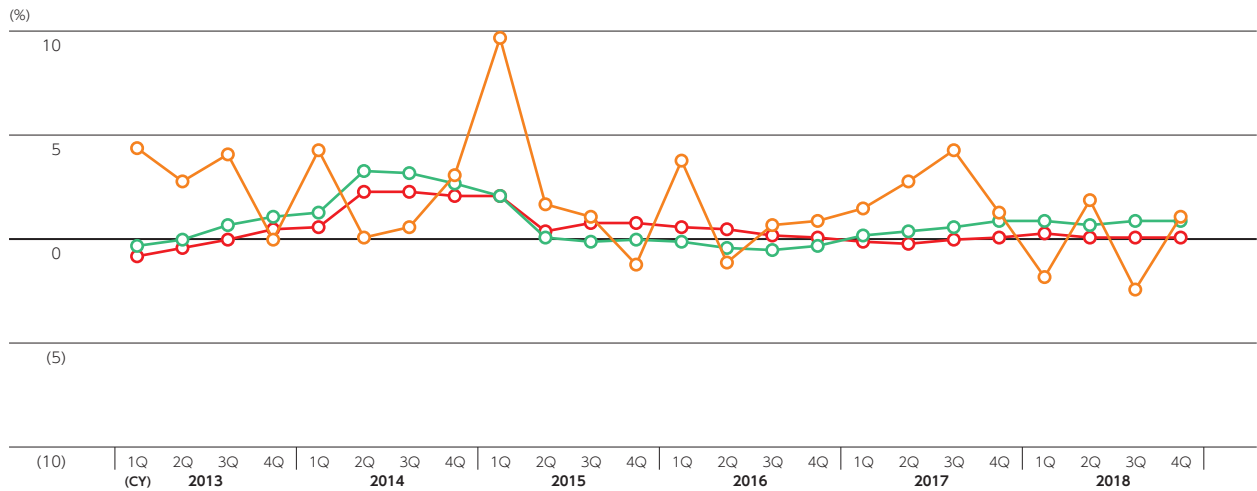


Retail Environment in Japan

Macroeconomic Environment

YEAR-ON-YEAR COMPARISON OF ECONOMIC INDICES OVER FOUR QUARTERS

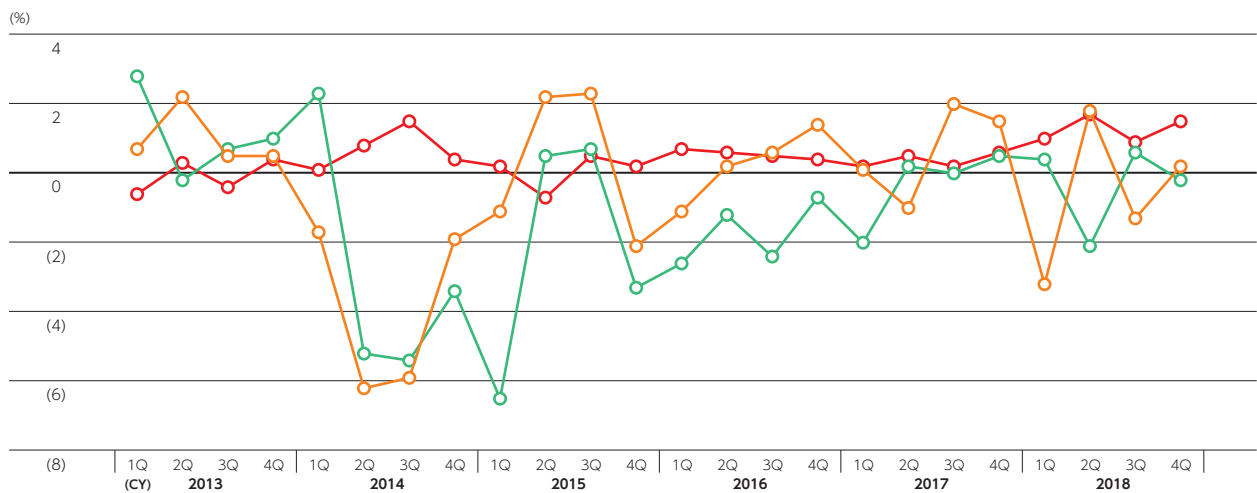
○ GDP (nominal) ● Consumer price index, excluding fresh products ● Consumer price index, excluding food (less alcoholic beverages) and energy



Sources: National Accounts (Economic and Social Research Institute, Cabinet Office) and Consumer Price Index (Ministry of Internal Affairs and Communications)

YEAR-ON-YEAR COMPARISON OF HOUSEHOLD CONSUMPTION INDICES OVER FOUR QUARTERS

○ Real income (real) ● Consumption expenditure (real) ● Total wages



Sources: Family Income and Expenditure Survey (Ministry of Internal Affairs and Communications) and Monthly Labour Survey (Ministry of Health, Labour and Welfare)

DOMESTIC FINAL CONSUMPTION EXPENDITURE OF HOUSEHOLDS

■ Food, beverages and cigarettes ■ Clothing and footwear ■ Furniture and household appliances ■ Education, cultural services and entertainment ■ Housing and utilities
 ■ Medical care and health expenses ■ Transport and communications ■ Eating out and accommodation ■ Others

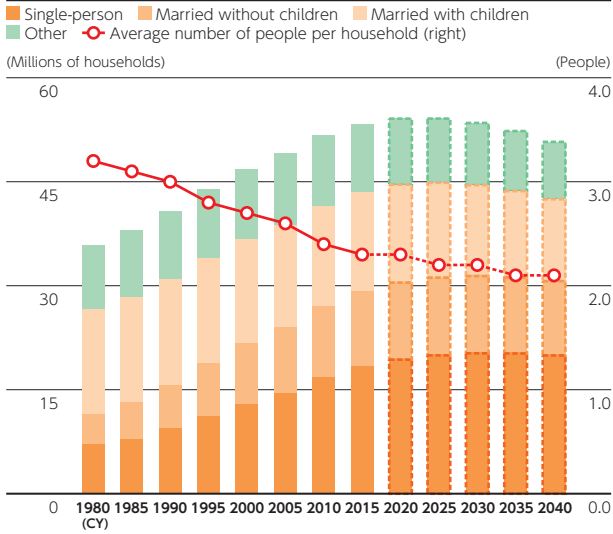


Note: The figures before 2000 are based on an old standard.
 Source: National Accounts (Economic and Social Research Institute, Cabinet Office)

Retail Environment in Japan

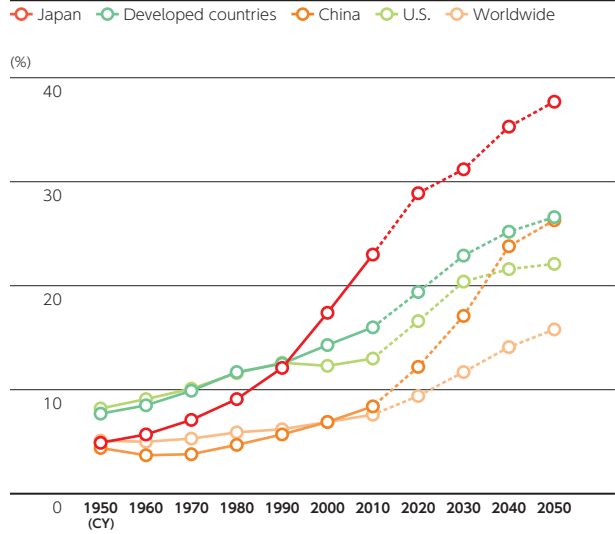
Macroeconomic Environment

CHANGES IN THE NUMBER OF HOUSEHOLDS



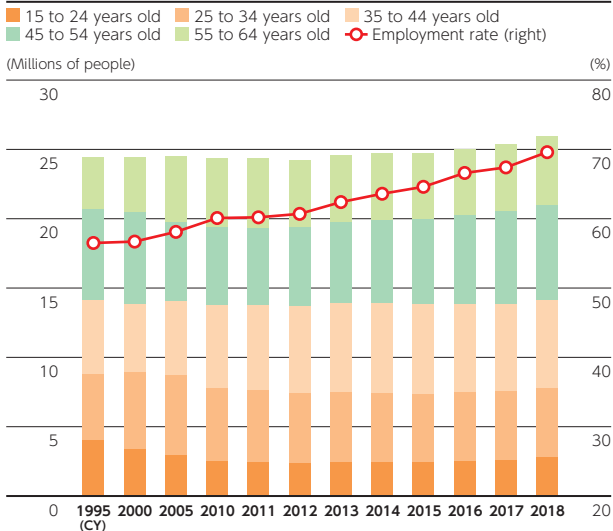
Note: The figures after 2020 are estimates.
Source: National Estimates, Population Projection for Japan (National Institute of Population and Social Security Research)

CHANGES IN THE POPULATION OF THOSE AGED OVER 65



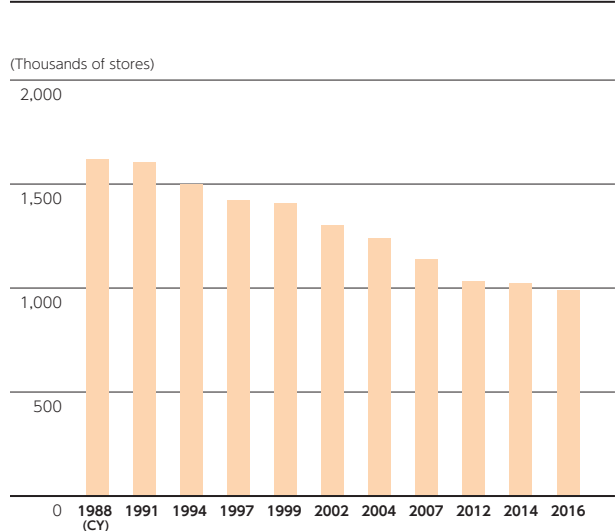
Note: The figures after 2020 are estimates.
Source: Statistical Handbook of the World (Ministry of Internal Affairs and Communications)

THE NUMBER OF FEMALE WORKERS AND THEIR EMPLOYMENT RATE



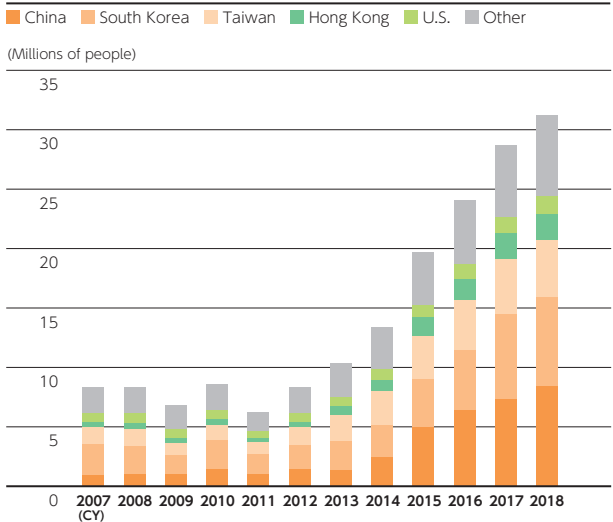
Source: Labour Force Survey (Ministry of Internal Affairs and Communications)

TREND IN THE NUMBER OF RETAIL STORES



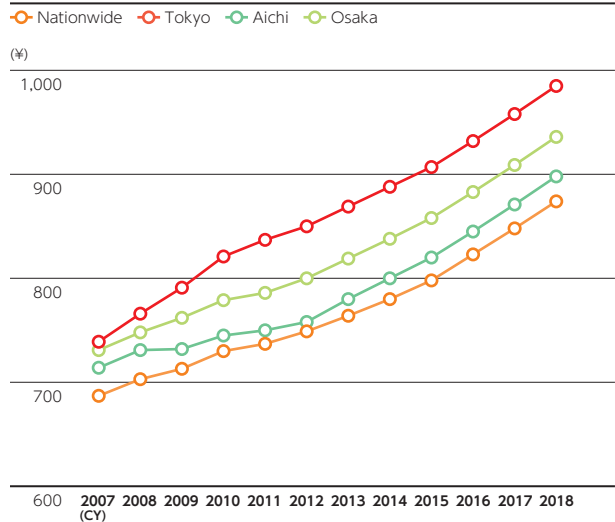
Sources: The Census of Commerce (Ministry of Economy, Trade and Industry) <until 2007> and Economic Census (Ministry of Economy, Trade and Industry; Ministry of Internal Affairs and Communications) <from 2012>

THE NUMBER OF FOREIGN TOURISTS



Source: Japan National Tourism Organization

MINIMUM WAGE NATIONWIDE AND IN THREE MAIN URBAN CENTERS

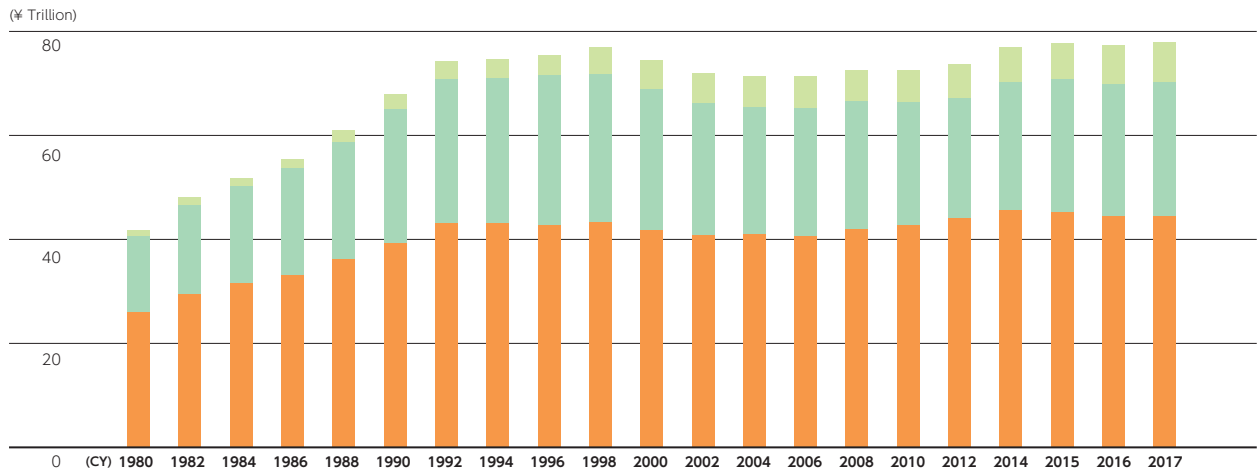


Note: National weighted average
Source: Revised List of Regional Minimum Wages (Ministry of Health, Labour and Welfare)

Environment of the Retail Industry

TRENDS IN THE SCALE OF THE FOOD MARKET

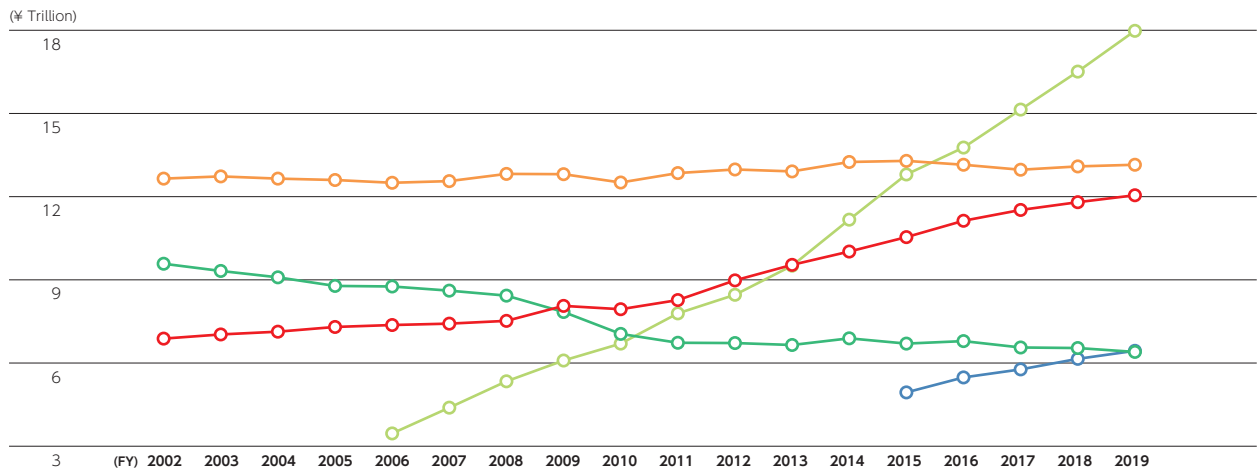
Food and beverages Food-service industry Takeout meals



Sources: Current Survey of Commerce (Ministry of Economy, Trade and Industry) and Trends in the Scale of the Food Market (Foodservice Industry Research Institute)

TRENDS IN NET SALES AT MAJOR STORE FORMATS

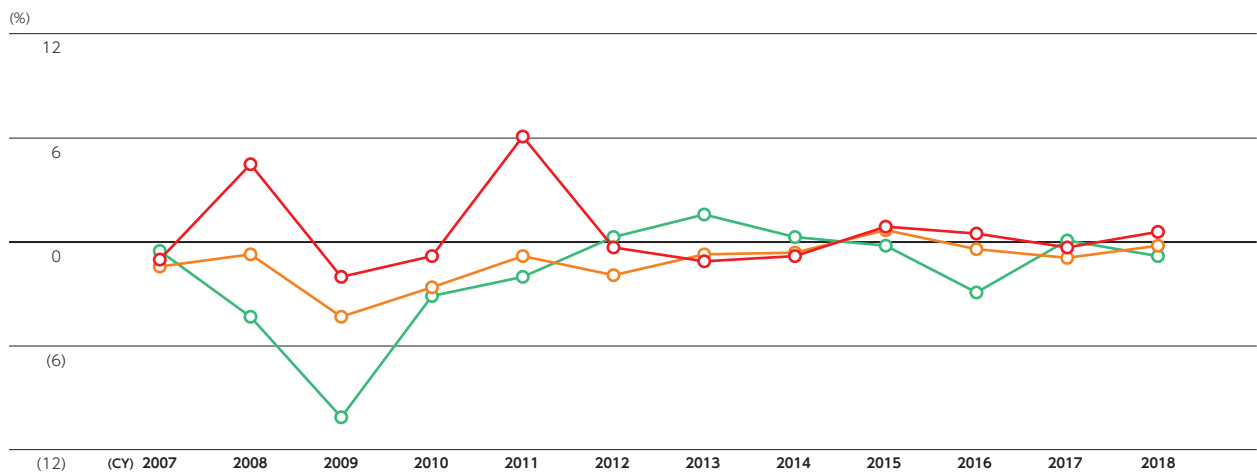
Convenience stores Supermarkets Department stores Drugstores E-commerce (B to C)



Source: Current Survey of Commerce and E-Commerce Market Survey (Ministry of Economy, Trade and Industry)

YEAR-ON-YEAR COMPARISON OF GROWTH IN EXISTING-STORE SALES AT MAJOR STORE FORMATS

Convenience stores Supermarkets Department stores



Sources: Flash Report on Department Store Sales (Japan Department Stores Association); Chain Store Sales (Japan Chain Stores Association); and Annual Statistics on Convenience Store Trends (Japan Franchise Association)

Retail Environment in Japan

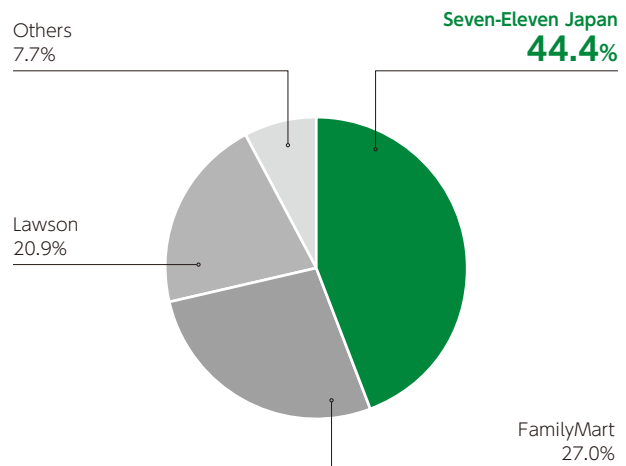
Major Group Companies' Market Share in Japan (Nonconsolidated)

AMONG TOP THREE FOR TOTAL STORE SALES AT CONVENIENCE STORES

	FY2019 (¥ Billion)	Share (%)
Convenience stores total market*1	11,035.0	100.0
1 Seven-Eleven Japan	4,898.8	44.4
2 FamilyMart	2,982.8	27.0
3 Lawson*2	2,301.0	20.9
Others	852.3	7.7
Top three combined	10,182.7	92.3

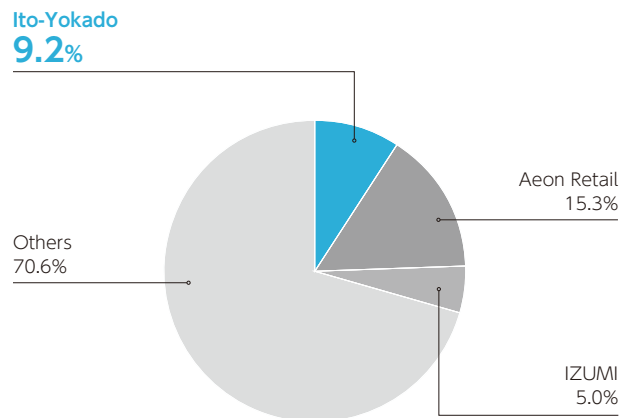
*1 Figures for convenience stores and chain stores are sums of sales from March 2018 to February 2019, according to the Japan Franchise Association's Convenience Store Statistics Investigation Monthly Report.

*2 Total store sales of Lawson represent the respective sums of the nonconsolidated total store sales and the total store sales of their domestic convenience store subsidiaries.



AMONG TOP THREE FOR NET SALES AT SUPERSTORES

	FY2019 (¥ Billion)	Share (%)
Superstores total market	13,151.8	100.0
1 Aeon Retail	2,011.6	15.3
2 Ito-Yokado	1,205.7	9.2
3 IZUMI	655.3	5.0
Others	9,279.1	70.6
Top three combined	3,872.6	29.4
<Reference>		
York-Benimaru	437.2	3.3
York Mart	144.9	1.1

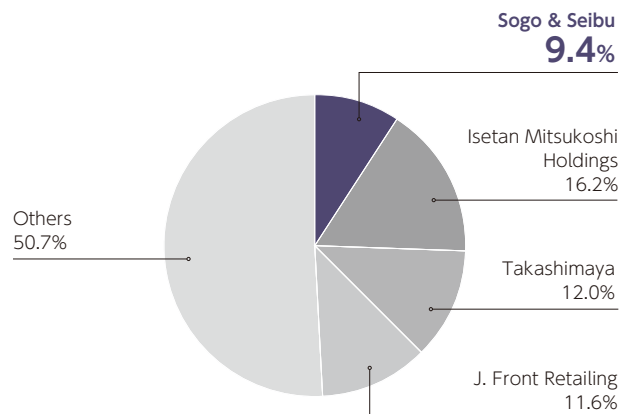


AMONG TOP FOUR FOR NET SALES AT DEPARTMENT STORES

	FY2019 (¥ Billion)	Share (%)
Department stores total market	6,396.4	100.0
1 Isetan Mitsukoshi Holdings*1	1,036.7	16.2
2 Takashimaya*1	768.4	12.0
3 J. Front Retailing*2	743.3	11.6
4 Sogo & Seibu	604.3	9.4
Others	3,243.4	50.7
Top four combined	3,152.9	49.3

*1 Net sales of Isetan Mitsukoshi and Takashimaya represent simplified sums of their subsidiaries of domestic department stores.

*2 Net sales of J. Front Retailing represent total sales for the department store business.



Sources: Published material from the Current Survey of Commerce (Ministry of Economy, Trade and Industry), Convenience Store Statistics Investigation Monthly Report (Japan Franchise Association) and materials disclosed by individual companies