

Practicing the PPIH style of sustainability

Tackling the Export of Japanese All-Japan Approach to Contribute to

Dwindling demand for food products due to the declining birthrate and aging population in Japan is an issue that we will face in the future. To prepare for it, we are working to expand our overseas sales network for Japan's excellent agricultural, livestock, and fishery products based on the concept of "Taste, Health and Environment", thereby increasing exports and developing the overseas markets. By continuing to export Japan's agricultural, livestock, and fishery products, we can secure the sustainability of shipments, allowing producers to carry out crop cultivation and production systematically and earn a

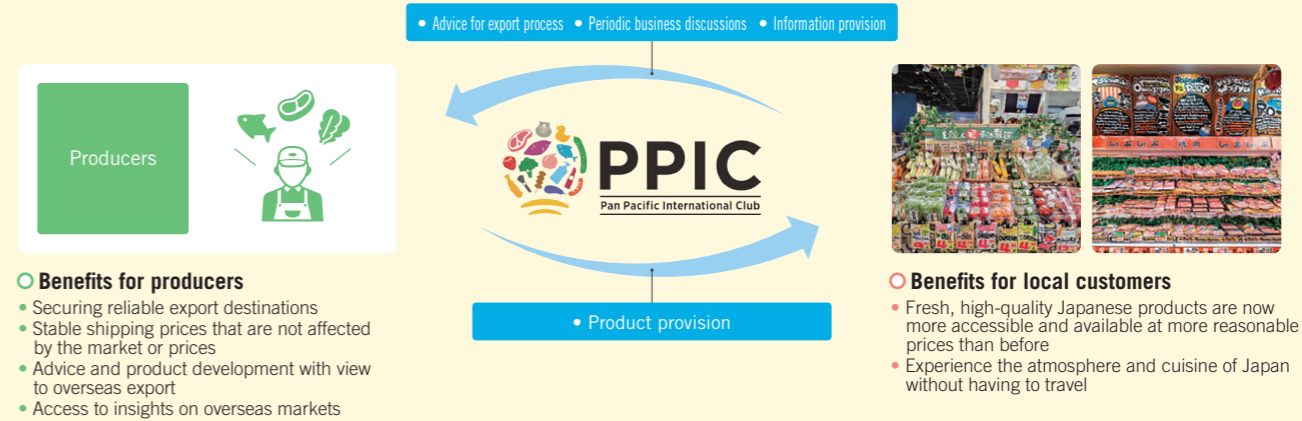
Agricultural, Livestock, and Marine Products with Japan's Primary Industries

stable and proper income that is less susceptible to market fluctuations. Moreover, by creating an environment that allows producers to focus on production with peace of mind, we can contribute indirectly to addressing the problems facing Japan's primary industries, such as expanding the workforce for the next generation and maintaining Japan's beautiful rice paddies and *satoyama* (woodlands nurtured by farmers and foresters). At PPIH, we believe that the combination of ecology and sustainability is at the heart of the PPIH style of sustainability.

PPIC, a partnership organization for expanding the exporting of Japanese products

In October 2020, the Group established the PPIC (Pan Pacific International Club), a partnership organization of the PPIH Group, consisting of producers, export-related businesses, and other relevant organizations. This initiative was created with the goal of working together as an "All Japan" entity to expand exports of agricultural, livestock, and fishery products. As of the end of June 2024, a total of 527 companies and organizations have joined, including 324 producers from across Japan, 116 businesses involved in distribution such as logistics and wholesale, and 87 businesses and organizations supporting the export industry, including government agencies, local governments, and financial institutions. Participants will focus on addressing export-related challenges in their areas of expertise, such as products, logistics, and regulations, and cooperate organically through PPIC to build an optimal supply chain for exports.

<https://www.ppihgroup.com/ppic/>
(Only Japanese version is available.)



Systems to support producers

The Group's overseas retail operations, developed under the concept of serving as "Japan-brand specialty stores", create an environment where customers can purchase high-quality Japanese agricultural, livestock, and fishery products at affordable prices, even outside Japan. In addition, by supporting producers nationwide in steadily expanding their exports and revolutionizing the distribution of Japanese products around the world, we aim to create a virtuous cycle that benefits all stakeholders. Ultimately, we seek to contribute to the expansion and promotion of Japanese agricultural, livestock, and fishery products. To achieve this, it is essential to support producers not only in maintaining their traditional production methods but also in developing products that meet high overseas demand and enabling systematic production. For this reason, PPIC has established a support system, including initiatives such as holding various seminars and business matching events to provide information on overseas markets, as well as introducing leasing companies and investment companies that are PPIC members.



Partnership agreements between PPIC and local governments

As we strengthen our pioneering of new markets for Japanese products, we are promoting Cooperative Agreements with local governments. As of the end of June 2024, we have concluded the Agreements with 8 prefectures and 1 city. Through these Agreements, we are working to increase opportunities for forming business relationships with producers in each prefecture and establish a system to follow up on producers' export business through public-private partnerships.

At our overseas stores, we regularly hold fairs that feature the regions with which we have Cooperative Agreements, as well as their local specialties. These initiatives help to increase awareness of Japanese products.

Furthermore, to deliver reliable products from producers who have met strict standards to our overseas customers, we encourage farms to obtain the Good Agricultural Practices (GAP) certification, which certifies that they are producing food products with consideration for food safety, the work environment, and environmental conservation. We also prioritize products from farms that have acquired GLOBALG.A.P. certification, an international standard for farms that implement global standards for food safety and sustainable production management.

The products, developed with the passion of producers and exported through PPIC with the cooperation of various stakeholders working as one team, bring joy to local customers.

Bestsellers in Asian stores

- 1st : Wagyu beef
- 2nd: Sushi and sashimi
- 3rd : Strawberry
- 4th : Grapes (Shine Muscat, etc.)
- 5th : Baked sweet potato

Target: DONDON DONKI stores across 6 Asian countries (from January 2023 to December 2023)



VOICE
Agbell Co., Ltd.
CEO
Keisuke Maruyama

I was born into a third-generation grape farming family in Yamanashi Prefecture. The average age of agricultural workers in Yamanashi Prefecture is said to be 70 years old, but our company is probably the youngest agricultural corporation, with an average worker age of 29 years old.

Currently, about 40% of our total shipment of grapes and peaches are exported. Since 2021, we have been exporting Shine Muscat, Pione, and Kyoho grapes to PPIH stores in Asia. As overseas markets prefer larger individual grapes than in Japan, we have taken on the challenge of designing products tailored to these markets, thinning out the grape clusters and adjusting their size and weight accordingly.

Until now, we have been working on consolidating agricultural land that had been abandoned due to the aging population. This has enabled us to expand our production scale by 20 times since we began farming. In the future, we plan to invest further in equipment and are even considering developing processed products. We will be delighted to collaborate with PPIH on developing processed products for its private brands (PB).



VOICE
PPIC Secretariat
Head of PPIC Secretariat
Kenichi Hiyama

The number of PPIC members now exceeds 500 companies, with members scattered across all 47 prefectures of Japan.

In PPIC, we strive to provide support for cultivation and agricultural management by introducing members to each other, providing an environment where they can share production challenges, and introducing them to local governments and financial institutions. Conversely, we also request members to grow crops that meet overseas regulations, working hand in hand with our members to export products to overseas markets.

As a result of these efforts, some producers have seen the value of their trade increase by more than 10 times since the launch of PPIC. The crops cultivated with loving care by our members have been highly appraised overseas, with many customers exclaiming that they are worth more than the prices.

Going forward, the PPIC Secretariat will continue delivering its members products and passion to customers around the world.

TOPIC

First in the world to use a dual-temperature refrigerated container in marine transportation

In the export of agricultural and other products overseas, PPIH has been conducting trial marine transportation using dual-temperature refrigerated containers with Controlled Atmosphere (CA) functions, in cooperation with Ocean Network Express (ONE) Pte. Ltd. and NAX JAPAN Co., Ltd. since November 2023. These containers are divided into two compartments, allowing the simultaneous transport of items with different optimal temperature requirements. Through the use of these containers, we expect to reduce costs and inventory losses (food loss) through improved loading efficiency, as well as lower CO₂ emissions by cutting down on the number of containers and shipments.

