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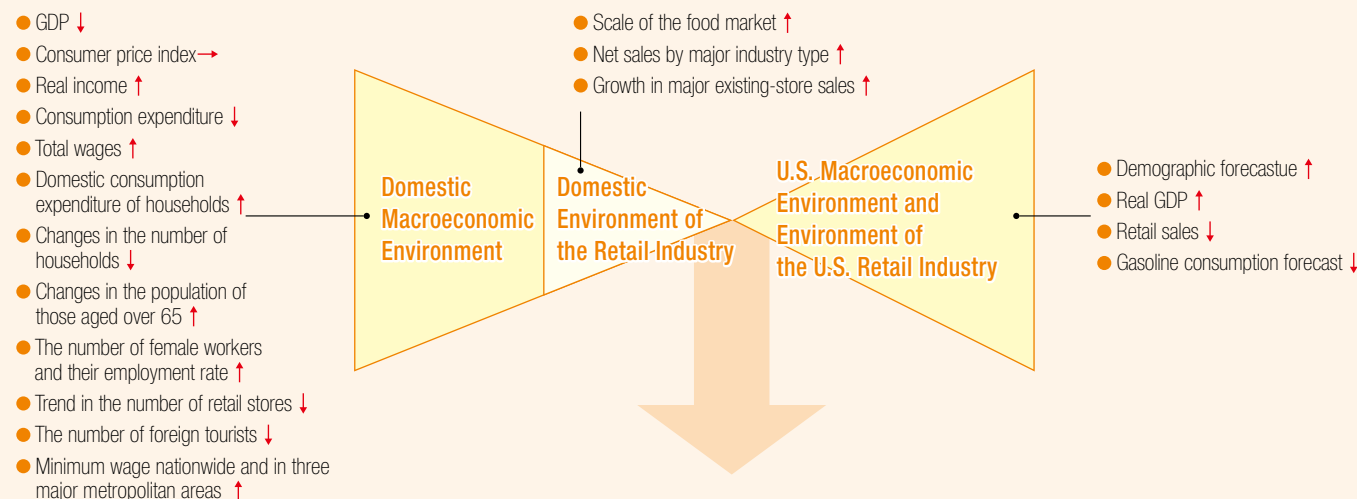
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Key Messages in This Chapter



Our Market Share in Japan

Convenience stores

- 1 Seven-Eleven Japan
- 2 FamilyMart
- 3 Lawson

Superstores

- 1 Aeon Retail
- 2 Ito-Yokado
- 3 Seiyu GK.
- 4 LIFE Corporation

Department stores

- 1 Isetan Mitsukoshi Holdings
- 2 Takashimaya
- 3 J. Front Retailing
- 4 Sogo & Seibu

Ranking of Retailers — Worldwide

Sales

- 1 Walmart
- 2 Amazon.com
- 3 Costco Wholesale
- 18 Seven & i Holdings

Market Capitalization

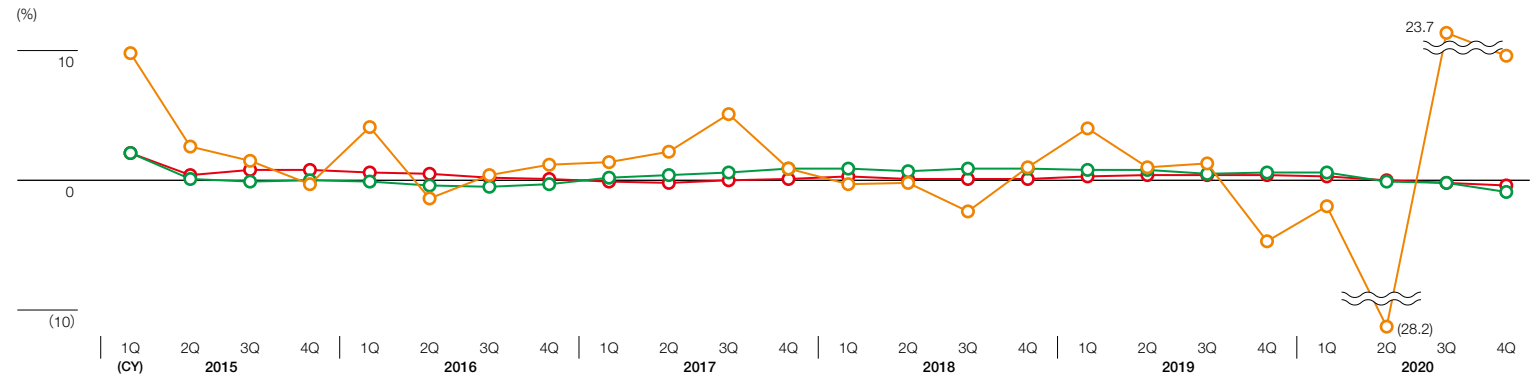
- 1 Amazon.com
- 2 Alibaba Group Holding
- 3 Walmart
- 23 Seven & i Holdings

Domestic Macroeconomic Environment

Year-on-year comparison of economic indices over four quarters

- GDP (nominal)
- Consumer price index, All items excluding fresh food
- Consumer price index, All items excluding food (less alcoholic beverages) and energy

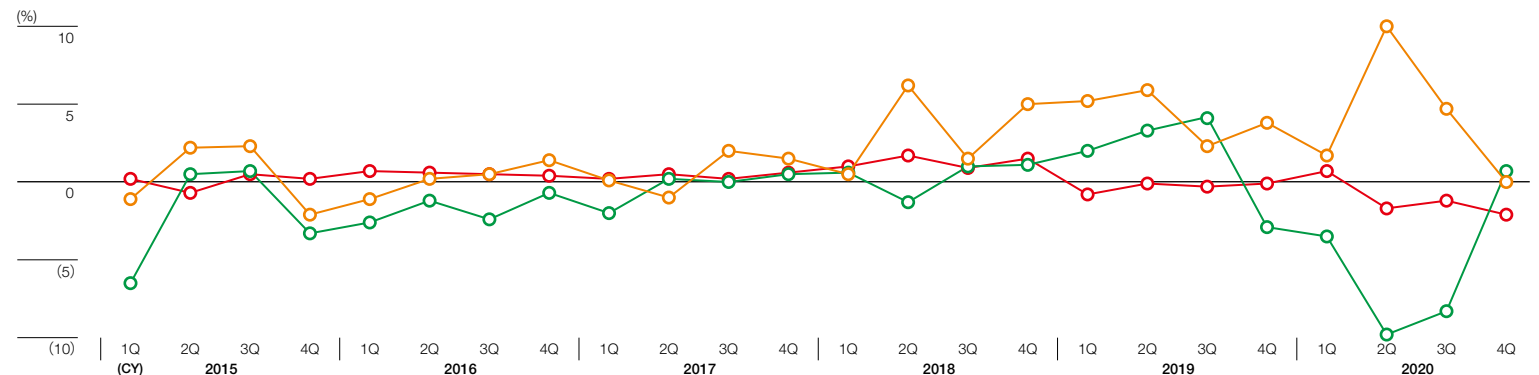
Sources: National Accounts (Economic and Social Research Institute, Cabinet Office) and Consumer Price Index (Ministry of Internal Affairs and Communications)



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

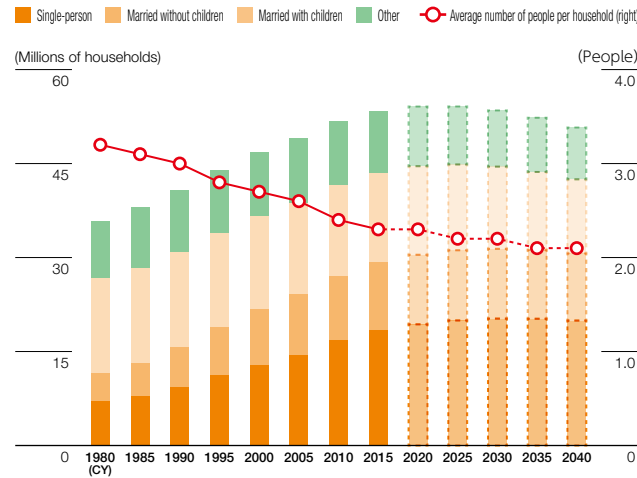
- Food, beverages and cigarettes
- Clothing and footwear
- Furniture and household appliances
- Education, cultural services and entertainment
- Housing and utilities
- Medical care and health expenses
- Transport and communications
- Eating out and accommodation
- Others

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

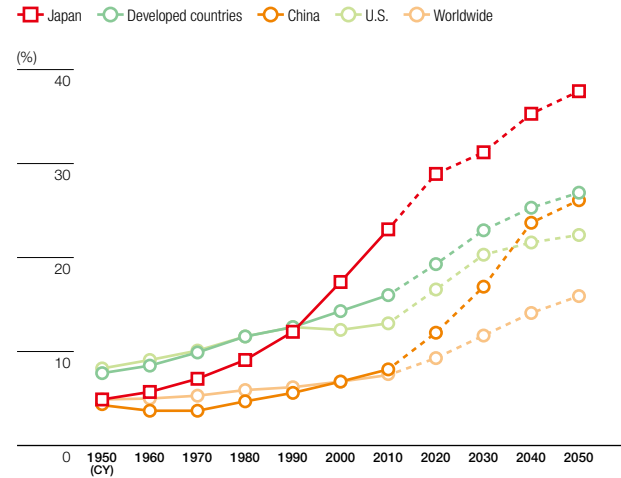


Domestic Macroeconomic Environment

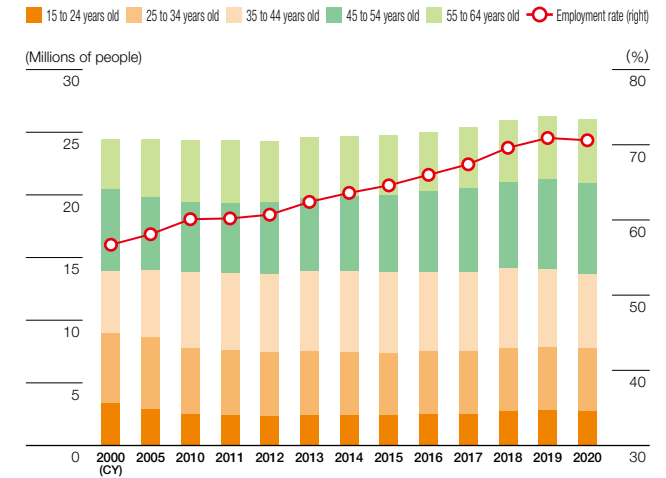
Changes in the number of households



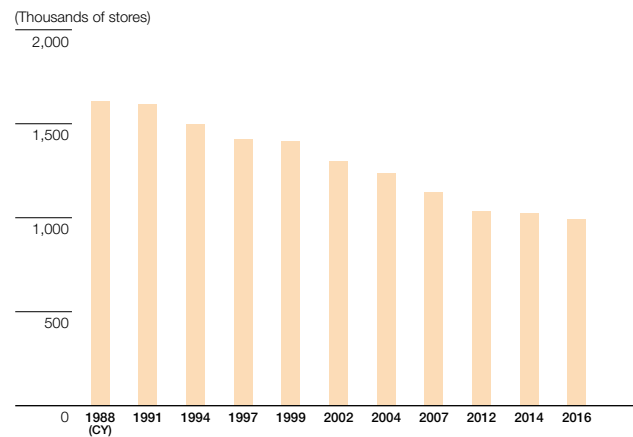
Changes in the population of those aged over 65



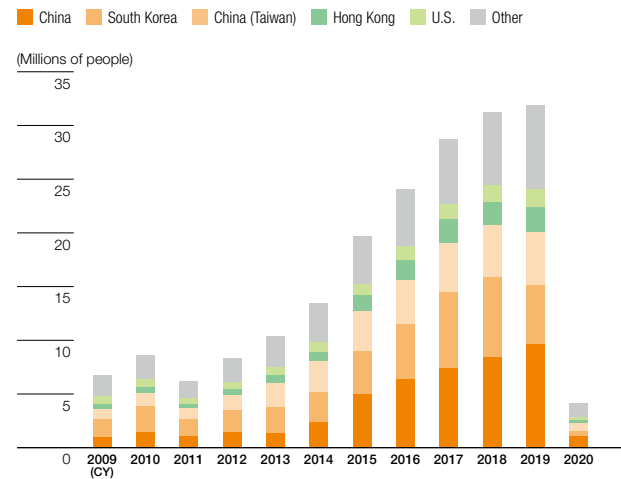
The number of female workers and their employment rate



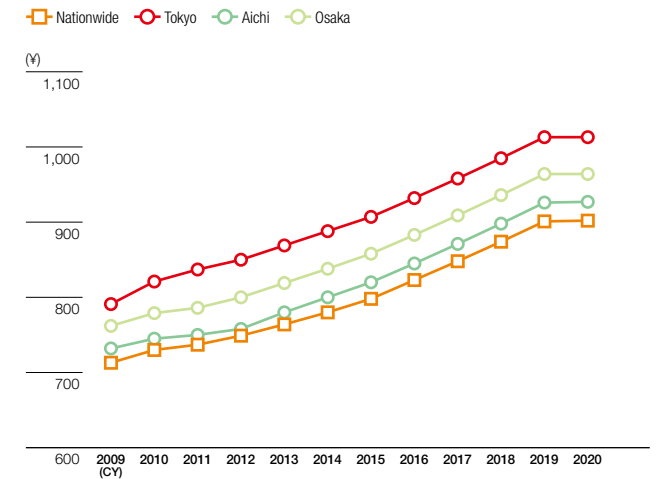
Trend in the number of retail stores



The number of foreign tourists



Minimum wage nationwide and in three main urban centers

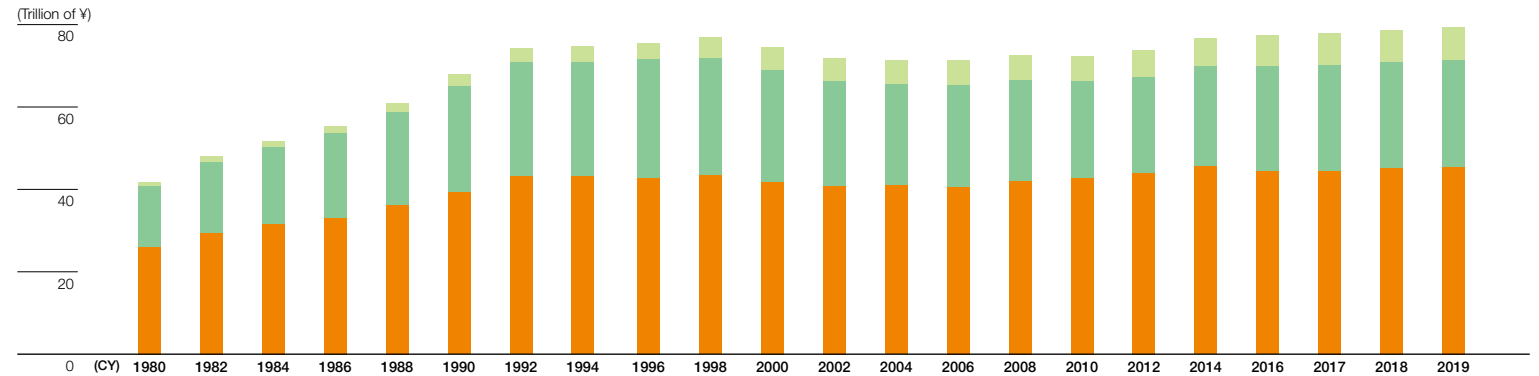


Domestic Environment of the Retail Industry

Trends in the scale of the food market

- Food and beverages
- Food-service industry
- Takeout meals

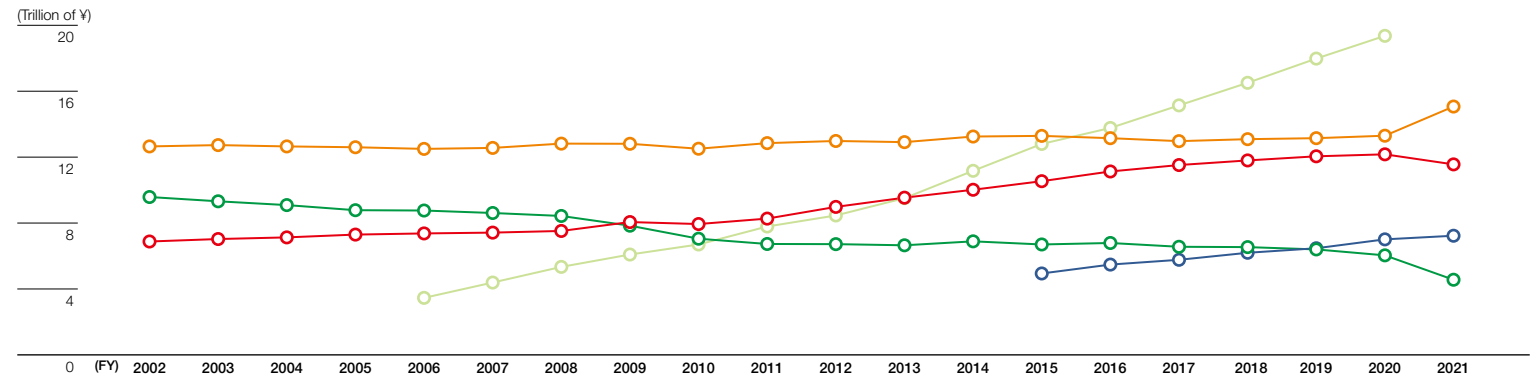
Sources: Current Survey of Commerce (Ministry of Economy, Trade and Industry) and Trends in the Scale of the Food Market (Foodservice Industry Research Institute)



Trends in net sales at major store formats

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

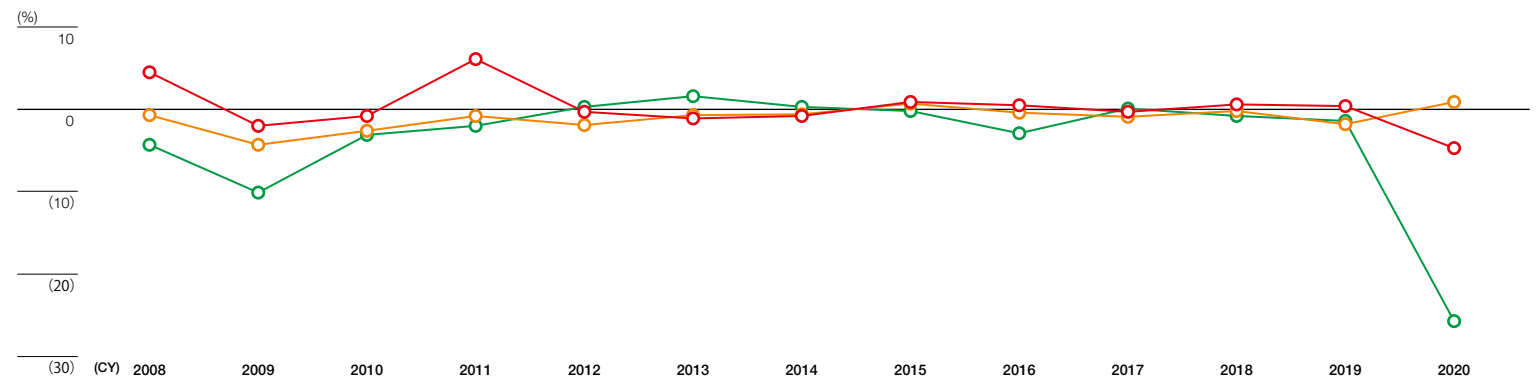
Source: Current Survey of Commerce and E-Commerce Market Survey (Ministry of Economy, Trade and Industry)



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)



U.S. Macroeconomic Environment and Environment of the U.S. Retail Industry

Demographic forecast



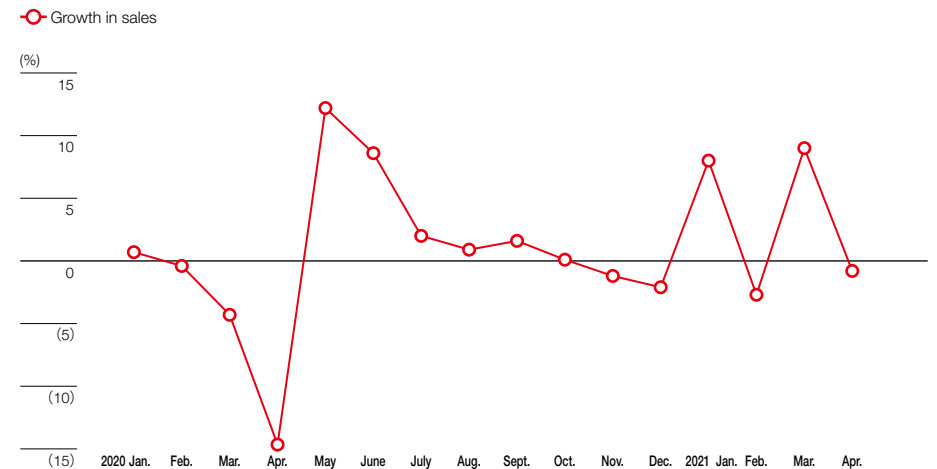
Note: The figures after 2025 are estimates.
Sources: U.S. Census Bureau

Real GDP



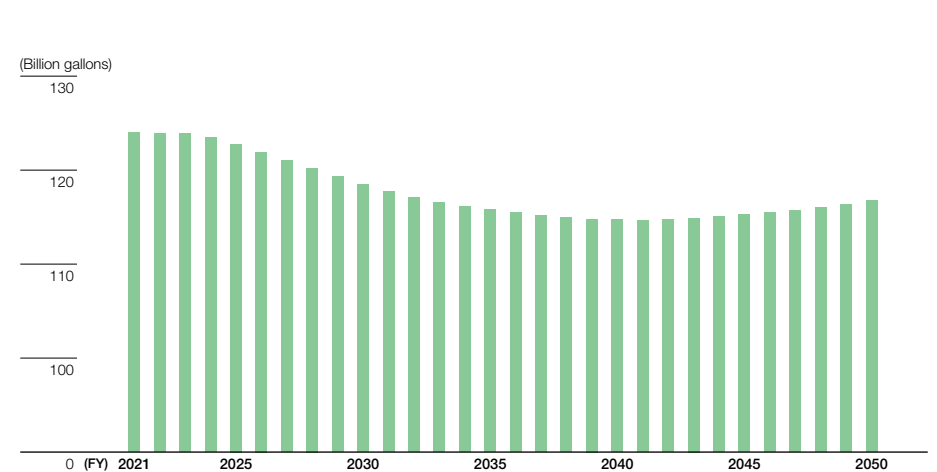
Note: The figures after 2025 are estimates.
Sources: Organisation for Economic Co-operation and Development

Growth in retail sales (excluding automobiles, seasonally adjusted)



Sources: U.S. Internal Revenue Service

Gasoline consumption forecast



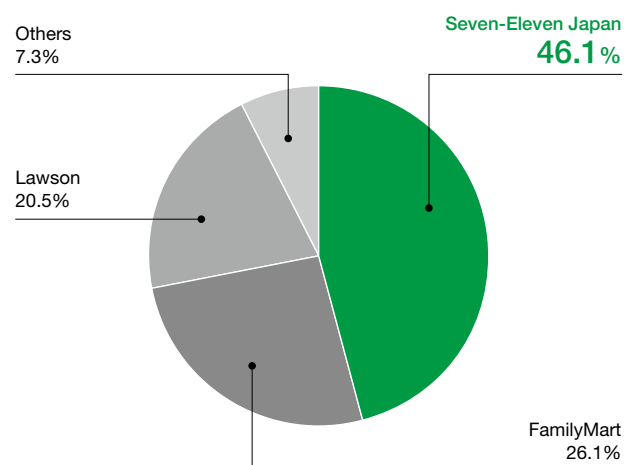
Sources: U.S. Energy Information Administration

Major Group Companies' Market Share in Japan (Nonconsolidated)

Among top three for total store sales at convenience stores

	FY2021 (Billion of ¥)	Share (%)
Convenience stores total market*	10,573.5	100.0
1 Seven-Eleven Japan	4,870.6	46.1
2 FamilyMart	2,764.3	26.1
3 Lawson	2,165.8	20.5
Others	772.7	7.3
Top three combined	9,800.7	92.7

* The figure for convenience stores total market is sum of sales from March 2020 to February 2021, according to the Japan Franchise Association's Convenience Store Statistics Investigation Monthly Report.



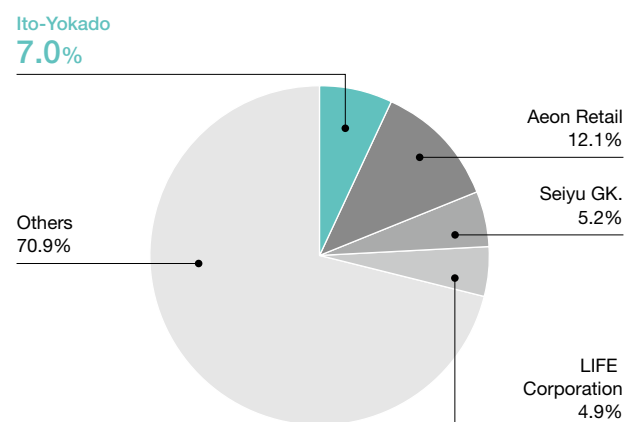
Among top four for net sales at superstores

	FY2021 (Billion of ¥)	Share (%)
Superstores total market	15,068.8	100.0
1 Aeon Retail	1,816.1	12.1
2 Ito-Yokado	1,053.2	7.0
3 Seiyu GK.*	785.0	5.2
4 LIFE Corporation	736.3	4.9
Others	10,678.1	70.9
Top four combined	4,390.7	29.1

<Reference>

York-Benimaru	469.0	3.1
York Mart	182.2	1.2

* Net sales as announced in the press release of March 1, 2021.

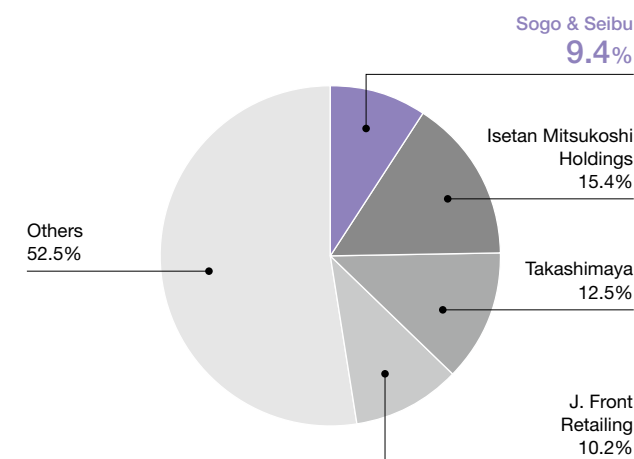


Among top four for net sales at department stores

	FY2021 (Billion of ¥)	Share (%)
Department stores total market	4,561.2	100.0
1 Isetan Mitsukoshi Holdings*1	700.9	15.4
2 Takashimaya*1	568.7	12.5
3 J. Front Retailing*2	467.2	10.2
4 Sogo & Seibu	430.6	9.4
Others	2,393.6	52.5
Top four combined	2,167.5	47.5

*1 Net sales of Isetan Mitsukoshi Holdings 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.



Global Retail Industry—Sales Ranking

Sales Ranking of Retailers—Worldwide in FY2020

FY2020	FY2019	Company	Country	Net sales		CAGR (%)	Amount of sales (%)	Net profit margin (%)
				(U.S.\$ Million)	(Billion of ¥)			
1	1	WalMart	U.S.	523,964	57,112.1	1.5	1.9	2.9
2	3	Amazon.com	U.S.	158,439	17,269.9	17.7	13.0	4.1
3	2	Costco Wholesale	U.S.	152,703	16,644.6	6.3	7.9	2.4
4	4	Schwarz	Germany	126,124	13,747.5	7.4	8.6	–
5	5	Kroger	U.S.	121,539	13,247.8	2.3	1.0	1.2
6	6	Walgreen	U.S.	115,994	12,643.3	8.7	4.8	2.9
7	7	Home Depot	U.S.	110,225	12,014.5	5.8	1.9	10.2
8	8	Aldi	Germany	106,326	11,589.5	6.4	5.6	–
9	9	CVS Health	U.S.	86,608	9,440.3	5.0	3.1	–
10	10	Tesco	U.K.	81,347	8,866.8	0.8	1.4	1.5
11	11	Target	U.S.	77,130	8,407.2	1.2	3.6	4.2
12	12	Ahold Delhaize	Netherlands	74,160	8,083.4	15.1	5.5	2.7
13	15	JD.com	China	73,909	8,056.1	36.3	22.7	2.1
14	13	AEON	Japan	72,711	8,604.2	3.7	0.5	0.9
15	14	Lowe's	U.S.	72,148	7,864.1	5.1	1.2	5.9
16	17	Albertsons	U.S.	62,455	6,807.6	18.1	3.2	0.7
17	16	Edeka	Germany	61,221	6,673.1	3.6	4.0	–
18	19	Seven & i Holdings	Japan	58,552 Group's total sales*110,069	6,644.3 Group's total sales*11,997.6	2.0	(2.2)	3.5
19	20	Rewe	Germany	55,772	6,079.1	5.3	4.2	0.9
20	18	Auchan	France	51,264	5,587.8	(2.6)	(8.9)	–
21	23	Best Buy	U.S.	43,638	4,756.5	1.6	1.8	3.5
22	21	E. Leclerc	France	42,426	4,624.4	1.2	2.9	–
23	27	LVMH	France	41,810	4,557.3	13.8	16.4	14.5
24	24	Woolworths	Australia	41,778	4,553.8	1.0	6.9	1.9
25	26	The TJX Companies	U.S.	41,717	4,547.2	7.5	7.0	7.8
26	25	IKEA	Netherlands	41,580	4,532.2	5.0	5.5	4.7
27	22	Casino	France	38,775	4,226.5	(6.5)	(5.4)	–
28	30	Publix	U.S.	38,463	4,192.5	4.5	5.7	7.8
29	32	Suning.com	China	36,707	4,001.1	18.8	9.0	3.5
30	28	J Sainsbury	U.K.	36,303	3,957.0	3.9	(0.1)	0.5

Notes: 1. CAGR is the compound annual growth rate over a five-year period.

2. CAGR is calculated on a local currency basis in each country.

3. Exchange rate: U.S.\$1=¥109, except for yen-based figures for Japanese companies which are based on public information

* Group's total sales include the sales of Seven-Eleven Japan and Seven-Eleven Okinawa and 7-Eleven, Inc. franchisees.

Source: Global Powers of Retailing 2021 (Deloitte Touche Tohmatsu Limited)

Global Retail Industry—Market Capitalization Ranking

Ranking by Market Capitalization of Retailers—Worldwide (As of April 30, 2021)

	Company	Country	Market capitalization		ROE (%)	EPS (U.S.\$)	PER (Times)	PBR (Times)
			(U.S.\$ Million)	(Billion of ¥)				
1	Amazon.com	U.S.	1,747,984	191,045.9	27.4	42.31	81.95	18.71
2	Alibaba Group Holding	China	628,313	68,671.5	23.9	0.99	29.14	5.91
3	Walmart	U.S.	393,634	43,022.3	17.4	4.80	29.14	4.86
4	Home Depot	U.S.	348,018	38,036.6	14061.2	11.97	27.05	105.49
5	Pinduoduo	China	167,853	18,345.5	(16.3)	(0.83)	–	18.24
6	Costco Wholesale	U.S.	164,662	17,996.8	23.9	9.04	41.15	9.01
7	Lowe's	U.S.	140,746	15,382.9	340.9	8.10	24.22	97.94
8	Shopify	Canada	133,359	14,575.4	6.8	2.83	417.39	20.83
9	JD.com	China	103,620	11,325.2	35.4	5.34	14.48	3.61
10	Target	U.S.	103,127	11,271.2	33.3	8.78	23.61	7.14
11	CVS Health	U.S.	100,276	10,959.7	10.8	5.47	13.97	1.45
12	Fast Retailing	Japan	87,058	9,515.0	9.5	7.79	105.31	9.95
13	The TJX Company	U.S.	85,624	9,358.3	1.5	0.08	946.43	14.68
14	Wal-Mart de Mexico	Mexico	57,393	6,272.7	19.8	0.09	34.63	6.85
15	Dollar General	U.S.	51,382	5,615.8	39.7	11.10	19.35	7.71
16	Wesfarmers	Australia	47,391	5,179.6	17.6	1.16	36.15	6.57
17	Ross Stores	U.S.	46,695	5,103.5	2.6	0.24	546.89	14.19
18	Walgreen	U.S.	45,899	5,016.6	2.1	0.53	100.66	2.22
19	Lululemon Athletica	Canada	41,952	4,585.1	26.1	4.71	71.24	16.40
20	20 Delivery Hero SE	Germany	39,584	4,326.4	(92.5)	(6.79)	–	28.23
21	O'Reilly	U.S.	38,816	4,242.4	651.9	24.96	22.15	276.75
22	Woolworths	Australia	38,482	4,205.9	12.2	0.71	42.76	5.70
23	Seven & i Holdings	Japan	38,108	4,165.0	6.8	1.85	23.24	1.56
24	Jardine Strategic Holdings	Bermuda	36,467	3,985.6	(2.4)	(0.78)	–	1.04
25	Hennes & Mauritz	Sweden	36,069	3,942.1	2.2	0.10	245.36	5.58
26	AutoZone	U.S.	32,264	3,526.3	(133.7)	78.64	18.62	–
27	CK Hutchison Holdings	Hong Kong	31,625	3,456.5	6.1	0.97	8.43	0.50
28	Best Buy	U.S.	29,073	3,177.5	44.6	7.19	16.17	6.34
29	Royal Ahold Delhaize	Netherlands	28,186	3,080.5	10.5	1.61	16.76	1.88
30	Alimentation Couche-Tard	Canada	28,082	3,069.3	24.2	3.08	10.98	2.47

Note: Exchange rate (as of April 30, 2021): U.S.\$1=¥109.29
Source: FactSet