

Daiso's Global Play: Turning a 100-Yen Idea into a Retail Empire

Daiso Industries, led today by CEO Seiji Yano, has evolved from humble street sales in the 1970s into one of the world's largest value retailers, operating more than 5,600 stores across 26 countries and regions. Built on the promise of "exciting price, exciting quality," the company continues to balance scale with standards as it charts its next phase of global expansion.

The origins of Daiso trace back to Seiji Yano's father, Hirotake Yano, who began as a street vendor in Hiroshima in the 1970s. "In the very beginning... they brought all the merchandising by truck and sold the goods for five days only, as an example, outside community centers and supermarkets" Seiji recalled. These temporary roadside pop-ups offered a taste of the ambition and discipline that would later define the company.

A decisive turning point came in the early 1990s, when permanent stores were established. The business transitioned into the now-iconic 100-yen shop model. This change simplified pricing, reduced exhausting workdays that once stretched from six in the morning to midnight, and created a scalable foundation. "They, the founding members, really wanted to change in a better way," Seiji explained.

By the early 2000s, Daiso was opening an extraordinary 600 shops a year across Japan, averaging two new outlets every day. The company's relentless growth quickly made it a household name at home, proving that a low-cost retail concept could scale nationwide.

● Taking Japan's Model Global

International expansion began in 2001 with the launch of a store in Taiwan, followed by entry into the United States in 2005 with an opening in Seattle. Over the next two decades, Daiso steadily extended its reach across Asia, the Americas, Oceania, and the Middle East.

Today the company operates 4,625 stores in Japan and 1,045 internationally, bringing the global total to 5,670 outlets across 26 countries and regions. Pricing is carefully adapted to each market. In the United States, items start from \$2.25. In Brazil, the entry point is 9.99 reals. In the UAE, products begin at 7.35 dirhams. Despite these local adjustments, the affordability and breadth of range remain consistent.

Store formats have evolved in parallel. Large-scale flagships offer tens of thousands of products under one roof, while compact outlets inside train stations provide quick convenience for commuters. Multi-brand stores, where Daiso is paired with its sub-brands Standard Products and THREEPPY, broaden consumer appeal by offering different price points and design choices.

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● Cracking the U.S. Market

The United States is now Daiso's highest priority. "From now on, they will continue expanding in the US," Seiji affirmed. The company announced an ambitious target of reaching 1,000 American stores. Progress of the business expansion in the US has been slower than expected, but expansion continues steadily, seeing the number of stores double to over 220 in the past two years.

Maintaining quality standards is central to the new approach. "In order to keep up the quality of the store and also keep up the good training for the employees, you know, we have to focus, put the energy on that," Seiji said. After a phase of rapid rollout, the leadership is determined to balance growth with sustainable performance.

Geographic expansion reflects that ambition. California remains the core base, but Daiso has also opened in Utah, Tennessee, Oklahoma, and Texas. 18 additional California locations are planned to be opened this year, highlighting consumer demand and the company's long-term commitment to the U.S.

Awareness, however, is still limited. "Most people don't know... so they have to have a local marketing strategy." Building consumer recognition about the Daiso offering will be key to capturing the mid-market niche that lies between discount chains and premium retailers.

● Beyond 100 Yen: A Multi-Tier Strategy

Daiso has extended its reach through a tiered brand architecture. Standard Products offers design-focused, eco-conscious household goods at a slightly higher price point, competing with lifestyle retailers. THREEPPY provides colorful, playful items aimed at younger consumers and emphasizes cute and fashionable goods.

"For example, a \$2.25 ladle makes a customer happy, doesn't it?" Seiji said, highlighting how modest prices can still deliver exceptional value. The approach is particularly relevant in the United States, where he sees a pricing void. "In USA it's \$10 and the lower price is \$1. So there is no in between." By occupying this under-served middle ground, Daiso positions itself as a unique option for everyday essentials.

● Technology Meets Japanese Attention to Details

Behind the scenes, Daiso has invested heavily in technology to support its scale. Since 2013, it has migrated systems to the cloud through AWS, enabling centralized data management and advanced forecasting. By 2018, its POS data was processed serverlessly, improving efficiency and accuracy across thousands of outlets.



This digital backbone reinforces a culture shaped by Kaizen, or continuous improvement, and Gemba, or empowering action on the ground. Seiji stressed that mistakes have been crucial to learning. Early exports sometimes failed due to non-compliance with local regulations. "We learned since then to now check local regulations before we do business in each city or send a product there," he said.

Quality assurance remains uncompromising. "Half of the items are made in China, but the standard is a Japan standard," Seiji explained. Rigorous quality checks ensure that wherever items are manufactured, they are evaluated under Japan's high consumer expectations.

● Partnering for Scale

For international expansion, Daiso operates on two fronts: directly managed stores and distributor stores

"One is a direct operation. So we decide and do the business there by ourselves. And another one is... a distribution partnership," Seiji explained.

Markets, such as the United States and Brazil are managed directly to maintain control, while other markets use local distributor agreements. Seiji confirmed the company is open to further collaboration with partners, including readers of the Los Angeles Times, in areas ranging from marketing and distribution to store development. Opportunities also exist in product sourcing. Daiso is considering incorporating Made in USA products for

its stores in Japan and abroad, provided they can be adapted to its strict pricing model.

● Faster Decisions, Stronger Stores

Global investors often worry about slow decision-making in Japanese companies. Seiji acknowledges that the criticism is fair. "Last week I visited the US and a member of the Daiso USA Leadership observed: the bureaucracy makes the process too slow, all these different departments," he said. On his return to Japan, he instructed his teams to cut unnecessary approval layers.

Even so, Daiso in Japan has built-in agility by empowering store-level managers. "We respect how we should manage at each Gemba in the outlet. That's more important than the management of trying to create something," Seiji explained.

This decentralization ensures local responsiveness while preserving consistent brand standards.

The company's workforce reflects its vast scale. In Japan alone, Daiso employs about 800 full-time staff, supported by 24,000 part-time workers on full shifts and more than 40,000 working shorter hours. This structure provides the flexibility needed to manage thousands of stores efficiently.

● Growth with Discipline

Seiji believes the timing is ideal for investors to look toward Japan. "The yen is so low... it's best timing for them to come and buy things in Japan." Domestic Daiso stores offer the lowest prices in the world, attracting both local and international shop-

pers. Tourists who discover the value in Japan often seek Daiso products once they return home, fueling demand for new international outlets.

Daiso has proven its capacity to expand with ambition while embracing continuous improvement. From mobile truck sales on streets to thousands of outlets worldwide, its trajectory reflects resilience, adaptability, and the corporate vision carried into the next generation under Seiji Yano.

As Seiji concluded: "Daiso USA will continue expanding in the US." For global investors, the message is clear. Daiso offers both the scale of a retail empire and the flexibility of a family-driven enterprise, creating opportunities for collaboration in one of the world's most dynamic retail growth stories. ■



5,670 stores in **26** countries and regions worldwide

(*Includes joint ventures and distributorships. 26 countries and regions around the world (including Japan))

Daiso launched its first overseas store in Taiwan in 2001.

In the approximately 24 years since then, Daiso has opened 1,045 stores in 25 countries and regions outside of Japan.

(*Excluding Japan)

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