

Q2 FY6/25 Results

February 13, 2025

Pan Pacific International Holdings Corporation

1 Overview of Q2 FY6/25 results

2 Appendix

Explanatory notes

1. The actual values presented in these materials are rounded to the nearest full unit.
2. The following abbreviations are used: 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", " Hong Kong as "HK", Thailand as "TH", Taiwan as "TW", Malaysia as "MY", Macau as "MO" and Group as "GP".
3. PPIH applies the "Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements", but there are sections 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. The exchange rates used for overseas operations are below (Gelson's fiscal year ends in June, so the exchange rate is different).

Unit: Yen	USD U.S. dollar		USD (Gelson's)		SGD Singapore dollar		THB Thai baht		HKD Hong Kong dollar		TWD Taiwan dollar	
	P/L	B/S	P/L	B/S	P/L	B/S	P/L	B/S	P/L	B/S	P/L	B/S
	FY6/24	142.61	149.58	145.87	141.82	105.79	109.47	4.07	4.09	18.20	19.10	4.56
FY6/25	152.50	142.82	150.47	158.17	114.43	111.56	4.30	4.41	19.53	18.38	4.72	4.52

Note: Regarding Exchange Rate

The P/L uses the average exchange rate for the fiscal period (July 2024 to December 2024 for Gelson's, and April 2024 to September 2024 for the others).

The B/S uses the exchange rate as of the end of December 2024 for Gelson's, and as of the end of September 2024 for the others.

< Review of Q2 FY6/25 >

- ❑ Net sales reached 1.1286 tn yen (+81.0 bn yen/+7.7% YoY), and operating income increased to 89.7 bn yen (+14.2 bn yen/+18.9% YoY). Both H1 and Q2 achieved record-high sales and operating income.
- ❑ Operating income margin improved to 8.0% (+0.8pt YoY), driven by increased sales, improved gross profit margin, and effective control of increased costs, enhancing overall profitability
 - ✓ The DS store business successfully captured demand for seasonal products and events during the year-end sales season, boosting domestic consumption. Additionally, growth in inbound tourism and the profitability of PB/OEM products significantly drove overall retail performance.
 - ✓ The UNY business saw a recovery in customer numbers due to its pricing strategy and expanded its customer base through the reform of product categories in the non-food sector, performing in line with targets
 - ✓ The Asia business turned to profit growth by addressing country-specific issues over the past year, improving same stores, controlling SG&A, and making new stores profitable, performing in line with targets
 - ✓ The North America business, led by the strong performance of Marukai CA, was progressing in line with targets but faced an unexpected events (see below), resulting in a downward revision of 4 bn yen. The full-year forecast is detailed below

<Full-Year Forecast>

- ❑ Operating income has been revised upward by 5 bn yen to 155 bn yen
 - ✓ Domestic business: +9 bn yen, driven by the strong performance of the DS store business
 - ✓ North America business: -4 bn yen due to the impact of wildfires in Southern California and system glitch in Hawaii

Full-year Forecast

- The full-year forecast for operating income has been revised upward to 155 bn yen (initial targets +5 bn yen), ordinary profit to 150.8 bn yen (initial targets +15.4 bn yen), and profit attributable to owners of parent to 90 bn yen (initial targets +3.5 bn yen)
- Based on the progress up to H1, the breakdown by business segment has been partially adjusted

	Initial forecast		Revised full-year forecast			
	(Bn yen)	Amount Sales ratio	%	Amount Sales ratio	Change	vs. initial forecast
Net sales		2,220.0	+6.0%	2,220.0	-	-
Gross profit		700.0 31.5%	+5.6%	712.0 32.1%	+12.0	+1.7%
SG&A		550.0 24.8%	+5.2%	557.0 25.1%	+7.0	+1.3%
Operating income		150.0 6.8%	+7.0%	155.0 7.0%	+5.0	+3.3%
Ordinary Profit		135.4 6.1%	(8.9)%	150.8 6.8%	+15.4	+11.4%
Profit attributable to owners of parent		86.5 3.9%	(2.5)%	90.0 4.1%	+3.5	+4.0%
ESP (yen)		144.90	(2.5)%	150.74	+5.84	+4.0%

<Operating income forecast by business segment>

- Domestic Business: Operating income +9 bn yen (vs. initial targets)

Reflecting the strong performance of the DS store business, the domestic business operating income is set at +9 bn yen

- ✓ The DS store business operating income has been revised upward to +11 bn yen
 - Due to the strong performance of tax-free sales, the sales forecast has been revised upward to 170 bn yen
- ✓ Other factors, primarily the provision for doubtful accounts and additional IT investments, result in -2.0 bn yen
- North America Business: Operating income -4 bn yen (vs. initial targets)
- ✓ The full-year forecast has been revised downward due to factors impacting 3Q onwards, such as wildfires in Southern California (-1.5 bn yen), system glitch in Hawaii (-1.0 bn yen), and struggles in Guam (-1.5 bn yen)
 - Others
- ✓ No changes in UNY business and Asia business

<Outlook for ordinary profit>

Due to the financial adjustments made in October 2024, the impact of exchange rates has been limited, resulting in a level exceeding FY6/24

<Assumed exchange rate (revised from initial forecast)>

1 USD = 150.00 yen, 1 HKD = 19.22 yen, 1 SGD = 111.55 yen, 1 THB = 4.25 yen, 1 MYR = 32.92 yen, 1 TWD = 4.61 yen, 1 MOP = 18.62 yen

Overview of Q2 FY6/25 results

Earnings Summary for Q2 FY6/25

【Period: H1 (July 1, 2024 – December 31, 2024)】

(Unit: Bn yen)

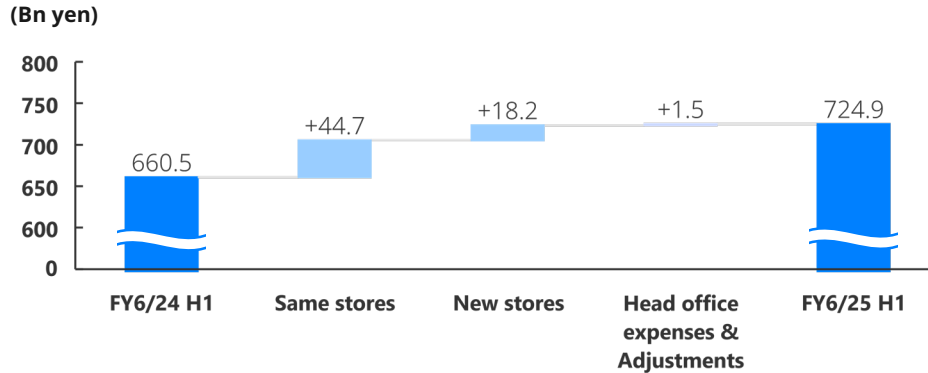
	FY6/24 H1	FY6/25 H1 Results			FY6/25 H1 Forecast	
	Amount Sales ratio	Amount Sales ratio	Change	YoY	Amount Sales ratio	Progress
Net sales	1,047.6	1,128.6	+81.0	+7.7%	1120.4	100.7%
Gross profit	331.0 31.6%	363.9 32.2%	+32.9	+9.9%	353.6 31.6%	102.9%
SG&A	255.5 24.4%	274.2 24.3%	+18.7	+7.3%	272.4 24.3%	100.6%
Operating income	75.5 7.2%	89.7 8.0%	+14.2	+18.9%	81.1 7.2%	110.7%
Ordinary profit	73.6 7.0%	86.9 7.7%	+13.3	+18.1%	67.2 6.0%	129.3%
Profit attributable to owners of parent	48.2 4.6%	54.0 4.8%	+5.8	+12.0%	43.2 3.9%	124.9%
EPS (yen)	80.80	90.41	+9.61	+11.9%	72.37	124.9%
EBITDA¹	97.9 9.3%	113.9 10.1%	16.0	+16.4%	NA	NA

1: From Q2 FY6/25, EBITDA has been disclosed as a static profit evaluation amount, excluding the impact of capital investments and other factors

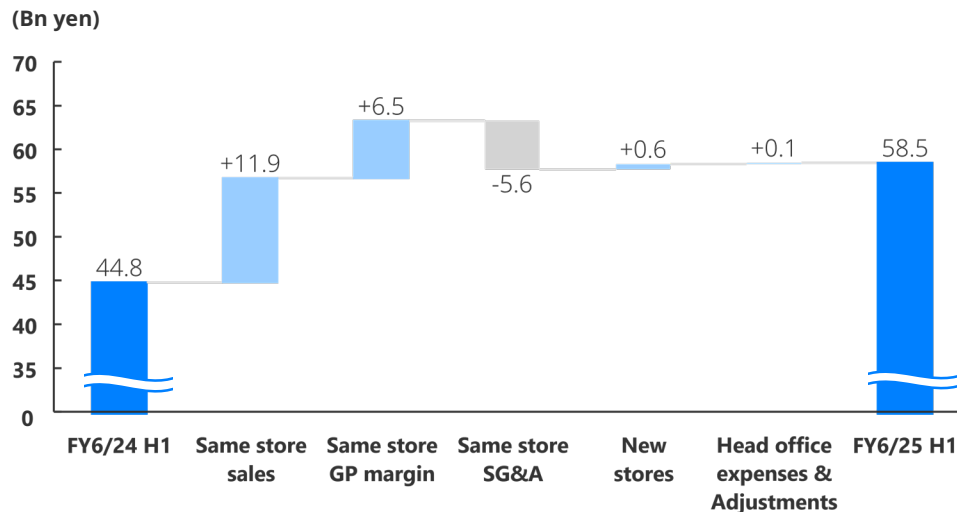
EBITDA = Operating income + Depreciation of tangible fixed assets + Amortization of intangible assets + Stock-based compensation

Discount Store Business

FY6/25 H1 Change in Sales



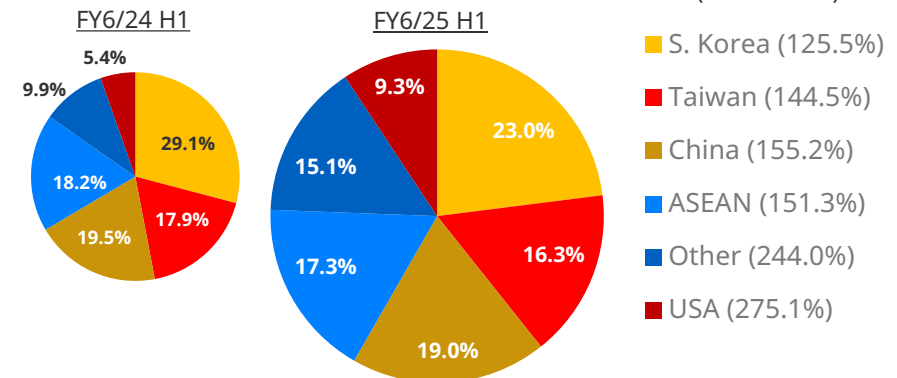
FY6/25 H1 Change in Operating Income



Sales revenue reached 724.9 bn yen (+64.4 bn yen YoY), and operating income grew strongly to 58.5 bn yen (+13.7 bn yen YoY). Strategies are being advanced to achieve the first-ever operating income of 100 bn yen by the DS store business alone.

- ✓ SSS increased by 7.1% YoY, capturing demand for seasonal products and events during the year-end sales season, showing solid growth
- ✓ Tax-free sales reached a record high of 79.8 bn yen (+29.7 bn yen YoY) in H1, contributing +4.4pt to SSS
 - In addition to Asia, promotions were strengthened in western countries, increasing our share of visiting foreign tourists to 24.3% in H1 (+2.6pt YoY)
- ✓ The gross profit margin further increased to 28.1% (+0.8pt YoY)
 - PB/OEM sales reached 154.9 bn yen (+35.1 bn yen YoY). The introduction of new products, conversion strategies to OEM, and improved product development capabilities led to increased sales and gross profit.
 - Tax-free and seasonal products performed well, improving the gross profit margin of non-PB products
- ✓ SG&A expenses for same stores were 105.0% YoY. Although SG&A expenses increased due to higher personnel costs and payment fees for expanded tax-free services, as well as utility costs, they were well controlled, resulting in a 0.3pt YoY decrease.

▶ Tax-free sales by nationality



DS store business: Progress in customer acquisition, PB/OEM, and inbound strategies

Marketing initiatives targeting younger customers are being promoted. The number of majica members has surpassed 16 million.

- ✓ Thanks to the effectiveness of member-exclusive prices, the cumulative majica presentation rate in H1 increased to 48.3% (+4.3pt YoY)
- ✓ The "Do Gakuwari (student discount)" campaign was rebranded to "U24 Maji-wari (discount for 24 and under)", aiming to further attract younger customers by simplifying procedures and expanding eligibility. The youth population ratio is now 21.1% (+1.0% from the end of FY6/24).
- ✓ New snacks, popular on social media and targeting Gen Alpha, were introduced. In approximately three weeks, sales reached 1 bn yen, demonstrating successful engagement with new customer segment.

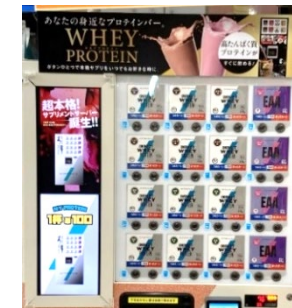
U24 Maji-wari (Initiative for younger customers)



Progress in PB/OEM: The targets are on track due to OEM conversion, new promotional approaches, and enhanced product development capabilities

- ✓ To allow customers to sample OEM protein in small quantities, "in-store vending machines" were installed. These machines successfully captured customer needs, doubling protein sales at the installed stores.
- ✓ The "Egg over rice flavor sauce" went viral on social media, with the tax-free composition ratio exceeding 30%. Such product development, which appeals to both tax-free and non-tax-free customer segments, is progressing, with the tax-free composition ratio within PB expanding to 12.6% (+3.4pt YoY).
- ✓ Our own brand of beauty appliances, "mical", was launched. It has been well-received, and we are strengthening promotions through social media, the internet, and in-store to further approach our target customer segments.

Protein vending machine



Egg over rice flavor sauce



Leveraging our strengths, tax-free sales have shown steady growth despite significant currency fluctuations

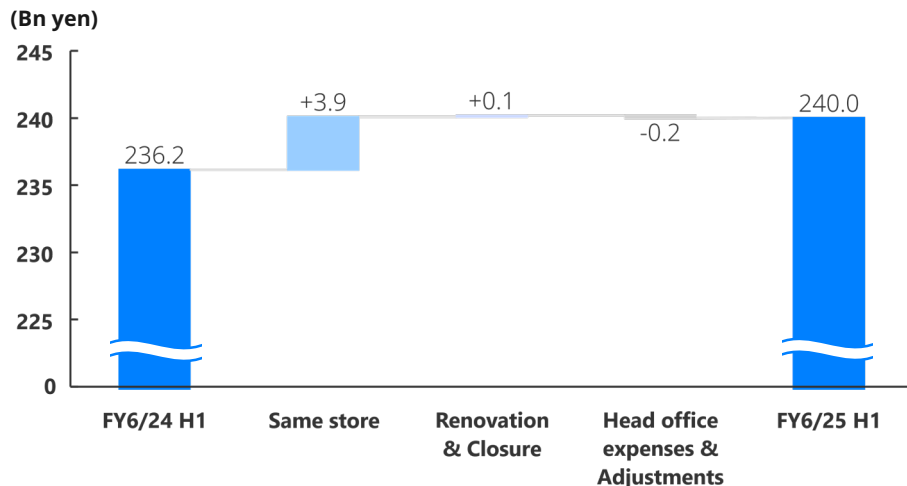
- ✓ The "majicaGlobal" app is scheduled for release during FY6/25
 - The app will feature various specifications to meet inbound customer needs, such as multi-language *Maji-voice* (raw feedback), coupons, and product rankings by nationality. By increasing touchpoints with inbound customers, we aim to become 'the most convenient store' for them.

Key features of majicaGlobal

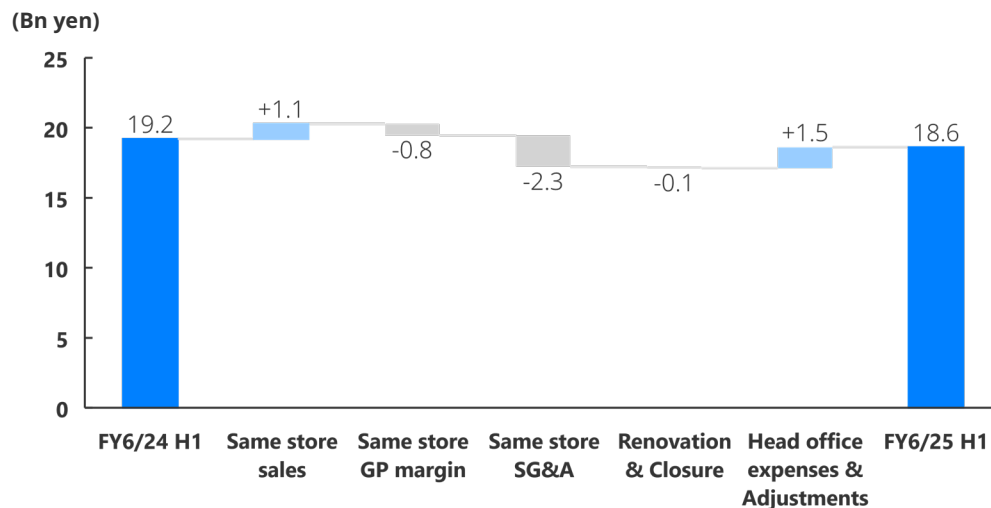


- Multi-language *Maji-voice*
Raw feedback and ratings for "trust and buzz"
- Coupons
For "extra savings" at Don Quijote
- Trend rankings
For what to buy ("variety and convenience")

FY6/25 H1 Change in Sales



FY6/25 H1 Change in Operating Income



The shift in pricing strategy led to a decrease in Q1 operating income to 6.3 bn yen (-0.9 bn yen YoY). However, Q2 saw a turnaround to 12.3 bn yen (+0.3 bn yen YoY). Moving into H2, various initiatives will be intensified to attract more customers.

- ✓ Same store sales were 101.8% YoY
 - Sales exceeded the previous year due to pricing strategies for food and daily consumables
 - Same store customer numbers were 101.1% YoY, improving in Q2 compared to Q1 but falling short of the plan
- ✓ The same store gross profit margin was 27.1% (-0.4pt YoY)
 - Although it was lower than the previous year as expected due to pricing strategies, newly introduced seasonal appliances for both summer and winter contributed to improving the gross profit margin
 - PB/OEM sales increased to 61.0 bn yen (+6.1 bn yen YoY)
- ✓ SG&A expenses were controlled at 101.4% YoY
 - Despite increases in utility costs, majica-related promotional expenses to attract customers, and rising wages, appropriate staffing and productivity improvements kept SG&A expenses within budget
- ✓ **Pricing strategy initiatives:**
 - The frequency of visits and basket size of existing customers have improved
 - From H2 onwards, we will restructure the current pricing strategy and promote initiatives to attract more customers
 - To acquire new customers, we will implement even more affordable pricing through initiatives like *Maji-kakaku* (exclusive price for app members) and Price voting (employee vote decides discounts)

UNY business: Positive results observed for the non-food reform initiated in October 2024

Reforms targeting a +10 bn yen in operating income by FY6/30 (vs. FY6/24)

- ✓ Commitment to competitive pricing for frequently purchased items aims to increase store visits and attract new customers through strategic pricing
 - By focusing on 400 SKUs of S-rank products, which account for the top 20% of sales, 1.26 million frequent app users were successfully appealed to with affordable prices, resulting in a 116% increase in store visits
- ✓ Strengthening fresh produce procurement has helped differentiate from competitors and regain popularity in primary trade areas
 - Refinement of traditional promotions like Tuesday specials led to a 113% increase in sales of promotional items
- ✓ Trial introduction of new products across all MDs is underway to expand the customer base and improve profitability
 - In 29 pilot stores, customer numbers increased by 103.6% in December

Model store case: Chiyodabashi Store - transition from traditional "Clothing, Food, and Housing" MD

- ✓ Breaking free from the traditional "Apparel, Food, and Housing" focus. Implementing assortments and proposals that connect to customers' lifestyles, such as beauty, relaxation, entertainment, and time-saving. Capturing new customer needs.
 - In daily consumables and household goods, introducing items like bedding for better sleep, diet protein, and professional-grade shampoo
 - In the apparel section, attracting customers from the food section with temporary character events and brand showcases, creating dynamic sales areas
- ✓ Achieving single-item sales expansion and dynamic shopping experiences ("Something New")
 - Improving product turnover and enhancing operational efficiency by expanding space for PPIH-style flexible floor arrangements, contributing to gross profit by allowing space for trend products. This cycle aims to create popular sales areas with "Something New".
- ✓ After the December renovation, this store's sales increased by 109.8% YoY, significantly surpassing the 103.5% YoY sales increase of same UNY stores

Chiyodabashi store - After renovation



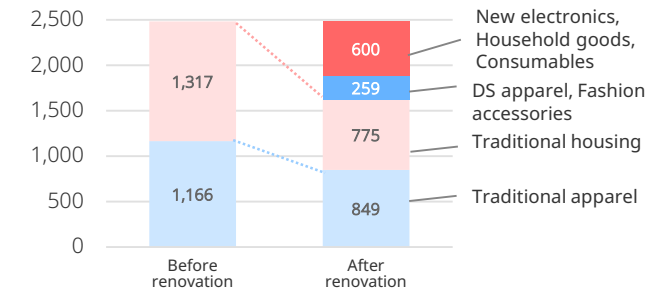
- Product-filled, offering a wide view and enhancing shopping enjoyment
- Highlighting price advantages, directly conveying value through promotions



- Curated SKUs to offer value-packed "recommended" products
- Highlighting each product's features, making selection easy

Chiyodabashi store - Non-food category floor space

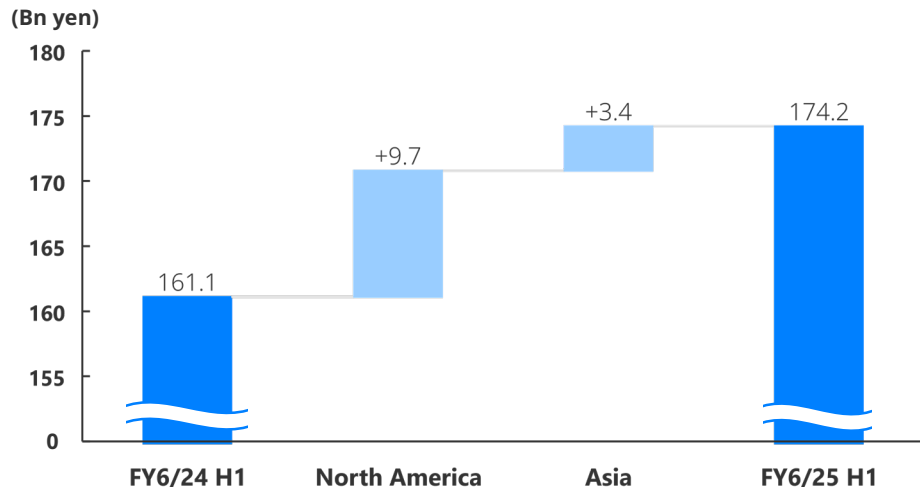
Out of 2,483,859 *tsubo* (34.6%) were renovated with new shelving



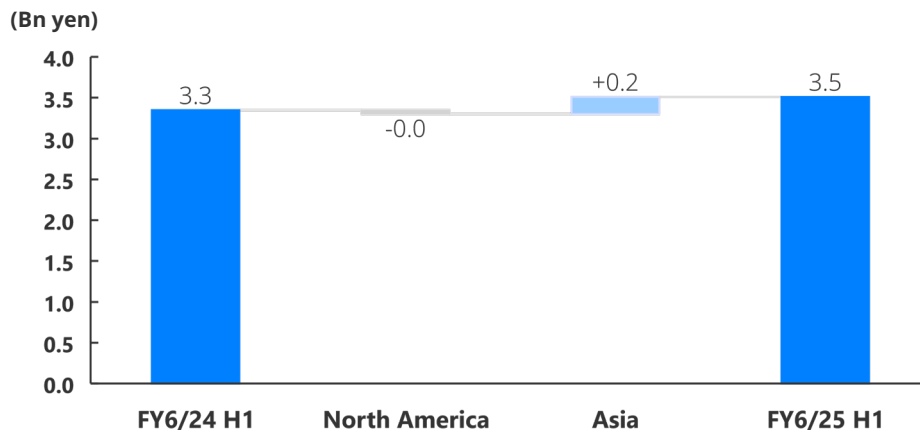
Chiyodabashi store - December sales and customer #s YoY

	Chiyodabashi store	UNY same stores	Difference
Sales	109.8%	103.5%	+6.3%
Customer #s	104.6%	101.8%	+2.8%

FY6/25 H1 Change in Sales^{1,2,3}



FY6/25 H1 Change in Operating Income^{1,2,3}



The Asia business shifted from a decline to a growth trend and is progressing in line with full-year targets. The North America business, however, has revised its full-year plan downward due to unforeseen impacts.

- Asia
 - ✓ Operating income hit bottom in Q1 and showed signs of improvement with a growth trend from Q2 onwards. The full-year plan is expected to be achieved.
 - ✓ SSS fell below YoY due to a decrease in purchase quantities, but the number of customers in Hong Kong, which had been sluggish, began to recover in the latter half of Q2
 - ✓ The SG&A expense ratio was lower YoY due to effective SG&A control in stores and back offices
 - By country, customer numbers in Hong Kong are showing a recovery trend following Thailand. On the other hand, progress in Singapore and Taiwan is lagging behind the plan.
- North America
 - ✓ MarukaiCA has seen sales growth due to extended operating hours and introduction of EBT (Electronic Benefits Transfer), maintaining an operating profit margin of 13% in same stores. Strategic investments for new store openings are being advanced.
 - ✓ Gelson's has progressed in line with targets up to Q2, driven by improvements in gross profit through loss reduction and effective SG&A control in same stores
 - ✓ Due to the impact of store loss from wildfires in Southern California (-1.5 bn yen), system glitch in Hawaii (-1.0 bn yen), and struggles in Guam (-1.5 bn yen), the full-year forecast has been revised downward by 4.0 bn yen
 - ✓ With prompt operational improvements and the profitability of new stores, an increase in profits is expected for FY6/26

1. North America figures are the simple sum of DQ USA, MARUKAI, QSI, Gelson's, and Guam. The results for Gelson's are from April 2024 to September 2024, while the others are from July 2024 to December 2024.
 2. Asia figures are the simple sum of PPRM (SG), PPRM (HK), DONKI Thailand, PPRM (TW), PPRM (MY), and Macau PPRM (MO). The results are cumulative from April 2024 to September 2024.
 3. Gelson's operating income is calculated after deducting goodwill amortization (1.8 bn yen for H1 FY6/24, 1.9 bn yen for H1 FY6/25).

Status of Major Assets, Liabilities and Net Assets

(Unit: Bn yen)

	June 2024	December 2024	
	Actual	Actual	Change
Current Assets	513.4	589.1	75.7
Cash and Deposits	172.7	202.9	30.2
Account Receivable-installment	57.3	65.3	7.9
Products	199.0	229.5	30.5
Non-Current Assets	985.0	975.1	(9.9)
Buildings, etc.	308.7	300.7	(8.0)
Land	356.7	353.4	(3.3)
Intangible Fixed Assets	94.6	94.4	(0.2)
Lease and Guarantee Deposits	68.7	68.1	(0.7)
Total Assets	1,498.4	1,564.2	65.8

(Unit: Bn yen)

	June 2024	December 2024	
	Actual	Actual	Change
Current Liabilities	419.2	485.0	65.8
Accounts Payable	197.2	246.1	48.9
Short-term Interest-bearing Debt ¹	49.3	71.7	22.5
Noncurrent Liabilities	532.2	495.0	(37.2)
Bond Payable	191.1	190.8	(0.3)
Long-term Borrowings	224.7	184.9	(39.8)
Total Liabilities	951.4	980.0	28.6
Net Assets	547.0	584.2	37.2
Liabilities and Net Assets	1,498.4	1,564.2	65.8

1. Short-term interest-bearing debt = Short-term borrowings, long-term borrowings due within one year, and bonds due for redemption within one year

<Status of major assets>

Non current asset

- ▶ Tangible fixed assets : 729.1 bn yen (-6.4 bn yen)
 - Investment related to store openings, etc.: 20.7 bn yen
 - Depreciation: 19.4 bn yen

<Status of major liabilities>

- ▶ Interest-bearing debt : 447.3 bn yen (-17.7 bn yen)

<Status of net assets>

- ▶ Net worth: 572.9 bn yen (+36.4 bn yen from the end of FY6/24)
- ▶ Capital adequacy ratio: 36.6% (+0.8pt from the end of FY6/24)

<Others>

- ▶ Net D/E ratio: 0.43x (-0.11x from the end of FY6/24)
- ▶ ROE: 19.5% (annual basis/+1.6pt from the end of FY6/24)

✓ ROE increased by 1.6pt (annualized) from the end of FY6/24. The main reason was that profit attributable to owners of parent exceeded FY6/24, with limited impact from exchange rates.

Status of Cash Flows and Capital Expenditure

▶ Status of cash flows

(Unit: Bn yen)

	FY6/24 H1	FY6/25 H1	
	Actual	Actual	Change
Balance at Beginning of the Period	246.2	187.2	(59.0)
Cash Flows from Operating Activities	102.1	92.6	(9.5)
Cash Flows from Investing Activities	(43.8)	(22.3)	21.5
Cash Flows from Financing Activities	(99.3)	(33.2)	66.1
Changes during the Period	(38.8)	31.6	70.3
Balance at End of the Period	207.4	218.8	11.3
Free Cash Flow ¹	58.3	70.3	12.0

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

▶ Status of capital expenditures

Capital Expenditures	44.8	25.5	(19.3)
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< Operating CF: +92.6 bn yen >

- ▶ Cash in factors:
 - 85.4 bn yen for pre-tax net profit
 - 49.9 bn yen for changes in trade accounts payable
 - 24.0 bn yen for depreciation
- ▶ Cash out factors:
 - 31.4 bn yen for changes in inventory
 - 26.0 bn yen for corporate tax payments

< Investment CF: -22.3 bn yen >

- ▶ Cash out factors:
 - 19.3 bn yen for acquisition of tangible fixed assets
 - 5.8 bn yen for acquisition of intangible fixed asset

< Financing Activity CF: -33.2 bn yen >

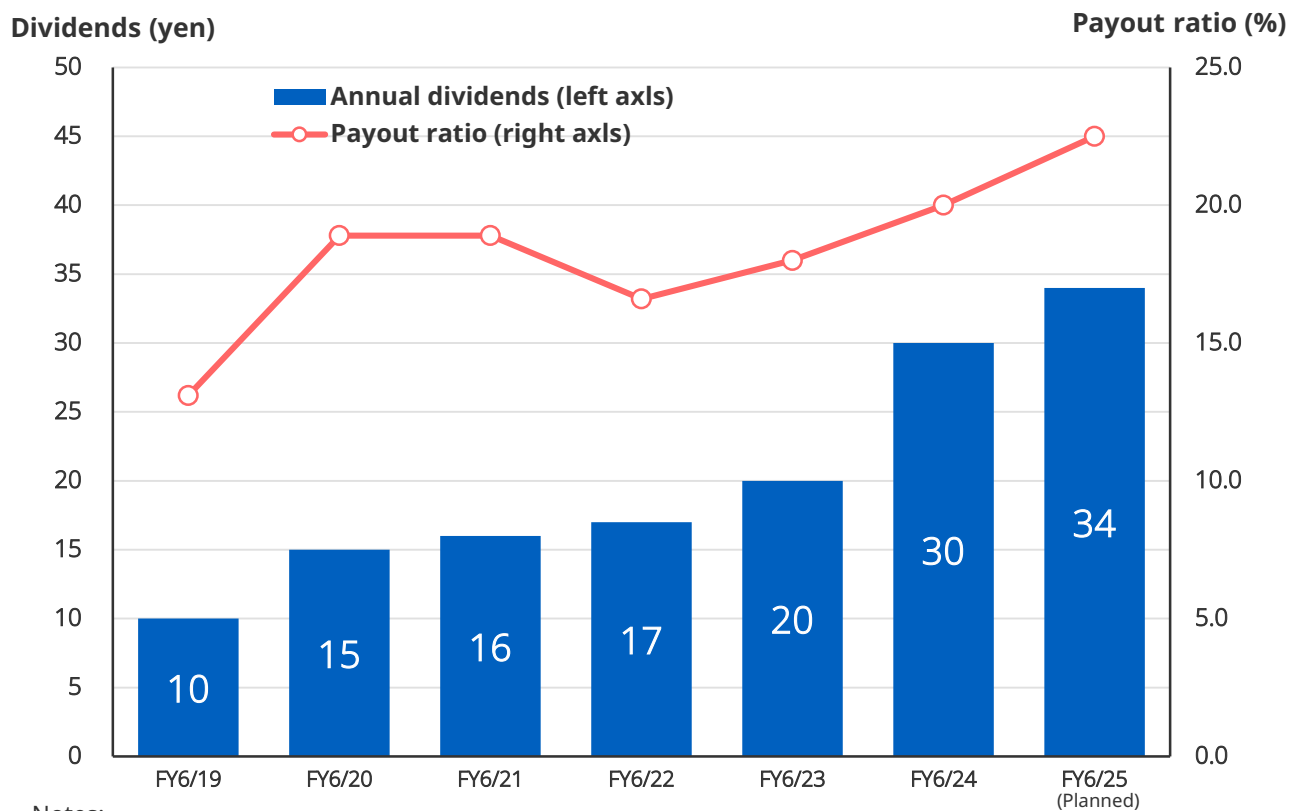
- ▶ Cash in factors:
 - 40.0 bn yen for income from long-term borrowings
- ▶ Cash out factors:
 - 57.1 bn yen for long-term borrowing repayments
 - 14.9 bn yen for dividend payments

< Breakdown of Capex >

- ▶ Domestic DS store business: 8.5 bn yen
- UNY business: 3.7 bn yen
- Overseas business: 5.3 bn yen
- Financial business: 1.6 bn yen
- IT investment: 4.5 bn yen
- Others: 1.9 bn yen

Dividends^{1,2}

- ✓ The dividend for FY6/25 H1 is expected to be 9 yen (+4 yen YoY) and 34 yen for the full year (+4 yen YoY), marking the 22nd consecutive year of dividend growth
- ✓ Based on a "progressive dividend policy", efforts will be made to balance growth investments and shareholder returns, with a focus on achieving a 25% dividend payout ratio



Notes:

1. A 2-for-1 common stock split was conducted on July 1, 2015, and a 4-for-1 common stock split was conducted on September 1, 2019
2. For prior periods, figures are retroactively adjusted

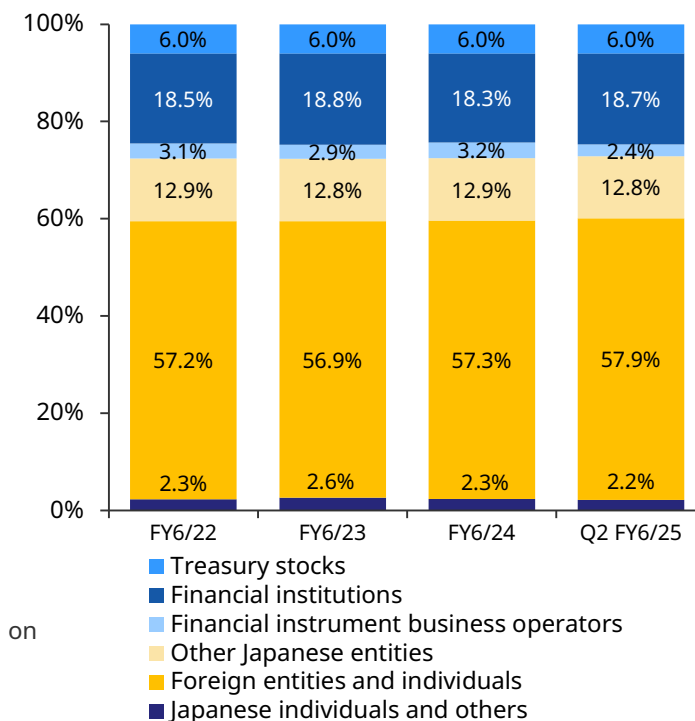
Shareholder benefits

Shareholders listed in the register as of the last day of June or December, holding at least 100 shares, will receive 2,000 yen worth of majica points through the majica app

Notes:

1. To receive the points, download and register on the majica app
2. Coupon codes for the points are included in the dividend-related documents sent at the end of September and March

Share ownership



- ❑ Enhance PPIH's business sustainability by balancing the resolution of environmental and social issues with business growth
- ❑ Leverage the objective evaluations of ESG rating agencies to further enhance our ratings and achieve index inclusion

Major sustainability initiatives in 2Q FY6/25

Human capital management

◆ Set goals to energize mate (part-time or temporary) employees

By setting goals to energize mate employees who are attuned to customer needs, we are creating community-based stores that are essential for enhancing customer attraction. Efforts are being made to fairly evaluate their growth and achievements, fostering an environment where they feel "working PPIH is fun and rewarding".



Case sample

Produce 200 MD planners from mate employees every year by FY6/30
(Participating companies: Don Quijote, Nagasakiya, Tachibana Department store)

Mate employees working as MD planners are responsible for setting targets, ordering products, sales, data analysis, and management tasks for their categories. They have authority over these areas and receive a bonus every half-year.

◆ Strengthening overseas recruitment

To accelerate international business expansion, we are actively recruiting talent capable of thriving globally. In November 2024, we participated in the Career Forum held in Boston.



Reduction of CO₂ emissions

◆ Promoting renewable energy procurement

Utilizing onsite CPPA, solar power systems were installed on the roofs of four MEGA Don Quijote UNY stores. Expected to cut CO₂ emissions by 698 tons annually.

Note: Utilizing renewable energy at 26 stores and 1 site.



Sustainable procurement

◆ Third-party CSR audits and self-assessment questionnaires (SAQ)

To promote product procurement that considers human rights and the environment, we conducted 39 third-party CSR audits and 159 SAQs for partner companies and factories manufacturing our PB/OEM products. From 3Q onwards, we plan to hold training sessions for those partners based on the audit and SAQ results. Additionally, we are considering disclosing the audit and SAQ results on our website.

■ Integrated Report and ESG Databook for FY6/24

Integrated Report : <https://ppih.co.jp/en/ir/library/annual/>
ESG Databook : <https://ppih.co.jp/en/sustainability/esgdatabook/>



Advancing Sustainable Management 2 【Key Figures】

	FY6/30 Goals	Unit	FY6/22	FY6/23	FY6/24
Environment					
CO₂ emissions					
CO ₂ emissions Scope 1 & 2	Reduce CO ₂ emissions (Scope 1 and 2) from stores by 50% against FY6/13 level	t-CO ₂	522,868	512,505	510,253
Scope 1 & 2 CO ₂ emissions reduction rate		%	16.0	20.3	26.0
CO ₂ emissions Scope 3 ¹		t-CO ₂	5,419,783	5,582,110	6,030,707
Plastic reduction					
Plastic usage	Reduce the amount of plastic used for customer services by 70% against FY6/19 level	t	2,669	2,539	2,407
Plastic usage reduction rate		%	57.8	61.2	65.8
Society					
Human capital					
Number of MD planners among mate employees ²	Produce 200 MD planners annually from mate employees	person	-	-	166
Female empowerment					
Number of female store managers	Produce 100 female store managers and reduce the turnover rate of female employees to 5%	Person	26	31	39
Turnover rate of female employees		%	8.8	9.7	7.6
Governance					
Number of directors		Person	12	11	15
Ratio of female directors		%	8.3	9.1	13.3
Ratio of independent outside directors		%	33.3	36.4	33.3
Average age of directors		age	54.4	56.4	53.1

Calculation Period: The environmental and social metrics, including CO₂ emissions (partially Scope 3) and plastic usage, are calculated from April to March of the following year. Other metrics are calculated based on PPIH's business year (from July to June of the following year). Governance metrics are calculated as of the end of September 2022, 2023, and 2024.

Scope: The environmental metrics cover major domestic entities within the group (partially including overseas entities for Scope 3). The social metrics cover major domestic entities. The governance metrics cover PPIH alone.

Notes:

1. Scope 3 emissions for FY6/24 are preliminary figures.

2. As a new target, the number of MD planners among mate employees for FY6/24 is provided as a reference.

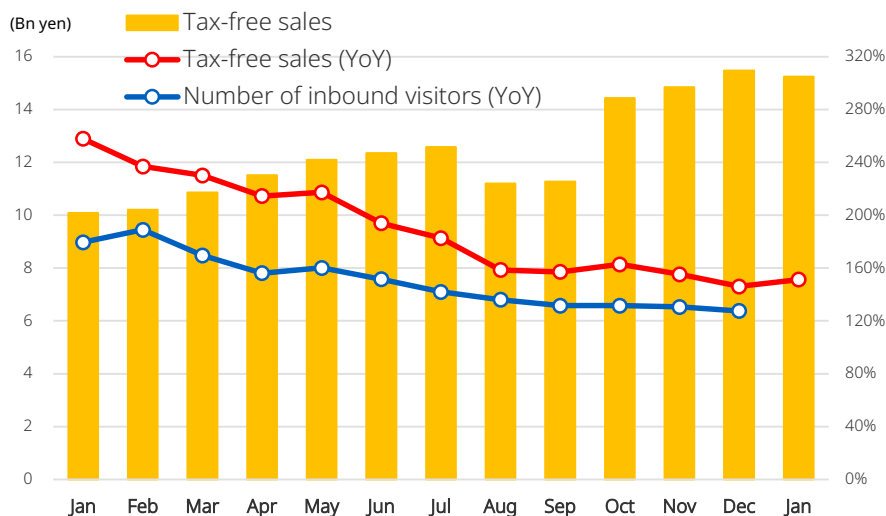
(Reference) January flash report for domestic DS and UNY

In the domestic retail businesses, both DS and UNY saw an increase in sales and customer numbers YoY. The New Year's sales and lucky bags, along with TV commercials and exclusive campaigns for majica app members, attracted many customers to our stores. From mid to late January, ongoing promotions like *Maji-kakaku* continued to drive sales in food and daily consumables.

▶ YoY sales trend (same stores)

Unit : %	Q1	Q2				Q3
	Cum.	Oct	Nov	Dec	Cum.	Jan
Domestic total	105.6	103.9	108.0	105.8	105.9	106.7
DS	106.9	106.2	109.2	106.6	107.3	108.2
UNY	101.8	97.0	104.5	103.5	101.9	102.2

▶ Tax-free sales trend in domestic DS business



Based on statistical data from the Japan National Tourism Organization (JNTO)

DS store business

- ✓ We captured the increased demand for indoor entertainment and hobbies during the New Year holidays, contributing to sales in hobby-related and collector's items
- ✓ New Year's events such as *Hatsumode* and Coming-of-Age Day boosted sales of cosmetics, colored contact lenses, and instant cameras
- ✓ Fitness and training equipment for health management, beauty, and maintaining body shape, along with health foods, protein, and supplements, also contributed to sales

UNY business

- ✓ Sales saw a significant boost from fresh foods, especially prepared foods and sushi, due to the high demand for family gatherings during the New Year
- ✓ In the non-food sector, newly strengthened categories in stores that have undergone product refreshes contributed to sales
- ✓ Specifically, there was growth across a wide range of categories, including daily consumables like detergents and body soaps, superhero toys, home appliances such as rice cookers and hair dryers, and functional mattresses for bedding

Appendix

Results by Business Segment

【Period: Q2 alone (October 1, 2024 – December 31, 2024)】

(Unit : Bn yen)

	DS			UNY			Asia ²			North America ^{1,3}			Others/Adjustments		
	Q2 FY6/24	Q2 FY6/25	Change	Q2 FY6/24	Q2 FY6/25	Change	Q2 FY6/24	Q2 FY6/25	Change	Q2 FY6/24	Q2 FY6/25	Change	Q2 FY6/24	Q2 FY6/25	Change
Net sales	336.0	370.4	34.4	123.6	125.7	2.0	20.5	21.7	1.2	62.9	66.3	3.4	(4.7)	(6.0)	(1.3)
Gross profit	93.2	104.0	10.8	44.2	43.9	(0.3)	7.7	8.1	0.3	23.3	25.1	1.8	4.4	6.1	1.7
GP margin	27.7%	28.1%	0.4pt	35.7%	34.9%	(0.8)pt	37.6%	37.1%	(0.5)pt	37.1%	37.9%	0.8pt	-	-	-
SG&A	67.4	72.6	5.2	32.1	31.5	(0.6)	7.5	7.6	0.1	21.8	23.3	1.5	1.3	3.5	2.2
OP income	25.8	31.4	5.6	12.0	12.3	0.3	0.2	0.5	0.3	1.5	1.9	0.4	3.1	2.6	(0.5)
OP margin	7.7%	8.5%	0.8pt	9.7%	9.8%	0.1pt	0.9%	2.2%	1.3pt	2.3%	2.8%	0.5pt	-	-	-
EBITDA ⁴	28.8	34.6	5.8	14.1	14.9	0.7	1.2	1.1	(0.1)	3.8	4.3	0.5	6.1	6.1	(0.0)
EBITDA margin	8.6%	9.3%	0.8pt	11.4%	11.8%	0.4pt	5.8%	4.9%	(0.9)pt	6.1%	6.5%	0.4pt	-	-	-

【Period: H1 (July 1, 2024 – December 31, 2024)】

(Unit : Bn yen)

	DS			UNY			Asia ²			North America ^{1,3}			Others/Adjustments		
	H1 FY6/24	H1 FY6/25	Change	H1 FY6/24	H1 FY6/25	Change	H1 FY6/24	H1 FY6/25	Change	H1 FY6/24	H1 FY6/25	Change	H1 FY6/24	H1 FY6/25	Change
Net sales	660.5	724.9	64.4	236.2	240.0	3.9	40.1	43.5	3.4	121.0	130.7	9.7	(10.2)	(10.5)	(0.3)
Gross profit	180.2	203.9	23.7	82.6	82.9	0.3	15.1	16.2	1.1	45.3	49.6	4.3	7.8	11.4	3.6
GP margin	27.3%	28.1%	0.8pt	35.0%	34.5%	(0.5)pt	37.7%	37.1%	(0.6)pt	37.4%	38.0%	0.6pt	-	-	-
SG&A	135.5	145.5	10.0	63.4	64.3	0.9	14.8	15.7	0.9	42.2	46.6	4.4	(0.4)	2.2	2.6
OP income	44.8	58.5	13.7	19.2	18.6	(0.6)	0.3	0.5	0.2	3.1	3.0	(0.0)	8.2	9.2	1.0
OP margin	6.8%	8.1%	1.3pt	8.1%	7.8%	(0.3)pt	0.7%	1.1%	0.4pt	2.5%	2.3%	(0.2)pt	-	-	-
EBITDA ⁴	50.5	64.8	14.2	23.4	23.3	(0.1)	2.2	1.9	(0.3)	7.7	7.8	0.1	14.1	16.2	2.1
EBITDA margin	7.7%	8.9%	1.3pt	9.9%	9.7%	(0.2)pt	5.5%	4.3%	(1.2)pt	6.3%	6.0%	(0.4)pt	-	-	-

1. Figures for North America are the simple aggregate of DQ USA, MARUKAI, QSI, Gelson's and Guam. Results are for the period from April 2024 to September 2024, while Gelson's is from July 2024 to December 2024.

2. Figures for Asia are the simple aggregate of PPRM (SG), PPRM (HK), DONKI Thailand, PPRM (TW), PPRM (MY), and Macau PPRM (MO). Results are cumulative for the period from April 2024 to September 2024

3. Gelson's operating income is calculated after deducting amortization of goodwill (Q2 FY6/24: 0.9 bn yen, Q2 FY6/25: 1 bn yen, H1 FY6/24: 1.8 bn yen, and H1 FY6/25: 1.9 bn yen)

4. EBITDA = Operating income + Depreciation of tangible fixed assets + Amortization of intangible assets + Stock-based compensation

Overview of Results by Consolidated Business

【Period: H1 (July 1, 2024 – December 31, 2024)】

(Unit: Bn yen)

	FY6/24 H1		FY6/25 H1		
	Amount	Ratio	Amount	Ratio	YoY
Domestic DS	638.3	60.9%	700.0	62.0%	+9.7%
Home electrical appliances	45.9	4.4%	47.9	4.2%	+4.4%
Miscellaneous household goods	170.4	16.3%	195.4	17.3%	+14.7%
Food products	284.5	27.2%	303.7	26.9%	+6.7%
Watches and fashion merchandise	84.4	8.1%	93.1	8.2%	+10.4%
Sporting goods and leisure goods	42.8	4.1%	48.9	4.3%	+14.3%
Other	10.3	1.0%	11.1	1.0%	+7.1%
Domestic UNY	210.5	20.1%	217.9	19.3%	+3.6%
Clothing	22.7	2.2%	22.2	2.0%	(2.2)%
Household goods	34.7	3.3%	36.0	3.2%	+3.7%
Foods	152.9	14.6%	159.2	14.1%	+4.2%
Other	0.2	0.0%	0.5	0.0%	+154.4%
Overseas	160.1	15.3%	172.4	15.3%	+7.7%
North America	120.1	11.5%	129.1	11.4%	+7.5%
Asia	40.0	3.8%	43.4	3.8%	+8.4%
Other¹	38.8	3.7%	38.2	3.4%	(1.6)%
Total	1,047.6	100.0%	1,128.6	100.0%	+7.7%

1. Includes tenant leasing business and credit card business.

Breakdown of SG&A

【Period: Q2 alone (October 1, 2024 – December 31, 2024)】

(Unit : Bn yen)

	Q2 alone FY6/24		Q2 alone FY6/25		
	Amount	Ratio	Amount	Ratio	YoY
SG&A	130.2	24.2%	138.4	24.0%	+6.4%
Salaries and allowances	48.8	9.1%	50.8	8.8%	+4.2%
Rent	15.5	2.9%	15.7	2.7%	+1.1%
Commission paid	16.1	3.0%	17.4	3.0%	+8.5%
Depreciation and amortization	9.4	1.7%	9.9	1.7%	+6.0%
Utilities	6.9	1.3%	8.0	1.4%	+16.6%
Other	33.6	6.2%	36.5	6.3%	+8.9%

【Period: H1 (July 1, 2024 – December 31, 2024)】

(Unit : Bn yen)

	FY6/24 H1		FY6/25 H1		
	Amount	Ratio	Amount	Ratio	YoY
SG&A	255.5	24.4%	274.2	24.3%	+7.3%
Salaries and allowances	96.3	9.2%	101.2	9.0%	+5.2%
Rent	30.8	2.9%	31.4	2.8%	+2.0%
Commission paid	31.1	3.0%	33.9	3.0%	+9.0%
Depreciation and amortization	18.3	1.7%	19.5	1.7%	+6.6%
Utilities	15.4	1.5%	18.8	1.7%	+22.1%
Other	63.7	6.1%	69.3	6.1%	+8.9%

FY6/25 New Store Plan

Business	Format	Q1			Q2			Q3			Q4			Full-year Forecast
		Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Discount Store	DQ		Sakudaira (Nagano)	Chofu Ekimae (Tokyo)		Komatsushima Lupia (Tokushima)	Tsurumi Nishiguchi (Kanagawa)		Shimizu (Shizuoka)		2 Stores	2 Stores	6 Stores	New store openings: 26 stores (Note: The opening of several stores has been postponed to FY6/26)
						Tanashi Ekimae (Tokyo)			Kochi (Kochi)					
Overseas ¹	Asia			Mong Kok MPM Plaza (Hong Kong)			Taoyuan Tolin (Taiwan)							New store openings: 8 stores²
	North America				Kapolei Commons (Hawaii)		PCH Torrance (California)		Don Don Donki Kapolei (Hawaii)				1 Store	

1. Overseas stores are shown under their opening months

2. Except for Gelson's, the period is from April 2024 to March 2025. For Gelson's, the period is from July 2024 to June 2025.

Store Network

Number of Domestic Retail Stores

	FY6/23	FY6/24	FY6/25	
			Q1	Q2
Discount Store business	486	501	503	505
Don Quijote	250	262	264	267
MEGA Don Quijote ¹	140	143	143	143
(MEGA) Don Quijote UNY	63	62	62	62
Small Format ²	33	34	34	33
UNY business³	131	131	131	131
Domestic total	617	632	634	636

Number of Overseas Stores

	FY6/23	FY6/24	FY6/25	
			Q1	Q2
North America	65	65	66	66
California	37	37	37	37
Hawaii	28	28	28	28
Guam	NA	NA	1	1
Asia	36	45	46	46
Singapore	15	16	16	16
Hong Kong	9	10	10	11
Thailand	6	8	8	8
Taiwan	2	5	5	5
Malaysia	3	4	5	4
Macau	1	2	2	2
Overseas total⁴	101	110	112	112
Total	718	742	746	748



1. Includes NEW MEGA format

2. Includes Picasso, Essence, Kyoyasudo, Domise, Ekidonki, Soradonki, Jonetz Shokunin, and Nagasakiya

3. Includes Apita/Piago, U-STORE, PiagoPower, and Power Super Piago etc.

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

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IR Calendar

Announcement of Q3 earnings for FY6/25 (scheduled)
Date of announcement: May 14, 2025
Venue: TBI

Cautionary Statement Regarding Forward-Looking Statements

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