Q1 Results for FY 2022

November 10, 2021

Pan Pacific International Holdings Corporation

INDEX

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,” Malaysia as “MY”, Japan Asset Marketing Co., Ltd. (8922) 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.)

(Unit: Yen)	USD U.S. dollars		USD (Gelson’s)		SGD Singapore dollars		THB Thai baht		HKD Hong Kong dollars		TWD New Taiwan dollar		MYR Malaysian ringgit	
	P/L	B/S	P/L	B/S	P/L	B/S	P/L	B/S	P/L	B/S	P/L	B/S	P/L	B/S
FY 2021	107.38	107.74	–	–	76.30	77.32	3.39	3.49	13.85	13.90	–	–	–	–
FY 2022	109.80	110.61	110.46	111.95	82.46	82.24	3.48	3.45	14.14	14.25	3.95	3.96	26.58	26.64

Overview of Q1 results
for fiscal year ending June 2022

Earnings summary for Q1

[Period: July 1, 2021 – September 30, 2021]

(Unit: 100 Million yen)

	3 months ended in Sep 30 2020	3 months ended in Sep 30 , 2021			6 months ending in Dec 31,2021 Earnings Forecast	
	Actual (Sales ratio)	Actual (Sales ratio) *1	Change	YoY	Actual (Sales ratio)	Progress *2
Net sales	**4,185**	**4,455**	**+270**	**106.5%**	**9,290**	**48.0%**
Gross profit	1,235 29.5%	1,275 28.6%	+40	103.3%	2,758 29.7%	46.2%
SG&A	1,003 24.0%	1,114 25.0%	+112	111.1%	2,313 24.9%	48.2%
Operating profit	**232** **5.5%**	**161** **3.6%**	**(71)**	**69.3%**	**445** **4.8%**	**36.1%**
Recurring profit	**228** **5.4%**	**164** **3.7%**	**(64)**	**72.1%**	**437** **4.7%**	**37.6%**
Profit attributable to owners of parent	**165** **3.9%**	**124** **2.8%**	**(41)**	**75.4%**	**303** **3.3%**	**41.0%**
EPS (Yen) *3	25.98	19.88	(6.1)	76.5%	49.63	40.1%

*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. Compared to the case without this accounting standard, Gross profit and SG&A expenses decreased by 2.1 billion yen and gross profit margin decreased by 0.3 %.

*2. Progress rate shows the rate of progress against the forecast of first-half of FY 2022 ending in June 30.

*3. 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. If this share buyback had not occurred, net income per share would have been 19.58 yen in the 1st quarter of the fiscal year ending June 30, 2022, and 47.78 yen in the first half of the fiscal year ending June 30, 2022.

Summary of Q1 Consolidated Business Results

1. Overview

- Sales increased by 27 billion yen (106.5% YoY). In addition to the new consolidation of Gelson's (20 billion yen), new store openings and business format conversions in the domestic and overseas retail business offset the decline in existing store sales, and achieved sales growth.
- On the other hand, operating profit declined by 7.1 billion yen (69.3% YoY). The main reasons were, firstly, sluggish profit growth at existing stores in August in the domestic retail business due to the pandemic and bad weather. Secondly, higher costs due to investments for growth such as new stores opening and renovations.
- From Q2 onward, continue to focus on growth through new store openings, business format conversions, and IT investments, while working to improve profits by raising the top line of existing stores.

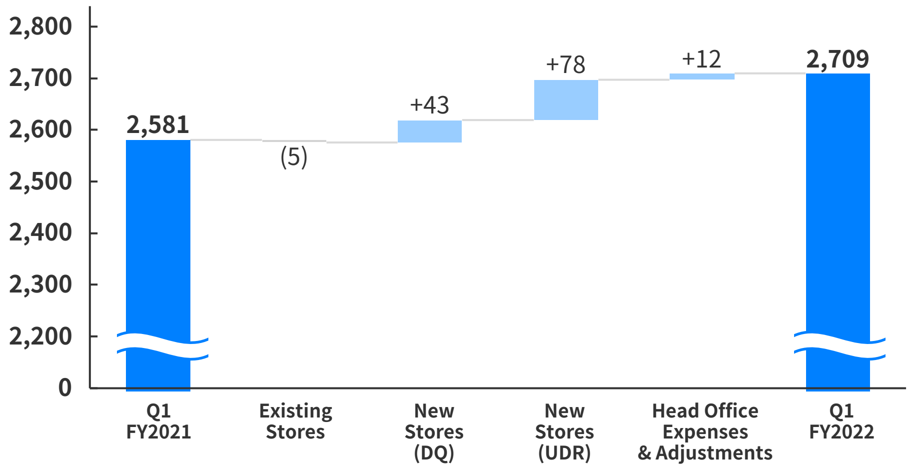
2. Other achievements

- As an initiative for future growth, we established Pan Pacific International Financial Services Co., Ltd. in September to make the "financial business" a new pillar of earnings. The aim is to significantly increase customer convenience while continue advancing the app (see details on pages 17-19).
- In terms of capital policy, the company conducted a share buyback in September. By improving capital efficiency, indicators such as "net income per share" and "ROE" improved (see details on pages 4, 9, and 12).

Domestic Discount Store Business

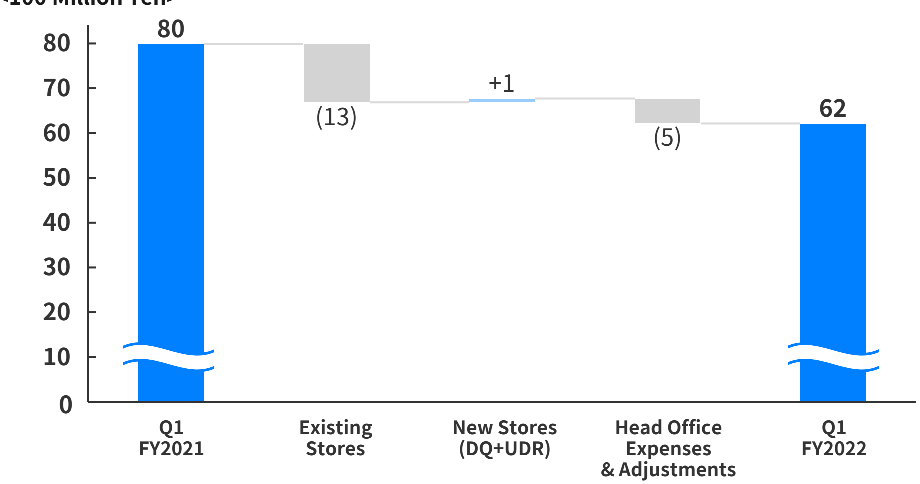
FY2022 Q1　Change in Sales

<100 Million Yen>



FY2022 Q1　Change in Operating Profit

<100 Million Yen>



Operating income declined by 1.8 billion yen due to the severe external environment caused by a spike in Covid-19 cases and bad weather in August . However, sales increased by 12.8 billion yen through new stores opening and business format conversion.

- ✓ Existing stores sales was at 99.8% YoY. Although results were positive in July and September, due to the impact of restricted human flow caused by the pandemic and extremely bad weather in August had an adverse impact.
- ✓ August was a tough month. Sales of seasonal products and nighttime sales, which usually increase in August, were sluggish, resulting in a decline in gross profit margin (-0.7%), and an operating loss of 1.8 billion yen.
- ✓ Continued to invest in growth even in a difficult environment. Sales increased by 12.8 billion yen from new stores and business format changes.

<The progress of measures>

"Meat Donki" to strengthen incentives to visit stores and to improve profits in the food category

⇒ Started trials at three stores to explore products that would motivate customers to visit stores and demonstrate our strengths.

(i.e.)Don･Quijote Nanao (2021/7/30 OPEN)

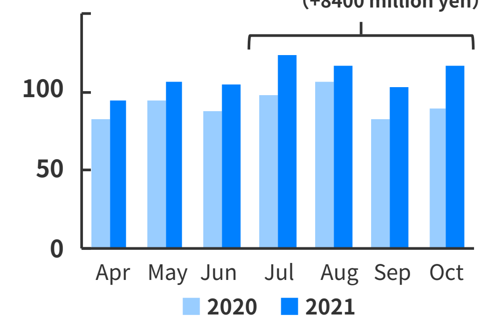
Differentiation and improvement of profit margin by strengthening PB/OEM

⇒ In the July-October period, we are on track to meet our target for the current fiscal year (approximately 158 billion yen in the DS business).

PB/OEM Sales

<100 Million Yen>

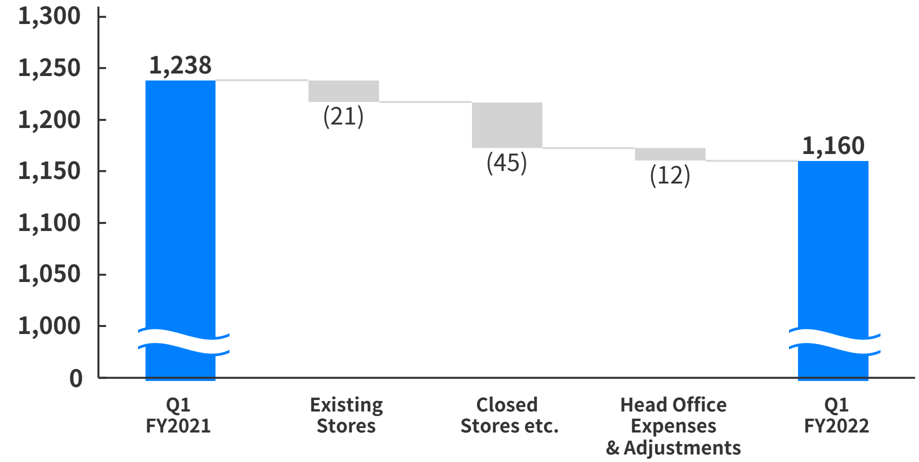
2020：37400 million yen
2021：45800 million yen
(+8400 million yen)



GMS Business

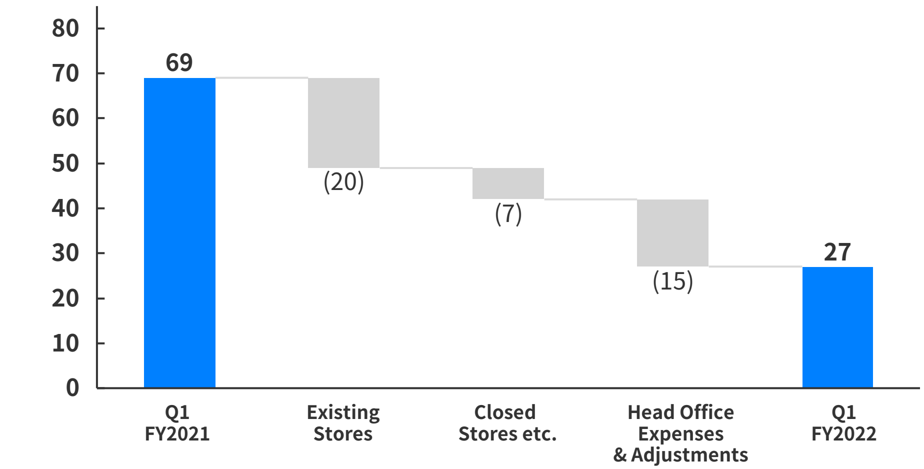
FY2022 Q1　Change in Sales

<100 Million Yen>



FY2022 Q1　Change in Operating Profit

<100 Million Yen>



Poor weather and temperature in August affected the sales and profit of existing stores.
On the other hand, we will continue to focus on the evolution of our business model over the medium to long term.

- ✓ Sales for the Existing stores was 98.1% YoY. Poor weather and temperature in August and early September led directly to sluggish sales of clothing. It also led to a decline in gross profit margin, resulting in an impact of approximately 2 billion yen on both sales and operating income.
- ✓ However, comparing to the sales before the pandemic (*1), it exceeded 100% and remained in high standards.
- ✓ The impact of store closures, etc. due to the change in business format was - 4.5 billion yen in sales and -0.7 billion yen in operating income. (2 stores (including 1 tenant-in store) were converted to UD Retail.)
- ✓ System replacement was completed in the previous fiscal year. In the current fiscal year, we will continue to promote renovations to clearly targeting the trading area and competitors, while strengthening the soft aspects such as human resources.

＜Renovation Schedule（11 stores in FY 2022）＞

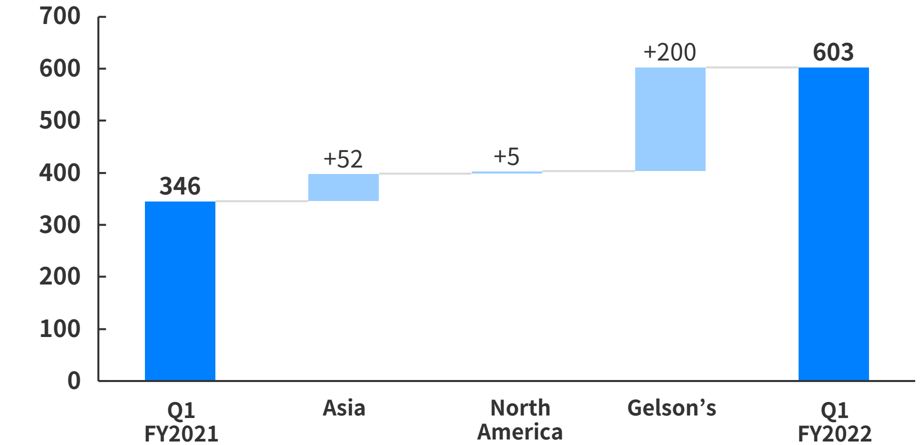
1Q	2Q	2nd half
• Piago Power Nishishiro • Piago Power Moriyama • Apita Power Kimitsu	• Apita Power Obu • Apita Ogaki • Apita Hamakita　• 1 store	4 stores

*1. Sales before Covid-19 pandemic is those of 2018, since there was a surge in last-minute demand before the consumption tax rate hike in 2019.

Overseas Business

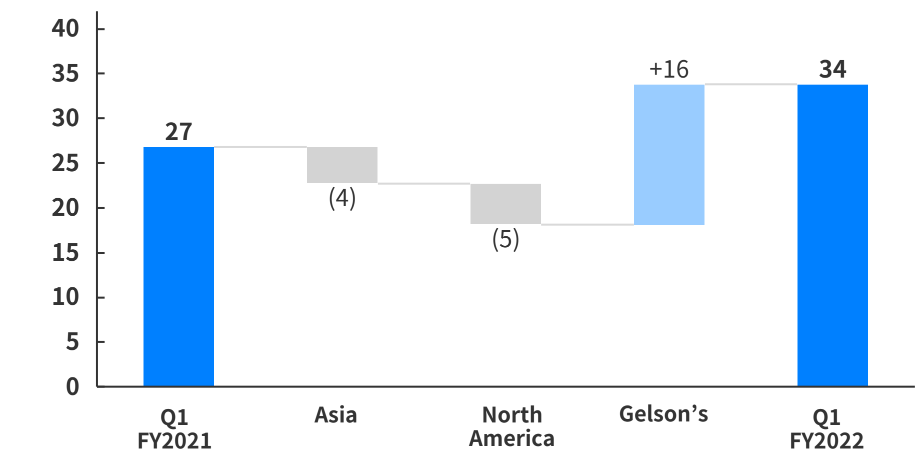
FY2022 Q1　Change in Sales

<100 Million Yen>



FY2022 Q1　Change in Operating Profit

<100 Million Yen>



Both sales and profits increased due to the continued opening of new stores and the contribution of Gelson's

■Asia Business

- ✓ Existing stores in Hong Kong, which had performed well in the previous year, struggled from cannibalization. However new stores contributed to an increase in sales (+5.2 billion yen). This contributed to the overall sales increase in Asia.
- ✓ The growth is continuing with the opening of a new store in Macau in 2Q (September).
- ✓ Operating profit declined by 0.4 billion yen due to an increase in head office expenses and store opening costs.

■North America Business

- ✓ Existing businesses maintained the top line in sales even after the Covid-19 related demand came to an end.
- ✓ Operating profit declined by 0.5 billion yen due to the impact of soaring costs in meat and fresh products, which led to a decline in gross profit margin.
- ✓ Gelson's contributed net sales of 20 billion yen and operating income of 1.6 billion yen (before amortization of goodwill of approximately 700 million yen).

1Q（Apr～Jun）new stores in Asia

DON DON DONKI Downtown East (SG)

＜Reference＞latest opening (Sep)

DON DON DONKI (MACAU)

* Figures for North America are the simple aggregate for DQ USA, MARUKAI, QSI and Gelson's. Results are for the period from April to June 2021, while Gelson's is from July to September 2021.
* Change in Operating Profit for Gelson's does not include the amortization of good will(700 million yen)
* As the fiscal year ends in March for overseas companies, the number of stores per quarter is adjusted to the relevant fiscal year.

Status of major assets, liabilities and net assets

(Unit: 100 Million yen)

	June 2021	September 2021	
	Actual	Actual	Change
Current Assets	**4,955**	**4,410**	**(545)**
Cash and Deposits	1,575	1,047	(528)
Account receivable-installment	655	628	(27)
Products	2,034	2,035	1
Non-Current Assets	**8,748**	**8,762**	**14**
Buildings, etc.	2,615	2,619	4
Land	3,174	3,174	0
Intangible Assets	796	793	(3)
Lease and Guarantee Deposits	739	735	(4)
Total Assets	**13,703**	**13,172**	**(530)**

(Unit: 100 Million yen)

	June 2021	September 2021	
	Actual	Actual	Change
Total Current Liabilities	**3,536**	**3,922**	**386**
Accounts Payable-Trade	1,500	1,535	35
Short-Term Liabilities *1	577	1,229	652
Total Noncurrent Liabilities	**5,779**	**5,634**	**(146)**
Corporate Bonds	2,040	2,032	(8)
Long-Term Borrowings	2,715	2,591	(124)
Total Liabilities	**9,315**	**9,555**	**240**
Net Assets	**4,388**	**3,617**	**(771)**
Liabilities and Net Assets	**13,703**	**13,172**	**(530)**

Status of major assets, liabilities and net assets

<Status of major assets>

・Non current asset

▶ Tangible fixed assets ： 646.9 billion yen (+3.2 billion yen)
・ Investment related to store openings, etc. 10.3 billion yen
・ Depreciation and amortization 7.4 billion

<Status of major liabilities>

▶ Interest-bearing debt ： 585.2 billion yen (+52 billion yen)

< Status of net assets>

▶ Net worth: 341.3 billion yen (Capital adequacy ratio: 25.9 %)

<Others>

▶ Net D/E ratio: 1.41x
▶ ROE： 13.1 %(annualized)

※ PPIH repurchased 38,054,300 shares of treasury stock based on the resolution of the Board of Directors meeting held on September 6, 2021. (80.9 billion yen) Without this share repurchase, ROE would have been 11.8% (annualized), resulting in improved capital efficiency (ROE improved by about 11%) (external rating also maintained at A+).

*1. Short-term liabilities = Short-term loans payable + Current portion of long-term loans payable + Current portion of bonds

Status of cash flows and capital expenditure

▶ Cash Flow Status

(Unit: 100 Million yen)

	3 months ended Sep 30, 2020	3 months ended Sep 30, 2021	
	Actual	Actual	Change
Balance at Beginning of Period	1,836	1,609	(227)
Cash Flows from Operating Activities	**127**	**(37)**	**(164)**
Cash Flows from Investing activities	**(107)**	**(113)**	**(6)**
Free Cash Flow *1	**19**	**(150)**	**(170)**
Cash Flows from Financing Activities	**(109)**	**(379)**	**(271)**
Changes During the Period	(97)	(529)	(432)
Balance at End of Period	1,739	1,080	(659)

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

<Operating Cash Flows>

- Positive items: 16.3billion yen in income before income tax, 9.1 billion yen in depreciation and amortization, and increase of 3.5 billion yen in accounts payable.

  Negative items: decrease of 5.2 billion yen in allowance and 22.5 billion yen in income taxes paid, resulting in 3.7 billion yen of cash out.

<Investment Cash Flows>

- 10.3 billion yen for tangible fixed assets acquisition associated with store openings and 0.9 billion yen for intangible acquisition, resulting in 11.3 billion yen in cash out.

<Financing Activity Cash Flows>

- 80.9 billion yen in repurchasing of own stocks, 53.6 billion yen decrease in short-term and long-term borrowings, resulting in 37.9 billion yen of cash out.

▶ Status of capital expenditures

	3 months ended Sep 30, 2020 Actual	3 months ended Sep 30, 2021 Actual	Change
Capital Expenditures	**124**	**116**	**(8)**

<Breakdown of Q1>

- DS business 4.1 billion yen , GMS Business 2 billion yen, Overseas business 1.9 billion yen, IT 2.1 billion yen, Others 1.5 billion yen

Strategies and Initiatives for the Q2 and onwards

Full-year forecast for the consolidated results

No change in neither Half-year nor Full-year forecast.

(Unit: 100 Million yen)

	Half-year forecast			Full-year forecast		
	Actual	Ratio	YoY	Actual	Ratio	YoY
Sales	**9,290**	**100.0%**	**108.9%**	**18,700**	**100.0%**	**109.4%**
Gross profit	2,758	29.7%	109.8%	5,539	29.6%	111.4%
SG&A	2,313	24.9%	114.6%	4,689	25.1%	112.7%
Operating profit	**445**	**4.8%**	**90.2%**	**850**	**4.5%**	**104.5%**
Recurring profit	**437**	**4.7%**	**90.7%**	**830**	**4.4%**	**101.8%**
Profit attributable to owners of parent	**303**	**3.3%**	**92.8%**	**576**	**3.1%**	**107.0%**
EPS (Yen) *1	**49.63**	-	**96.4%**	**95.46**	-	**112.4%**
Dividends per share (Yen)	**3.00**	-	**100.0%**	**16.50**	-	**103.1%**
Capital Expenditure	330	3.6%	158.7%	750	4.0%	163.1%
Depreciation	144	1.6%	113.5%	308	1.6%	116.3%

*1. 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. If this share buyback had not occurred, net income per share would have forecasted as 47.78 yen in the first half of the fiscal year ending June 30, 2022, and 90.82 yen for the full year.

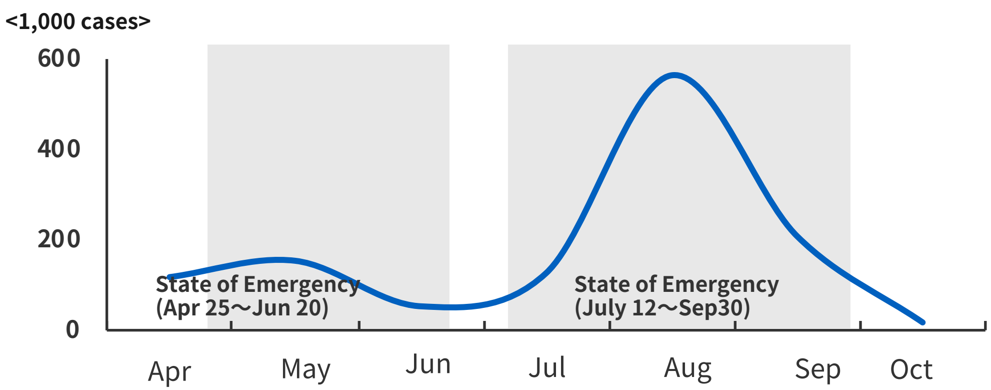
October overview for Domestic Discount Store business and GMS business (Flash Number)

- **Existing store sales at the 4 major domestic retail companies achieved 103.6% YoY due to an increase in the flow of people following the lifting of the state of emergency (the cumulative sales for July-October also improved to 100.3% YoY).**
- **Sales on weekends and at night time increased, as well as demands for outdoor products, autumn vacation, and event-related products are recovered.**

▶ Year-on-year change in sales (existing stores)

Unit : %	Apr	May	Jun	Jul	Aug	Sep	Oct
Domestic DS Business	96.4	94.3	96.0	103.4	95.5	101.0	105.3
GMS Business	105.3	98.0	94.8	100.1	96.2	98.1	99.8

▶ number of newly Covid-19 confirmed cases*



* Ministry of Health, Labour and Welfare, "Trend in the number of newly confirmed cases (daily)"

■Domestic Discount Store Business

- ✓ Sales of existing stores in October reached at 105.3% YoY.
- ✓ Sales improved in all time zones, with a particularly large improvement in the nighttime zone after 9:00 p.m.
- ✓ Sales of personal care products (cosmetics, hair care products, color contacts, etc.) increased due to increased opportunities to go out.
- ✓ Sales of Halloween-related products were up 130% YoY.
- ✓ Gross profit margin improved from -0.7% in Q1 to +/-0%.

■GMS Business

- ✓ Sales of existing stores in October was at 99.8% YoY.
- ✓ Sales of clothing, which had been struggling so far, began to exceed the previous year's level in the 4th week of the month when the temperature dropped. (If there is no adverse effect of temperature, sales would have remained at the same level as the previous year.)

Domestic Discount Store Business：Initiatives for Q2 and onwards

The initiatives required for the time being are clear in both at stores and in products. Head office will provide maximum support to reduce the burden at the store side, and ensure the implementation of various measures to improve sales and gross profit.

Initiatives at stores

Win Against Competitors(Ensure the“Good Value” image)

- Price promotion based on competitor analysis to ensure popularity and profitability while making the store competitive in its trade area

Responding to changes in communication

- Strengthening communication through product promotion via SNS
- SNS sales promotion in collaboration with influencers

Renovation of road-side pure Don Quijote stores

- Roll-out of the latest in-house shelf layout
- Improvement from customer perspectives (widen the aisles/ Improvement on zoning)

Human resource development (creating a system that enables stores to carry out their mission)

- Sharing management awareness with newly appointed Million Star Branch Manager

×

Initiatives for products

Respond to trends(Raise the sales top line)

- i.e.)Strengthen products for post stay-at-home (Cosmetics, fashion, etc.)
- i.e.) Expansion of products related to increasing time spent at home

Increase the ratio of products differentiated from competitors(to ensure profitability)

- Differentiation of product lineups from competitors by increasing the ratio of PB/OEM
- Roll out imported products that are not available yet in Japan and products that demonstrate originality

Deepen and strengthen categories (create motivation to visit stores)

- i.e.) Strengthen meat products and delicatessen (Meat Donki): Target sales of 440 million in FY2022
- i.e.) Strengthen alcoholic beverages: Target sales of 72.5 billion in FY2022

Time Creation Initiatives

Progressing toward creation of 3 million hours per year (FY2022)

- **Reduction of work time by introducing an ordering support system, and adjusting the number of orders and deliveries.**
- **Reduction of simple work hours/consolidation of meeting time by clarification of roles.**
- **Improved operations by introducing smartphone-type terminals, etc.**

GMS Business：Initiatives after Q2 and onwards

The phase of format conversion of sluggish stores / laying the foundation is over.
Now in the phase of realizing individual store management to further increase sales and profits.

FY ended in Feb. 2019 → FY ending in Feb. 2022 → FY ending in Feb. 2024

Operating Profit Approx. 20 billion yen

＜Traditional GMS＞
・Central merchandising
・Standardized product line
・Instructions from Head Office

＜New GMS＞
・Individual store management
・Product line-up for each trade area
・Small head office to support the stores

Operating Profit + 20 billion yen
(compared to FY ended in Feb.2019)

	Phase 1 Format conversion of sluggish stores ／ Laying the foundation for individual store management	Phase 2 Further advancement of existing stores ／ Realization of individual store management
Store Sales	✓ Convert underperforming stores to UDR. ✓ Optimize the number of stores by considering the impact of cannibalization. ✓ Achieve individual store purchasing and pricing by promoting integration of cash register systems ✓ Reduce costs for the entire group by integrating bookkeeping	✓ Renovation of profitable existing stores to further increase profitability ✓ Strengthen human resources at stores to support individual store management ✓ Build an environment in which individual stores can compete on price at all stores
Head office	✓ Reduce costs by integrating duplicate subsidiaries and departments in the group through PMI	✓ Converting head office functions from a traditional instructional type to a sales support type to promote individual store management ✓ Improve operational efficiency by integrating infrastructure

Financial Business

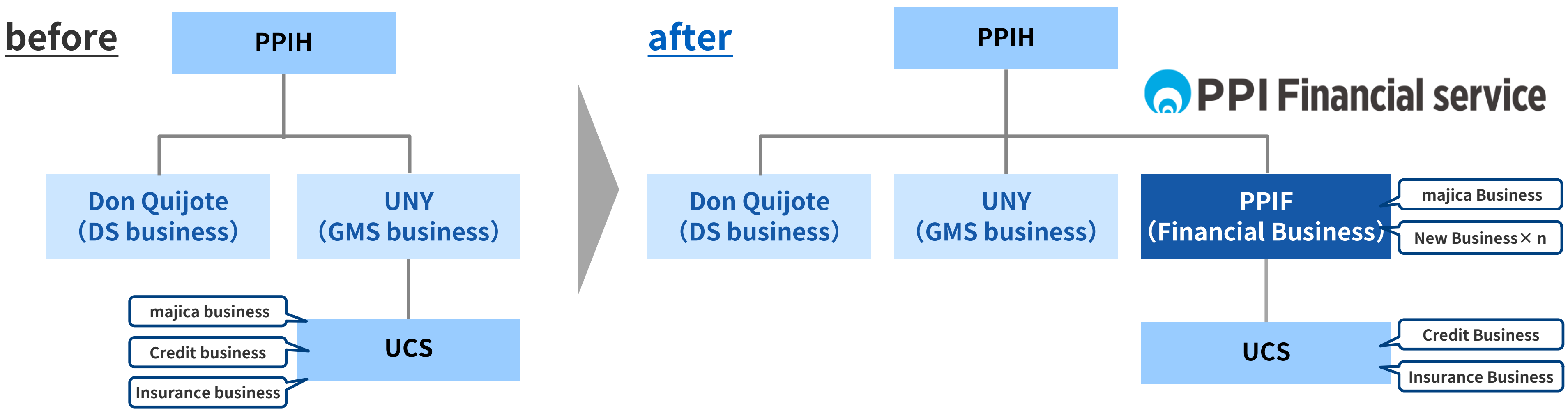
Financial Business Structure

- Established PPIF in parallel with the retail business companies to launch the financial business as a new pillar of earnings.
- PPIF launched as a cross-group business, and UCS (a subsidiary of UNY) will be transferred under it.

Issues and Future Responses

Current Issues	Future Responses
• Limited way of top-up and places to use, hence inferior to competitors. • Measures that are linking payment and stores/products are not implemented	• The PPIF will centrally manage majica business, and build and improve highly convenient services. Strengthen cooperation with UCS, and consider launching other financial businesses. • With a focus on App, we will deliver services to customers that link payment with stores and products.

Structural Change (Oct 2021～)



The role of financial businesses in meeting customer needs

- With the expansion of cashless policies and QR code payments, competition based on payment has intensified. There are concerns that we lose customers to competitors, resulting in a significant increase in payment fees for stores and the leakage of customer and purchase information.
- By significantly expanding our own payment functions, we will be able to retain our customers and create profit opportunities by (1) reducing the cost of payment fees charged by other companies and (2) providing financial services based on customer and purchase information.

▶ Overview of the competition and our future services

- Competitors provide services that meet customer needs
- Competitors are accelerating their efforts to further retain customers with a focus on payment.

		What customers want	Competitors
App	Where to Use	Use anywhere	At many merchants
App	Points	Collect/use anywhere	At many merchants
App	Top-Up	Smart-Phone	Smart-Phone (various ways)
Credit Card	Issuance	Immediate issuance/use	• immediate issuance • Virtual card
Credit Card	Points	Collect anywhere	Easy to use

- Not providing sufficient services to our customers.
- Retain customers with financial services using payment as a gateway.

Catches up the competitors and retains the customers

PPIH	Future Services
Only at PPIH	Many more places
Only at PPIH	Collect/use anywhere
Cash/PPIH credit cards	Smart-Phone (various ways)
General issuance	Immediate issuance
PPIH group points	No change

Business Plan

- **Aim to achieve operating income of 10 billion yen in a single year in 5 years.**
- **Expand majica app payment function as a gateway and enhance the finance function to integrate with the retail business.**
- **Reached the basic agreement with VISA to discuss comprehensive partnership, to enhance the versatility of the payment function.**

Business Plan

	Now		FY2026
majica app membership	**8 million**	➡	**16 million**
Credit card payment (Actual)	**730 billion yen**	➡	**1500 billion yen**
majica payment (Actual)	**420 billion yen**	➡	**700 billion yen**

Operating Profit			
Credit card business (UCS+majica credit)	**0.8 billion yen**	➡	**5 billion yen**
majica money business (New prepaid card)	—		**3 billion yen**
Financial Products (Insurance/Security/Loan, etc.)	**0.8 billion yen**	➡	**2 billion yen**
Total	**1.6 billion yen**	➡	**10 billion yen**

a comprehensive partnership with VISA

VISA × PPIH PPI Financial service

1. As a member of the PPIH Group, PPIF will establish a new business of issuing Visa cards linked to the majica app and managing Visa merchants.
2. Actively promote cooperation, including the introduction of Visa's touch payment system for the customers at overseas Group stores and overseas Visa members inbound to Japan.

Main Schedule

	2022 Summer	2022 Fall	2023
Usage Expansion	External Use with Visa is available for those who want		Visa to all members
Top-Up Function	Bank account top-up	Post-paid top-up	Salary paid in Digital currency
New Initiatives	Merchant management business	Insurance and loan etc.	
Collaboration with VISA			Discussing ways of collaboration

Appendix

Q1 Retail operations information

Domestic retail

(Unit: 100 Million yen)

	Don Quijote			Nagasakiya			UD Retail			UNY		
	FY 2021 Q1	FY2022 Q1	Change	FY 2021 Q1	FY2022 Q1	Change	FY 2021 Q1	FY2022 Q1	Change	FY 2021 Q1	FY2022 Q1	Change
Sales *1	1,675	**1,708**	**34**	**482**	**486**	**4**	**424**	**515**	**91**	**1,238**	**1,160**	**(78)**
Gross profit	430	415	(16)	119	115	(4)	110	127	17	410	364	(46)
Gross profit ratio	25.7%	24.3%	(1.4%)	24.6%	23.6%	(1.0%)	26.0%	24.7%	(1.3%)	33.1%	31.3%	(1.8%)
SG&A	366	369	3	103	104	0	110	122	12	341	337	(4)
Operating profit	**65**	**46**	**(19)**	**15**	**11**	**(4)**	**0**	**5**	**5**	**69**	**27**	**(42)**
Operating profit ratio	**3.9%**	**2.7%**	**(1.2%)**	**3.2%**	**2.3%**	**(0.9%)**	**0.0%**	**1.0%**	**1.0%**	**5.5%**	**2.3%**	**(3.2%)**
Total Assets	**2,872**	**3,122**	**249**	**854**	**892**	**39**	**549**	**652**	**103**	**3,869**	**3,977**	**108**
Net Assets	**1,465**	**1,096**	**(369)**	**562**	**588**	**26**	**(1)**	**11**	**12**	**1,013**	**1,347**	**334**

Overseas retail

Non- retail

(Unit: 100 Million yen)

	North America *2			Asia *3			Japan Asset Marketing			UCS		
	FY 2021 Q1	FY2022 Q1	Change	FY 2021 Q1	FY2022 Q1	Change	FY 2021 Q1	FY2022 Q1	Change	FY 2021 Q1	FY2022 Q1	Change
Sales *1	**254**	**459**	**205**	**92**	**144**	**52**	**56**	**53**	**(3)**	**46**	**46**	**0**
Gross profit	83	172	90	31	49	18	22	19	(3)	46	46	0
Gross profit ratio	32.5%	37.5%	5.0%	33.9%	34.4%	0.5%	39.8%	35.7%	(4.1%)	100.0%	100.0%	0.0%
SG&A	64	142	79	23	46	22	2	2	1	43	42	(1)
Operating profit	**19**	**30**	**11**	**8**	**4**	**(4)**	**21**	**17**	**(4)**	**3**	**3**	**1**
Operating profit ratio	**7.5%**	**6.6%**	**(0.9%)**	**8.4%**	**2.5%**	**(5.9%)**	**36.9%**	**31.6%**	**(5.3%)**	**5.9%**	**7.5%**	**1.6%**
Total Assets	**359**	**709**	**350**	**264**	**380**	**116**	**1,635**	**1,624**	**(11)**	**1,688**	**1,599**	**(89)**
Net Assets	**272**	**96**	**(175)**	**66**	**129**	**63**	**1,122**	**1,174**	**53**	**96**	**107**	**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 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.
*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 June 2021, while Gelson's is from July to September 2021.
*3. Figures for Asia are the simple aggregate for PPRM (SG), PPRM (HK), DONKI Thailand, PPRM(TW) and PPRM(MY). Results are for the period from April to June 2021.

Q1 Segment Information by business

▶ Segments Overview [Period: July 1, 2020 – September 30, 2020] *1 *2

(Unit: 100 Million yen)

	Discount Store Business	GMS Business	Tenant leasing	Others *3	Total	Adjustment	Consolidated
External Sales	**2,862**	**1,124**	**164**	**35**	**4,185**	**–**	**4,185**
Inter Company Sales	**19**	**26**	**3**	**11**	**58**	**(58)**	**–**
Total	2,881	1,150	167	46	4,243	(58)	4,185
Segment Profit	161	37	40	(10)	227	5	232

▶ Segments Overview [Period: July 1, 2021 – September 30, 2021] *1 *2

(Unit: 100 Million yen)

	Discount Store Business	GMS Business	Tenant leasing	Others *3	Total	Adjustment	Consolidated
External Sales	**3,221**	**1,053**	**146**	**35**	**4,455**	**–**	**4,455**
Inter Company Sales	**19**	**29**	**3**	**10**	**61**	**(61)**	**–**
Total	3,240	1,082	149	46	4,516	(61)	4,455
Segment Profit	153	4	21	(17)	160	0	161

*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.

Overview of results by consolidated businesses

[Period: July 1, 2021 – September 30, 2021]

(Unit: 100 Million yen)

	3 months ended Sep 30, 2020		3 months ended Sep 30, 2021		
	Actual	Ratio	Actual	Ratio	YoY
Discount store business *1	**2,862**	**68.4%**	**3,221**	**72.3%**	**112.5%**
Home electrical appliances	221	5.3%	210	4.7%	94.7%
Miscellaneous household goods	566	13.5%	641	14.4%	113.2%
Food products	1,100	26.3%	1,198	26.9%	108.8%
Watches and fashion merchandise	382	9.1%	343	7.7%	89.7%
Sporting goods and leisure goods	177	4.2%	182	4.1%	102.6%
North America Business	266	6.4%	459	10.3%	172.6%
Asia Business	81	1.9%	144	3.2%	178.0%
Other	69	1.6%	45	1.0%	66.2%
GMS business *1	**1,124**	**26.9%**	**1,053**	**23.6%**	**93.7%**
Clothing	131	3.1%	109	2.4%	83.1%
Household goods	169	4.0%	154	3.5%	91.3%
Food products	821	19.6%	785	17.6%	95.7%
Other	4	0.1%	5	0.1%	140.8%
Tenant leasing business *1	**164**	**3.9%**	**146**	**3.3%**	**88.8%**
Others *2	**35**	**0.8%**	**35**	**0.8%**	**101.3%**
Total	**4,185**	**100.0%**	**4,455**	**100.0%**	**106.5%**

*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.

Breakdown of SG&A

[Period: July 1, 2021 – September 30, 2021]　Accounting Period

(Unit: 100 Million yen)

	3 months ended Sep 30, 2020 *1		3 months ended Sep 30, 2021		
	Actual	Ratio	Actual	Ratio	YoY
SG&A	**1,003**	**24.0%**	**1,114**	**25.0%**	**111.1%**
Salaries and allowances	375	9.0%	431	9.7%	114.8%
Rent	130	3.1%	135	3.0%	104.2%
Commission paid	145	3.5%	144	3.2%	99.6%
Depreciation	62	1.5%	72	1.6%	116.1%
Other	290	6.9%	331	7.4%	114.1%

*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.

Store openings in FY2022

Business	Business format	1Q			2Q			3Q			4Q			Full Year Target
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Discount	DQ	Kita Senjyu West Exit (Tokyo) Nanao (Ishikawa)				Inage Naganuma (Chiba) Kinshicho North Exit (Tokyo) Koshi (Kumamoto)								Opening : 25 stores+α Renovation : 30 stores+α
Discount	MEGA		Matsunaga (Hiroshima)											
Discount	UDR *1		Shin-Moriyama (Aichi)	Hekinan (Aichi)	APITA Yokkaichi (Mie)	Haibara (Shizuoka)	1 store							
GMS	UNY (NewGMS)	Nishishiro (Aichi)		Moriyama (Aichi) Kimitsu (Chiba)	Obu (Aichi)	Hamakita (Shizuoka) Ogaki (Gifu)	1 store	4 stores						Renovation: 11 stores+α
Overseas *2		TMT Plaza (Hong Kong)		DON DON DONKI (Macau)	Seacon Square (Thailand) Tampines 1 (Singapore)									Opening : 12 stores+α Renovation : 13 stores+α

*1. Includes tenant-in type business conversion. *2. Overseas stores are indicated in the opening months as well.

= Format conversion, NewGMS

Store network

No. of stores by format

	FY2020	FY2021	FY2022 1Q
Don Quijote	**225**	**226**	**226**
MEGA *1	**44**	**45**	**46**
New MEGA	**91**	**94**	**94**
MEGA Don Quijote UNY	**41**	**52**	**54**
APITA/Piago *2	**150**	**139**	**138**
Picasso etc. *3	**26**	**25**	**28**
Nagasakiya etc.	**3**	**2**	**2**
Overseas *4	**49**	**84**	**86**

DON DON DONKI TMT Plaza(Hong Kong)

DON DON DONKI (Macau)

* 1. Business format conversion stores operated by Nagasakiya are all included in "MEGA".
* 2. "Apita/Piago" includes "U-STORE", "Power Piago" format.
* 3. "Picasso etc." includes Picasso, Essence, Kyoyasudo, Ekidonki, Soradonki, and Jonetsu Shokunin.
* 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.
* 5. 4 stores decreased as of July 1, 2020 due to absorption and merger with Don Quijote.
* 6. 1 store decreased as of July 1, 2020 due to absorption and merger with Don Quijote.

No. of stores by corporation

	FY2020	FY2021	FY2022 1Q
Don Quijote	339	346	350
Nagasakiya	44	44	45
UD Retail	41	52	54
UNY	150	139	138
Lilac	4	0 *5	0
Daishin /Tachibana Dept. Store *6	2	2	1
Domestic total	**580**	**583**	**588**
DQUSA	4	4	4
MARUKAI	10	10	10
QSI	24	24	24
Gelson's	-	27	27
PPRM (SG)	7	8	10
PPRM (HK)	2	7	7
DONKI Thailand	2	2	2
PPRM (Taiwan)	-	1	1
PPRM (Malaysia)	-	1	1
Overseas total *4	49	84	86
Total	**629**	**667**	**674**

IR information

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IR Calendar

Announcement of Q2 results for the fiscal year ending June 2022 (Scheduled)
Date of announcement: February 10, 2022 (Thursday)
Venue: TBD

Cautionary information regarding forward-looking statements

memo

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