

# Summary Report of Consolidated Financial Results For the Second Quarter Ended December 31, 2023

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan.)

## Pan Pacific International Holdings Corporation

Securities Code No.: 7532  
 Shares Listed: Tokyo Stock Exchange  
 Address: 2-19-10 Aobadai, Meguro-ku, Tokyo  
 Representative: Naoki Yoshida, President and CEO, Representative Director  
 Contact: Yuji Ishii, Director, Managing Executive Officer and CAO (Phone:+81-3-5725-7588)  
 URL: <https://ppih.co.jp/>

(Amounts in million yen are rounded off to the nearest million)

### 1. Overview of Business Results and Financial Position for the second quarter of fiscal 2024 (From July 1, 2023 to December 31, 2023)

#### (1) Results of Business Operations

(Millions of yen, except per-share data)

	Net Sales	Change (%)	Operating Income	Change (%)	Ordinary Income	Change (%)	Profit Attributable to Owners of Parent	Change (%)
Six Months Ended December 31, 2023	1,047,594	7.1	75,501	31.4	73,607	28.6	48,214	31.1
Six Months Ended December 31, 2022	978,449	6.6	57,456	31.6	57,226	28.5	36,777	22.0

(Note) Comprehensive income: 57,996 million yen [20.7%] (FY 2024.6 2Q), 48,059 million yen [61.0%] (FY 2023.6 2Q)

	Net Income Per Share (Yen)	Net Income Per Share -fully diluted (Yen)
Six Months Ended December 31, 2023	80.80	80.55
Six Months Ended December 31, 2022	61.67	61.52

#### (2) Financial Position

	Total Assets	Net assets	Ratio of Shareholder's Equity to Total Assets(%)
As of December 31, 2023	1,498,608	512,911	33.5
June 30, 2023	1,481,058	463,539	30.6

(Reference) Equity: 501,675 million yen (as of December 31, 2023), 453,261 million yen (as of June 30, 2023)

### 2. Dividends

	Annual Dividends per share				
	Three Months End of September 30	Six Months End of December 31	Nine Months End of March 31	Year End of June 30	Total
Year Ended June 30, 2023	—	4.00	—	16.00	20.00
Year Ending June 30, 2024	—	5.00			
Year Ending June 30, 2024 (Forecast)			—	16.00	21.00

(Note) Revision to the dividend forecast in the Second quarter of fiscal 2024: None

### 3. Consolidated Business Forecast : For the year ending June 30, 2024 (From July 1, 2023 to June 30, 2024)

(Millions of yen, except per-share data)

	Net Sales	Change (%)	Operating Income	Change (%)	Ordinary Income	Change (%)	Profit Attributable to Owners of Parent	Change (%)	Net Income per Share(Yen)
Year Ending June 30, 2024	2,070,000	6.9	130,000	23.5	126,000	13.5	76,500	15.6	128.19

(Note) Revision to the business forecast in the Second quarter of fiscal 2024: Yes

For information on the revision to the consolidated business forecast, please refer to the “Notice on the difference between the consolidated business forecast and the actual results for the first six months of the year ending June 30, 2024 and the revision to the full-year forecast” released today (February 13, 2024).

#### 4. Others

(1) Significant changes in the scope of consolidation: None

Newly consolidated: — , Excluded: —

(2) Simplified accounting methods and special accounting methods for preparation of the quarterly consolidated financial statements: None

(3) Changes in accounting policies concerning preparation of consolidated financial statements

① Changes in line with revision to accounting standards: None

② Other changes: None

③ Changes in accounting estimates: None

④ Restatement: None

(4) Number of outstanding shares (Common shares)

① Number of outstanding shares (Treasury shares included)	December 31, 2023	634,828,940 shares
	June 30, 2023	634,666,240 shares
② Number of treasury shares	December 31, 2023	38,073,252 shares
	June 30, 2023	38,073,224 shares
③ Average number of outstanding shares during the period	December 31, 2023	596,670,859 shares
	December 31, 2022	596,372,007 shares

※This financial summary is not subject to audit conducted by certified public accountants or an audit corporation.

※Explanation regarding the appropriate use of forecasts of business results

The financial forecasts of business results are based on judgments and estimates that have been made using currently available information. By nature, such financial forecasts are subject to uncertainties and risks. Therefore, actual results might be significantly different from the aforementioned forecasts for a variety of reasons, including changes in economic environments related to our business, market trends and foreign currency exchange rates.

※The Company plans to hold a financial result briefing for security analysts and institutional investors on February 13, 2024. Presentation materials for the briefing will be available on the Company's website.

## Consolidated Quarterly Balance Sheets

(Millions of yen)

	As of June 30, 2023	As of December 31, 2023
	Amount	Amount
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	¥242,088	¥186,882
Notes and accounts receivables-trade	13,782	19,911
Accounts receivables - installment	55,350	61,613
Operating loans	9,047	9,333
Merchandise and finished goods	194,537	206,200
Prepaid expenses	8,629	9,276
Deposits paid	5,357	22,185
Other	25,541	33,714
Allowance for doubtful accounts	(2,496)	(2,827)
<b>Total current assets</b>	<b>551,836</b>	<b>546,287</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	287,975	289,854
Tools, furniture and fixtures, net	35,027	37,087
Land	318,721	335,033
Construction in progress	15,532	20,768
Right of use assets, net	30,561	29,632
Other, net	1,393	1,522
<b>Total property, plant and equipment</b>	<b>689,209</b>	<b>713,897</b>
<b>Intangible assets</b>		
Goodwill	61,002	59,200
Other	27,528	29,635
<b>Total intangible assets</b>	<b>88,530</b>	<b>88,835</b>
<b>Investments and other assets</b>		
Investment securities	34,643	34,038
Long-term prepaid expenses	4,370	4,335
Retirement benefit asset	17,806	17,869
Deferred tax assets	20,686	20,149
Lease and guarantee deposits	71,845	70,817
Other	3,476	3,813
Allowance for doubtful accounts	(1,342)	(1,432)
<b>Total investments and other assets</b>	<b>151,484</b>	<b>149,590</b>
<b>Total non-current assets</b>	<b>929,222</b>	<b>952,321</b>
<b>Total assets</b>	<b>¥1,481,058</b>	<b>¥1,498,608</b>

(Millions of yen)

	As of June 30, 2023	As of December 31, 2023
	Amount	Amount
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payables - trade	¥168,661	¥224,516
Current portion of long-term loan payables	34,364	62,238
Current portion of bonds	10,930	10,650
Accounts payables – other	49,475	52,843
Lease obligations	2,263	2,529
Accrued expenses	26,991	22,101
Deposits received	14,012	22,811
Income taxes payables	23,169	22,862
Provision for point card certificates	1,962	2,459
Contract liabilities	20,838	16,070
Other	15,756	15,751
Total current liabilities	368,422	454,830
Non-current liabilities		
Bond payables	261,625	191,400
Long-term loan payables	272,499	226,127
Lease obligations	31,036	29,995
Asset retirement obligations	30,835	31,322
Other	53,101	52,024
Total non-current liabilities	649,097	530,867
Total liabilities	1,017,519	985,697
<b>Net assets</b>		
Shareholders' equity		
Share capital	23,351	23,445
Capital surplus	17,509	17,603
Retained earnings	483,366	522,034
Treasury shares	(80,956)	(80,956)
Total shareholders' equity	443,270	482,126
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,690	1,438
Foreign currency translation adjustment	7,797	17,657
Remeasurements of defined benefit plans	503	454
Total accumulated other comprehensive income	9,991	19,549
Share acquisition rights	771	1,110
Non-controlling interests	9,507	10,126
Total net assets	463,539	512,911
Total liabilities and net assets	¥1,481,058	¥1,498,608

## Consolidated Quarterly Statements of Income

	(Millions of yen)	
	Six months ended December 31, 2022	Six months ended December 31, 2023
	Amount	Amount
Net sales	¥978,449	<b>¥1,047,594</b>
Cost of sales	676,029	<b>716,603</b>
Gross profit	302,420	<b>330,991</b>
Selling, general and administrative expenses	244,964	<b>255,489</b>
Operating income	57,456	<b>75,501</b>
Non-operating income		
Interest and dividend income	489	<b>667</b>
Share of profit of affiliates accounted for using equity method	283	<b>367</b>
Penalty income	129	<b>902</b>
Foreign exchange gains	625	—
Other	2,191	<b>2,418</b>
Total non-operating income	3,717	<b>4,354</b>
Non-operating expenses		
Interest expenses paid on loans and bonds	3,833	<b>3,822</b>
Foreign exchange losses	—	<b>1,601</b>
Other	114	<b>825</b>
Total non-operating expenses	3,947	<b>6,248</b>
Ordinary profit	57,226	<b>73,607</b>
Extraordinary income		
Gain on sales of non-current assets	9	<b>7</b>
Reversal of provision for environmental measures	3	—
Other	22	<b>1</b>
Total extraordinary income	33	<b>8</b>
Extraordinary losses		
Loss on retirement of non-current assets	558	<b>617</b>
Loss on closing of stores	490	<b>101</b>
Loss on disaster	34	<b>8</b>
Other	104	<b>5</b>
Total extraordinary losses	1,186	<b>732</b>
Profit before income taxes	56,073	<b>72,883</b>
Income taxes - current	16,844	<b>23,011</b>
Income taxes – deferred	1,946	<b>1,455</b>
Total income taxes	18,790	<b>24,466</b>
Profit	37,283	<b>48,417</b>
Profit attributable to non-controlling interests	505	<b>203</b>
Profit attributable to owners of parent	¥ 36,777	<b>¥48,214</b>

## Consolidated Quarterly Statements of Comprehensive Income

(Millions of yen)

	Six months ended December 31, 2022	Six months ended December 31, 2023
	Amount	Amount
Profit	¥37,283	<b>¥48,417</b>
Other comprehensive income		
Valuation difference on available-for-sale securities	187	<b>(710)</b>
Foreign currency translation adjustment	10,624	<b>10,293</b>
Remeasurements of defined benefit plans, net of tax	(20)	<b>(25)</b>
Share of other comprehensive income of affiliates accounted for using equity method	(14)	<b>21</b>
Total other comprehensive income	10,776	<b>9,579</b>
Comprehensive income	¥48,059	<b>¥57,996</b>
Comprehensive income attributable to:		
Owners of parent	¥47,195	<b>¥57,772</b>
Non-controlling interests	864	<b>224</b>

## Consolidated Quarterly Statements of Cash Flows

	(Millions of yen)	
	Six months ended December 31, 2022	Six months ended December 31, 2023
	Amount	Amount
<b>Cash flows from operating activities:</b>		
Profit before income taxes	¥56,073	¥72,883
Depreciation	20,734	22,180
Decrease in provisions	(1,554)	(105)
Interest and dividend income	(489)	(667)
Interest expenses paid on loans and bonds	3,833	3,822
Foreign exchange losses (gains)	(625)	1,601
Share of profit of affiliates accounted for using equity method	(283)	(367)
Loss on sale and retirement of non-current assets	550	610
Increase in notes and accounts receivables – trade	(5,626)	(6,069)
Increase in inventories	(1,953)	(10,100)
Increase in notes and accounts payables – trade	56,874	54,541
Increase in accounts receivables – installment	(8,404)	(6,346)
Increase in accounts payables – other	4,360	6,142
Increase in deposits received	7,464	8,797
Other, net	(6,198)	(15,671)
Subtotal	124,756	131,253
Interest and dividend income received	515	535
Interest expenses paid	(3,855)	(3,931)
Income taxes paid	(18,735)	(29,054)
Income taxes refund	526	3,284
Payments for loss on disaster	(86)	(13)
Dividends received from affiliates accounted for using equity method	53	73
Net cash provided by operating activities	103,174	102,147
<b>Cash flows from investing activities:</b>		
Payments for purchase of property, plant and equipment	(29,114)	(40,137)
Payments for purchase of intangible assets	(4,360)	(3,801)
Payments for leasehold and guarantee deposits	(754)	(342)
Proceeds from collection of leasehold and guarantee deposits	327	1,158
Payments for store opening in progress	(293)	(692)
Payments for purchase of shares of subsidiaries and affiliates	(3,386)	–
Other, net	(7)	16
Net cash used in investing activities	¥(37,586)	¥(43,798)

	(Millions of yen)	
	Six months ended December 31, 2022	Six months ended December 31, 2023
	Amount	Amount
<b>Cash flows from financing activities:</b>		
Net increase in short-term loan payables	¥978	¥–
Proceeds from long-term loan payables	–	10,000
Repayments of long-term loan payables	(12,759)	(28,182)
Proceeds from issuance of bonds	–	69,789
Redemption of bonds	(776)	(140,605)
Cash dividends paid	(8,348)	(9,545)
Proceeds from share issuance to non-controlling interests	–	407
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(2,239)	–
Other, net	(808)	(1,129)
Net cash used in financing activities	(23,952)	(99,266)
Effect of foreign exchange rate change on cash and cash equivalents	3,465	2,151
Net increase (decrease) in cash and cash equivalents	45,101	(38,765)
Cash and cash equivalents at the beginning of period	180,418	246,195
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries in consolidation	(1,852)	–
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	104	–
Cash and cash equivalents at the end of period	¥223,770	¥207,430

## Segment Information

For the Second Quarter Ended December 31, 2022

### 1. Information concerning sales and income by reporting segment

(Millions of yen)

	Reporting segment				Adjustment	Consolidated
	Domestic Business	North America business	Asia business	Total		
Sales, Segment income						
Sales						
Sales to third parties	¥821,242	¥116,978	¥40,229	¥978,449	¥-	¥978,449
Intersegment sales	5,784	-	63	5,847	(5,847)	-
Total	827,025	116,978	40,292	984,295	(5,847)	978,449
Segment income	¥52,672	¥3,591	¥1,193	¥57,456	¥-	¥57,456

Note: Segment income is adjusted to the quarterly consolidated operating income.

For the Second Quarter Ended December 31, 2023

### 1. Information concerning sales and income by reporting segment

(Millions of yen)

	Reporting segment				Adjustment	Consolidated
	Domestic Business	North America business	Asia business	Total		
Sales, Segment income						
Sales						
Sales to third parties	¥886,407	¥121,117	¥40,069	¥1,047,594	¥-	¥1,047,594
Intersegment sales	5,763	-	39	5,802	(5,802)	-
Total	892,170	121,117	40,108	1,053,396	(5,802)	1,047,594
Segment income	¥73,166	¥2,143	¥193	¥75,501	¥-	¥75,501

Note: Segment income is adjusted to the quarterly consolidated operating income.