

# Summary Report of Consolidated Financial Results

## For the Fiscal Year Ended June 30, 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: Keita Shimizu, Director, Executive Officer and CFO (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 fiscal year ended June 30, 2023 (from July 1, 2022 to June 30, 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 (%)
Fiscal year ended June 30, 2023	1,936,783	5.8	105,259	18.7	110,994	10.5	66,167	6.8
Fiscal year ended June 30, 2022	1,831,280	7.2	88,688	9.2	100,442	23.3	61,928	15.2

(Note) Comprehensive income: 71,775 million yen [12.0%] (FY 2023.6), 64,081 million yen [10.1%] (FY 2022.6)

	Net Income Per Share (Yen)	Net Income Per Share-fully diluted (Yen)	Return on Equity (%)	Ordinary Income on Total Assets (%)	Operating Income on Net Sales (%)
Fiscal year ended June 30, 2023	110.94	110.67	15.7	7.7	5.4
Fiscal year ended June 30, 2022	102.64	102.41	15.3	7.3	4.8

(Reference)Equity in earnings of affiliates:679 million yen (FY 2023.6), 498 million yen (FY 2022.6)

#### (2) Financial Position

(Millions of yen, except per-share data)

	Total Assets	Net assets	Ratio of Shareholders' Equity to Total Assets (%)	Net Assets per Share (Yen)
As of June 30, 2023	1,481,058	463,539	30.6	759.75
June 30, 2022	1,383,678	399,247	28.3	657.75

(Reference) Equity: 453,261 million yen (as of June 30, 2023), 392,220 million yen (as of June 30, 2022)

#### (3) The Consolidated Statements of Cash Flows

(Millions of yen)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents
Fiscal year ended June 30, 2023	137,955	(61,997)	(18,217)	246,195
Fiscal year ended June 30, 2022	95,136	(44,756)	(53,854)	180,418

### 2. Dividends

	Dividend per share (yen)			Dividends in total (annual, Millions of yen)	Dividend payout ratio (consolidated basis, %)	Dividends on net assets (consolidated basis, %)
	Six Months Ended December 31	Year Ended June 30	Total			
Year Ended June 30, 2022	3.00	14.00	17.00	10,137	16.6	2.6
Year Ended June 30, 2023	4.00	16.00	20.00	11,931	18.0	2.8
Year Ending June 30, 2024 (Forecast)	5.00	16.00	21.00		—	

(Note) The figure of dividends per share for the Year Ended June 30, 2023 is revised from 14.00 yen to 16.00 yen.

### 3. Consolidated Business Forecast : For the year ending June 30, 2023 (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)
Six Months Ending December 31, 2023	1,031,800	5.5	58,900	2.5	56,000	(2.1)	35,000	(4.8)	58.67
Year Ending June 30, 2024	2,062,100	6.5	111,000	5.5	107,400	(3.2)	66,700	0.8	111.80

### 4. Others

(1) Significant changes in the scope of consolidation: Yes

Newly consolidated:— , Excluded: 1 company (B'CAUSE Pte. Ltd.)

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

① Changes in line with revision to accounting standards: Yes

② Other changes: None

③ Changes in accounting estimates: None

④ Restatement: None

(3) Number of outstanding shares (Common shares)

① Number of outstanding shares (Treasury shares included)	June 30, 2023	634,666,240 shares
	June 30, 2022	634,378,640 shares
② Number of treasury shares	June 30, 2023	38,073,224 shares
	June 30, 2022	38,073,224 shares
③ Average number of outstanding shares during the period	June 30, 2023	596,450,914 shares
	June 30, 2022	603,329,167 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 August 16, 2023. Presentation materials for the briefing will be available on the Company's website.

## Consolidated Balance Sheets

(Millions of yen)

	As of June 30, 2022	As of June 30, 2023
	Amount	Amount
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	¥176,777	¥242,088
Notes and accounts receivables-trade	12,728	13,782
Accounts receivables - installment	52,122	55,350
Operating loans	8,115	9,047
Merchandise and finished goods	205,893	194,537
Prepaid expenses	7,904	8,629
Deposits paid	4,768	5,357
Other	20,052	25,541
Allowance for doubtful accounts	(1,828)	(2,496)
<b>Total current assets</b>	<b>486,531</b>	<b>551,836</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	268,358	287,975
Tools, furniture and fixtures, net	35,022	35,027
Other, net	1,412	1,393
Land	314,711	318,721
Construction in progress	19,649	15,532
Right of use assets, net	25,913	30,561
<b>Total property, plant and equipment</b>	<b>665,065</b>	<b>689,209</b>
<b>Intangible assets</b>		
Goodwill	61,759	61,002
Other	24,458	27,528
<b>Total intangible assets</b>	<b>86,217</b>	<b>88,530</b>
<b>Investments and other assets</b>		
Investment securities	27,226	34,643
Long-term loan receivables	966	9
Long-term prepaid expenses	4,859	4,370
Retirement benefit asset	17,455	17,806
Deferred tax assets	20,840	20,686
Lease and guarantee deposits	73,225	71,845
Other	3,422	3,467
Allowance for doubtful accounts	(2,129)	(1,342)
<b>Total investments and other assets</b>	<b>145,864</b>	<b>151,484</b>
<b>Total non-current assets</b>	<b>897,146</b>	<b>929,222</b>
<b>Total assets</b>	<b>¥1,383,678</b>	<b>¥1,481,058</b>

(Millions of yen)

	As of June 30, 2022	As of June 30, 2023
	Amount	Amount
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payables - trade	¥152,885	¥168,661
Current portion of long-term loan payables	26,918	34,364
Current portion of bonds	11,421	10,930
Accounts payables – other	49,128	49,475
Lease obligations	1,804	2,263
Accrued expenses	25,182	26,991
Deposits received	13,485	14,012
Income taxes payables	13,492	23,169
Provision for point card certificates	1,935	1,962
Contract liabilities	11,361	20,838
Other	18,765	15,756
Total current liabilities	326,378	368,422
Non-current liabilities		
Bond payables	272,555	261,625
Long-term loan payables	276,201	272,499
Lease obligations	25,471	31,036
Asset retirement obligations	30,338	30,835
Other	53,488	53,101
Total non-current liabilities	658,053	649,097
Total liabilities	984,431	1,017,519
<b>Net assets</b>		
Shareholders' equity		
Capital stock	23,217	23,351
Capital surplus	17,376	17,509
Retained earnings	428,044	483,366
Treasury shares	(80,956)	(80,956)
Total shareholders' equity	387,681	443,270
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	520	1,690
Foreign currency translation adjustment	3,532	7,797
Remeasurements of defined benefit plans	487	503
Total accumulated other comprehensive income	4,539	9,991
Share acquisition rights	271	771
Non-controlling interests	6,755	9,507
Total net assets	399,247	463,539
Total liabilities and net assets	¥1,383,678	¥1,481,058

## Consolidated Statements of Income

	(Millions of yen)	
	Fiscal year ended June 30, 2022	Fiscal year ended June 30, 2023
	Amount	Amount
Net sales	¥1,831,280	¥1,936,783
Cost of sales	1,287,892	1,336,393
Gross profit	543,388	600,390
Selling, general and administrative expenses	454,701	495,131
Operating income	88,688	105,259
Non-operating income		
Interest and dividend income	855	893
Amortization of negative goodwill	7	—
Share of profit of entities accounted for using equity method	498	679
Foreign exchange gains	15,468	6,420
Other	4,145	6,269
Total non-operating income	20,973	14,261
Non-operating expenses		
Interest expenses paid on loans and bonds	7,509	7,703
Cost of claim's liquidation	1	—
Commission fee	450	94
Other	1,260	729
Total non-operating expenses	9,219	8,526
Ordinary income	100,442	110,994
Extraordinary income		
Gain on sales of non-current assets	924	19
Reversal of provision for environmental measures	85	4
Other	95	32
Total extraordinary income	1,105	54
Extraordinary losses		
Impairment loss	5,720	5,983
Loss on retirement of non-current assets	1,433	1,565
Loss on closing of stores	952	2,392
Loss on disaster	174	71
Loss on litigation	548	226
Other	692	72
Total extraordinary losses	9,519	10,309
Profit before income taxes	92,028	100,739
Income taxes - current	26,812	37,367
Income taxes – deferred	3,469	(2,399)
Total income taxes	30,281	34,967
Profit	61,747	65,772
Profit attributable to non-controlling interests	(182)	(396)
Profit attributable to owners of parent	¥61,928	¥66,167

## Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended June 30, 2022	Fiscal year ended June 30, 2023
	Amount	Amount
Profit	¥61,747	<b>¥65,772</b>
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,289)	<b>1,628</b>
Foreign currency translation adjustment	3,335	<b>4,359</b>
Remeasurements of defined benefit plans, net of tax	284	<b>42</b>
Share of other comprehensive income of affiliates accounted for using equity method	5	<b>(26)</b>
Total other comprehensive income	2,334	<b>6,003</b>
Comprehensive income	¥64,081	<b>¥71,775</b>
Comprehensive income attributable to:		
Owners of parent	¥64,148	<b>¥71,619</b>
Non-controlling interests	(67)	<b>156</b>

## Consolidated statements of changes in Net Assets

(Millions of yen)

	Fiscal year ended June 30, 2022	Fiscal year ended June 30, 2023
	Amount	Amount
<b>Shareholders' equity</b>		
Capital stock		
Balance at beginning of current period	¥23,153	¥23,217
Changes of items during period		
Issuance of new shares	65	134
Total changes of items during period	65	134
Balance at end of current period	23,217	23,351
Capital surplus		
Balance at beginning of current period	17,121	17,376
Changes of items during period		
Issuance of new shares	65	134
Purchase of shares of consolidated subsidiaries	189	—
Total changes of items during period	254	134
Balance at end of current period	17,376	17,509
Retained earnings		
Balance at beginning of current period	376,152	428,044
Changes of items during period		
Dividends of surplus	(10,034)	(10,734)
Profit attributable to owners of parent	61,928	66,167
Change in scope of consolidation	(2)	(112)
Total changes of items during period	51,892	55,322
Balance at end of current period	428,044	483,366
Treasury shares		
Balance at beginning of current period	(15)	(80,956)
Changes of items during period		
Purchase of treasury shares	(80,941)	—
Total changes of items during period	(80,941)	—
Balance at end of current period	(80,956)	(80,956)
Total shareholders' equity		
Balance at beginning of current period	416,411	387,681
Changes of items during period		
Issuance of new shares	129	267
Dividends of surplus	(10,034)	(10,734)
Profit attributable to owners of parent	61,928	66,167
Purchase of treasury shares	(80,941)	—
Change in scope of consolidation	(2)	(112)
Purchase of shares of consolidated subsidiaries	189	—
Total changes of items during period	(28,730)	55,589
Balance at end of current period	¥387,681	¥443,270

(Millions of yen)

	Fiscal year ended June 30, 2022	Fiscal year ended June 30, 2023
	Amount	Amount
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities		
Balance at beginning of current period	¥1,165	¥520
Changes of items during period		
Net changes of items other than shareholders' equity	(644)	1,170
Total changes of items during period	(644)	1,170
Balance at end of current period	520	1,690
Foreign currency translation adjustment		
Balance at beginning of current period	749	3,532
Changes of items during period		
Net changes of items other than shareholders' equity	2,783	4,265
Total changes of items during period	2,783	4,265
Balance at end of current period	3,532	7,797
Remeasurements of defined benefit plans		
Balance at beginning of current period	199	487
Changes of items during period		
Net changes of items other than shareholders' equity	288	16
Total changes of items during period	288	16
Balance at end of current period	487	503
Total accumulated other comprehensive income		
Balance at beginning of current period	2,113	4,539
Changes of items during period		
Net changes of items other than shareholders' equity	2,427	5,452
Total changes of items during period	2,427	5,452
Balance at end of current period	4,539	9,991
<b>Share acquisition rights</b>		
Balance at beginning of current period	216	271
Changes of items during period		
Net changes of items other than shareholders' equity	55	500
Total changes of items during period	55	500
Balance at end of current period	271	771
<b>Non-controlling interests</b>		
Balance at beginning of current period	19,888	6,755
Changes of items during period		
Net changes of items other than shareholders' equity	(13,133)	2,752
Total changes of items during period	(13,133)	2,752
Balance at end of current period	6,755	9,507
<b>Total net assets</b>		
Balance at beginning of current period	438,628	399,247
Changes of items during period		
Issuance of new shares	129	267
Dividends of surplus	(10,034)	(10,734)
Profit attributable to owners of parent	61,928	66,167
Purchase of treasury shares	(80,941)	—
Change in scope of consolidation	(2)	(112)
Purchase of shares of consolidated subsidiaries	189	—
Net changes of items other than shareholders' equity	(10,651)	8,703
Total changes of items during period	(39,381)	64,292
Balance at end of current period	¥399,247	¥463,539



## Consolidated Statements of Cash Flows

	(Millions of yen)	
	Fiscal year ended June 30, 2022	Fiscal year ended June 30, 2023
	Amount	Amount
<b>Cash flows from operating activities:</b>		
Profit before income taxes	¥92,028	¥100,739
Depreciation and amortization	38,229	42,261
Impairment loss	5,720	5,983
Increase (decrease) in allowance for doubtful accounts	523	(136)
Interest and dividend income	(855)	(893)
Interest expenses paid on loans and bonds	7,509	7,703
Foreign exchange gains	(15,468)	(6,420)
Share of profit of affiliates accounted for using equity method	(498)	(679)
Loss on sales and retirement of non-current assets	729	1,555
Loss on closing of stores	952	2,392
Offset payments for house rental fee with lease and guarantee deposits	2,289	2,229
Decrease (increase) in notes and accounts receivables – trade	8,274	(912)
Decrease in inventories	109	13,154
Increase in notes and accounts payables – trade	595	14,345
Decrease (increase) in accounts receivables – installment	13,265	(3,345)
Increase in retirement benefit asset	(279)	(287)
Increase (decrease) in accounts payables – other	394	(1,915)
Increase (decrease) in deposits received	(268)	507
Increase (decrease) in other current liabilities	(14,499)	4,804
Decrease in other non-current liabilities	(1,932)	(244)
Other, net	(11,134)	(4,635)
Subtotal	125,682	176,208
Interest and dividend income received	532	768
Interest expenses paid	(7,803)	(7,737)
Income taxes paid	(39,111)	(31,940)
Income taxes refund	15,424	585
Proceeds from insurance benefits	1,051	–
Proceeds from dividend income from affiliates accounted for using equity method	82	170
Payments for loss on disaster	(722)	(99)
Net cash provided by operating activities	95,136	137,955
<b>Cash flows from investing activities:</b>		
Payments for purchase of property, plant and equipment	(46,577)	(51,678)
Proceeds from sales of property, plant and equipment	6,125	958
Payments for purchase of intangible assets	(4,139)	(7,884)
Payments for leasehold and guarantee deposits	(825)	(1,782)
Proceeds from collection of leasehold and guarantee deposits	1,062	2,122
Payment for store opening in progress	(656)	(611)
Payments for purchase of shares of subsidiaries resulting in change in scope of consolidation	(145)	–
Payments for purchase of shares of subsidiaries and affiliates	–	(3,386)
Payments of loan receivables	(601)	(3)
Other, net	1,000	267
Net cash used in investing activities	¥(44,756)	¥(61,997)

	(Millions of yen)	
	Fiscal year ended June 30, 2022	Fiscal year ended June 30, 2023
	Amount	Amount
<b>Cash flows from financing activities:</b>		
Net decrease in short-term loan payables	¥(1,500)	¥—
Proceeds from long-term loan payables	30,000	30,000
Repayments of long-term loan payables	(36,394)	(27,171)
Proceeds from issuance of bonds	79,619	—
Redemption of bonds	(22,566)	(11,421)
Proceeds from issuance of common shares	129	380
Cash dividends paid	(10,034)	(10,734)
Proceeds from share issuance to non-controlling interests	—	5,000
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(10,646)	(2,239)
Purchase of treasury shares	(80,941)	—
Other, net	(1,520)	(2,032)
Net cash used in financing activities	(53,854)	(18,217)
Effect of foreign exchange rate change on cash and cash equivalents	22,849	9,784
Net increase in cash and cash equivalents	19,376	67,525
Cash and cash equivalents at beginning of period	160,875	180,418
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	166	—
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	—	(1,852)
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	—	104
Cash and cash equivalents at end of period	¥180,418	¥246,195

## Segment Information

### 1. Overview of reportable segments

The Company's reportable segments are components of the Company for which separate financial information is available and are subject to periodic review by the Board of Directors for the purpose of determining the allocation of management resources and evaluating performance.

The Company is mainly engaged in merchandise sales and has three reportable segments: "Domestic Business," "North America Business," and "Asia Business."

The Domestic Business segment mainly operates the big discount convenience store "Don Quijote", the general discount store for families "MEGA Don Quijote", "MEGA Don Quijote UNY" and the general supermarket stores such as "Apita" and "Piago".

The "North America Business" is a segment operates discount stores and supermarkets in the states of Hawaii and California in the United States.

The "Asia Business" segment operates "DON DON DONKI" stores based on the concept of Japan brand specialty stores in the Asian region.

(Matters related to changes in reportable segments, etc.)

The Company's growth strategy for the future in domestic market is to striving profitability through (1) expand the business value chain in Japan, (2) provide new CV (Convenience) + D (Discount) + A (Amusement) through DX, (3) promote organizational integration and productivity improvement, and (4) systematically create new business format. In overseas markets, the Company aims to expand its scale by continuing to open new stores in Asia and North America. The Company has formulated a new medium- to long-term management plan, "Visionary 2025/2030," which aims to improve profitability by establishing a global value chain.

As a result, the Company changed its reportable segments from "Discount Stores," "General Merchandise Supermarkets," and "Tenant Leasing" to "Domestic Business," "North America Business," and "Asia Business" effective from the current consolidated fiscal year.

The segment information for the previous consolidated fiscal year is disclosed based on the reporting segment classification after the change.

### 2. Calculation of net sales, profit or loss, assets, liabilities and other items by reportable segment

The accounting method for reported business segments is the same as that described in "Basis of Presenting Consolidated Financial Statements".

Profits of reportable segments are operating income figures, and intersegment sales or transfers are based mainly on market prices.

### 3. Information on net sales, income or loss, assets, liabilities and other items by reportable segment

For the Fiscal Year Ended June 30, 2023

(Millions of yen)

	Reporting segment				Adjustment (Note 1)	Consolidated (Note 2)
	Domestic business	North America business	Asia business	Total		
Sales, Segment income						
Sales						
Sales to third parties	¥1,620,851	¥233,590	¥82,343	¥1,936,783	¥—	¥1,936,783
Intersegment sales	10,822	—	133	10,955	(10,955)	—
Total	1,631,672	233,590	82,476	1,947,738	(10,955)	1,936,783
Segment income	96,404	7,225	1,630	105,259	—	105,259
Segment Assets	1,097,126	176,433	29,680	1,303,239	177,819	1,481,058
Others (Note 3)						
Depreciation expenses	29,007	9,943	3,311	42,261	—	42,261
Increase in property, plant and equipment, and intangible assets	¥47,053	¥8,466	¥4,744	¥60,263	¥—	¥60,263

Notes

1. Adjustment of segment assets of 177,819 million yen includes corporate assets of 183,244 million yen, which are surplus funds (cash and deposits and investment securities) of the Company, and (5,425) million yen, which are offsetting eliminations of inter-segment receivables.
2. Segment income is consistent with operating income as reported in the consolidated statements of income.
3. Increase in property, plant and equipment and intangible assets includes an increase in long-term prepaid expenses.

**For the Fiscal Year Ended June 30, 2022**

(Millions of yen)

	Reporting segment				Adjustment (Note 1)	Consolidated (Note 2)
	Domestic business	North America business	Asia business	Total		
Sales, Segment income						
Sales						
Sales to third parties	¥1,561,986	¥200,068	¥69,226	¥1,831,280	¥—	¥1,831,280
Intersegment sales	11,406	—	—	11,406	(11,406)	—
Total	1,573,392	200,068	69,226	1,842,686	(11,406)	1,831,280
Segment income	77,724	9,661	1,303	88,688	—	88,688
Segment Assets	1,081,021	164,009	33,130	1,278,160	105,517	1,383,678
Others (Note 3)						
Depreciation expenses	28,130	8,042	2,057	38,229	—	38,229
Increase in property, plant and equipment, and intangible assets	¥40,033	¥5,118	¥5,994	¥51,145	¥—	¥51,145

Notes

1. Adjustment of segment assets of 105,517 million yen includes corporate assets of 111,301 million yen, which are surplus funds under management (cash and deposits and investment securities) of the Company, and (5,784) million yen, which are offsetting eliminations of receivables among reportable segments.
2. Segment income is consistent with operating income as reported in the consolidated statements of income.
3. Increase in property, plant and equipment and intangible assets includes an increase in long-term prepaid expenses.