

August 18, 2025

[FY6/25 Q4 Financial Results Briefing: Remarks as Incoming COO]

Representative Director & Senior Managing Executive Officer,  
Vice President & Representative Director of Don Quijote Co., Ltd.  
Kosuke Suzuki

My name is Kosuke Suzuki, and I will assume the role of COO following the General Meeting of Shareholders next month.

I would firstly like to express my commitment to practicing management based on “The Source,” the starting point and management philosophy of our Group.

I would also like to express my determination to firmly pass this philosophy on to the next generation, handing over the baton when the time comes. Without ever forgetting this starting point, we will continue to achieve sustainable growth and enhance corporate value even amid rapidly changing times.

Looking back at Japan’s economy in 2025, inflation and the decline in real wages have significantly shifted consumer sentiment. At unprecedented levels, consumers are increasingly seeking higher-quality products at lower prices as a way to safeguard their everyday lives. This raises fundamental questions about the very raison d’être of a discount store business like ours. However, if we can meet the needs of the times, it will become our greatest tailwind and a growth opportunity perfectly aligned with the era.

Currently, we estimate the market share of discount retailers in Japan to be about 8%. If we assume that this share expands to 16%, bringing it in line with other countries of comparable GDP levels, the accessible market size within Japan would reach as much as 21 trillion yen.

I firmly believe that there is still enormous room for growth in the domestic discount retail sector.

Furthermore, in our domestic retail business as a whole, we have identified new store openings, tax-free sales, and PB/OEM as growth engines for a while. To these, we are now adding a new store format—“Food-Focused Don Quijote”—which I will explain in detail later. This addition will allow us to further expand our total addressable market (TAM).

While UNY offers fresh food, it has yet to tap into the rapidly growing discount fresh food segment in a meaningful way.

On the other hand, MEGA Don Quijote has some presence in the segment, but its wide-area catchment market model has limited its positioning as a primary destination for everyday fresh food shopping.

Our new business format is designed to reach these markets.

Within Japan's overall consumer market, the size of the market our company can reach is estimated at 98 trillion yen. This figure includes not only the drugstores, GMS, home centers, consumer electronics stores, and apparel specialty stores we had previously considered, but also supermarkets (13 trillion yen).

If we assume that the same growth rate as in the past 5 years continues through 2035, the size of TAM that our Group can reach in 10 years could be as much as 130 trillion yen.

In this light, the new store format will make it possible for us to incorporate food-related markets such as food-focused supermarkets into our TAM, making these markets fully accessible to us.

The quantitative targets we are presenting today are KPIs that I can confidently state are achievable, even when viewed conservatively.

That is what I envision as the goal during my tenure as COO—a significant leap from our current point A to point B. It is a clear management challenge.

We naturally cannot reach that goal without implementing a variety of measures. Together with the various strategic initiatives I will outline later today, I pledge that we will make this a reality.

We sincerely look forward to your continued, unwavering support.