

New Medium/Long-Term Management Plan “Passion 2030”

Start of the New Medium/Long-Term Management Plan “Passion 2030”

The PPIH Group fully attained its goals from the previous Medium-Term Management Plan “Vision 2020” of ¥1 trillion in net sales, 500 stores, and 15% ROE one year ahead of time, in 2019, and commenced the new Medium/Long-Term Management Plan “Passion 2030” in February 2020.

In fiscal year 2020, even with the COVID-19 outbreak, we achieved the 31st straight year of higher sales and profits by leveraging our “ability to adapt,” an important strength. Meanwhile, we think it is vital to transition to a new growth strategy that is not just an extension of past activities to continue growth in the future amid major changes in the business environment.

We believe changes in people’s behavior and customer consumption values triggered by the COVID-19 outbreak are irreversible. The PPIH Group approaches changes in society as growth opportunities and plans to continue engaging passionately in internal and external competition while deepening its understanding of customers and making timely adjustments to reflect these changes.

Passion 2030

Enhancing corporate value by deepening our understanding of customers and thoroughly implementing our philosophy of “The Customer Matters Most”



We hope to generate roughly ¥150 billion on an organic basis that applies our existing operating margin while adding about ¥50 billion in profit improvement from MD reforms, reinforcement of private-brand (PB) development, and other activities, digitalization and other cost optimization savings, and acquisition of profits in financial service business.

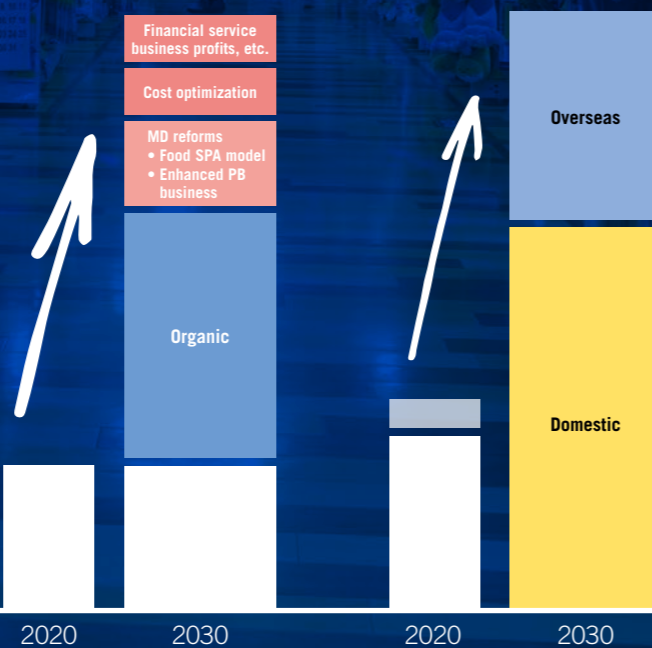
We want to establish a solid ¥2 trillion operation as an “only one retailer” in Japan and pursue ¥1 trillion in overseas sales by building and expanding as a “Japanese brand specialty store” in overseas markets.

Profit acquired from our commitment to “The Customer Matters Most” philosophy

¥200 billion in operating profit

Business built together with 1.2 billion customers

¥3 trillion in net sales



Domestic

Establishing a Solid ¥2 Trillion Operation

Profitability Enhancement as an “Only One Retailer”

We implemented a growth strategy driven by opening more stores up to now, but we aim to transition from “quantity” to “quality” in our future policy and pursue refinement of existing stores and maximization of customer income.

- Portfolio management and maximization of Group synergies
- GMS business revival and income reforms
- Promotion of digitalization strategy
- Expansion of financial service business and achieving profitability
- Optimization of the cost structure to improve competitiveness



Overseas

Seeking an Aspirational ¥1 Trillion Operation

Building and Expanding as a “Japanese Brand Specialty Store”

We intend to build global SPA operations and seek growth by establishing an attractive unique format and expanding the store network in the Pan-Pacific region.

- Creation and establishment of a new format focused on Japanese brands
- Promotion of food SPA
- Business expansion in Asia
- Building a foundation and creation of a new format in North America
- Construction of global shared service operations



Promotion of Further Growth in Japan and Abroad

We intend to provide our utmost assistance as a holding company to rapidly implement strategies in Japan and abroad, including pursuit of edited-style MD that stays ahead of others and digitalization that supports and strengthens the overwhelming frontline fighting spirit, the most important strength of our Group.

Utilization of economies of scale and promotion of MD policies and SPA suited to the business format

We intend to bolster our prepared foods (mobile food delicatessen) business that understands customer needs and expand the value chain through collaborative PB with manufacturers and other initiatives.

Promotion of the Marshmallow Concept

We aim to craft measures for a new era that co-exist with delegation of authority and other Group strengths utilizing IT and AI and collaborating with external companies.



Please refer to the following URL for details.
<https://marshmallow.inc/>

Organization and system to foster “managerial human resources” and “merchants” who underpin our philosophy of “The Customer Matters Most”

We aim to foster and spread managerial awareness by switching to an internal company system, improve the visualization of human resources utilizing data, and support cultivation of global merchants.

Promotion of desired societal value creation (ESG)

We aim to promote ESG activities and achieve sustainable growth through business activities as a comprehensive retailer.

Promotion of financial strategy integrated with business strategy

We want to conduct efficient fundraising and capital investments and optimize our balance sheet.