

Q3 Results for FY 2022

May 10, 2022

Pan Pacific International Holdings Corporation

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**Fiscal year ending June 2022
Overview of Q3 results**

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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,” 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 1st quarter of fiscal year ending 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 current consolidated fiscal year. 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
FY2021	105.55	103.52	-	-	76.93	78.00	3.38	3.44	13.62	13.35
FY2022	111.47	115.02	114.15	122.41	82.80	85.18	3.41	3.43	14.33	14.75

Fiscal year ending June 2022

Overview of Q3 results

Financial Results for Q3

[Period: July 1, 2021 – March 31, 2022]

(Unit: 100 Million yen)

	Q3 Results				Q3 Cumulative			
	Previous year	January 1, 2022 – March 31, 2022			Previous year	July 1, 2021 – March 31, 2022		
	Actual (Sales ratio)	Actual (Sales ratio)	Change	YoY	Actual (Sales ratio)	Actual (Sales ratio) ^{*1}	Change	YoY
Net sales	4,153	4,528	+375	+9.0%	12,682	13,705	+1,023	+8.1%
Gross profit	1,188 (28.6%)	1,325 (29.3%)	+137	+11.5%	3,699 (29.2%)	4,003 (29.2%)	+304	+8.2%
SG&A	1,012 (24.4%)	1,130 (25.0%)	+118	+11.7%	3,031 (23.9%)	3,372 (24.6%)	+342	+11.3%
Operating profit	176 (4.2%)	194 (4.3%)	+19	+10.7%	669 (5.3%)	631 (4.6%)	(38)	(5.7%)
Recurring profit	194 (4.7%)	232 (5.1%)	+38	+19.8%	675 (5.3%)	677 (4.9%)	+2	+0.2%
Net income	126 (3.0%)	158 (3.5%)	+32	+25.7%	452 (3.6%)	460 (3.4%)	+8	+1.7%
EPS (Yen) ^{*2}	19.86	26.56	6.70	+33.7%	71.34	75.92	4.58	6.4%

*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 fiscal year ending 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 6.3 billion yen and gross profit margin decreased by 0.3 %.

*2. 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, net income per share would be 24.96 yen for the Q3 results for the fiscal year ending June 30, 2022, and 72.5 yen for the cumulative Q3 results.

1. Consolidated Business Results

- Q3 results were up 37.5 billion yen in sales and 1.9 billion yen in operating profit compared to the previous Q3. In Japan, despite restrictions on human flow due to the pre-emergency measures to prevent the spread of the COVID, both sales and profits increased (record-high sales and operating profit in 3Q).
 - ✓ Sales: In addition to new store openings/format conversions in Japan and overseas and the new consolidation of Gelson's, domestic retail existing store YoY sales landed at 100.7%, continuing to see the sales growth from Q2.
 - ✓ Operating Profit: Steady effects are being seen from the initiatives set forth at the beginning of the fiscal year such as strengthening PB with originality, improving pricing accuracy and inventory turnover ratio, to increase the “Something-New” concept as announced in Q2. Successfully improved profitability, while increasing store appeals and differentiation from competitors.
 - ✓ Gross profit margin improved by +0.3% compared to previous Q3 in the DS business (-0.3% in 1H) and by +0.2% in the GMS business (-0.9% in 1H). *Gross margins are adjusted for new revenue recognition standard.
 - ✓ The GMS business increased existing store operating profit by 0.6 billion yen from the previous Q3 due to improved gross profit margins.
- No change in earnings forecast. We will continue to focus on strategic measures in Q4 with an eye on further growth in the next fiscal year and beyond, while working to achieve the full-year forecast of 85 billion yen in operating profit.

2. Other Results

- In the financial business, preparations for cost reduction/earnings capture, such as preventing outflow of earnings from other companies' payment services, etc., are steadily progressing.
- Completed the acquisition of Japan Asset Marketing Co.,Ltd. as a wholly-owned subsidiary, and the company is now well-positioned to improve the efficiency of capital investment.

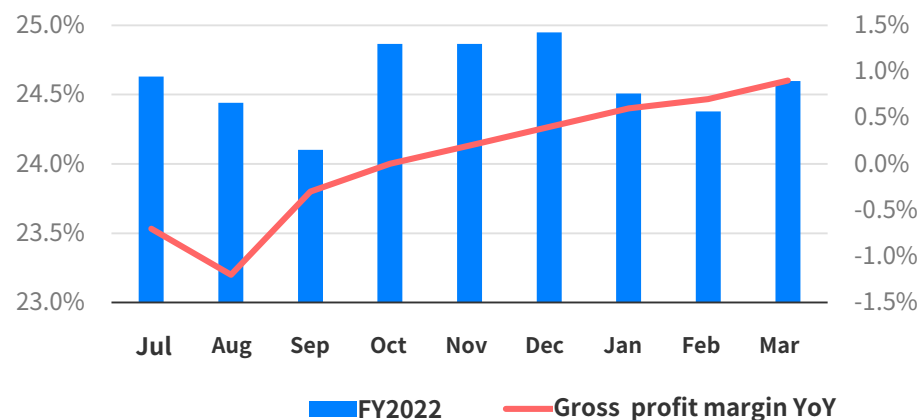
Both sales and operating profit continued to increase in Q3. Strategic measures such as strengthening PB and improving the inventory turnover ratio also showed steady results.

- ✓ In addition to the increase in sales due to new stores/format conversion, existing stores also contributed to growth at 100.9% YoY.
- ✓ Strengthening PB, a strategic measure to enhance differentiation and improve profitability, continued to be successful, and gross profit margin improved further from Q2.

<Existing stores gross profit margin YoY>
Q1 -0.7% → Q2 +0.1% → Q3 +0.5

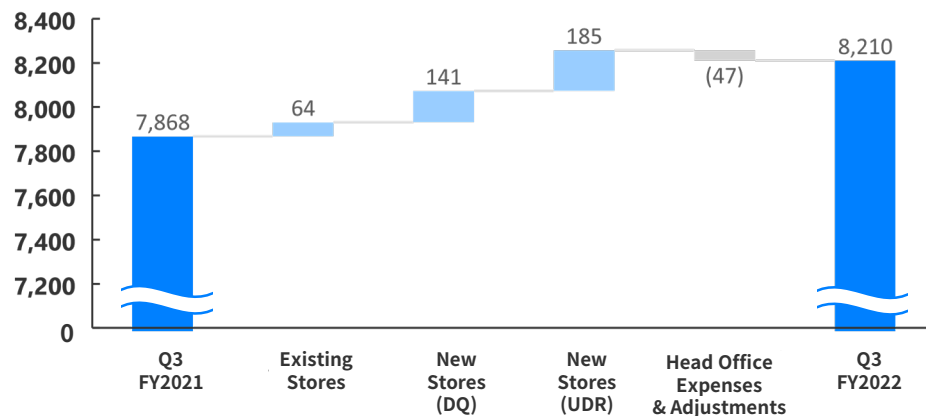
- ✓ From Q3, we started to improve inventory turnover ratio to create an attractive buying space where customers can always feel “Something-New”. Inventory for the existing store was successfully decreased by 10.2 billion yen from the previous year.
- ✓ SG&A expenses remained within budget despite an increase in utility costs.

► Gross profit margin transition (comparable stores)



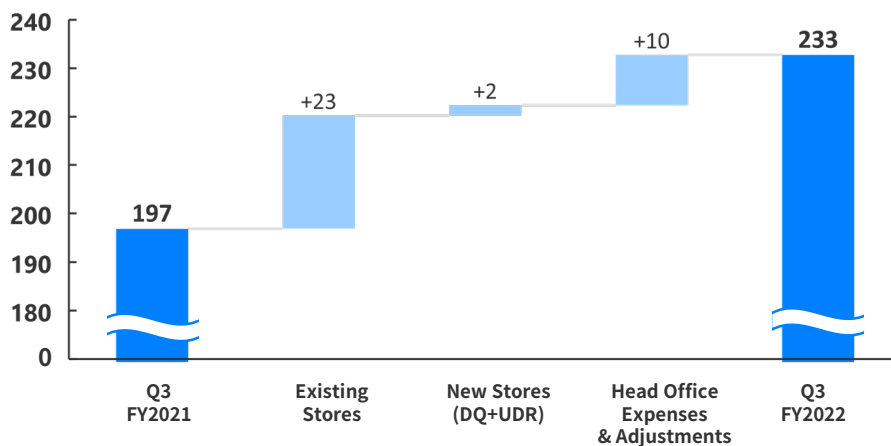
FY2022 Q3 Change in Sales

<100 Million Yen>



FY2022 Q3 Change in Operating Profit

<100 Million Yen>



Discount Store Business : Efforts to differentiate stores and improve their attractiveness

Strengthen PB/OEM

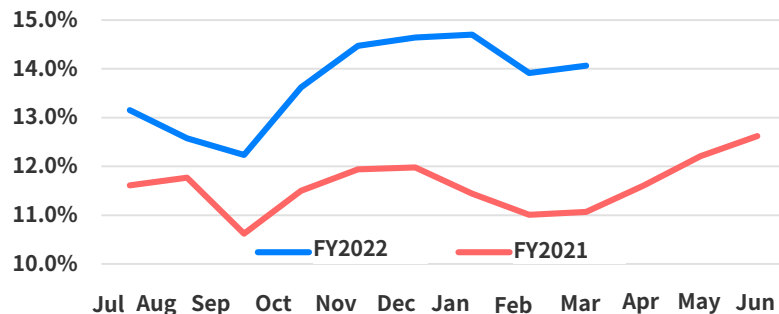
Since the rebranding in February last year, the private brand has been strategically promoted as a measure to strengthen differentiation from national brands and other retailers and improve profit margins.

PB sales of the DS business grew significantly in Q3, increasing by 19.9 billion yen YOY (+22.9 billion yen for PPIH as a whole). In particular, gross profit grew to 8.1 billion yen (+9.8 billion yen for PPIH), becoming the largest driver of gross profit growth for the entire group.

- The development of hit products with originality, improvement of affordability, and expansion of recognition through marketing measures both inside and outside stores were successful.

We will continue to expand its sales in the next fiscal year and beyond as a key strategic measure (details will be announced at the full-year results announcement).

▶ Domestic DS business PB/OEM sales composition ratio



Improve inventory turnover

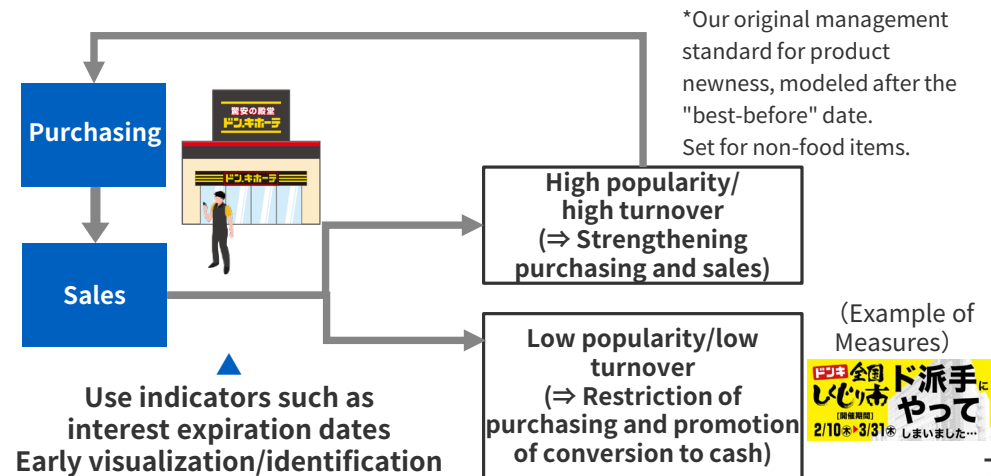
Control inventory growth by monitoring each product more closely in both sales (i.e., exit) and purchases (i.e., entry) to create an attractive buying place with something new at all times.

We reduced the inventory at existing stores by 10.2 billion yen and improve the annual turnover ratio by 0.36 ppt as of the end of Q3 compared with Q3 of the previous fiscal year.

▼ Inventory Control Initiatives

〈Exit〉 Visualize slow-moving inventory at individual stores by utilizing indicators such as “interest-expiration-date”* and promote cash conversion. Continuous efforts will be made to expand sales measures.

〈Entrance〉 Company-wide reduction of orders for low-turnover products. Reduced wasteful inventory by reviewing the number of display faces, their depths, and the display itself.



The company will work to increase the number of majica app members in order to strengthen points of contact with customers and promote understanding of purchasing behavior. The number of members reached 9.16 million as of March 31, 2022, and from the next fiscal year, CRM measures will be fully strengthened.

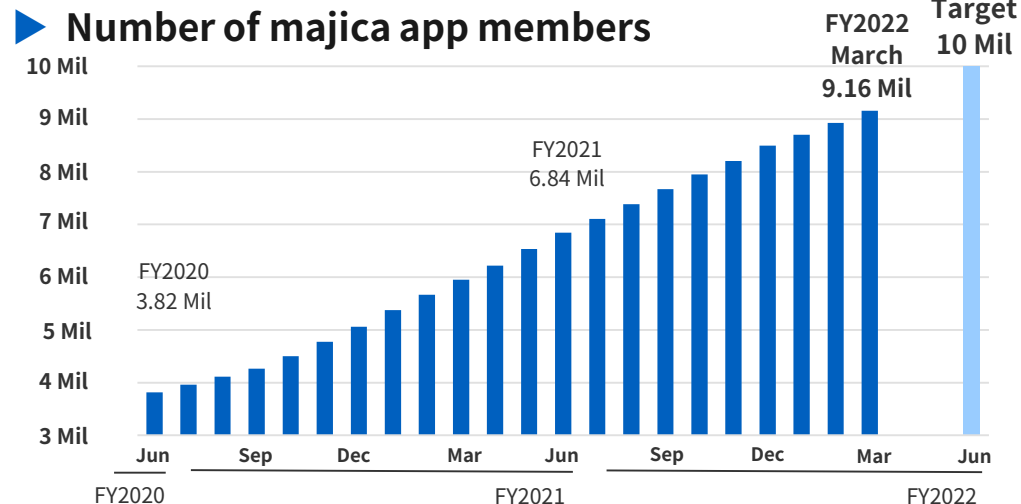
Strengthen customer points of contact and promote better understanding of customers by using majica app as a starting point

- ✓ Promote customer convenience and improved value with points/coupons through the majica app to strengthen customer contact and promote usage.
- ✓ CRM measures tailored to customer attributes can be implemented, as understanding of purchasing behavior has also improved.
- ✓ The number of members increased to 9.16 million at the end of March. The company will achieve its immediate target of 10 million members as soon as possible, and will begin full-fledged development of CRM in the next fiscal year. (Details will be announced at the full-year results announcement)

At the end of August, app will be updated with enhanced functions to further increase the number of members and promote usage.

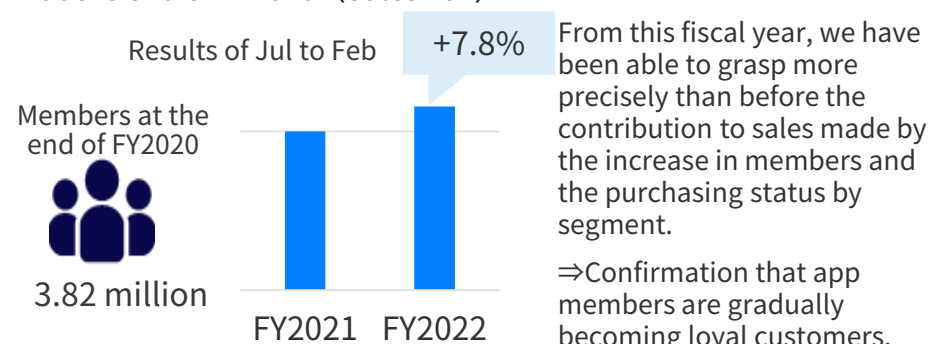
Existing "payment" and "sales promotion/information" functions will have UI improvements and additional functions (e.g., gift code function, etc.)

New functions such as "review function and product search" will be added (details will be announced at the full-year results announcement).



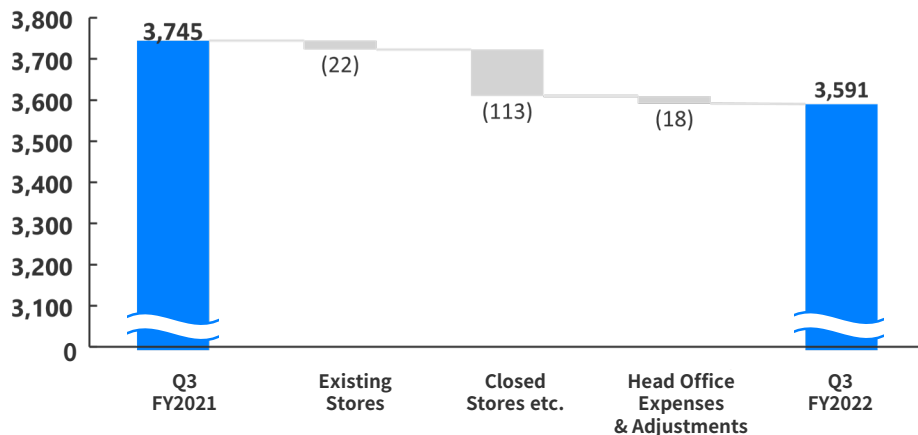
Analyze purchasing status of app members

Comparison of purchases of the members at the end of FY2020 (Sales YoY)



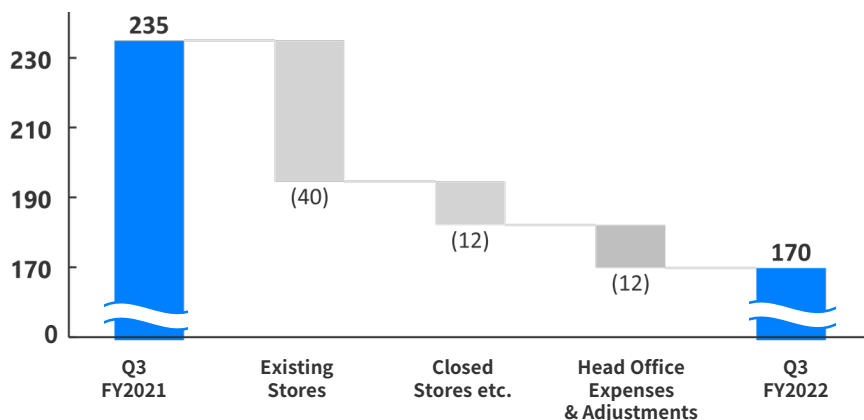
FY2022 Q3 Change in Sales

<100 Million Yen>



FY2022 Q3 Change in Operating Profit

<100 Million Yen>



The gross profit margin improvement initiated in the Q3 took effect. Sales and operating profit at existing stores in Q3 turned to YoY growth.

- ✓ The GMS business is evolving to individual store management, product lineups that correspond to the trade area, and a small head office, and is making progress toward achieving an operating profit increase of 20 billion yen (compared to FY2019) in FY2024. (We will report on the way forward in the August mid-term corporate plan announcement.)
- ✓ In the 3Q, existing store sales grew by 100.3% YoY, and the company's measures to improve gross profit margin were also successful, resulting in the first positive operating profit growth for existing stores this term.
 - The gross profit margin YoY improved significantly from -1.4% in 1Q to -0.9% in 2Q to +0.1% in 3Q.
- ✓ One store was renovated (8 stores planned for the full year). Shift to small-scale renovations will be undertaken from 4Q to the next fiscal year.

► FY2022 GMS Business existing store performance

	Q1	Q2	Q3	Cum.
Sales (YoY)	98.1%	99.5%	100.3%	99.3%
Gross Margin (YoY change)	-1.4%	-0.9%	+0.1%	-0.7%
Operating Profit (YoY change)	-2 bil	-2.6 bil	+0.6 bil	-4 bil

First Half

Decline due to internal and external factors

The sluggish performance of high gross margin categories due to unfavorable weather in August, and the prior price promotion in the process of transitioning to individual store management, etc.

Initiatives from Q3

Optimize pricing for each individual store

With the shift to individual store management, each store has implemented price control in consideration of the trade area and competition, instead of a uniform pricing strategy.

Sales schedule management for each individual store

Each store is now able to manage purchasing and inventory in line with changes in the business environment, and the late-season sales scheme for seasonal apparel has been particularly successful.

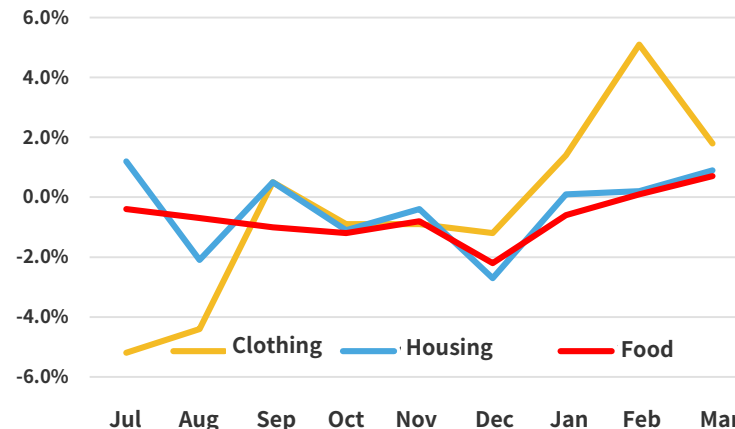
Strengthen sales of high value-added products based on the Meister system

Customer service license certification for employees who have deepened their product knowledge in order to communicate the value of high value-added and PB products and actively expand sales.

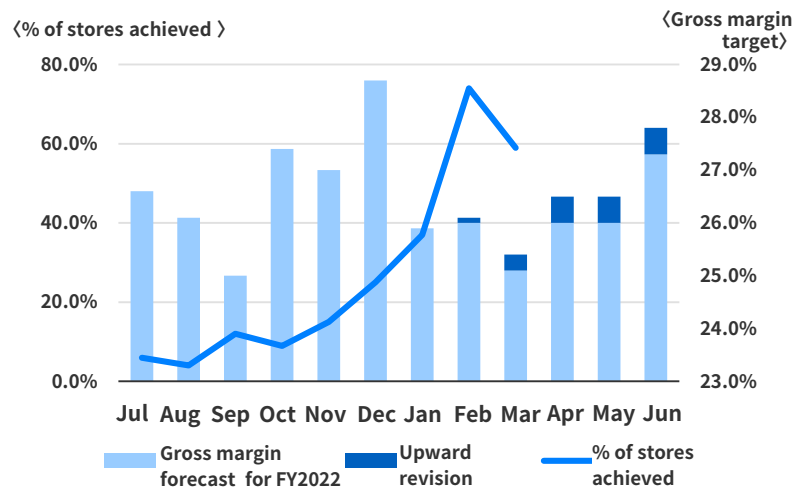
The majority of stores achieved the gross profit margin target, which was revised upward by store from Q3.

From Q4 to next fiscal year, we aim to further expand earnings by putting each measure on track, improving headquarters efficiency, streamlining head office functions, and fundamentally reviewing product measures and product mix (details to be reported at the end of year financial results announcement).

▶ YoY change in gross margin by product (Existing stores)



▶ Gross margin target and ratio of stores achieved (Existing stores)



Continued to increase sales and profits led by new store openings in Asia, and contribution from Gelson's. Gross profit margins also improved in each country, mainly through the PPIC.

■ Asia Business

- ✓ Business expansion continued with the opening of 4 new stores in Oct-Dec. (In Q4 will be 3 new stores)
- ✓ The operating margin at existing stores are maintained at over 10%. Gross profit margin also improved (+1.3% YoY) by utilizing PPIC and strengthening PB/OEM.
- ✓ To capture new revenue opportunities, we are developing new business formats (see next page for details).

■ North America Business

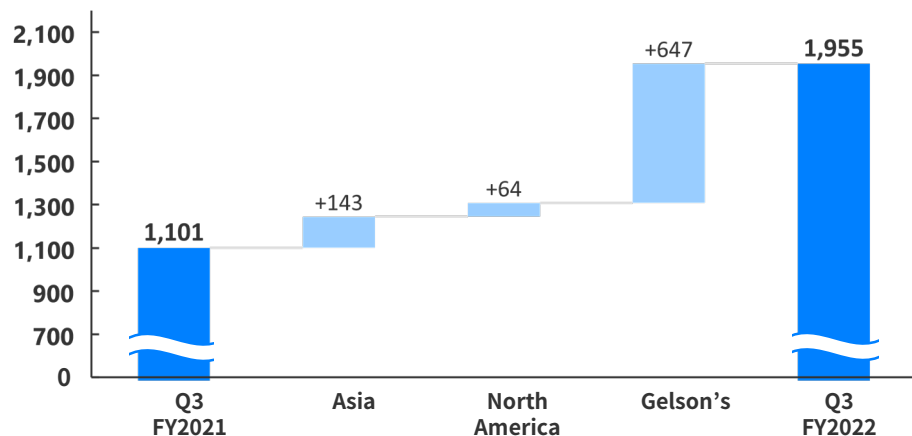
- ✓ Despite the cost inflation environment, gross profit margin continued to increase YoY (+0.6% in Q3) as in Q2 with appropriate pricing policies, etc.
- ✓ Gelson's continued to make a significant contribution (figures are before deducting goodwill amortization).

■ Initiatives to expand value chain by PPIC

- ✓ By procuring diverse and high quality Japanese products directly from upstream and shipping them directly to overseas countries, it functions as a source to strengthen the differentiation of overseas business and improve profitability.
- ✓ Continue to expand initiatives (e.g., signing a partnership agreement with Okinawa Prefecture, trial shipments of nearby products from Sendai Port, etc.) and contribute to improving profitability in each country.

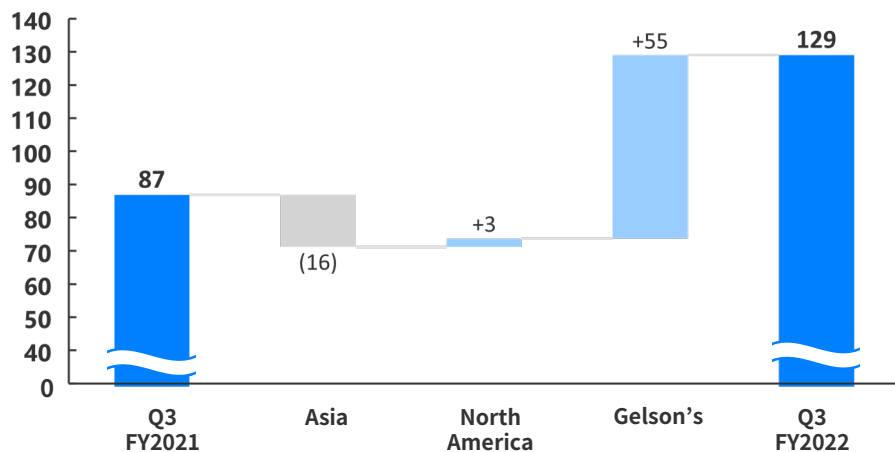
FY2022 Q3 Change in Sales

<100 Million Yen>



FY2022 Q3 Change in Operating Profit

<100 Million Yen>



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

*3. Change in Operating Profit for Gelson's does not include the amortization of goodwill (About 2.1 billion yen)

Initiatives to Improve Profitability

▶ **Gross profit margin difference from the previous year by overseas business (Existing stores)**

	Previous 3Q	Current 3Q	Difference
Asia	34.6%	35.9%	+1.3%
HK	35.3%	36.3%	+1.1%
SG	35.1%	36.4%	+1.3%
North America	30.7%	31.8%	+1.1%
Overseas	31.9%	32.9%	+1.0%

※Excluding Gelson's

〈Improvement Factors〉

- ✓ Improvement of product procurement capability and logistics costs by strengthening PPIC activities and expanding business
- ✓ Strengthen PB・OEM products
 〈Sales Ratio〉 Q3 cum. 8.0% (Diff. from previous Q3 +5.8%)

Business format development to expand profit-earning opportunities

While offering high-quality Japanese foods as a "Japan Brand Specialty Store," a new business format was developed to create further demand and expand opportunities for customers to visit the store. As a "food and beverage, and product retailer" that redefines the product retail business, a conveyor-belt sushi restaurant and a rice milling and rice ball store have been opened in the tenant section.

▶ **Kaiten Sushi (conveyor belt)**

Offers authentic sushi made with high-quality ingredients such as Japanese rice under the brand name of "SENSEN SUSHI".

▼OP Mall (HK)



▶ **Rice milling・Onigiri (rice balls)**

Milling rice and selling rice balls by order in a way that is easy and maximizes the appeal of delicious Japanese rice.

▼Orchard Central (SG)



Preparations are underway for further business scale expansion and profitability improvement in the next fiscal year and beyond. (Specific strategies and target figures for the mid-term will be reported in August)

Steady preparation for cost reduction/revenue capture by proactively integrating payment functions into the value chain

Role/strategic positioning of the finance business

- ✓ With the increase in cashless payment, the increase in external commission payments by other companies' services and the hampering of purchase data analysis may become major concerns. We will proactively incorporate the payment function into our value chain, considering it as a business opportunity and profit-making opportunity.
- ✓ <Specific objectives>
- Reduce outflow of payment fees and purchase data
- Reduction of hurdles to digital initiatives
- Acquire additional revenue opportunities (e.g., commission income from external use of majica, revenue from financial services, etc.)

Progress after Q1 results announcement

▶ Start of merchant management business(June~)

- Obtained international brand license as initially planned
- UCS will start the merchant management business, which had been outsourced to an external company, and reduce settlement fees charged by external companies.

(Cost reduction effect: FY 2022: approx. 100 million yen
⇒ 1.3 billion yen for the full year in FY 2023)

▶ Preparation of new services to generate additional revenue (FY2023 2nd Half~)

- Enhance the convenience of the payment function of the app with an instant credit card issuance function.
- Earn settlement commission income from external use of majicaVISA prepaid and revenues from various new financial services.

Status of major assets, liabilities and net assets

(Unit: 100 Million yen)

	June 2021 ^{*2}	March 2022	
	Actual	Actual	Change
Current Assets	4,954	4,692	(262)
Cash and Deposits	1,575	1,478	(98)
Account receivable-installment	655	534	(121)
Products	2,034	2,062	28
Non-Current Assets	8,747	8,836	88
Buildings, etc.	2,615	2,636	21
Land	3,174	3,155	(19)
Intangible Assets	787	811	25
Lease and Guarantee Deposits	739	731	(8)
Total Assets	13,701	13,528	(173)

<Status of major assets>

• Non current asset

- ▶ Tangible fixed assets : 655.5 billion yen (+11.7 billion yen)
 - Investment related to store openings, etc. 33.8 billion yen
 - Depreciation and amortization 23 billion yen

<Status of major liabilities>

- ▶ Interest-bearing debt : 586.1 billion yen (+52.9 billion yen)
- ▶ Net worth: 373.5 billion yen (Capital adequacy ratio: 27.6 %)

<Others>

- ▶ Net D/E ratio: 1.17x
- ▶ ROE : 15.5 % (annualized)

(Unit: 100 Million yen)

	June 2021 ^{*2}	March 2022	
	Actual	Actual	Change
Total Current Liabilities	3,536	3,225	(310)
Accounts Payable-Trade	1,500	1,563	63
Short-Term Liabilities ^{*1}	577	378	(199)
Total Noncurrent Liabilities	5,779	6,495	715
Corporate Bonds	2,040	2,726	686
Long-Term Borrowings	2,715	2,758	43
Total Liabilities	9,315	9,720	405
Net Assets	4,386	3,808	(578)
Liabilities and Net Assets	13,701	13,528	(173)

*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)

	Previous year	9 months ended Mar 31, 2022	
	Actual	Actual	Change
Balance at Beginning of Period	1,836	1,609	(227)
Cash Flows from Operating Activities	632	646	14
Cash Flows from Investing activities	(305)	(322)	(17)
Free Cash Flow	(102)	(520)	(418)
Cash Flows from Financing Activities	225	(96)	(322)
Changes During the Period	2,061	1,513	(549)
Balance at End of Period ^{*1}	327	324	(3)

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

▶ Status of capital expenditures

Capital Expenditures	305	378	+73
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<Operating Cash Flows>

▶ Positive items: 66.8 billion yen in income before income tax, 28.2 billion yen in depreciation and amortization, and increase of 5.3 billion yen in accounts payable.

Negative items: decrease of 6.3 billion yen in allowance and 36 billion yen in income taxes paid, resulting in 64.6 billion yen of cash in.

<Investment Cash Flows>

▶ 33.8 billion yen for tangible fixed assets acquisition associated with store openings and 3 billion yen for intangible acquisition, resulting in 32.2 billion yen in cash out.

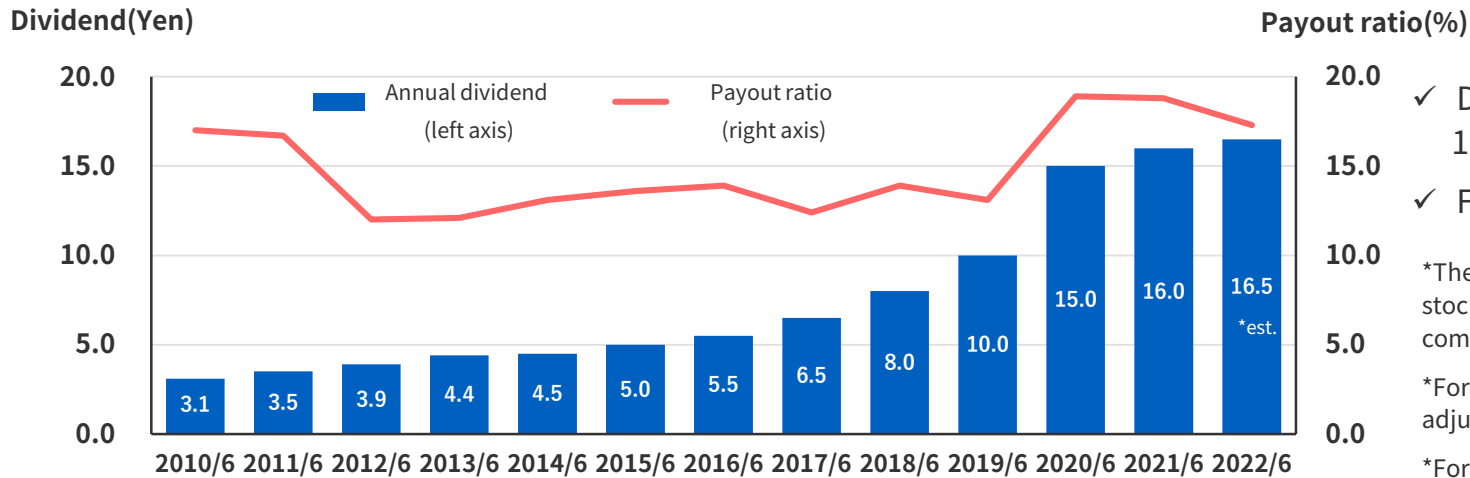
<Financing Activity Cash Flows>

▶ Income from the issuance of bonds of 79.6 billion yen contributed to the increase, while 80.9 billion yen in repurchasing of own stocks, 10.3 billion outflow due to TOB of JAM and decrease of 22.6 billion yen for the redemption of bonds, resulting in 52 billion yen of cash out.

<Breakdown of Q3>

▶ DS business 10.5 billion yen, GMS Business 8.5 billion yen, Overseas business 8.7 billion yen, IT 4.2 billion yen, Others 5.9 billion yen

1. Dividend



- ✓ Dividends increased for 18 consecutive terms
- ✓ FY2022(est.) 16.5 yen

*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.

*For the fiscal year ending June 30, 2022, the figures are estimates.

2. 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.

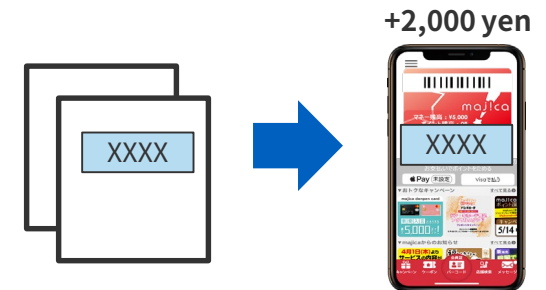
*You will need to register as a member of the majica app to receive the points.

• **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.



※You need a membership registration and a majica app.

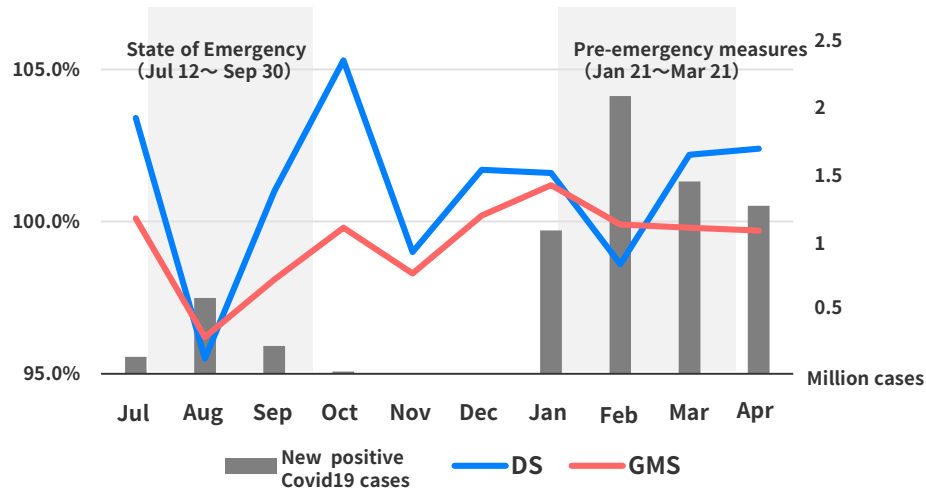
※The gift code function will be updated in August.

Existing store YoY in April landed at 102.4% for the DS business and 99.6% for the GMS business, maintaining the Q3 trend.

▶ Year on year trend (existing store)

Unit : %		1Q	2Q	Jan	Feb	Mar	Apr
DS Business	Sales	99.8	102.0	101.6	98.6	102.2	102.4
GMS Business	Sales	98.1	99.5	101.2	99.9	99.8	99.6

▶ Trends in new positive COVID-19 cases and existing store sales



■ DS business

- ✓ Existing store sales in April increased YoY for all corporations. Sales recovered in urban areas, in station-front stores, and during the nighttime hours after 9:00 p.m.
- ✓ Trendy items such as confectioneries, alcoholic beverages, and cosmetics, as well as products that are popular on social media, drove sales.
- ✓ Demand for travel bags and outdoor goods increased, driven by a long holiday.
- ✓ Gross profit margin improved by 1.7ppt YoY at the store level due to growth in the non-food products category.

■ GMS business

- ✓ Clothing sales increased due to recovery in sales of spring apparel and sales to seniors.
- ✓ Food sales declined due to shrinking demand for alternatives to eating out, but sales per customer increased due to strengthened sales promotion and holding events at individual stores.
- ✓ Measures to improve gross profit margins continued to be effective and it has improved.

* Data compiled from the Trend in the number of newly confirmed cases (daily) on Ministry of Health, Labour and Welfare website, Coronavirus (COVID-19) section.

Appendix

Q3 cumulative information by corporation

► 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 ^{*1}	5,002	5,158	156	1,449	1,480	31	1,357	1,573	216	3,745	3,591	(154)
Gross profit	1,236	1,262	26	354	351	(3)	347	388	41	1,257	1,176	(81)
Gross profit ratio	24.7%	24.5%	(0.2%)	24.5%	23.7%	(0.8%)	25.6%	24.6%	(1.0%)	33.6%	32.8%	(0.8%)
SG&A	1,106	1,096	(10)	303	308	6	333	364	30	1,022	1,007	(16)
Operating profit	130	166	36	52	43	(9)	14	24	10	235	170	(65)
Operating profit ratio	2.6%	3.2%	0.6%	3.6%	2.9%	(0.7%)	1.0%	1.5%	0.5%	6.3%	4.7%	(1.6%)
Total Assets	3,081	3,075	(6)	879	898	19	609	667	58	3,870	3,843	(27)
Net Assets	1,753	1,182	(571)	589	610	21	9	23	14	1,143	1,357	214

► Overseas retail

► Non-retail

(Unit: 100 Million yen)

	North America ^{*2}			Asia ^{*3}			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 ^{*1}	755	1,466	710	346	489	143	164	158	(6)	140	141	1
Gross profit	241	554	312	120	170	50	63	56	(7)	140	141	1
Gross profit ratio	32.0%	37.8%	5.8%	34.7%	34.8%	0.1%	38.5%	35.5%	(3.0%)	100.0%	100.0%	0.0%
SG&A	189	443	254	86	151	66	5	6	1	130	129	(2)
Operating profit	52	110	58	34	19	(16)	58	50	(8)	10	13	3
Operating profit ratio	6.9%	7.5%	0.6%	10.0%	3.8%	(6.2%)	35.4%	31.8%	(3.6%)	7.0%	9.0%	2.0%
Total Assets	378	809	430	303	459	156	1,627	1,617	(9)	1,670	1,578	(92)
Net Assets	285	151	(134)	88	141	54	1,149	1,197	48	101	113	12

*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 ending 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 December 2021, while Gelson's is from July 2021 to March 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 December 2021.

Q3 Segment Information(cumulative) by business

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

*1
*2

(Unit: 100 Million yen)

	Discount Store Business	GMS Business	Tenant leasing	Others *3	Total	Adjustment	Consolidated
External Sales	8,687	3,424	465	106	12,682	-	12,682
Inter Company Sales	55	62	9	34	160	(160)	-
Total	8,741	3,486	474	140	12,842	(160)	12,682
Segment Profit	452	140	105	(31)	666	3	669

► Segments Overview [Period: July 1, 2021 – March 31, 2022]

*1
*2

(Unit: 100 Million yen)

	Discount Store Business	GMS Business	Tenant leasing	Others *3	Total	Adjustment	Consolidated
External Sales	9,885	3,267	445	108	13,705	-	13,705
Inter Company Sales	57	88	9	32	186	(186)	-
Total	9,942	3,354	455	140	13,891	(186)	13,705
Segment Profit	519	88	78	(55)	630	1	631

*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 the 1st quarter of fiscal year ending 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: January 1, 2022 – March 31, 2022]

(Unit: 100 Million yen)

	3 months ended Mar 31, 2021 ^{*1}		3 months ended Mar 31, 2022		
	Actual	Ratio	Actual	Ratio	YoY
SG&A	1,012	24.4%	1,130	25.0%	111.7%
Salaries and allowances	384	9.2%	439	9.7%	114.2%
Rent	133	3.2%	137	3.0%	103.2%
Commission paid	136	3.3%	141	3.1%	103.7%
Depreciation	63	1.5%	78	1.7%	122.7%
Other	295	7.1%	335	7.4%	113.5%

[Period: July 1, 2021 – March 31, 2022]

(Unit: 100 Million yen)

	9 months ended Mar 31, 2021		9 months ended Mar 31, 2022		
	Actual	Ratio	Actual	Ratio	YoY
SG&A	3,031	23.9%	3,372	24.6%	111.3%
Salaries and allowances	1,137	9.0%	1,306	9.5%	114.8%
Rent	396	3.1%	408	3.0%	103.0%
Commission paid	428	3.4%	437	3.2%	102.0%
Depreciation	190	1.5%	225	1.6%	118.6%
Other	879	6.9%	996	7.3%	113.3%

*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 fiscal year ending 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 –March 31, 2022]

(Unit: 100 Million yen)

	9 months ended Mar 31, 2021		9 months ended Mar 31, 2022		
	Actual	Ratio	Actual	Ratio	YoY
Discount store business ^{*1}	8,687	68.5%	9,885	72.1%	113.8%
Home electrical appliances	679	5.4%	654	4.8%	96.3%
Miscellaneous household goods	1,681	13.3%	1,948	14.2%	115.9%
Food products	3,441	27.1%	3,653	26.7%	106.2%
Watches and fashion merchandise	1,100	8.7%	1,048	7.7%	95.3%
Sporting goods and leisure goods	467	3.7%	490	3.6%	104.9%
North America Business	755	6.0%	1,466	10.7%	194.1%
Asia Business	348	2.7%	488	3.6%	140.3%
Other	216	1.7%	137	1.0%	63.6%
GMS business ^{*1}	3,424	27.0%	3,267	23.8%	95.4%
Clothing	406	3.2%	367	2.7%	90.4%
Household goods	546	4.3%	506	3.7%	92.7%
Food products	2,437	19.2%	2,376	17.3%	97.5%
Other	36	0.3%	18	0.1%	51.5%
Tenant leasing business ^{*1}	465	3.7%	445	3.2%	95.8%
Others ^{*2}	106	0.8%	108	0.8%	101.6%
Total	12,682	100.0%	13,705	100.0%	108.1%

*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 network

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)	2 stores	Opening : 22 stores Renovation : 30 stores
	MEGA		Matsunaga (Hiroshima)											
	UDR ^{*1}		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)				1 store	Renovation: 8 stores
Overseas ^{*2}		TMT Plaza (Hong Kong)		DON DON DONKI (Macau)	Seacon Square (Thailand)		Tropicana Gardens Mall (Malaysia)		Waterway (Singapore)				1 store	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
Discount Store Business	430	444	450	457	463
Don Quijote	225	226	226	229	234
MEGA Don Quijote ^{*1}	135	139	140	140	140
(MEGA) Don Quijote UNY	41	52	54	57	58
Picasso etc. ^{*2}	29	27	30	31	31
GMS Business ^{*3}	150	139	138	137	136
Total (Japan)	580	583	588	594	599

No. of retail stores abroad

	FY2020	FY2021	FY2022		
			Q1	Q2	Q3
North America Business	38	65	65	65	65
DQUSA	4	4	4	4	4
MARUKAI	10	10	10	10	10
QSI	24	24	24	24	24
Gelson's	-	27	27	27	27
Asia Business	11	19	21	23	27
PPRM (SG)	7	8	10	10	11
PPRM (HK)	2	7	7	8	8
DONKI Thailand	2	2	2	2	4
PPRM (Taiwan)	-	1	1	1	1
PPRM (Malaysia)	-	1	1	1	2
Macau PRRM(Macau)	-	-	-	1	1
Total (Overseas) ^{*4}	49	84	86	88	92
Total	629	667	674	682	691



*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/Piago, U-STORE, Piago Power, Power Super Piago 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.

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IR Calendar

Announcement of Q4 results for the fiscal year ending June 2022 (Scheduled)
Date of announcement: August 12 (Friday), 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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