

Summary Report of Consolidated Financial Results For the Third Quarter Ended March 31, 2024

(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
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(Amounts in million yen are rounded off to the nearest million)

1. Overview of Business Results and Financial Position for the third quarter of fiscal 2024 (From July 1, 2023 to March 31, 2024)

(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 (%)
Nine Months Ended March 31, 2024	1,567,374	7.6	110,268	34.9	113,588	40.8	72,081	40.0
Nine Months Ended March 31, 2022	1,457,204	6.3	81,713	29.5	80,695	19.2	51,489	12.0

(Note) Comprehensive income: 75,634 million yen [30.7%] (FY 2024.6 3Q), 57,867 million yen [26.4%] (FY 2023.6 3Q)

	Net Income Per Share (Yen)	Net Income Per Share -fully diluted (Yen)
Nine Months Ended March 31, 2024	120.80	120.38
Nine Months Ended March 31, 2023	86.33	86.12

(2) Financial Position

	Total Assets	Net assets	Ratio of Shareholder's Equity to Total Assets(%)
As of March 31, 2024	1,454,155	527,761	35.5
June 30, 2023	1,481,058	463,539	30.6

(Reference) Equity: 516,547 million yen (as of March 31, 2024), 453,261 million yen (as of June 30, 2023)

2. Dividends

	Annual Dividends per share				
	Three Months End of September 30	Six Months End of December 31	Nine Months End of March 31	Year End of June 30	Total
Year Ended June 30, 2023	—	4.00	—	16.00	20.00
Year Ending June 30, 2024	—	5.00	—		
Year Ending June 30, 2024 (Forecast)				16.00	21.00

(Note) Revision to the dividend forecast in the Third quarter of fiscal 2024: None

3. Consolidated Business Forecast : For the year ending June 30, 2024 (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)
Year Ending June 30, 2024	2,086,000	7.7	135,000	28.3	139,000	25.2	80,000	20.9	134.06

(Note) Revision to the business forecast in the Third quarter of fiscal 2024: Yes

For information on the revision to the consolidated business forecast, please refer to the "Notice of Revisions to Full-Year Consolidated Business Forecast" released today (May 13, 2024).

4. Others

(1) Significant changes in the scope of consolidation: None

Newly consolidated: — , Excluded: —

(2) Simplified accounting methods and special accounting methods for preparation of the quarterly consolidated financial statements: None

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

① Changes in line with revision to accounting standards: None

② Other changes: None

③ Changes in accounting estimates: None

④ Restatement: None

(4) Number of outstanding shares (Common shares)

① Number of outstanding shares (Treasury shares included)	March 31, 2024	634,905,740 shares
	June 30, 2023	634,666,240 shares
② Number of treasury shares	March 31, 2024	38,073,252 shares
	June 30, 2023	38,073,224 shares
③ Average number of outstanding shares during the period	March 31, 2024	596,713,187 shares
	March 31, 2023	596,410,850 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 May 13, 2024. Presentation materials for the briefing will be available on the Company's website.

Consolidated Quarterly Balance Sheets

(Millions of yen)

	As of June 30, 2023	As of March 31, 2024
	Amount	Amount
Assets		
Current assets		
Cash and deposits	¥242,088	¥165,914
Notes and accounts receivables-trade	13,782	17,224
Accounts receivables - installment	55,350	58,690
Operating loans	9,047	9,423
Merchandise and finished goods	194,537	192,089
Prepaid expenses	8,629	8,352
Deposits paid	5,357	15,384
Other	25,541	33,116
Allowance for doubtful accounts	(2,496)	(2,987)
Total current assets	551,836	497,205
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	287,975	292,722
Tools, furniture and fixtures, net	35,027	38,039
Land	318,721	334,447
Construction in progress	15,532	19,611
Right of use assets, net	30,561	31,429
Other, net	1,393	1,527
Total property, plant and equipment	689,209	717,774
Intangible assets		
Goodwill	61,002	60,110
Other	27,528	30,364
Total intangible assets	88,530	90,474
Investments and other assets		
Investment securities	34,643	34,662
Long-term prepaid expenses	4,370	4,392
Retirement benefit asset	17,806	17,900
Deferred tax assets	20,686	19,473
Lease and guarantee deposits	71,845	69,953
Other	3,476	3,709
Allowance for doubtful accounts	(1,342)	(1,388)
Total investments and other assets	151,484	148,701
Total non-current assets	929,222	956,949
Total assets	¥1,481,058	¥1,454,155

(Millions of yen)

	As of June 30, 2023	As of March 31, 2024
	Amount	Amount
Liabilities		
Current liabilities		
Notes and accounts payables - trade	¥168,661	¥194,523
Current portion of long-term loan payables	34,364	18,493
Current portion of bonds	10,930	650
Accounts payables – other	49,475	52,578
Lease obligations	2,263	2,443
Accrued expenses	26,991	24,202
Deposits received	14,012	17,158
Income taxes payables	23,169	19,226
Provision for point card certificates	1,962	1,338
Contract liabilities	20,838	15,611
Other	15,756	18,138
Total current liabilities	368,422	364,360
Non-current liabilities		
Bond payables	261,625	191,075
Long-term loan payables	272,499	255,793
Lease obligations	31,036	31,242
Asset retirement obligations	30,835	31,409
Other	53,101	52,514
Total non-current liabilities	649,097	562,034
Total liabilities	1,017,519	926,393
Net assets		
Shareholders' equity		
Share capital	23,351	23,480
Capital surplus	17,509	17,602
Retained earnings	483,366	542,917
Treasury shares	(80,956)	(80,956)
Total shareholders' equity	443,270	503,043
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,690	1,747
Foreign currency translation adjustment	7,797	11,273
Remeasurements of defined benefit plans	503	484
Total accumulated other comprehensive income	9,991	13,504
Share acquisition rights	771	1,278
Non-controlling interests	9,507	9,936
Total net assets	463,539	527,761
Total liabilities and net assets	¥1,481,058	¥1,454,155

Consolidated Quarterly Statements of Income

	(Millions of yen)	
	Nine months ended March 31, 2023	Nine months ended March 31, 2024
	Amount	Amount
Net sales	¥1,457,204	¥1,567,374
Cost of sales	1,006,717	1,073,675
Gross profit	450,487	493,699
Selling, general and administrative expenses	368,774	383,430
Operating income	81,713	110,268
Non-operating income		
Interest and dividend income	673	809
Share of profit of affiliates accounted for using equity method	468	476
Penalty income	201	946
Foreign exchange gains	17	4,347
Other	3,580	3,009
Total non-operating income	4,939	9,589
Non-operating expenses		
Interest expenses paid on loans and bonds	5,709	5,422
Other	248	848
Total non-operating expenses	5,957	6,269
Ordinary profit	80,695	113,588
Extraordinary income		
Gain on sales of non-current assets	12	12
Compensation income	—	353
Reversal of provision for environmental measures	3	—
Other	31	70
Total extraordinary income	46	435
Extraordinary losses		
Loss on retirement of non-current assets	738	1,020
Loss on closing of stores	627	2,061
Loss on disaster	38	734
Other	271	44
Total extraordinary losses	1,673	3,860
Profit before income taxes	79,067	110,164
Income taxes – current	25,635	36,076
Income taxes – deferred	1,490	1,945
Total income taxes	27,124	38,020
Profit	51,943	72,143
Profit attributable to non-controlling interests	454	62
Profit attributable to owners of parent	¥ 51,489	¥72,081

Consolidated Quarterly Statements of Comprehensive Income

(Millions of yen)

	Nine months ended March 31, 2023	Nine months ended March 31, 2024
	Amount	Amount
Profit	¥51,943	¥72,143
Other comprehensive income		
Valuation difference on available-for-sale securities	835	(333)
Foreign currency translation adjustment	5,125	3,783
Remeasurements of defined benefit plans, net of tax	(31)	(37)
Share of other comprehensive income of affiliates accounted for using equity method	(6)	78
Total other comprehensive income	5,924	3,491
Comprehensive income	¥57,867	¥75,634
Comprehensive income attributable to:		
Owners of parent	¥57,049	¥75,594
Non-controlling interests	818	41

Consolidated Quarterly Statements of Cash Flows

(Millions of yen)

	Nine months ended March 31, 2023	Nine months ended March 31, 2024
	Amount	Amount
Cash flows from operating activities:		
Profit before income taxes	¥79,067	¥110,164
Depreciation	31,199	33,787
Decrease in provisions	(2,587)	(1,506)
Interest and dividend income	(673)	(809)
Interest expenses paid on loans and bonds	5,709	5,422
Foreign exchange gains	(17)	(4,347)
Share of profit of affiliates accounted for using equity method	(468)	(476)
Loss on sale and retirement of non-current assets	734	1,011
Loss on store closings	627	2,061
Increase in notes and accounts receivables – trade	(1,766)	(3,311)
Decrease in inventories	14,566	3,771
Increase in notes and accounts payables – trade	7,700	24,805
Increase in accounts receivables – installment	(2,379)	(3,466)
Increase in accounts payables – other	1,304	5,480
Increase in deposits received	2,431	3,135
Other, net	1,033	(15,657)
Subtotal	136,480	160,063
Interest and dividend income received	619	614
Interest expenses paid	(5,338)	(5,912)
Income taxes paid	(28,433)	(44,347)
Income taxes refund	575	3,284
Payments for loss on disaster	(91)	(197)
Dividends received from affiliates accounted for using equity method	53	73
Net cash provided by operating activities	103,864	113,576
Cash flows from investing activities:		
Payments for purchase of property, plant and equipment	(40,463)	(54,274)
Payments for purchase of intangible assets	(6,592)	(5,600)
Payments for purchase of shares of subsidiaries and affiliates	(3,386)	–
Payments for leasehold and guarantee deposits	(786)	(330)
Proceeds from collection of leasehold and guarantee deposits	652	1,525
Payments for store opening in progress	(405)	(713)
Other, net	(13)	10
Net cash used in investing activities	¥(50,992)	¥(59,382)

	(Millions of yen)	
	Nine months ended March 31, 2023	Nine months ended March 31, 2024
	Amount	Amount
Cash flows from financing activities:		
Proceeds from long-term loan payables	¥30,000	¥50,000
Repayments of long-term loan payables	(25,593)	(83,027)
Proceeds from issuance of bonds	—	69,789
Redemption of bonds	(11,421)	(150,930)
Cash dividends paid	(10,734)	(12,529)
Proceeds from share issuance to non-controlling interests	—	407
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(2,239)	—
Other, net	(922)	(1,375)
Net cash used in financing activities	(20,909)	(127,664)
Effect of foreign exchange rate change on cash and cash equivalents	1,212	6,971
Net increase (decrease) in cash and cash equivalents	33,176	(66,499)
Cash and cash equivalents at the beginning of period	180,418	246,195
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries in consolidation	(1,852)	—
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	104	—
Cash and cash equivalents at the end of period	¥211,845	¥179,695

Segment Information

For the Third Quarter Ended March 31, 2023

1. Information concerning sales and income by reporting segment

(Millions of yen)

	Reporting segment				Adjustment	Consolidated
	Domestic Business	North America business	Asia business	Total		
Sales, Segment income						
Sales						
Sales to third parties	¥1,217,778	¥177,509	¥61,918	¥1,457,204	¥-	¥1,457,204
Intersegment sales	8,130	-	103	8,233	(8,233)	-
Total	1,225,908	177,509	62,021	1,465,438	(8,233)	1,457,204
Segment income	¥74,255	¥5,598	¥1,861	¥81,713	¥-	¥81,713

Note: Segment income is adjusted to the quarterly consolidated operating income.

For the Third Quarter Ended March 31, 2024

1. Information concerning sales and income by reporting segment

(Millions of yen)

	Reporting segment				Adjustment	Consolidated
	Domestic Business	North America business	Asia business	Total		
Sales, Segment income						
Sales						
Sales to third parties	¥1,320,687	¥185,038	¥61,649	¥1,567,374	¥-	¥1,567,374
Intersegment sales	9,504	-	70	9,574	(9,574)	-
Total	1,330,191	185,038	61,719	1,576,947	(9,574)	1,567,374
Segment income	¥106,504	¥3,535	¥229	¥110,268	¥-	¥110,268

Note: Segment income is adjusted to the quarterly consolidated operating income.