

Section 1

Overview of the Don Quijote Group

Our Story



Front of Don Quijote's predecessor "Thieves' Market"



First Don Quijote store, in Fuchu, Tokyo



Don Quijote stores supporting shopping districts and communities across Japan by operating around the clock



MEGA Don Quijote store employing new format to appeal to a wider range of ages

Unprecedented Ideas Going Against Standard Industry Practices

"Thieves' Market," Don Quijote's predecessor, was a general merchandise store opened in Tokyo's Sugunami Ward in 1978 by founder Takao Yasuda. He embarked on this journey with zero retail experience and expertise and no network. This was the birthplace of the ideas and DNA that betray industry conventions and that continue to live on to this day in the Don Quijote Group.

One day, when Yasuda was stocking shelves late at night after business hours, a customer visited the store, mistakenly assuming that the store was still open. He saw this as a possible sign of demand for shopping at night, heralding the start of late-night operations.

Furthermore, Thieves' Market was initially lacking in store and storage space, and Yasuda would therefore pack the store with products from floor to ceiling and

adorn the shelves with countless handwritten point-of-purchase (POP) advertisements introducing products. This represents the origins of Don Quijote's compression displays and jungle-like treasure hunting atmosphere.



Delegation of Authority Founded on Trust

The first Don Quijote store was opened in Fuchu, Tokyo in March 1989. Founder Yasuda attempted to transmit his expertise to the employees working at this store, but was unable to achieve the desired results.

Yasuda thus decided to trust the employees and leave decisions up to them, entrusting the employees with almost all aspects of store operations, including product procurement, pricing, displays, and sales. Don Quijote's approach toward the delegation of authority arose from this practice and has since become a fundamental strength of the Group.

To support this approach, the Company introduced a performance-linked compensation system that linked authority to responsibilities and remuneration. This system contributed to higher motivation among employees and allowed them to enjoy their jobs as

"games" rather than as "work." The end result was highly enjoyable buying floors* that were shaped freely by employees through engaging in trial and error and growing together. This unique evolution gave rise to the distinctive characteristics of the Don Quijote Group stores of today.

* As the customer is the focus of everything we do at the Don Quijote Group, we refer to "sales floors" as "buying floors" to frame this idea from the perspective of customers.



Origin of Company Name

The name "Don Quijote" is taken from the Spanish novel *The Ingenious Nobleman Sir Quixote of La Mancha* written by Miguel de Cervantes. This name symbolizes our desire to, like the titular hero Don Quixote, enact our own ideals, unbound by preconceptions, to create new value in the retail industry.