

The PPIH Group's Steadfast Guidelines for Behavior

# The PPIH Group's core value — “The Source”

“The Source” is a book on corporate ideals that clarifies the ideas and thoughts of founder Takao Yasuda. It presents guidelines for behavior that all employees and directors of the PPIH Group should follow. It defines our pride and reason for existence.



Pan Pacific International Holdings (PPIH), formerly known as Don Quijote, is an international group of companies that aims, through its engagement in the business of distribution, to leave our customers feeling delighted and inspired, and to make society better. We strive constantly to give our customers the greatest possible satisfaction by offering them the things they want in the manner in which they want them, thus stimulating consumption and expanding domestic demand, and make every effort to contribute to local and national cultures and economies. (Referenced from “The Source”)

“The Source Management”

Our Corporate Principle

## The Customer Matters Most

Approach that the PPIH Group should pursue

“The Customer Matters Most.” This is a corporate principle that underpins all activities and guides all decisions within the PPIH Group. Every one of our stores exists for the customers who come inside and continues to operate because of customer loyalty. In addition, we believe each store has a role and a responsibility to support the lifestyle infrastructure of the community of which it is a part. “The Customer Matters Most” is not so much an aspired-to philosophy as it is an enduring principle, one that infuses everything from corporate management to store operation.

The Six Precepts of Our Management Philosophy

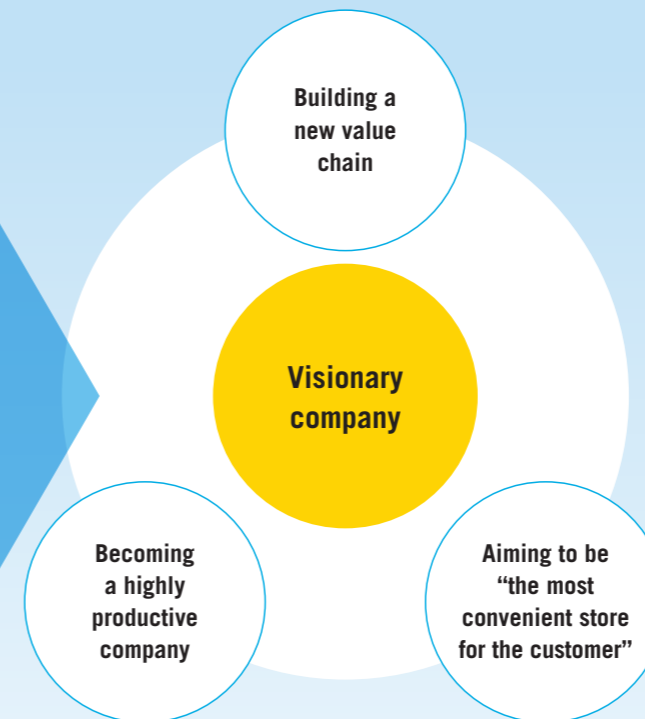
- Precept 1**  
We commit ourselves to doing business in a manner that is unselfish, 100% honest, and grounded in a strong sense of morality and purpose.
- Precept 2**  
In every age, we create shop floors that evoke the anticipation and excitement of finding astonishingly cheap goods.
- Precept 3**  
Boldly granting authority to those at the center of things, we are always ready to move people around, to make sure they are in the best possible position.
- Precept 4**  
We are committed to creative destruction and the ability to adapt; we reject pre-established harmony and the hesitancy to do anything that might rock the boat.
- Precept 5**  
We are unhesitant in the face of daunting challenges, and unafraid to beat a rapid retreat when a cold, hard look at reality tells us this is the best course.
- Precept 6**  
Undistracted by easy profits, we hone to perfection the strengths that form our core business.



**Takao Yasuda**  
Founding Chairman and Supreme Advisor

The PPIH Group in the Future

Based on the principle “The Customer Matters Most,” the PPIH will continue to serve changing customers and society



Creating long-term sustainable social and economic value

Simultaneously contributing to stakeholders and increasing the PPIH Group's corporate value

- A company that adheres to the PPIH corporate principle “The Customer Matters Most” first in every corner of the organization
- A company that responds to change and takes on challenges boldly
- A company that constantly grows and continues to set bold goals
- A company that targets innovation to take its core values to the next level
- A management team that is ambitious for the growth of PPIH as a company, not for personal goals, and that can pass the baton of management and continuous growth to the next generation in a timely manner

Editorial policy

The PPIH Group is an international group of companies that will continue to grow through self-reform based on “The Source” and firm adherence to the principle of “The Customer Matters Most,” no matter what circumstances it faces. In order to realize a visionary company that will survive and thrive in the post-COVID-19 new normal, our policy is to uphold our principle of “The Customer Matters Most” and strengthen sustainability initiatives to support sustainable growth and corporate value enhancement. Compared to past integrated reports, this year, we have placed greater emphasis on the “narrative” of our business, so as to convey our strategy, as well as the sustainability and vision of our business model, in accordance with the disclosure framework of the International Integrated Reporting Council (IIRC). Furthermore, we edited the report to place greater focus on priority areas and make it easier to understand.

Scope

Every effort was made to provide coverage of all the domestic and overseas PPIH Group companies subject to consolidated accounts. However, the companies covered vary depending on the section of the report.

Applicable period

July 1, 2022 – June 30, 2023  
Some more recent activities have also been included.

Table of Contents

About the PPIH Group

- 03 The History of Creating Corporate Value
- 05 Overview
- 07 Performance in FY2023 and the Direction the PPIH Group Aims to Take

Top Commitments

- 09 Top Message

Creating Corporate Value at the PPIH Group

- 11 Value Creation Model at the PPIH Group
- 13 Interview on Strategic Management
- 15 Message from the Head of PB Business
- 17 Message from the Heads of Inbound Tourism

Progress on Materiality

- 19 Sustainability at the PPIH Group
- 21 Reduce the Environmental Impact of our Business Activities
- 23 Accepting Diversity and Creating a Rewarding Workplace
- 25 Sustainable Product Sourcing and Responsible Sales
- 27 PPIH Group Stakeholder Engagement
- 28 Solid Governance

Progress on Business

- 35 Domestic Discount Store Business
- 37 Domestic GMS Business
- 38 Overseas Business

Data Section

- 39 Board of Directors
- 43 Skill Matrix (executive officers)
- 45 Messages from the Outside Directors
- 47 Financial and Non-Financial Highlights
- 49 Financial Performance
- 91 Corporate and Stock Information

Disclaimer regarding forward-looking statements

This report includes forecast or expected information about the future plans, strategies and business results of the PPIH Group and affiliated companies. This information is not based on past facts, but on forecast assumptions and beliefs ascertained from information that the company is currently able to obtain. This information also contains risks and uncertainties related to economic trends, personal consumption, market demand, tax systems and various other systems. Please be aware that actual business results may therefore differ from the company forecast.