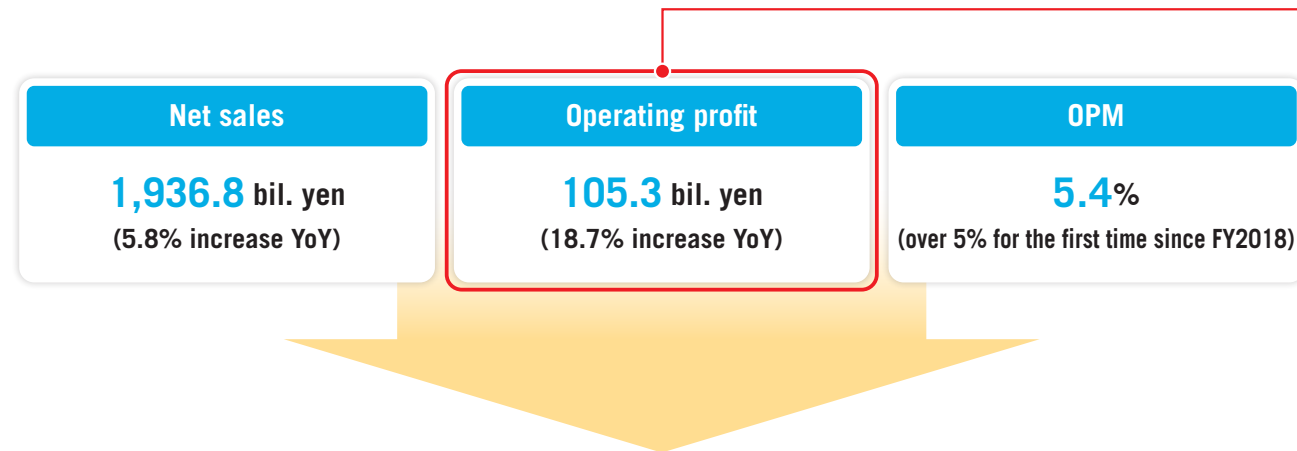


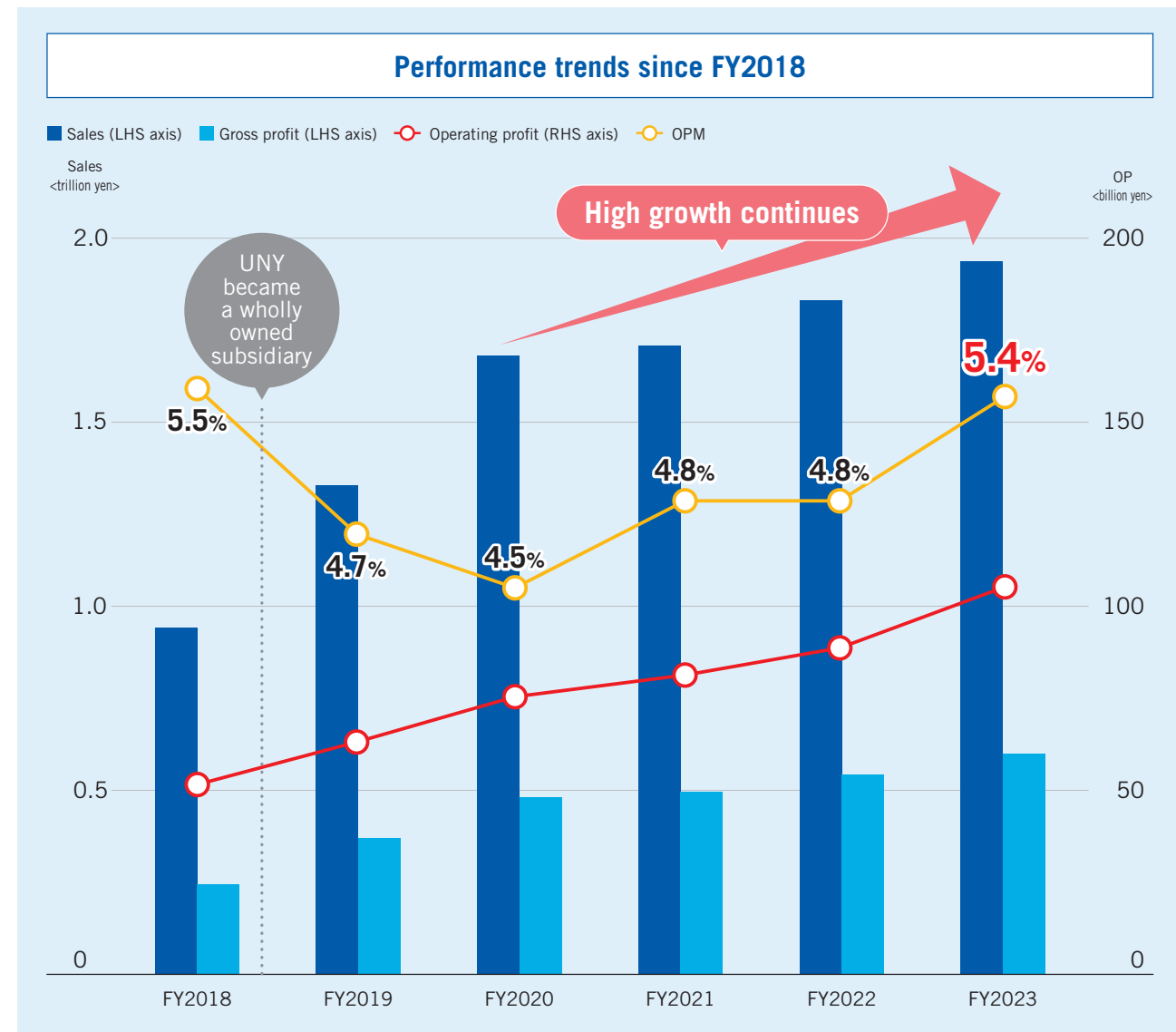
Performance in FY2023 and the Direction the PPIH Group Aims to Take

Performance in FY2023



- ✓ Operating profit exceeded 100 billion yen for the first time!
- ✓ Evolving into a profitable retail company through management reforms

In terms of our performance for the fiscal year ended June 30, 2023, we achieved increases in both sales and operating profit, with net sales of 1.9368 trillion yen (up 105.5 billion yen/+5.8% year on year), operating profit of 105.3 billion yen (up 16.6 billion yen/+18.7% year on year), and net income of 66.2 billion yen (up 4.2 billion yen/+6.8% year on year). Since the opening of the first Don Quijote store in 1989, our company has recorded 34 consecutive years of sales and operating profit growth. Particularly in the past two years, we have strengthened our “earning power” in the form of even greater profit growth than sales growth. As shown in our performance trends, we have continued to achieve high growth in sales and profits over the past several years, and have reformed our profit structure even in an environment of rising prices, achieving an operating profit margin of over 5% for the first time in five fiscal years.



- Continuous growth in sales and profit.
- Especially in the past two years, we have strengthened our “earning profit” by growing profit more than sales.

	Growth of past 4 years (FY2019 → FY2023)	Past 2 years (FY2021 → FY2023)
Sales	+607.9 bil.yen (CAGR +9.9%)	+228.1 bil.yen (CAGR +6.5%)
Gross profit	+229.9 bil.yen (CAGR +12.8%)	+103.1 bil.yen (CAGR +9.9%)
Operating profit	+42.1 bil.yen (CAGR +13.6%)	+24 bil.yen (CAGR +13.8%)

In light of the external environment, namely various cost increases, we achieved an operating profit margin of over 5% at a new composition ratio by improving gross profit margin, productivity and SG&A control (= reform of the profit structure is achieved).

	FY2018		FY2023
GPM	25.9%	→	31.0%
SG&A ratio	20.4%	→	25.6%
OPM	5.5%	→	5.4%