



## Theme 2 Social Contributions through Business

Japan is distinguished among developed countries for the various social issues it faces, which include unprecedented labor shortages stemming from its aging population and declining birthrate. Against this backdrop, the Don Quijote Group feels that the greatest contribution it can make to society is achieved by returning the profits earned through its business of operating GMSs to society via appropriate tax payments. At the same time, we strive to help resolve social issues through our business and thereby contribute to the development of society. By promoting social contributions through our business, we aim to improve corporate value while resolving social issues by way of our business activities.

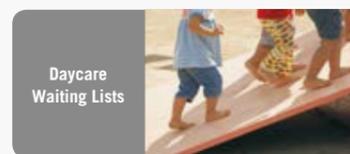
### Social Issues Emphasized by the Don Quijote Group



It is estimated that Japan produces 400 million tons of industrial waste each year. Processing this waste requires massive amounts of energy and results in significant emissions of greenhouse gases, placing a substantial burden on the environment.



The rapidly aging population and declining birthrate in Japan is creating various issues, including the contraction of the working age population, the isolation of senior citizens from their communities, and an increase in instances of illness and injury among senior citizens.



In Japan, diversification of workstyles and increased participation of women in society have resulted in a larger number of people seeking daycare for their children. However, the number of daycare centers is currently insufficient for meeting this demand, creating social issues in the form of long waiting lists for daycare entry.

### Development of Private Brand Products That are Not Thrown Away

Waste from apparel products in the country amounts to roughly 1 million tons per year, around 70% of which is incinerated or sent to landfills, meaning that only a few of these products are reused or recycled.\* The Don Quijote Group seeks to address this issue through the development of unique private brand products.

One success of these efforts is the slide-on replacements for worn-out heels introduced on Jonetsu Kakaku PREMIUM private brand shoes in March 2017. Using a patent-pending technology, these products enable the heels of business shoes to be replaced easily with no tools needed. With these products, we hope to encourage customers to wear their shoes longer and thereby

reduce the number of shoes that are thrown away and lower CO<sub>2</sub> emissions from incineration at the source.

\* Source: Survey by the Organization for Small & Medium Enterprises and Regional Innovation, JAPAN



Aggregate Number of Pairs Sold  
**16,200**  
(March 2017–June 2018)

Jonetsu Kakaku PREMIUM private brand shoes have been proven safe and durable through four-month test periods and 100,000 weight endurance tests by third-party testing institutions.

### Contributions to Community Building and Resolution of Senior Health Issues

Depopulation and population aging are draining the life from regional communities. Seeking to address this issue by helping invigorate communities, we have held a Meguro River cherry blossom viewing event on the roof of our head office in Naka-Meguro, Tokyo each year since 2010. In 2018, this event took place over a 15-day period spanning from late March to early April during which approximately 4,500 individuals, including guests from local senior citizen facilities, neighborhood associations, and business partners (suppliers), visited to enjoy the cherry blossoms from the head office balcony.



In addition, the MEGA Don Quijote Yachiyo 16 go bypass store holds the “Yachiyo Genki Taiso no Kai” light exercise event every Wednesday. This event uses an original exercise program designed by the city of Yachiyo in Chiba Prefecture to help senior citizens prevent themselves from falling. Every week more than 40 individuals gather, making this event an opportunity for community building and for addressing senior health issues.



### Establishment of “Donkids” In-Store Daycare Centers

Japan is plagued by a shortage of daycare centers and long waiting lists for daycare entry. Government measures and new systems are resulting in gradual improvements to these issues, but there are still an estimated 20,000 children awaiting entry into daycare across Japan (as of April 1, 2018).\* To address this issue, we have established Donkids in-store daycare centers for

employees at five MEGA Don Quijote locations. Going forward, we will continue to work toward the elimination of children waiting for daycare slots and help create a child-raising environment that integrates communities, daycares, and stores.

\* Source: Report on the status related to day-care centers, etc., Ministry of Health, Labour and Welfare

