

感謝

Thanks to your support, the PPIH Group has arrived at its 40th anniversary, it has been 31 years since opening the first Don Quijote store, and UNY has reached its 50th anniversary. This lengthy journey has been a gift from the warm support of customers who visit our stores. We intend to continue offering stores that attract loyal customers with a rigorous commitment to our corporate principle of "The Customer Matters Most."



Consolidated Net Sales

¥ **1,681.9** billion

Operating Income

¥ **76** billion

Number of Purchasing Customers

660.6 million

Return on Equity (ROE)

14.3%

Number of Products Purchased

5,315,271,867 items

Number of Group Stores

631 stores*

Number of Group Employees

14,186

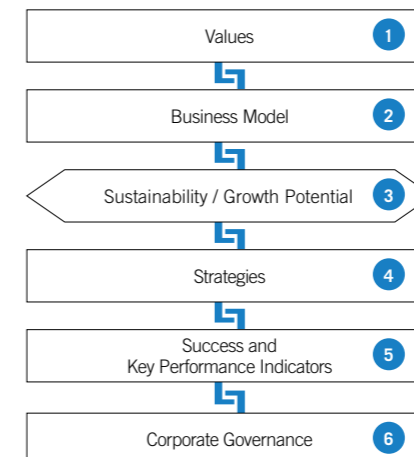
* As of October 31, 2020

(Fiscal year ended June 30, 2020)

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Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation

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Disclaimer Regarding Forward-Looking Statements
Forward-looking statements contained in this integrated report are based on various assumptions and do not guarantee future performance or the progress of stated strategies.

Editorial Policy
This integrated report contains information on the medium-to-long-term business strategies of the PPIH Group and non-financial information on factors underpinning the Group's ongoing growth. The report was published with the goal of invigorating the dialogue between the PPIH Group and its stakeholders. In preparing this report, reference was made to the International Integrated Reporting Framework of the International Integrated Reporting Council and to the Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation: ESG Integration, Non-Financial Information Disclosure, and Intangible Assets into Investment of the Ministry of Economy, Trade and Industry. The relationship between each section of this report and the Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation is as shown in the table of contents above.

The World Is Entering a “VUCA Era” in Which the Abnormal Is the New Normal

Japan confirmed its first case of COVID-19 infection in January 2020. Who imagined our current conditions at that time? COVID-19 infections subsequently spread rapidly throughout the world, and city lockdowns and restrictions on going outside constrained people's behavior worldwide. Economic activity stalled due to these measures, and the global economy encountered the worst recession since the Second World War. These conditions have heavily affected people's lives.

In Japan, the number of visitors from overseas dropped 93% year on year in March 2020 and then was down by 99.9% year on year for four straight months, from April through July. Due to this trend and the postponement of the Tokyo Olympics, the retail and tourism industries have confronted difficult conditions.

How should people respond to such abnormality becoming the “new normal” and to such unexpected conditions?

Volatility

Advances in technology, such as IoT, fintech, virtual reality (VR), and artificial intelligence (AI), are contributing to a faster pace of change in the world. While society is becoming more prosperous, markets are also moving through the cycle of maturation and obsolescence more rapidly.

Uncertainty

Larger typhoons, including the 2019 Boso Peninsula Typhoon, and torrential rainfall in July 2020 as well as other abnormal weather are occurring more often and causing great damage. Natural disasters and COVID-19 involve many uncertainties, and it is difficult to forecast the future.

Complexity

As a result of advances in economic globalization, protectionist policies continue to garner political support. This impact affects Japanese companies too, and the outlook remains unclear.

Ambiguity

An increase in Internet and social media users is driving circulation of a wide range of information. This is helping to diversify people's mindsets and needs. Past successes are no longer applying to today's business issues.

Note: VUCA is an acronym for Volatility (V), Uncertainty (U), Complexity (C), and Ambiguity (A) and conveys the notion of an “unforeseeable state.”