



Pokka Corporation

Pokka Corporation (Pokka Sapporo Food & Beverage Ltd.)



Domestic business

Beverage business



Food business



Restaurant business



Overseas business



AP's role with Pokka

Background

- Pokka partnered with AP in implementing an MBO in August 2005 with the aims of fortifying its domestic profitability and growing its overseas business
 - **Long-term degeneration risk in the domestic business:** Pokka's widespread restructuring and business structure reform beginning in 2001 enabled the company to maintain profitability for a limited period, but in the Japanese market where growth had stopped and competition was excessive, the company was facing a crisis because it did not have the sufficient strategies and execution ability needed to survive in the medium and long-term.
 - **Laissez-faire approach for the Asia business, which had room for growth:** The Japan headquarters had a weak relationship with local subsidiaries in Asia and followed a "leave it to them" approach, and it lacked the expertise and personnel to formulate strategy or issue directives for the overseas business. The Japan headquarters thus was unable to drive business growth in Asia.

Fortified domestic base

- Improved the domestic business's product strength and profitability from its sales channels, raised the quality of sales, and thoroughly enhanced profit and CF awareness among all employees with the result of a substantial increase in profits
 - Implemented task force projects with objectives including cultivating the concept that all employees participate in management, introducing speedy and transparent decision-making processes from the bottom up, and creating cooperation between employees and fund members
 - Created a management plan incorporating a comprehensive improvement strategies particularly on the marketing and sales levels and based on issues identified by the task force

Overseas development

- The business base of the Asia business was fortified until it became the "core of growth" for Pokka's future.
 - Radically restructured the capital ties among the Asia business subsidiaries in each region, which had been operating without leadership
 - Further enhanced the business base in Singapore, Pokka's primary business base in Asia, supported structuring and implementation of localization strategies for other Asia markets

Fortified domestic base

We intensively implemented task force reforms with objectives including encompassing all of the improvement measures scattered throughout the company, cultivating the concept that all employees participate in management, introducing speedy and transparent decision-making processes from the bottom up, creating cooperation between employees and AP members, and cultivating an awareness that the goals can be achieved in a short period.

Basic concept

Implementation systems

- Formulate task forces from all associated organizations as the reform leader for each reform program
- Select task force members based on ability, without regard for their position, level, or age (with a focus on competent younger, mid-level employees)

Promotion process

- All proposals submitted by each task force are subjected to real time decision-making and progress management in direct meetings with management and AP.
- Task force members are the same people who will put into practice and execute the strategies, enabling direct and immediate application of decided matters at the work site.

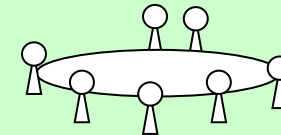
Promotion mechanisms

- Each task force is allocated specific achievement plans and progress is monitored through objective monitoring of numerical data.

Decision-making board meeting

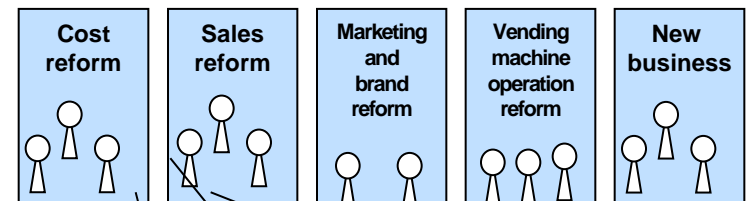
Decision-making board comprised of management

- Decision-making to execute reported reform ideas
- Checks on the progress of each reform plan



Regularly make verdicts on the reform ideas presented by the task force members and the progress of the ideas, and decide to implement.

Task force



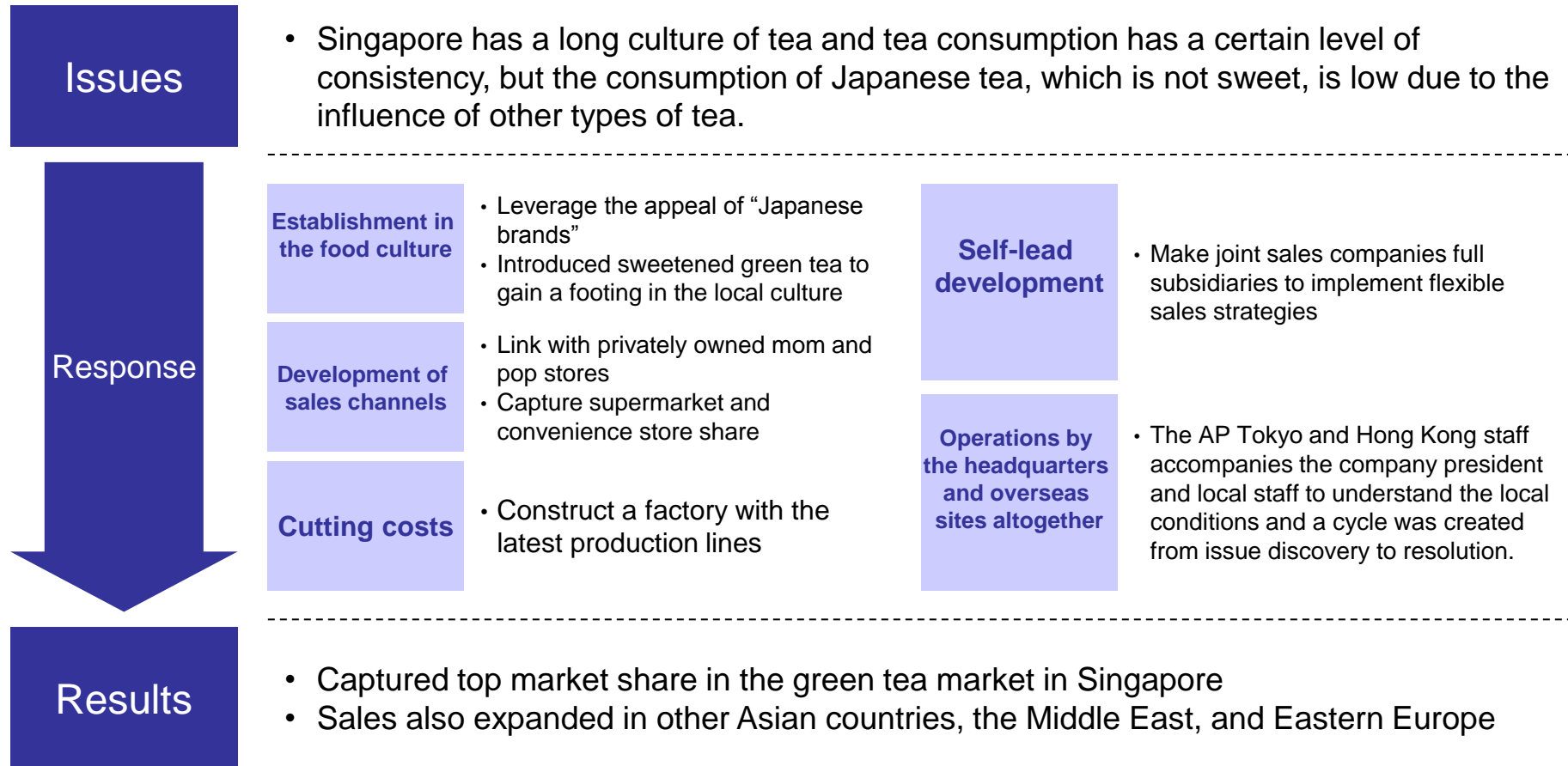
The task force members themselves are the ones who implement the reform and supervise the implementation at the site.

Factory line



Overseas development

In addition to product development emphasizing affinity with the local area and steady and diligent sales and marketing activities, we captured high market share in Singapore through M&A of local sales channels and developed business for other countries in Asia, the Middle East, and Eastern Europe.



Overseas business system support by AP

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- Adroit decision-making while constantly grasping the current conditions is needed in fast-growing overseas markets where the market moves fast, but Pokka only had a limited number of personnel with business knowledge, external negotiations abilities, and local employee leadership capabilities overseas.
- The AP Tokyo and Hong Kong staff met on a weekly basis to support the company president and local management staff to understand the local conditions (board of directors meetings, management meetings, and exchanges of opinions on other days), agenda setting, analysis, strategy formulation, and M&A negotiations.
- The Japan headquarters had limited participation in the management of the overseas business before AP began participating. AP's enabling of accurate and timely information sharing with the headquarters raised the management participation by the headquarters in local business and helped quickly resolve local management issues, including previous issues and concerns that had been unresolved.



- ✓ Personnel able to understand the business, language, and culture of both Japan and overseas and to tackle issues with a certain level of quality and also able to operate not as an external consultant but as internal company staff
- ✓ Importance of a sense of speed in decision-making through direct connections with Japan headquarters and shareholders