

**Entrepreneur of the Year Award**  
**Mr. Akio Nitori**  
**CEO/Founder, Nitori Co., Ltd.**

At the drizzling night of April 14, 2010, we had an honor of having Akio Nitori, founder and CEO of Nitori CO., Ltd, a rising home furnishing company with 217 stores and 286 billion yen sales, as a recipient of the Entrepreneur of the Year Award 2010 presented by HBS Club of Japan. Mr. Nitori made an inspiring presentation about how the company had overcome challenges.

Mr. Nitori started a small furniture shop in Sapporo City in 1967. Barely surviving the first tough few years by a great fortune he got at that time, his wife, he incorporated Nitori Co., in 1972. The visit to the US, where he was deeply impressed with the affluence of the people's life, made him convinced that he should create a system to provide quality home products at affordable prices to Japanese people. Nitori, originally a furniture retailer, eventually developed into a company of manufacturing, distribution and retail sales with a global network. As Mr. Nitori put it, "We learn from the US, design in Europe, manufacture in Asia and sell in Japan." Nitori has built manufacturing plants only in the areas with low labor cost, which sometimes made them entering into a rather wild area: Mr. Nitori told us an exciting story how the company managed to counter against local gangs in Sumatera Island of Indonesia who tirelessly evolved their guerilla tactics to sneak into the factory.

He has committed himself to develop talents and future CEO candidates in the company. At "Nitori University," employees are thoroughly trained for 20 years to become leaders who can spot problems, come up with solutions and implement them. Mr. Nitori has been also careful in keeping the organization fresh and not losing willingness to change. All employees including senior executives are required to work at stores once in a while. Doing what their predecessor did is regarded as taboo at Nitori. The corporate organization has a "bunchin" (paper weight) structure, not pyramid structure, to delegate power to those closer to customers and speed up decision making.

The company has kept growing, marking the highest sales and profit every year for 23 consecutive years. For Mr. Nitori, even the recent financial crisis was "the once-in-the-century chance." "We save during boom period and turn offense in the recession," said Mr. Nitori. Having foreseen the US bubble would burst and started saving "fighting fund" through various business restructuring initiatives as early as 2005, once the financial crisis hit the world, the company was able to launch large-scale investment initiatives such as announcing discount of 400 products and building manufacturing plants, while many other companies were trapped in the recession.

Listening to his speech and meeting talented Nitori employees who accompanied with Mr. Nitori that night made us believe that Mr. Nitori's dream, "Offer the affluence of western homes to more people around the world," would come true, probably not in the distant future.