

Despite the continuing impact of the pandemic and the growing tendency of consumers to economize and to be selective in their consumption, we were able to achieve higher sales by opening new stores in Japan and overseas, changing business formats, and promoting "aggressive management" based on proactive sales strategies. Although operating income decreased due to external factors, it was the highest ever in Q2 alone!

## Sales

**917.7 billion yen**

We have achieved sales increase YoY, supported by new consolidation of Gelson's (supermarkets in North America), new store openings in Japan and overseas, and business format conversions. The comparable store sales at domestic retail stores also recovered in Q2, thanks to a recovery in human flow, enhanced MD, and proactive capture of event demand (cumulative total for the first half: 100.3%). As a result, net sales increased by 7.6% YoY to 917.7 billion yen.

## Operating income

**43.6 billion yen**

Although operating income decreased to 43.6 billion yen (down 11.5% YoY), it reached a record high of 1.4 billion yen increase when looking at the 3 months of Q2 alone. The improvement in gross profit margins, especially in the discount business, was due to measures such as strengthening private brands and optimizing pricing, which was set forth at the beginning of the fiscal year. New consolidation of Gelson's also contributed to the results.

## Ordinary income

**44.5 billion yen**

While the non-operating income increased by 0.9 billion yen due to an increase in foreign exchange gains from the expansion of overseas business, ordinary income decreased by 7.6% to 44.5 billion yen due to the significant impact of the decrease in operating income.

## Profit attributable to owners of parent

**30.1 billion yen**

With net income before income taxes reaching 43.6 billion yen, profit attributable to owners of the parent decreased to 30.1 billion yen (down 7.6% YoY), after deducting corporate income and others of 13.1 billion yen and profit attributable to non-controlling shareholders of 0.4 billion yen.

## Total assets

**1 tril 420.8 bil yen**

Total assets increased by 50.6 billion yen from the end of the previous fiscal year to 1trillion 420.8 billion yen, due to an increase of 9.2 billion yen in notes and accounts receivable-trade, 15.5 billion yen in installment receivables, 14.9 billion yen in merchandise and finished goods, and 12.2 billion yen in deposits.

## Net assets

**379.4 billion**

While retained earnings increased by 21.9 billion yen due to the accumulation of profits, net assets decreased by 59.2 billion yen to 379.4 billion yen due to the purchase of treasury stock of 80.9 billion yen. As a result, the capital adequacy ratio was 25.3% and the net D/E ratio was 1.21 times. PPIH will continue to implement financial strategies that take the balance between efficiency and safety into consideration.

## EPS

**49.40 yen**

Although struggles in Q1 due to external factors were recouped in Q2, as profits decreased in cumulative Q2, which has led net income per share (EPS) down to 49.40 yen (down 2.08 yen, or 4.0% YoY).

## ROE

**15.5%**

Return on Equity (ROE) was 15.5% (annualized). PPIH will continue to conduct business activities to increase capital efficiency.

## Customer traffic

**335.46 million**

During 1H, PPIH group stores welcomed 335.46 million customers. We believe that the fact that more than 300 million customers visited our stores despite the pandemic is a testament to the appeal of our stores, which are based on the Group's "The customer matters most" principle.

## Store count

**682**

There were 12 domestic new store openings (8 Don Quijotes, 1 Nagasakiya, 3 UD retail), while 1 store closed. For overseas, a total of 4 stores was open. (2 Singapore, 1 Hong Kong, 1 Macau) As a result, the total group store count was 682 (594 in Japan, 88 overseas).

## Floor space

**2,491,157 m<sup>2</sup>**

The total floor space as of December 31, 2021, increased by 42,224m<sup>2</sup> to 2,491,157m<sup>2</sup> (up 1.7% YoY) due to the increase in the number of stores.

## Interim dividend

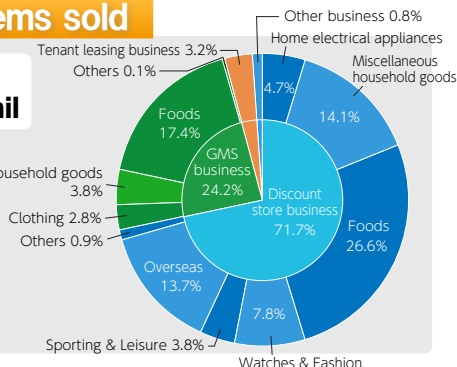
**3.0 yen**

PPIH group recognizes the return of profits to shareholders as one of the most important management missions. The interim dividend is determined to be 3 yen per share. The annual dividend is expected to be 16.5 yen per share including the interim dividend, which is up by 0.5 yen from the previous year.

## The number of items sold

**2,776.43 mil**

During 1H, PPIH group delivered 2,776.43 million items to customers.



## Foreign ownership

**60.3%**

The percentage of foreign ownership stood at 60.3% which went up by 0.9 pt. The number of shareholders increased significantly by 2,504 compared to the end of the previous fiscal year, to 18,168.

