

February 27, 2019

To whom it may concern

Company name: Pan Pacific International Holdings Corporation
 Former company name: Don Quijote Holdings Co., Ltd.
 Representative: Koji Ohara, President and CEO
 Securities code: 7532 First Section, Tokyo Stock Exchange
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Announcement of Acquisition of Shares
(Conversion into Affiliate Accounted for under the Equity Method)

Pan Pacific International Holdings Corporation (“the Company”), announced that a resolution was passed at the Board of Directors meeting held today to acquire from FamilyMart UNY Holdings Co., Ltd. (“FamilyMart UNY HD”), a portion of its shares of stock in Kanemi Co., Ltd. (“Kanemi”), a consolidated subsidiary of FamilyMart UNY HD that operates retail stores selling items such as sushi, deep-fried foods, and other prepared foods and that produces and sells boxed meals for convenience stores. Through this acquisition of shares (“the Share Acquisition”), Kanemi will be converted into an affiliate accounted for under the equity method of the Company.

1. Reason for the Share Acquisition

Kanemi develops retail stores that sell sushi, deep-fried foods, and other prepared foods primarily within supermarkets. The company is an important business partner of UNY Co., Ltd., which was converted into a wholly owned subsidiary on January 4, 2019.

By acquiring shares, the Company seeks to strengthen its relationship with Kanemi and thereby enable the prepared food sales floors operated by Kanemi in UNY stores to be reformed through the collaboration of these two companies. Moreover, we expect the Share Acquisition to contribute to improved profitability for the entire Group.

2. Outline of the Company to Be Converted into Affiliate Accounted for under the Equity Method

(1) Name	Kanemi Co., Ltd.
(2) Location	3-107, Tokushige, Midori-ku, Nagoya, Aichi
(3) Name and title of representative	Kotaro Miwa, President and CEO
(4) Description of business	Operation of retail stores selling items such as sushi, deep-fried foods, and other prepared foods; production and sale of boxed meals for convenience stores

(5) Capital	¥2,002 million (as of December 31, 2018)		
(6) Date of establishment	March 29, 1971		
(7) Major shareholders and ownership percentages (as of September 30, 2018)	FamilyMart UNY Holdings Co., Ltd.		52.95%
	Kanemi Business Partner Shareholding Association		3.63%
	Kotaro Miwa		3.14%
	Ryoji Miwa		2.34%
	SHOW-WA Co., Ltd.		2.32%
	TOKAN Co., Ltd.		2.11%
	TableMark Co., Ltd.		2.10%
	Kanemi Employee Shareholding Association		1.35%
	MUFG Bank, Ltd.		1.27%
	Tokai Tokyo Financial Holdings, Inc.		1.01%
(8) Relationship between the Company and Kanemi Co., Ltd.	Capital relationship	There are no capital relationships between the two companies.	
	Personnel relationship	One director of the Company serves concurrently as a director of Kanemi Co., Ltd.	
	Business relationship	Kanemi Co., Ltd., operates retail stores selling side dishes within the supermarkets of UNY Co., Ltd., a subsidiary of the Company, and side dish manufacture and sales transactions are conducted between the two companies.	
(9) Operating results and financial condition of Kanemi Co., Ltd., in the past three fiscal years			
Fiscal year ended	March 31, 2016	March 31, 2017	March 31, 2018
Net assets	¥27,964 million	¥26,941 million	¥24,810 million
Total assets	¥36,687 million	¥35,244 million	¥34,502 million
Net assets per share	¥2,830.25	¥2,737.17	¥2,521.16
Net sales	¥89,939 million	¥88,258 million	¥90,233 million
Operating income (loss)	¥3,067 million	¥498 million	¥(1,167) million
Ordinary income (loss)	¥3,177 million	¥582 million	¥(1,062) million
Profit (loss) attributable to owners of parent	¥1,815 million	¥(514) million	¥(932) million
Profit (loss) per	¥183.46	¥(52.08)	¥(94.73)

share			
Cash dividends per share	¥60.00	¥60.00	¥60.00

3. Outline of the Company from Which Shares of Stock Will Be Acquired

(1) Name	FamilyMart UNY Holdings Co., Ltd.		
(2) Location	3-1-21 Shibaura, Minato-ku, Tokyo		
(3) Name and title of representative	Koji Takayanagi, Representative Director and President		
(4) Description of business	Holding company for operators of convenience stores, etc.		
(5) Capital	¥16,659 million (as of November 30, 2018)		
(6) Date of establishment	September 1, 1981		
(7) Major shareholders and ownership percentages (as of August 31, 2018)	ITOCHU Corporation 41.43% The Master Trust Bank of Japan, Ltd. (Trust account) 9.89% ITOCHU RETAIL INVESTMENT, LLC 8.58% Japan Trustee Services Bank, Ltd. (Trust account) 5.30% Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account) 2.07% NTT DOCOMO, INC. 1.43% Nippon Life Insurance Company 1.22% STATE STREET BANK WEST CLIENT - TREATY 505234 1.12% BNP Paribas Securities (Japan) Limited 1.11% Japan Trustee Services Bank, Ltd. (Trust account 5) 0.96%		
(8) Relationship between the Company and FamilyMart UNY Holdings Co., Ltd.	Capital relationship	FamilyMart UNY Holdings Co., Ltd., holds 24,721 shares of stock in the Company.	
	Personnel relationship	There are no personnel relationships between the two companies.	
	Business relationship	There are no business relationships between the two companies.	
	Status as related parties	The two companies do not constitute related parties.	

4. Number of Acquired Shares, Acquisition Cost, and Shares Held Before and After Acquisition

(1) Number of shares held before acquisition	0 shares (ownership ratio of voting rights: 0%)
(2) Number of acquired shares	2,615,061 shares (number of voting rights: 26,150)
(3) Acquisition cost	Common shares of Kanemi Co., Ltd.: ¥7,892 million
(4) Number of shares held after acquisition	2,615,061 shares (number of voting rights: 26,150) (ownership ratio of voting rights: 26.55%)

5. Schedule

Date of resolution of the Board of Directors	February 27, 2019
Date of conclusion of share transfer agreement	February 27, 2019
Date of execution of share transfer	April 12, 2019 (tentative)

Note: Conditional on passing the waiting period and the approval screening period stipulated in the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Act No. 54 of 1947, as amended).

6. Outlook

The impact of the Share Acquisition on performance in the fiscal year ending June 30, 2019, is projected to be minimal.