



Messages from the Outside Directors

Building our foundation for sustainable growth and further strengthening our governance structure toward 2030

Outside Director (Audit and Supervisory Committee Member)

Yasunori Yoshimura

Global governance is essential to execute strategies based on a broad perspective

Japan is becoming a super-aged society with an extremely low birthrate. In 2023, the birth rate was 1.20, the number of births reached a historic low of 727,000, and the population fell by a record 837,000 people. A significant paradigm shift is occurring in society, including a decrease in the working-age population, generational disparities, and changes in social views, life perspectives, and family dynamics. Based on my longstanding involvement in addressing the declining birthrate in Japan as a Special Advisor to the Cabinet, I believe that companies cannot expect growth by simply going with the flow. In addition, the barriers between industries and between nations are becoming increasingly lower. To more actively expand overseas and execute strategies based on a broader perspective, global governance is essential.

For the PPIH Group, establishing a global identity is a crucial point. This would involve both domestic and international recruitment and appointment of talented human resources, regardless of their age or other attributes, and connecting this to value creation. To this end, I believe that ensuring recruitment, human resource development, and organizational building is my key role as an outside director.

Achieving growth amid environmental changes is proof that we are functioning as a “company that has the ability to adapt”

When I was appointed as an outside director in 2015, PPIH had growth to have net sales approaching 700 billion yen. 10 years since then, it is amazing that the company has achieved net sales of 2 trillion yen one year ahead of schedule in the second year of the medium- to long-term management plan. During this period, even amid the COVID pandemic, the company overcame the unprecedented crisis through major reforms that turned challenges into opportunities. This included the introduction of the “Million Star Program”, which can be said to be the culmination of delegated authority, and a shift from product development focused solely on low prices to creating “People Brand” (PB) together with customers.

To respond to the post-COVID era which brought a recovery in inbound demand due to the rapid return of foreign tourists, PPIH transformed the entire area previously occupied by the former Don Quijote Shibuya store into a massive complex. The establishment of dogenzaka-dori marked a turning point from creating individual stores to creating an entire district.

Furthermore, relocating the headquarters functions to dogenzaka-dori accelerates PPIH’s global expansion from its base in Shibuya, an area aiming to be a cosmopolitan city. Achieving steady growth despite the environmental changes brought by the COVID pandemic is evidence that PPIH is functioning as a “company that has the ability to adapt”.

Looking ahead to 2030, the company must build its foundation for sustainable growth and corporate value enhancement, and further strengthen its effective corporate governance structure. To achieve this, innovation is essential not only at the management level but also among every individual employee.

Empowering talent to drive corporate growth and aiming to be a company that contributes to enhancing the overall value of society

The driving force behind corporate activities is people, and creating a workplace environment where employees can work with peace of mind is an essential task for companies. Efforts to promote the physical and mental health of employees lead to increased motivation and productivity in the workplace. As a result, this enhances corporate value. It is essential to consider employee health from a managerial perspective and strategically implement health management alongside safety and hygiene initiatives.

In addition, promoting women’s participation and career advancement in the workplace is a key part of diversity promotion, leading to innovation and improved productivity through work style reforms. Actively-pursued efforts must include achieving targets for the rate of women in management positions, implementing diverse and flexible work styles, and presenting concrete measures to enhance work-life balance.

PPIH’s Diversity Management Committee is currently implementing a variety of initiatives. These include ongoing training programs aimed at producing female store managers, resulting in 39 women serving as store managers by FY2024, with more expected to follow. Other initiatives include programs to improve retention rates among female employees and unconscious bias awareness training for managers, which can be highly appreciated as the company’s efforts to transform into an organization where diverse human resources can thrive.

Going forward, people’s awareness of social responsibility will deepen further, and evaluations from various stakeholders will become increasingly stringent. In an era where companies are expected to embody their ideal form and implement diverse and flexible work styles, PPIH must aim to be a company that contributes to enhancing the overall value of society.

Messages from the Outside Director

The remarkable feat of achieving the final-year target of the medium- to long-term management plan one year ahead of schedule: Emerging opportunities and new challenges

Outside Director (Audit and Supervisory Committee Member)

Jumpei Nishitani



The establishment of a highly profitable structure through “PPIH-style SPA”, which organically integrates individual measures

The most significant fact is that PPIH achieved net sales of 1 trillion yen in FY2019, prior to the COVID pandemic, and reached net sales of 2 trillion yen in FY2024, following the pandemic. In other words, despite the loss of inbound tourism demand during the pandemic, we not only avoided a decline but accumulated “true strength” and unleashed it explosively post COVID, doubling both sales and operating income. With this achievement we embodied Precept 5 of the Six Precepts of Our Management Philosophy in “The Source”, which states “This company is all about innovation, the ceaseless exploration of new forms of business”. I believe that the most commendable aspect behind this fiscal year’s performance is the establishment of a highly profitable structure through PPIH-style SPA, which organically integrates individual measures.

In last year’s integrated report, I commented that the source of the PPIH Group’s “ability to adapt” lies in the people gathered within PPIH, and that “my impression is that we have not fully communicated the excellence of our company. I hope that future improvements will make dialogues with stakeholders even more meaningful”. Amid the high profile of our achievement of 2 trillion yen in net sales, the vibrant workplace environment within the PPIH Group has gained widespread recognition through media such as television. However, our human capital-related disclosures in FY2024 securities report were not sufficiently improved. I believe it is essential to enhance human capital-related disclosures through public and direct communication channels with institutional investors, such as securities reports. By doing so, we can effectively communicate PPIH’s initiatives and achievements.

Emerging opportunities

To summarize what has become apparent through the “Visionary 2025” medium- to long-term management plan, the domestic market still seems to have potential for further exploration and the overseas market is where we are not sure how to go on the offensive.

The former has come into view precisely because we have established a highly profitable structure through PPIH-style SPA. PPIH has a clear sense that further store openings in various business formats are still possible domestically and that there is room to increase the proportion of our PBs in sales.

The latter presents a similar situation. While we have established a highly profitable structure in Japan, we expect our overseas business to not merely maintain, but achieve growth at a high level. To this end, it is necessary to tell a persuasive story. A bottleneck in this effort seems to be a lack of human resources connecting our overseas business with Japan. The highly profitable structure through PPIH-style SPA, established in the domestic discount business, is a business model where various measures are organically integrated. This is something that cannot be communicated or transplanted without people. Through the concerted efforts of such human resources, we can discover a compelling growth story.

PPIH’s overseas business also carries a social significance, particularly in our efforts to expand the overseas distribution of excellent Japanese agricultural, livestock, and marine products. If we can establish high profitability in these efforts, we could truly create a massive social impact as a national-scale project. We hope to achieve such a breakthrough.

Addressing corporate social responsibility with integrity

New challenges have emerged when considering these growth initiatives from a sustainability perspective.

In our domestic business, as we promote PPIH-style SPA by strengthening PB/OEM, we face responsibilities not only as a retailer but also as a “manufacturer”. To address this, we have established our Supply Chain Code of Conduct and implemented third-party audits. Furthermore, as domestic store expansion continues, it is essential to promote the active participation of female store managers. Greater involvement of women is an unavoidable challenge for PPIH’s growth, and we have appointed a director-level representative (Hitomi Ninomiya, Director) to lead efforts in resolving these challenges.

Overseas, our businesses in the East and West across the Pacific continue to face differing challenges since last fiscal year. In our Asia business, the expansion of stores spans multiple countries with differing legal systems and business practices, while in our North America business, highly independent Group companies occupy significant positions. We also have ongoing issues including how to integrate overall group management, internal controls, and our corporate philosophy. As the PPIH Group continues to grow as a whole, I believe we have reached the stage where we need to address management challenges, particularly back-office capacity building.

Going forward, our sustainability initiatives will grow increasingly important. As a multinational company with net sales of 2 trillion yen striving for growth both domestically and internationally, PPIH will address its corporate social responsibilities with integrity.