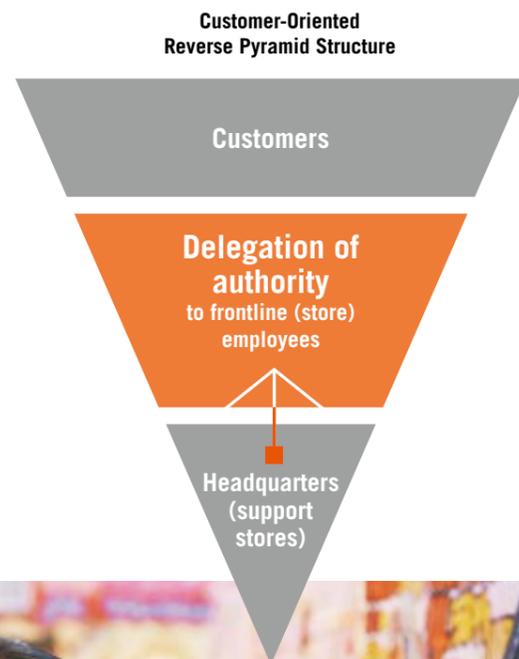


➤ Structure of Strengths Underpinning Growth

Guided by the corporate philosophy of "valuing the customer as our utmost priority," the Don Quijote Group leaves various aspects of operations, including product procurement, pricing, displays, and sales, to the discretion of its frontline store employees. The delegation of authority is an approach that has been utilized since our founding, and it is now a fundamental strength of the Group and a part of its very DNA.



権限委譲

Delegation of Authority

Fundamental

Strengths

Responsiveness to Change

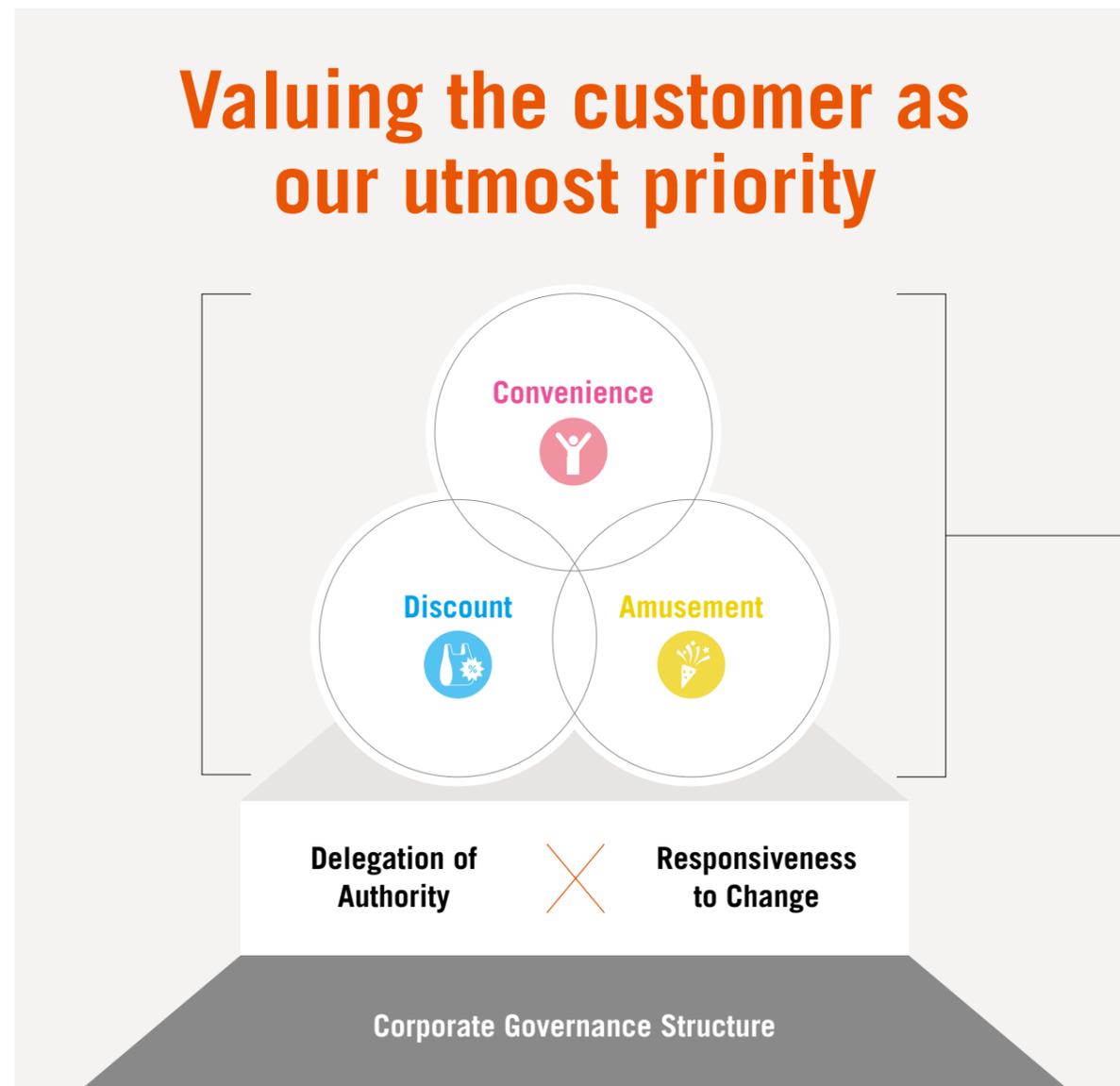
変化対応



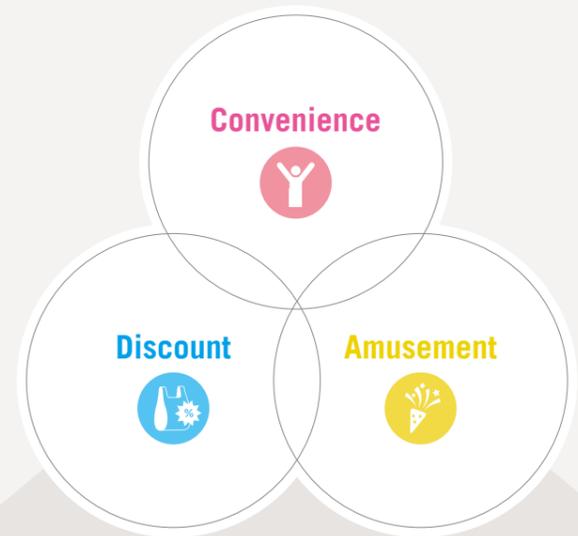
We allow all stores to operate from a unique perspective matched to the characteristics of their respective commercial areas. This approach enables stores to swiftly and flexibly adjust product prices and lineups in response to customer needs and the actions of competitors. This swift responsiveness to change is a wellspring of competitiveness for the Don Quijote Group and a driving force behind its ability to create value in response to changes in customer needs and the operating environment.



➤ Structure of Strengths Underpinning Growth



# Valuing the customer as our utmost priority



Delegation of Authority X Responsiveness to Change

Corporate Governance Structure

### The Don Quijote Group's Business Model

Don Quijote Group stores are based on the concepts of convenience, discount, and amusement. Grounded on a foundation formed by strengths that cannot be copied by the competition, namely our delegation of authority and our responsiveness to change, we develop stores based on these three concepts to foster our position as a one-of-a-kind retailer.



### Convenience

A principal characteristic of Don Quijote Group stores is their **long hours of operation**, which offer greater convenience to customers. Stores in urban areas are often open 24 hours a day, helping cater to night-time demand from travelers to Japan. Another characteristic is the **broad lineup of products** we offer, which ranges from low-priced items, such as foods and daily consumables, to high-ticket items, including electrical appliances and import brand-name products.



### Discount

Don Quijote Group stores feature a vast array of products offered at highly competitive prices. Centered on items that have to be frequently repurchased and based on our everyday low-price policy, we provide **amazing discounts** that bring smiles to customers' faces as part of sales measures aimed at expanding our market shares within the communities we serve.



### Amusement

At Don Quijote Group stores, customers are greeted by a diverse array of products presented through unique display methods. The sight of such a varied assortment of products creates an exciting and heart-pounding shopping experience. We distinguish our stores from other standardized and simplistic retail outlets with our characteristic third-dimensional store displays that enable customers to **enjoy shopping in an out-of-the-ordinary atmosphere**.

### Organizational Framework That Cannot Be Copied By Others

Many Japanese companies place great emphasis on seniority, which makes it difficult for them to delegate authority to the extent that we do. The Don Quijote Group, meanwhile, has created a unique corporate culture through the introduction of a system that would be out of place in other companies based on our corporate philosophy of "valuing the customer as our utmost priority." This framework has become a distinctive strength of the Group. With this organizational framework that cannot be copied by others as our foundation, we will pursue ongoing growth by creating value in response to changes in the needs of customers and society.

- Localization** enabling stores to connect with communities
- High levels of customer affinity** allowing employees to understand customer viewpoints
- Store discretion** allowing frontline employees to lead buying floor development
- Delegation of authority** contributing to swift frontline decision-making
- Performance-linked compensation system** increasing employee motivation by rewarding results
- Complete meritocracy** blind to seniority
- Optimal placement** drawing out the potential of all employees

