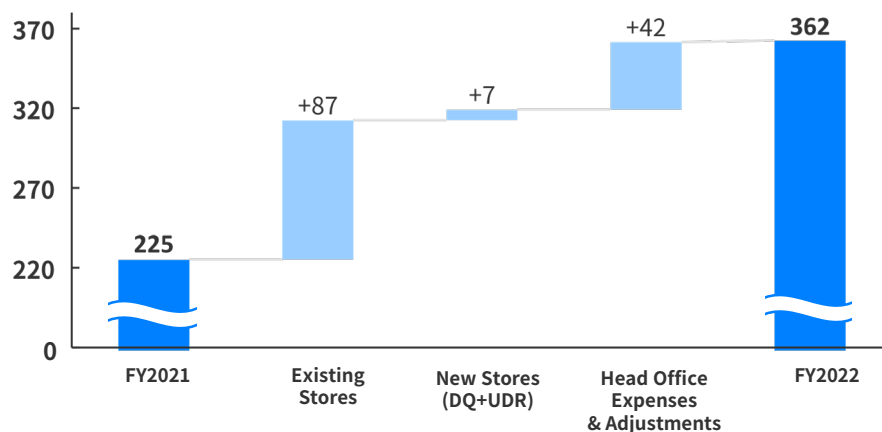
## FY2022 Cumulative Change in Sales

<100 Million Yen>



## FY2022 Cumulative Change in Operating Profit

<100 Million Yen>

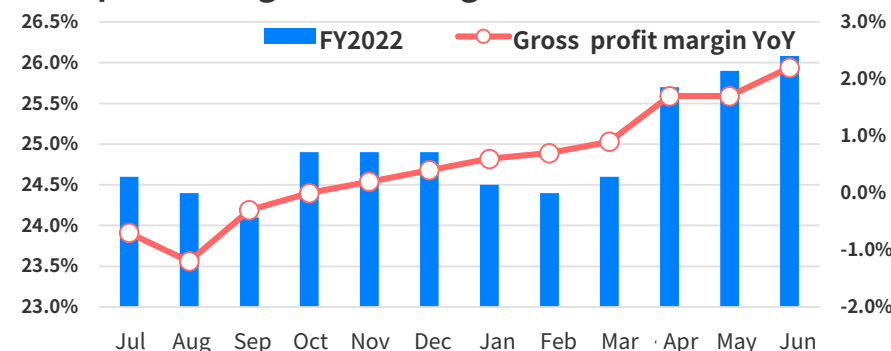


\*DS business does not include Tachibana Departmentstore Co.,Ltd.

**Recovered from the harsh external environment of Q1. Sales increased by 45.6 billion yen YoY and operating profit increased by 13.7 billion yen (+61.0%) YoY, achieving a significant increase in both sales and profit.**

- ✓ Existing store gross profit margin increased by 0.5% YoY as strategic measures to strengthen PB/OEM and improve pricing accuracy achieved positive results. Operating profit at existing stores also increased by 8.7 billion yen, contributing to increased profit in the DS business.
  - Especially in Q4, sales increased 1.8% over the previous Q4 due to a recovery in the flow of people during the GW holiday season and strong sales of seasonal products due to the early end of the rainy season.
- ✓ Inventory turnover, which had been an issue, was strengthened in Q3 and further improved in Q4. Inventory actual at existing stores at the end of the period declined significantly by 15.2 billion yen YoY.
- ✓ Sales growth was achieved by 19 new stores and 3 stores converted to new formats, as well as existing store sales increased by 1.1% YoY.
  - Q4 existing store sales increased 1.8% due to the lifting of the special measures for the pandemic, and the early end of the rainy season. In particular, sales at station-front stores recovered by 10.3%, and sales during nighttime hours recovered by 14.4%.
- ✓ SG&A expenses remained under control within budget throughout the year.

### ► Gross profit margin at existing stores





# DS Business: Improve store attractiveness by strengthening PB/OEM and improving inventory turnover

## Improvement of gross profit margin and differentiation by strengthening PB/OEM

PB/OEM sales composition increased to 14.2% of total sales (+2.1% YoY). Gross profit margin improvement was +0.49%, exceeding the initial target of +0.4%.

In Q4, the sales composition increased to 15.6% due to the continued strengthening of in-store and out-store promotions as well as the growth of PB and OEM products in the non-food category. (vs. the previous Q4: sales composition ratio +2.8%, gross profit improvement +0.7%)

▼ A promotion aiming to raise awareness of PB

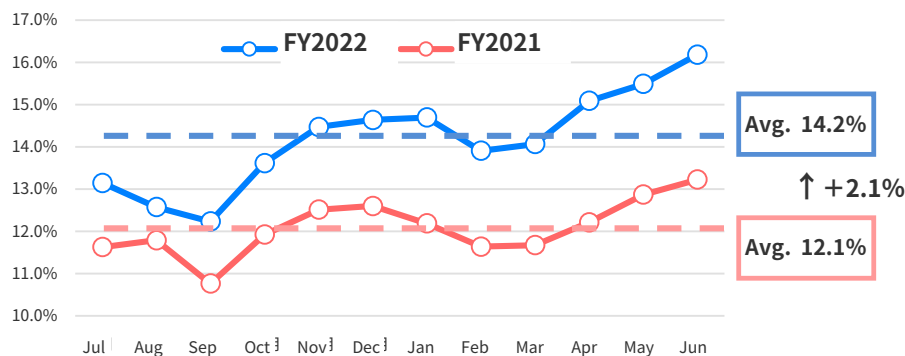


▼ Examples of PB and OEM products that have increased sales in non-food category

<Example>

- Cosmetics (+95.3%) (+2.6 bil. Yen)
- Bicycle (+75.0%) (+0.59 bil. Yen)
- Toys (+68.4%) (+0.96 bil. Yen)

## ► PB and OEM sales composition in the domestic DS business



## Enhancing store attractiveness by improving inventory turnover through DX

Inventory turnover ratio improved even further from Q3 due to progress unit control through DX. Inventory at the end of the period was decreased by 15.2 billion yen YoY, a further reduction from 10.2 billion yen YoY in Q3, due to "interest expiration date" management, automatic ordering based on demand forecast, and SKU narrowing, etc.

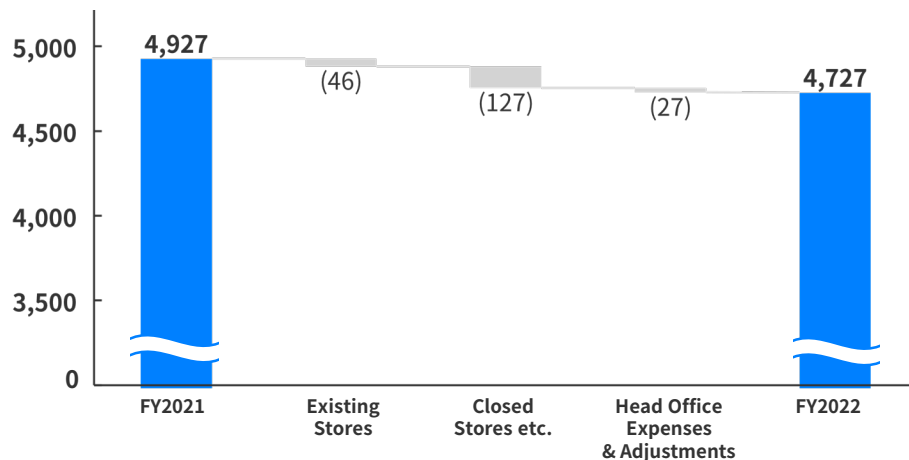
- The annual turnover ratio of inventory at existing stores improved by 0.59pt YoY (0.36pt improvement in Q3).
- It also led to a reduction in write-downs at the end of the period, contributing to an improvement in gross profit margin.

The improved inventory turnover ratio has enabled the company to realize its "the customer matters most" principle by constantly proposing new products to customers, and has also made a significant contribution to the further strengthening of the PB/OEM to cope with the increase in inventories.

In addition, inventory reductions have the effect of increasing labor productivity in inventory management operations at stores. It also frees up work hours that are directly related to customer service and store attractiveness.

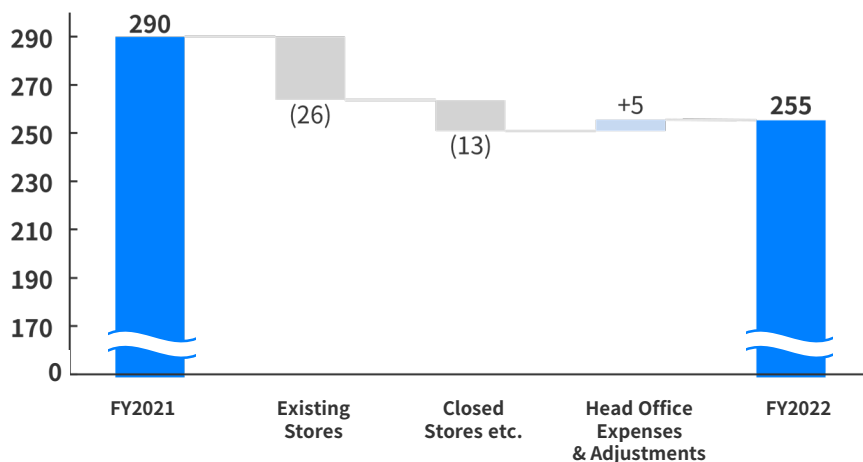
## FY2022 Cumulative Change in Sales

<100 Million Yen>



## FY2022 Cumulative Change in Operating Profit

<100 Million Yen>



Despite a difficult Q1-Q2 period due to the external environment, the company recovered in the Q3 and Q4 by improving gross profit margin. Full-year operating profit exceeded the initial target.

Evolution to individual store management and integration of departments are still in process. Profit generation through higher gross profit margins and cost efficiencies will be further focused from the next fiscal year onward.

- ✓ Sales declined by 20 billion yen (-1.1% YoY at existing stores) due to a conversion to UDR and a reactionary decline in demand for alternative to eating out.
  - The effect of the conversion is +10.3 billion yen, net and an increase in sales on the DS side.
- ✓ Conversion to UDR was carried out at 7 stores for the full year. Only one store was remaining with the initial plan, but 3 more stores are added to the list.
- ✓ Gross profit margin at existing stores was lower than the previous year in Q1 and Q2, but improved in each quarter. In particular, in Q4, seasonal merchandise, a high gross margin category grew, resulting in a significant improvement of 1.7%, contributing to meet the target of operating profit.
- ✓ SG&A ratio increased in the 1H by 0.9%, but improved with each passing month to reach -0.1% in the 2H.

### ▶ GMS Business Existing Store Performance in FY2022

	Q1	Q2	Q3	Q4	Cum.
<b>Sales (YoY)</b>	98.1%	99.5%	100.3%	97.8%	98.9%
<b>GPM (Change)</b>	▲1.4%	▲0.9%	+0.1%	+1.7%	▲0.1%
<b>OP (Change)</b>	▲2 bil.	▲2.6 bil.	+0.6 bil.	+1.4 bil.	▲2.6 bil.

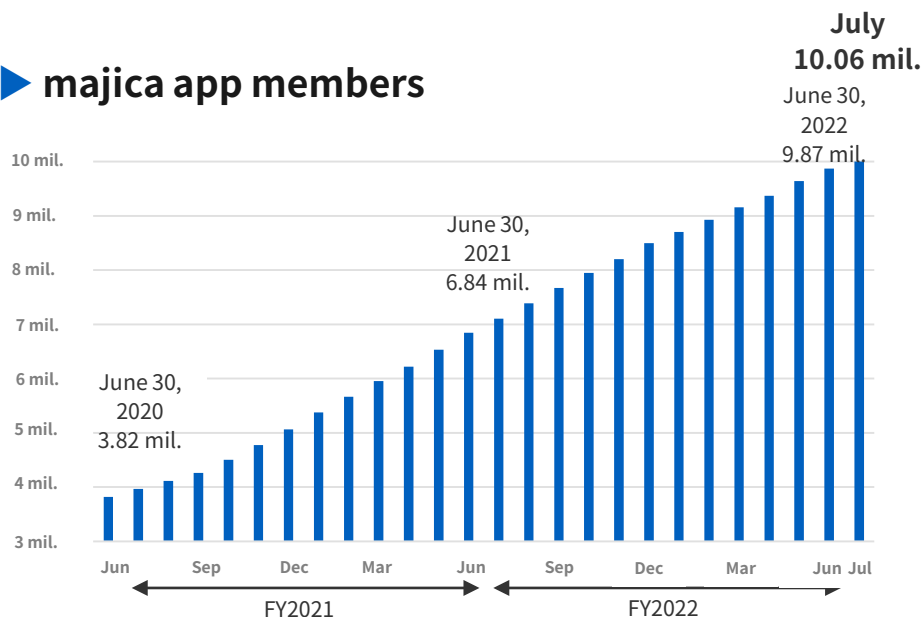
# Discount Store Business : Progress on majica app

The number of registered members reached 9.87 million at the end of June (10 million in July). The app will be updated to enhance functionality and improve convenience, and will be used as a core tool for offering the "new CV+D+A".

The number of majica app members reached 9.87 million at the end of the fiscal year. It reached 10 million in July and further grew to 10.06 million by the end of July.

<u>FY2020</u>		<u>FY2021</u>		<u>FY2022</u>
<b>3.82 mil.</b>	→	<b>6.84 mil.</b>	→	<b>9.87 mil.</b>
		+3.02 mil. (+79%)		+3.03 mil. (+44%)

## ▶ majica app members



After the updates of the app which adds payment and review functions, it will be the center of offering the "new CV+D+A".

- Provide new CV+D+A with enhanced convenience and interactivity
- Promoting store visits and purchases through CRM measures suited to customer attributes

### <Example of CRM trial measures in FY2022 >

#### (1) First-time use promotion for new members

To increase the utilization rate of newly registered members, the membership benefits such as coupons and points, as well as recommendations were sent. ⇒ Achieved utilization rate of new members that is approximately double the initial projection.

#### (2) Promotion of retention through second and subsequent use

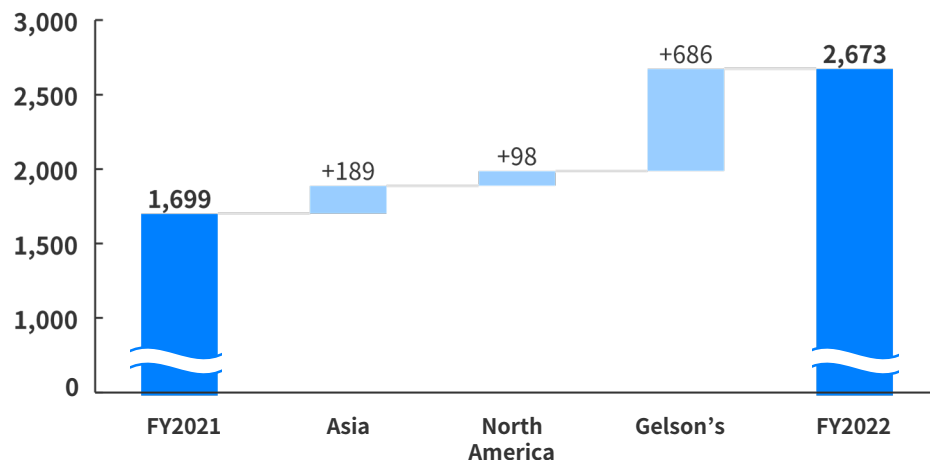
Coupons to promote additional store visits based on location of residence and frequency of store visits led to repeat customers. ⇒ Increased regular purchase ratio.

#### (3) Reinforcement of promotion of return visits to defected customers

As a focused Q4 measure, the store gave points to customers who had not visited the store for a certain period of time and sent out e-mail newsletters. ⇒ Nearly 20% of the subscribers returned to the store.

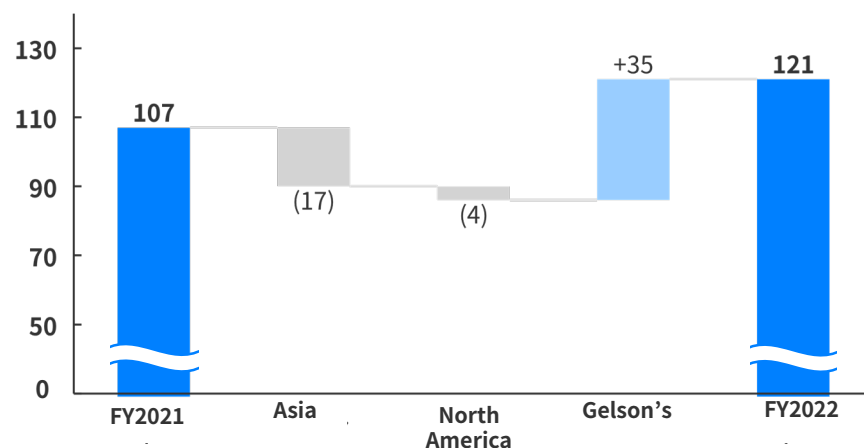
## FY2022 Cumulative Change in Sales

<100 Million Yen>



## FY2022 Cumulative Change in Operating Profit

<100 Million Yen>



**Even during the pandemic, sales and profits continued to increase owing to new store openings in Asia and improved gross profit margins driven by PPIC.**

### ■ Asia Business

- ✓ The company opened 11 new stores in 6 countries and achieved a significant increase in sales (sales increased from 50.1 billion yen in FY2021 to 69.0 billion yen in FY2022, +18.9 billion yen/+37.7%).
- ✓ Existing store gross profit margin improved by 1.2% YoY due to the expansion of PPIC initiatives as well as the strengthening of PB products and pricing revisions in response to cost inflation.
- ✓ The operating profit margin of existing stores will continue to exceed 10%, and the restaurant & retail business will be further expanded to create profit-earning opportunities (following sushi and rice milling, the company will newly launch wagyu beef skewers, etc.)

### ■ North America Business

- ✓ In the existing business, California stores were able to continue capturing demand for food service alternatives due to the longer-than-expected impact of the pandemic, while Hawaii stores were negatively impacted by the delayed recovery in tourism.
  - One-time costs were incurred due to system integration in Hawaii. Operating income declined by 0.4 billion yen from the previous year.
- ✓ Gelson's made a significant contribution to the increase in sales and profit as a newly consolidated subsidiary. Q4 non-consolidated profit was slightly higher than the previous Q4 due to a reactionary decline in demand for alternative to eating out (almost flat excluding the effect of foreign exchange rates).

\*1. Figures for North America are the simple aggregate for DQ USA, MARUKAI and QSI. Results are for the period from April to December 2021, while Gelson's is from July 2021 to June 2022.

\*2. Figures for Asia are the simple aggregate for PPRM(SG), PPRM(HK), DONKI Thailand, PPRM(TW), PPRM(MY) and Macau PPRM(MO). Results are for the period from April 2021 to March 2022.

\*3. Gelson's operating income is calculated after deducting amortization of goodwill (approx. 0.7 billion yen in FY2021 and approx. 3 billion yen in FY2022).

## Aggressive expansion of retail business in scale (Store openings, existing stores)

Even during the pandemic, 11 new stores were opened (including the first store in Macau). Existing stores also continued to achieve an operating profit margin of 10% or more, despite the negative impact of Covid-19 and the in-house competition in some areas.

Area	FY2021	FY2022	No. of stores	Overview of business
SG	8	12	+4	Although there is a cannibalization impact by having opened 4 stores, we have captured alternative demand for eating out during the pandemic. Going forward, we expects a reactionary decline due to the re-opening.
HK	7	9	+2	In line with initial expectations, however, there were some cannibalization due to the expansion of new store openings. Sales of restaurant & retail format are strong. Recovery of tourism is expected to take time.
TH	2	4	+2	In the 1H, sales grew due to demand for alternative to eating out. Going forward, the company expects a reactionary decline, but aims to secure nighttime sales and expand sales of restaurant & retail format.
TW	1	2	+1	Gradual recovery despite the slowdown of special demand after the new openings and the impact of the covid-19 restrictions. Expansion of restaurant & retail sales is also expected.
MY	1	2	+1	The market remained sluggish until Oct. '21 due to the strict urban lockdown; it is expected to gradually recover with the easing of restrictions from April.
MO	0	1	+1	Due to the entry restriction, the first store was set up with only local human resources. However, it was affected by the covid-19 restrictions, and even now, the regulations are being repeatedly relaxed and tighten.

## Creation of business opportunities through 'restaurant & retail' format

### ■ Sensen Sushi

- ✓ The first store opened in Oct. '21 continued to achieve an operating margin of 10% or higher, pushing up the retail operating margin by about 1.5%.
- ✓ In Apr. '22, the second store Peak Galleria(HK) was opened as a single-unit store, not integrated with a existing store, and in May, the third store Island Resort Mall(HK) was opened to accelerate the opening of new stores.
- ✓ In the following fiscal year and beyond, we will continue to aggressively open new stores as this is a next growth business format after retail.

### ■ Other format

- ✓ The first rice milling and rice ball store (SG), opened in Nov. '21, continues to achieve an operating profit margin of 10% or more. HK in June and Taiwan in July, and expansion is underway.
- ✓ Launched a new business format, "Wagyu Kushi" in Taiwan, which is a ready-to-eat concept that allows customers to enjoy Japanese wagyu beef easily. Despite the small size of the restaurant, it has achieved an operating margin of over 10%, and has already rolled out to Malaysia and Singapore.

# Status of major assets, liabilities and net assets

(Unit: 100 Million yen)

	June 2021	June 2022	
	Amount (Adjusted) *2	Amount	Change
<b>Current Assets</b>	<b>4,954</b>	<b>4,865</b>	<b>(89)</b>
Cash and Deposits	1,575	1,768	193
Account receivable-installment	655	521	(134)
Products	2,034	2,059	25
<b>Non-Current Assets</b>	<b>8,747</b>	<b>8,971</b>	<b>224</b>
Buildings, etc.	2,615	2,684	69
Land	3,174	3,147	(27)
Intangible Assets	787	862	76
Lease and Guarantee Deposits	739	732	(7)
<b>Total Assets</b>	<b>13,701</b>	<b>13,837</b>	<b>136</b>

## <Status of major assets>

- **Non current asset**
- ▶ Tangible fixed assets : 665.1 billion yen (+21.3 billion yen)
  - Investment related to store openings, etc. 46.6 billion yen
  - Depreciation and amortization 31.0 billion yen

## <Status of major liabilities>

- ▶ Interest-bearing debt : 587.1 billion yen (+53.9 billion yen)

## <Status of net assets>

- ▶ Net worth : 392.2 billion yen (Capital adequacy ratio : 28.3 %)

(Unit: 100 Million yen)

	June 2021	June 2022	
	Amount (Adjusted)	Amount	Change
<b>Total Current Liabilities</b>	<b>3,536</b>	<b>3,264</b>	<b>(272)</b>
Accounts Payable-Trade	1,500	1,529	29
Short-Term Liabilities	577	383	(193)
<b>Total Noncurrent Liabilities</b>	<b>5,779</b>	<b>6,581</b>	<b>801</b>
Corporate Bonds	2,040	2,726	686
Long-Term Borrowings	2,715	2,762	47
<b>Total Liabilities</b>	<b>9,315</b>	<b>9,844</b>	<b>529</b>
<b>Net Assets</b>	<b>4,386</b>	<b>3,992</b>	<b>(394)</b>
<b>Liabilities and Net Assets</b>	<b>13,701</b>	<b>13,837</b>	<b>136</b>

## <Others>

- ▶ Net D/E ratio : 1.05x
- ▶ ROE : 15.3 % (annualized)

\*1. Short-term liabilities = Short-term loans payable + Current portion of long-term loans payable + Current portion of bonds

\*2. In the Q2 of the FY2022, the Company finalized the provisional accounting treatment for business acquisitions. The figures for FY2021 reflect the details of the finalization of the provisional accounting treatment.

# Status of cash flows and capital expenditure

## ▶ Cash Flow Status

(Unit: 100 Million yen)

	June 2021	June 2022	
	Amount	Amount	Change
<b>Beginning Balance</b>	1,836	1,609	(227)
Cash Flows from Operating Activities	791	951	160
Cash Flows from Investing activities	(781)	(448)	334
Cash Flows from Financing Activities	(290)	(539)	(249)
<b>Changes During the Period</b>	(227)	195	423
<b>Ending Balance</b>	1,609	1,804	195
Free Cash Flow <sup>*1</sup>	10	504	494

\*1. Free Cash Flow = CF from operating activities + CF from investing activities.

## ▶ Status of capital expenditures

<b>Capital Expenditures</b>	<b>460</b>	<b>520</b>	<b>+61</b>
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### <Operating Cash Flows>

▶ Positive items: 92 billion yen in income before income tax, 38.2 billion yen in depreciation and amortization, and 15.5 billion yen in foreign exchange profit.

Negative items: 7.5 billion yen in interest paid and interests on bond, and 39.1 billion yen in income taxes paid, resulting in 95.1 billion yen of cash in.

### <Investing Cash Flows>

▶ Positive items: 6.1 billion yen in proceeds from sales of tangible fixed assets, etc.

Negative items: 46.6 billion yen for tangible fixed assets acquisition associated with store openings and 4.1 billion yen for intangible acquisition, resulting in 44.8 billion yen of cash out.

### <Financing Cash Flows>

▶ Positive items: Income from the issuance of bonds of 79.6 billion yen

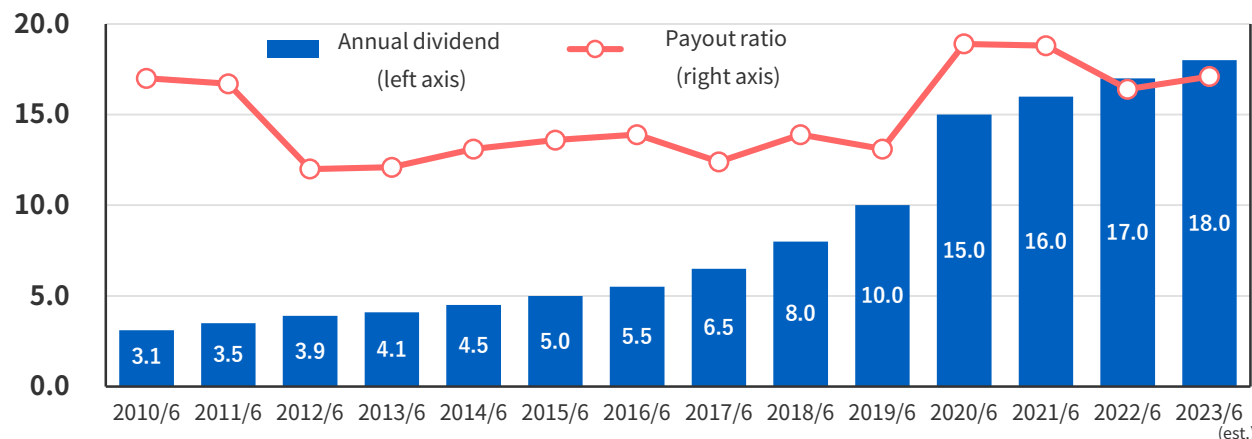
Negative items: 80.9 billion yen in repurchasing of own stocks, 22.6 billion yen for the redemption of bonds, 10 billion yen for dividends paid, resulting in 53.9 billion yen of cash out.

### <Breakdown of Capex for FY2022>

▶ DS business 13.7 billion yen, GMS Business 11.8 billion yen, Overseas business 8.8 billion yen, IT 6 billion yen, Others 11.7 billion yen

## Dividend

Dividend (yen)



Payout Ratio (%)

- ✓ Dividend for FY2022 increased to 17.0 yen (+1.0 yen YoY, +0.5 yen from the initial forecast)
- ✓ Dividend increased for 19 consecutive terms

\*\*The Company conducted a 2-for-1 common stock split on July 1, 2015 and a 4-for-1 common stock split on September 1, 2019.

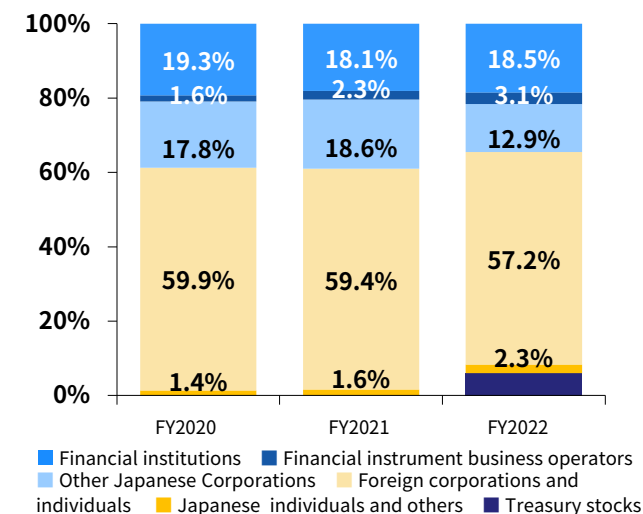
\*For prior periods, figures are retroactively adjusted.

## Shareholder Benefits

- **Eligible shareholders** : Shareholders who are listed or recorded in the shareholders' register as of the last day of June and December, and who hold at least 100 shares.
  - **Benefits** : 2,000 yen worth of majica points will be awarded through the majica app.
- \*It is required to register as a member of the majica app to receive the points.
- **Delivery schedule** : The way to obtain points will be enclosed in other dividend-related documents at the end of September and March, when dividends become effective.
  - **Start date** : Introducing for shareholders listed and recorded in the final shareholders' register as of June 30, 2022. Thereafter, eligible shareholders will be determined semiannually.
  - **How to receive benefits** : Enter the gift code enclosed with dividend-related documents into the app.

\*Registration and download of a majica app is required to use the points.

## Share Ownership





# Earnings forecast for the FY2023

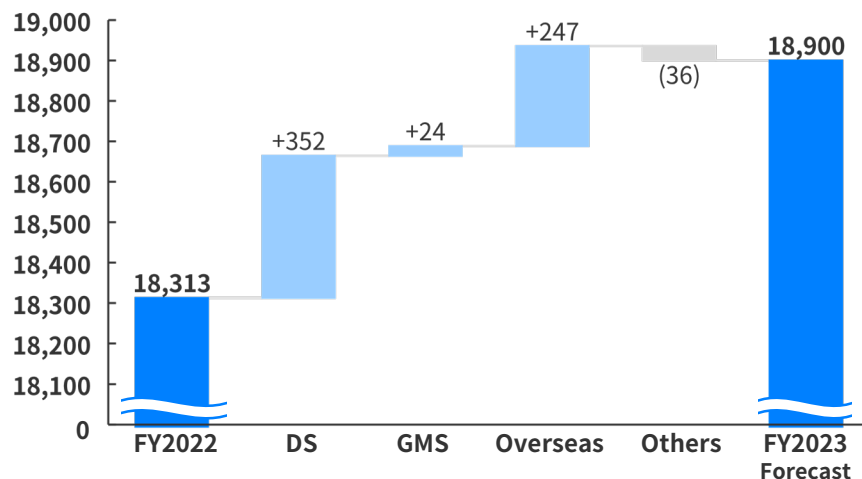
(Unit: 100 Million yen)

	Earnings forecast for the 1H			Earnings forecast for the FY2023		
	Amount	Ratio	YoY	Amount	Ratio	YoY
<b>Net sales</b>	<b>9,583</b>	<b>100.0%</b>	<b>104.4%</b>	<b>18,900</b>	<b>100.0%</b>	<b>103.2%</b>
Gross profit	2,949	30.8%	110.1%	5,838	30.9%	107.4%
SG&A	2,412	25.2%	107.6%	4,898	25.9%	107.7%
<b>Operating profit</b>	<b>537</b>	<b>5.6%</b>	<b>123.0%</b>	<b>940</b>	<b>5.0%</b>	<b>106.0%</b>
<b>Recurring profit</b>	<b>478</b>	<b>5.0%</b>	<b>107.4%</b>	<b>825</b>	<b>4.4%</b>	<b>82.1%</b>
<b>Net income</b>	<b>330</b>	<b>3.4%</b>	<b>109.5%</b>	<b>569</b>	<b>3.0%</b>	<b>91.9%</b>
Net sales (yen)	55.34	-	112.0%	95.42	-	93.0%
EPS (yen)	4.00	-	133.3%	18.00	-	105.9%

# Assumptions for the earnings forecast for the FY 2023

## Sales

<100 Million yen>



## ■ Sales

- ✓ Store Openings
  - 〈Domestic〉 New Store : 9 stores/ Conversion : 4 stores
  - 〈Overseas〉 New Store : 12 stores
- ✓ Existing stores YoY
  - ✓ DS Business : 100.3%, GMS Business : 100.3%

## ■ Gross Profit Margin 30.9% (+1.2%)

- ✓ PB/OEM sales composition target
  - DS 16.8% (+2.6%), GMS 20.1% (+2.1%)

## ■ SG&A : 25.9% (YoY +1.1%)

- ✓ Labor Cost Ratio : 12.1% (YoY +0.1%)
- ✓ Others : 13.9% (YoY +1.0%)

Impact of higher utility and labor costs and IT-related investments

## ■ Capex Total about 75.0 billion yen

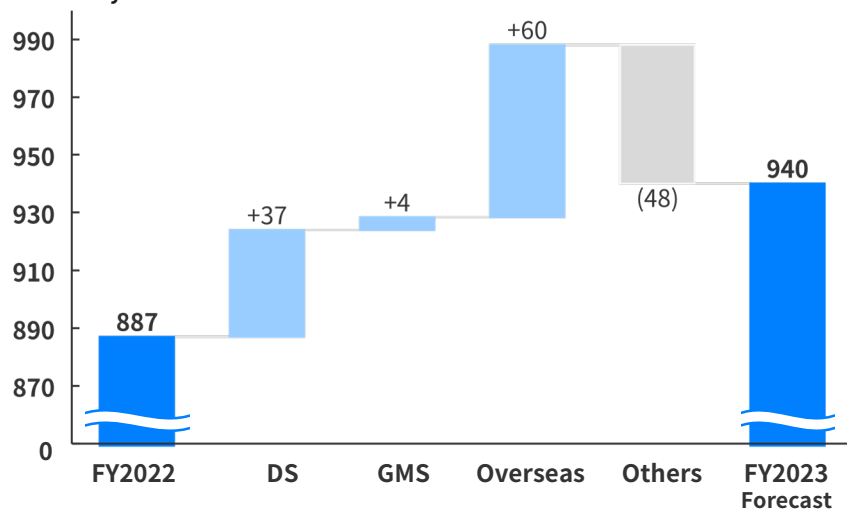
- ✓ Domestic DS business 21.5 bil. yen, GMS business 8 bil. yen, Overseas business 18.0 bil. yen (including 5 bil. Yen +α for Guam and Hawaii), IT related 6 bil. yen, Others 21.5 bil. yen (including Shibuya approx. 14 bil. yen)

## ■ Exchange Rate

1USD=122.41 yen, 1HKD=15.64 yen, 1SGD=90.47 yen,  
1THB=3.68 yen, 1MYR=29.14 yen, 1TWD=4.29 yen,  
1MOP=15.18 yen

## Operating Profit

<100 Million yen>



# Appendix

# Financial Results for Q4

[Period: April 1, 2022 – June 30, 2022]

(Unit: 100 Million yen)

	Previous Q4 Results		Current Q4 Results			
	Amount	Ratio	Amount	Ratio	Change	YoY
<b>Net sales</b>	<b>4,404</b>	<b>100.0%</b>	<b>4,608</b>	<b>100.0%</b>	<b>+204</b>	<b>104.6%</b>
Gross profit	1,273	28.9%	1,431	31.0%	+158	112.4%
SG&A	1,129	25.6%	1,175	25.5%	+45	104.0%
<b>Operating profit</b>	<b>143</b>	<b>3.3%</b>	<b>256</b>	<b>5.6%</b>	<b>+113</b>	<b>178.5%</b>
<b>Recurring profit</b>	<b>139</b>	<b>3.2%</b>	<b>327</b>	<b>7.1%</b>	<b>+188</b>	<b>235.4%</b>
<b>Net income</b>	<b>85</b>	<b>1.9%</b>	<b>159</b>	<b>3.5%</b>	<b>+74</b>	<b>—</b>

\*1. PPIH has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. effective from the beginning of the fiscal year ended in June 30, 2022. For this reason, YoY comparisons are based on figures calculated using different standards. No retroactive adjustments will be made to the figures for the previous year. Compared to the case without this accounting standard, sales, gross profit and SG&A expenses decreased by 1.8 billion yen and gross profit margin decreased by 0.4 %.

# Information by corporation (Cumulative)

## ▶ Domestic retail

(Unit: 100 Million yen)

	Don Quijote			Nagasakiya			UD Retail			UNY		
	FY 2021 Q3	FY2022 Q3	Change	FY 2021 Q3	FY2022 Q3	Change	FY 2021 Q3	FY2022 Q3	Change	FY 2021 Q3	FY2022 Q3	Change
Sales <sup>*1</sup>	6,662	6,905	243	1,926	1,967	41	1,844	2,104	259	4,927	4,727	(200)
Gross profit	1,629	1,736	107	468	476	8	465	526	61	1,644	1,574	(70)
Gross profit ratio	24.4%	25.1%	0.7%	24.3%	24.2%	(0.1%)	25.2%	25.0%	(0.2%)	33.4%	33.3%	(0.1%)
SG&A	1,487	1,475	(11)	405	412	7	452	489	37	1,354	1,319	(36)
Operating profit	142	260	118	63	64	2	14	38	24	290	255	(34)
Operating profit ratio	2.1%	3.8%	1.7%	3.3%	3.3%	0.0%	0.7%	1.8%	1.1%	5.9%	5.4%	(0.5%)
Total Assets	3,079	3,078	(1)	894	949	55	642	642	0	4,021	3,878	(143)
Net Assets	1,067	1,239	172	593	614	20	8	18	10	1,332	1,415	84

## ▶ Overseas retail

## ▶ Non-retail

(Unit: 100 Million yen)

	North America <sup>*2</sup>			Asia <sup>*3</sup>			Japan Asset Marketing			UCS		
	FY 2021 Q3 (Cumulative)	FY2022 Q3 (Cumulative)	Change	FY 2021 Q3 (Cumulative)	FY2022 Q3 (Cumulative)	Change	FY 2021 Q3 (Cumulative)	FY2022 Q3 (Cumulative)	Change	FY 2021 Q3 (Cumulative)	FY2022 Q3 (Cumulative)	Change
Sales <sup>*1</sup>	1,198	1,982	784	501	690	189	217	211	(6)	187	189	2
Gross profit	412	749	338	171	234	63	82	75	(7)	187	189	2
Gross profit ratio	34.4	37.8	3.4%	34.1%	33.9%	(0.2%)	37.8%	35.7%	(2.1%)	100.0%	100.0%	0.0%
SG&A	338	615	277	137	217	80	7	8	1	170	178	8
Operating profit	73	134	61	34	17	(17)	76	68	(8)	17	11	(6)
Operating profit ratio	6.1%	6.8%	0.7%	6.8%	2.5%	(4.3%)	34.7%	32.0%	(2.7%)	9.0%	5.8%	(3.2%)
Total Assets	815	848	33	405	460	56	1,629	1,609	(20)	1,670	781	(888)
Net Assets	194	133	(61)	125	146	21	1,162	1,210	48	105	115	10

\*1. PPIH has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. effective from the beginning of the 1st quarter of the fiscal year ended on June 30, 2022. For this reason, YoY comparisons are based on figures calculated using different standards. No retroactive adjustments will be made to the figures for the previous year.

\*2. Figures for North America are the simple aggregate for DQ USA, MARUKAI, QSI and Gelson's. Results are for the period from April to March 2022, while Gelson's is from July 2021 to June 2022.

\*3. Figures for Asia are the simple aggregate for PPRM(SG), PPRM(HK), DONKI Thailand, PPRM(TW), PPRM(MY) and Macau PPRM(MO). Results are for the period from April to March 2022.

# Segment Information by business (cumulative)

## ▶ Segments Overview of previous term [Period: July 1, 2020 – June 30, 2021]

\*1  
\*2

(Unit: 100 Million yen)

	Discount Store Business	GMS Business	Tenant leasing	Others *3	Total	Adjustment	Consolidated
External Sales	11,835	4,500	609	142	17,086	-	17,086
Inter Company Sales	70	90	12	45	217	(217)	-
Total	11,906	4,590	621	187	17,303	(217)	17,086
Segment Profit	553	166	134	(45)	808	5	812

## ▶ Segments Overview of current term [Period: July 1, 2021 – June 30, 2022]

\*1  
\*2

(Unit: 100 Million yen)

	Discount Store Business	GMS Business	Tenant leasing	Others *3	Total	Adjustment	Consolidated
External Sales	13,275	4,296	596	147	18,313	-	18,313
Inter Company Sales	79	117	13	42	250	(250)	-
Total	13,353	4,413	608	188	18,563	(250)	18,313
Segment Profit	722	146	104	(86)	885	1	887

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

\*2. PPIH has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. effective from the beginning of fiscal year ended in June 30, 2022.

Figures related to previous periods will not be adjusted retroactively nor reflected.

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

# Breakdown of SG&A

[Period: April 1, 2022 – June 30, 2022]

(Unit: 100 Million yen)

	3 months ended June 30, 2021 <sup>*1</sup>		3 months ended June 30, 2022		
	Amount	Ratio	Amount	Ratio	YoY
<b>SG&amp;A</b>	<b>1,129</b>	<b>25.6%</b>	<b>1,175</b>	<b>25.5%</b>	<b>104.0%</b>
Salaries and allowances	436	9.9%	448	9.7%	102.6%
Rent	135	3.1%	142	3.1%	104.6%
Commission paid	160	3.6%	159	3.4%	99.3%
Depreciation	75	1.7%	87	1.9%	116.8%
Other	323	7.3%	339	7.4%	105.0%

[Period: July 1, 2021 – June 30, 2022]

(Unit: 100 Million yen)

	12 months ended June 30, 2021		12 months ended June 30, 2022		
	Amount	Ratio	Amount	Ratio	YoY
<b>SG&amp;A</b>	<b>4,160</b>	<b>24.3%</b>	<b>4,547</b>	<b>24.8%</b>	<b>109.3%</b>
Salaries and allowances	1,574	9.2%	1,754	9.6%	111.4%
Rent	531	3.1%	550	3.0%	103.4%
Commission paid	588	3.4%	596	3.3%	101.3%
Depreciation	265	1.5%	313	1.7%	118.1%
Other	1,202	7.0%	1,335	7.3%	111.1%

\*1. PPIH has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. effective from the beginning of the fiscal year ended in June 30, 2022. As a result, comparisons with the same period of the previous fiscal year are based on figures calculated using different standards. Figures related to previous periods will not be adjusted retroactively nor reflected.

# Overview of results by consolidated businesses

[Period : July 1, 2021 – June 30, 2022]

(Unit: 100 Million yen)

	12 months ended June 30, 2021		12 months ended June 30, 2022		
	Amount	Ratio	Amount	Ratio	YoY
<b>Discount store business</b> <sup>*1</sup>	<b>11,835</b>	<b>69.3%</b>	<b>13,275</b>	<b>72.5%</b>	<b>112.2%</b>
Home electrical appliances	879	5.1%	852	4.7%	96.9%
Miscellaneous household goods	2,254	13.2%	2,631	14.4%	116.7%
Food products	4,649	27.2%	4,877	26.6%	104.9%
Watches and fashion merchandise	1,447	8.5%	1,412	7.7%	97.6%
Sporting goods and leisure goods	618	3.6%	647	3.5%	104.8%
North America Business	1,198	7.0%	1,982	10.8%	165.5%
Asia Business	504	2.9%	689	3.8%	136.7%
Other	286	1.7%	185	1.0%	64.5%
<b>GMS business</b> <sup>*1</sup>	<b>4,500</b>	<b>26.3%</b>	<b>4,296</b>	<b>23.5%</b>	<b>95.5%</b>
Clothing	547	3.2%	500	2.7%	91.4%
Household goods	684	4.0%	658	3.6%	96.2%
Food products	3,215	18.8%	3,113	17.0%	96.8%
Other	54	0.3%	24	0.1%	45.4%
<b>Tenant leasing business</b> <sup>*1</sup>	<b>609</b>	<b>3.6%</b>	<b>596</b>	<b>3.3%</b>	<b>97.8%</b>
<b>Others</b> <sup>*2</sup>	<b>142</b>	<b>0.8%</b>	<b>147</b>	<b>0.8%</b>	<b>103.4%</b>
<b>Total</b>	<b>17,086</b>	<b>100.0%</b>	<b>18,313</b>	<b>100.0%</b>	<b>107.2%</b>

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

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



# Store openings for current period

Corporation	Business Format	Q1			Q2			Q3			Q4			Full Year Estimates
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	6月	
Discount	DQ	Kita Senju West Exit (Tokyo) Nanao (Ishikawa)				Inage Naganuma (Chiba) Kinshicho North Exit (Tokyo) Koshi (Kumamoto)		Teradamachi Eki (Osaka)	Okachimachi (Tokyo)	Rifu (Miyagi) Karatsu (Saga) Funabashi Minamiguchi (Chiba)	Furukawa (Miyagi)	Kirakira Donki DiverCity Tokyo Plaza (Tokyo)	Kokura-uomachi (Fukuoka) Munakata (Fukuoka)	Opening : 22 stores Renovation : 28 stores
	MEGA		Matsunaga (Hiroshima)											
	UDR <sup>*1</sup>		Shin-Moriyama (Aichi)	Hekinan (Aichi)	Yokkaichi (Mie)	Haibara (Shizuoka)	Nagakute (Aichi)				Yahagi (Aichi)	Kisogawa (Aichi)		
GMS	UNY (NewGMS)	Nishishiro (Aichi)		Moriyama (Aichi)	Obu (Aichi)	Hamakita (Shizuoka)			Futaba (Yamanashi)				Kagamigahara (Gifu)	Renovation: 8 stores
Overseas <sup>*2</sup>		TMT Plaza (Hong Kong)		DON DON DONKI (Macau)	Seacon Square (Thailand)		Tropicana Gardens Mall (Malaysia)		Waterway (Singapore)				Seacon Bangkae (Thailand)	Opening : 11 stores Renovation : 6 stores April 2021 ~ March 2022
					Tampines 1 (Singapore)		MBK Center (Thailand)	Amoy Plaza (Hong Kong)	Zhongxiao Xincheng (Taiwan)					

\* 1. Solid lines in the UDR format indicate a tenant-in type format conversion.

\* 2. Overseas stores are indicated in the opening months.

= Format conversion, NewGMS

# Store network

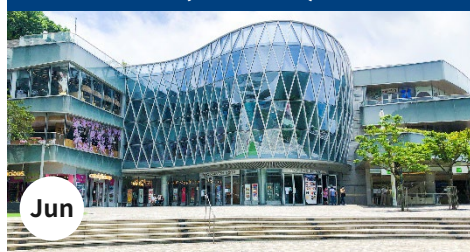
## No. of retail stores in Japan

	FY2020	FY2021	FY2022			
			Q1	Q2	Q3	Q4
<b>Discount Store Business</b>	<b>430</b>	<b>444</b>	<b>450</b>	<b>457</b>	<b>463</b>	<b>468</b>
Don Quijote	225	226	226	229	234	237
MEGA Don Quijote <sup>*1</sup>	135	139	140	140	140	140
(MEGA) Don Quijote UNY	41	52	54	57	58	59
Picasso etc. <sup>*2</sup>	29	27	30	31	31	32
GMS Business <sup>*3</sup>	<b>150</b>	<b>139</b>	<b>138</b>	<b>137</b>	<b>136</b>	<b>136</b>
<b>Total (Japan)</b>	<b>580</b>	<b>583</b>	<b>588</b>	<b>594</b>	<b>599</b>	<b>604</b>

### Sen Sen Sushi Peak Galleria (Hong Kong) <sup>\*5</sup>



### DON DON DONKI Seacon Bangkae (Thailand)



## No. of retail stores abroad

	FY2020	FY2021	FY2022			
			Q1	Q2	Q3	Q4
<b>North America Business</b>	<b>38</b>	<b>65</b>	<b>65</b>	<b>65</b>	<b>65</b>	<b>65</b>
DQUSA	4	4	4	4	4	4
MARUKAI	10	10	10	10	10	10
QSI	24	24	24	24	24	24
Gelson's	-	27	27	27	27	27
<b>Asia Business</b>	<b>11</b>	<b>19</b>	<b>21</b>	<b>23</b>	<b>27</b>	<b>30</b>
PPRM (SG)	7	8	10	10	11	12
PPRM (HK)	2	7	7	8	8	9
DONKI Thailand	2	2	2	2	4	4
PPRM (Taiwan)	-	1	1	1	1	2
PPRM (Malaysia)	-	1	1	1	2	2
Macau PRRM (Macau)	-	-	-	1	1	1
<b>Total (Overseas) <sup>*4</sup></b>	<b>49</b>	<b>84</b>	<b>86</b>	<b>88</b>	<b>92</b>	<b>95</b>
<b>Total</b>	<b>629</b>	<b>667</b>	<b>674</b>	<b>682</b>	<b>691</b>	<b>699</b>

\*1. "MEGA Don Quijote" includes NEW MEGA etc.

\*2. "Picasso etc." includes Picasso, Essence, Kyoyasudo, Ekidonki, Soradonki, Jonetz Shokunin, Nagasakiya etc.

\*3. "GMS Business" includes Apita/Piagio, U-STORE, Piagio Power, Power Super Piagio etc.

\*4. As the fiscal year ends in March for overseas corporations except Gelson's (ends in June), the number of stores for each quarter is adjusted for the applicable fiscal year.

## IR Inquiries

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## IR Calendar

Announcement of Q1 results for the fiscal year ending June 2023 (Scheduled)  
Date of announcement: November 8, 2022  
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.



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