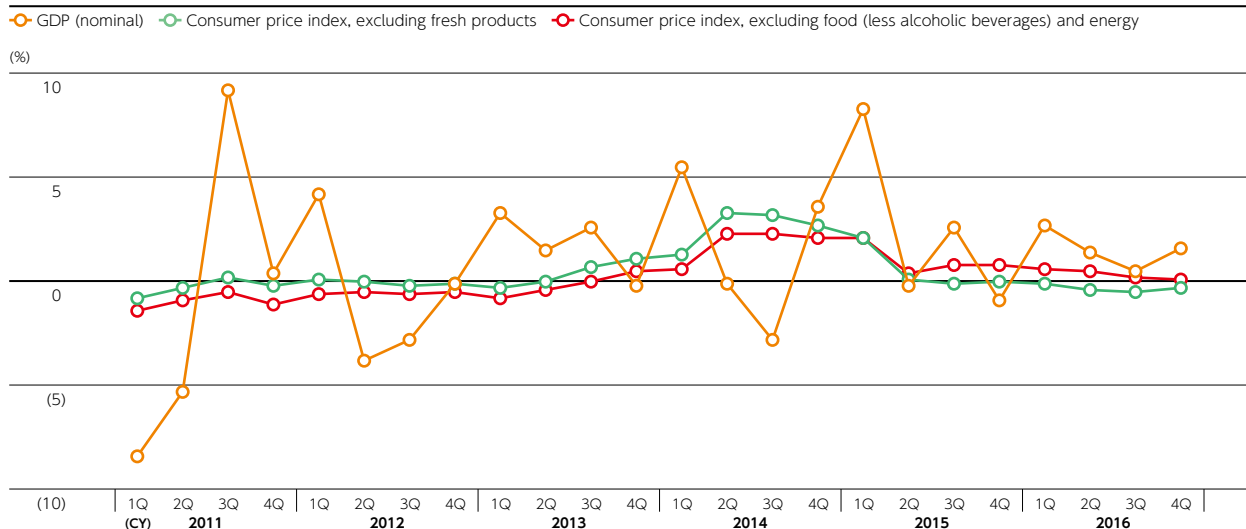


# Retail Environment in Japan

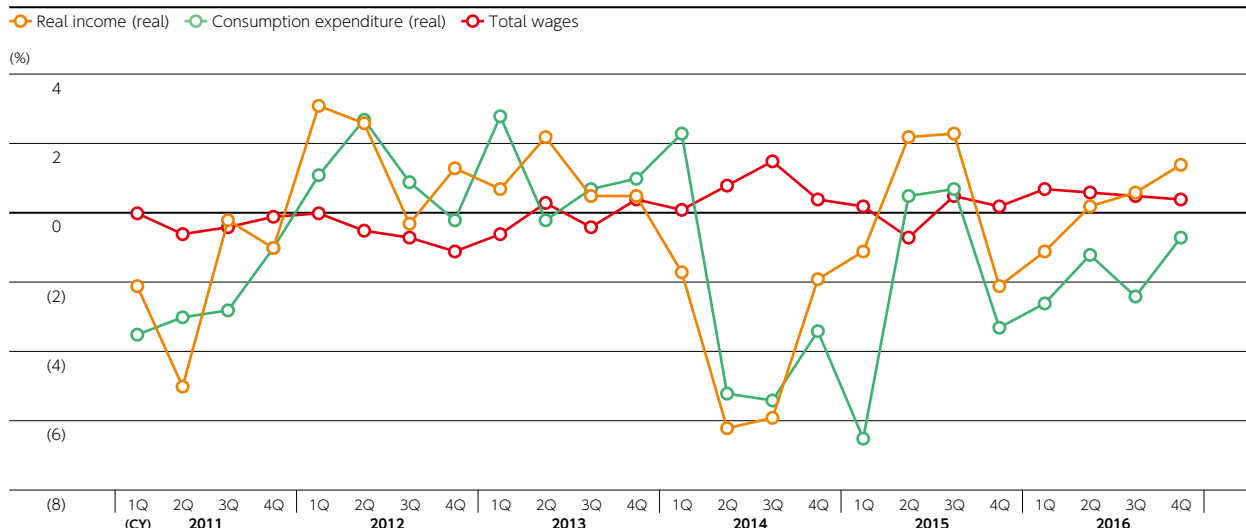
## Macroeconomic Environment

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



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



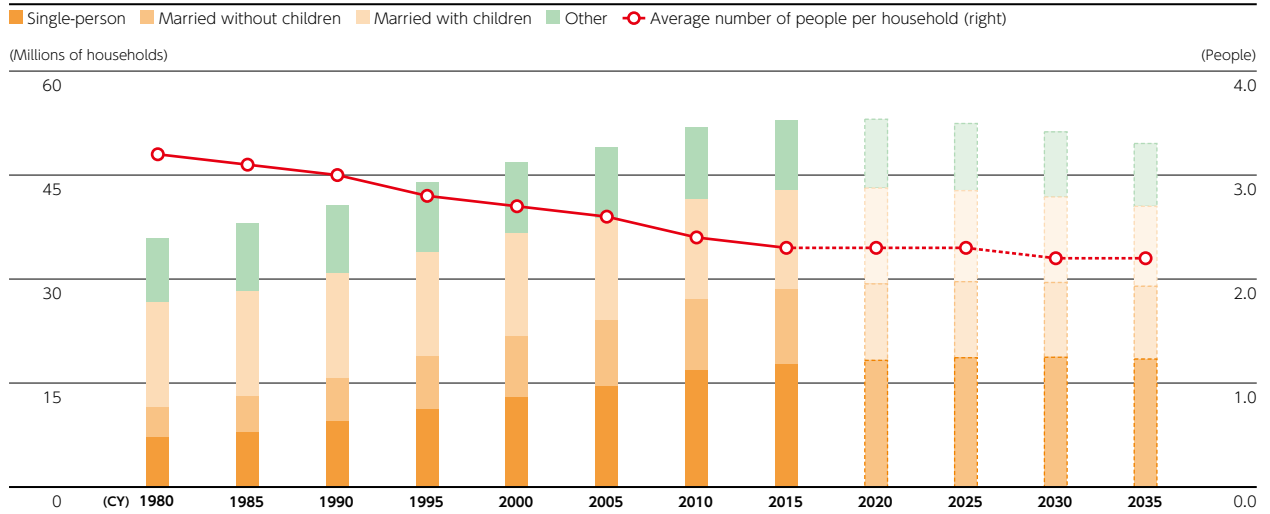
Sources: Family Income and Expenditure Survey (Ministry of Internal Affairs and Communications) and Monthly Labour Survey (Ministry of Health, Labour and Welfare)

### DOMESTIC FINAL CONSUMPTION EXPENDITURE OF HOUSEHOLDS



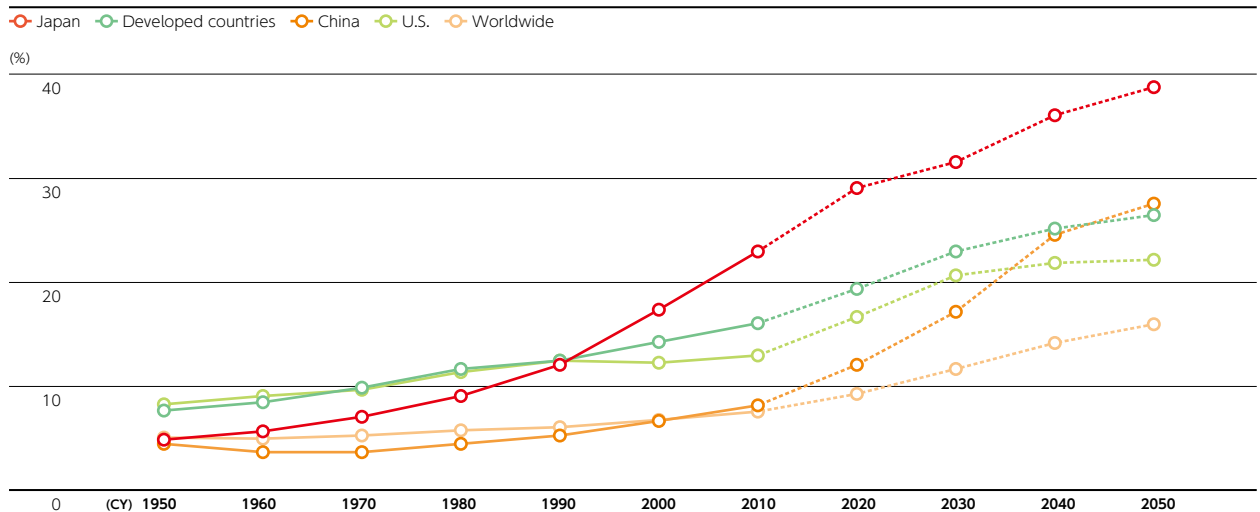
Note: The figures before 2000 are based on an old standard.  
Source: National Accounts (Economic and Social Research Institute, Cabinet Office)

### CHANGES IN THE NUMBER OF HOUSEHOLDS



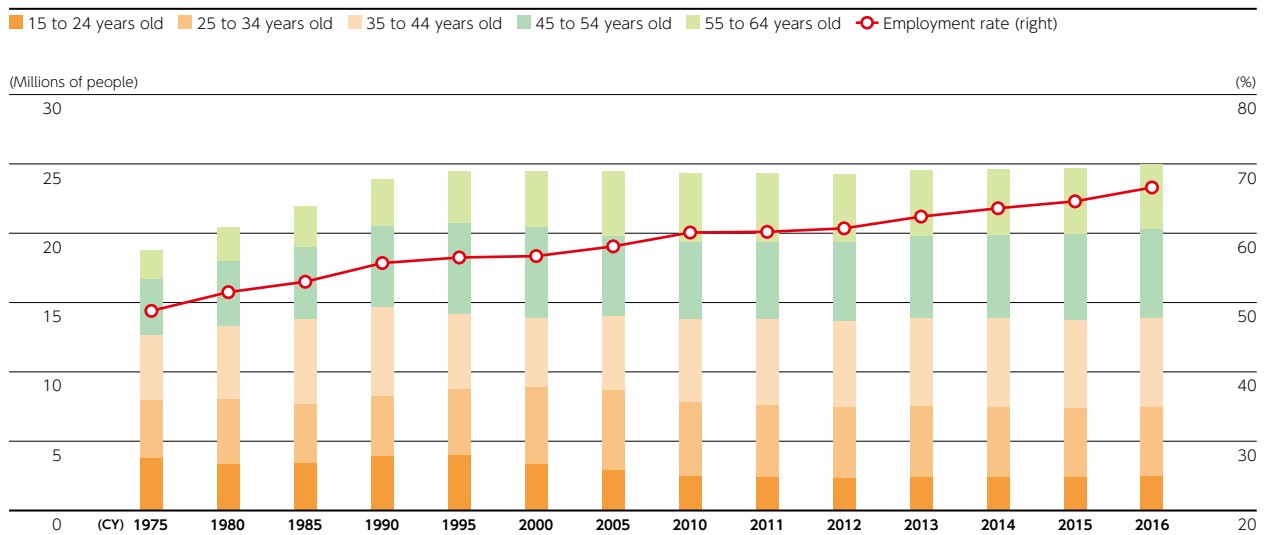
Source: National Institute of Population and Social Security Research

### CHANGES IN THE POPULATION OF THOSE AGED OVER 65



Source: Statistical Handbook of the World (Ministry of Internal Affairs and Communications)

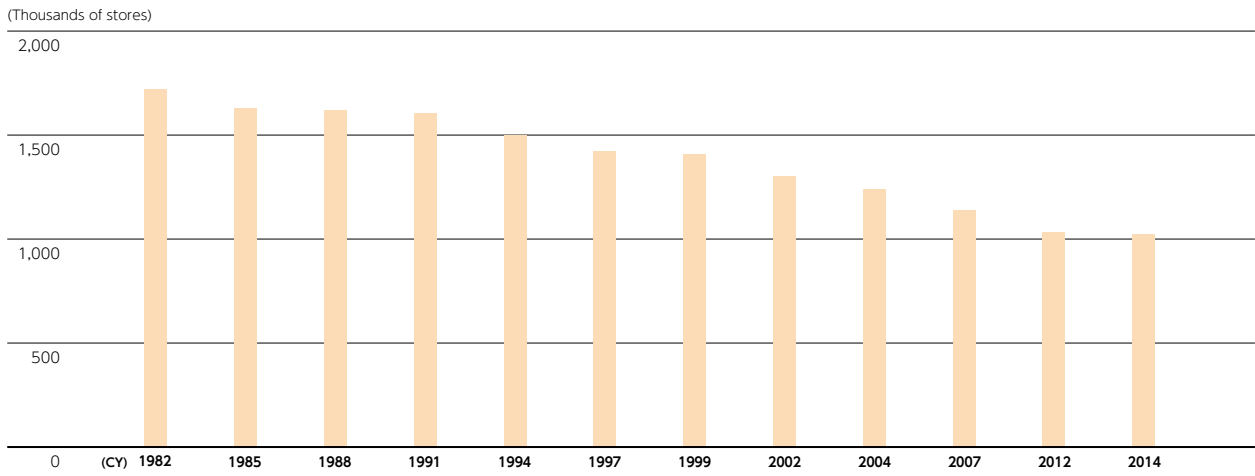
### THE NUMBER OF FEMALE WORKERS AND THEIR EMPLOYMENT RATE



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

## Macroeconomic Environment

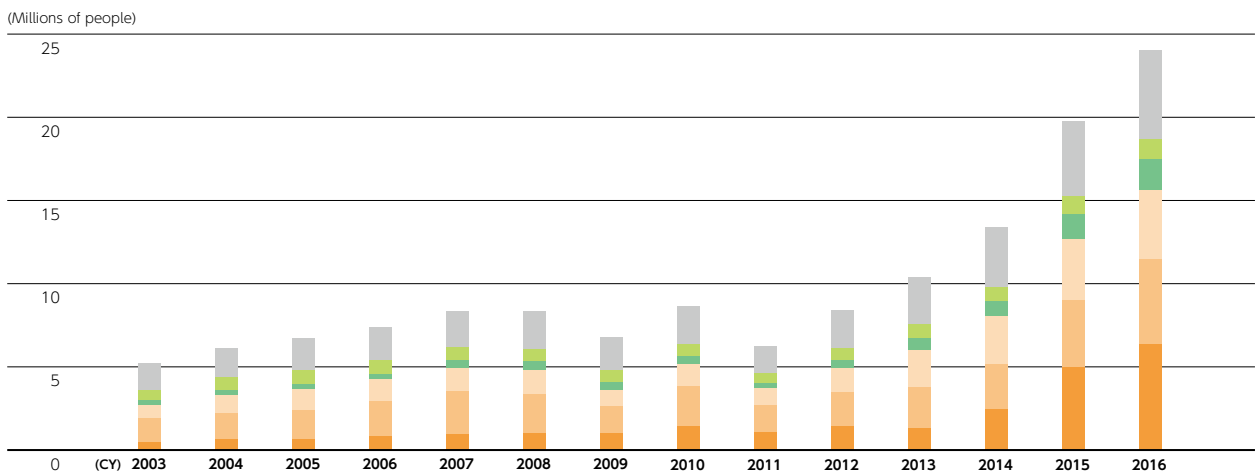
### TREND IN THE NUMBER OF RETAIL STORES



Source: The Census of Commerce

### THE NUMBER OF FOREIGN TOURISTS

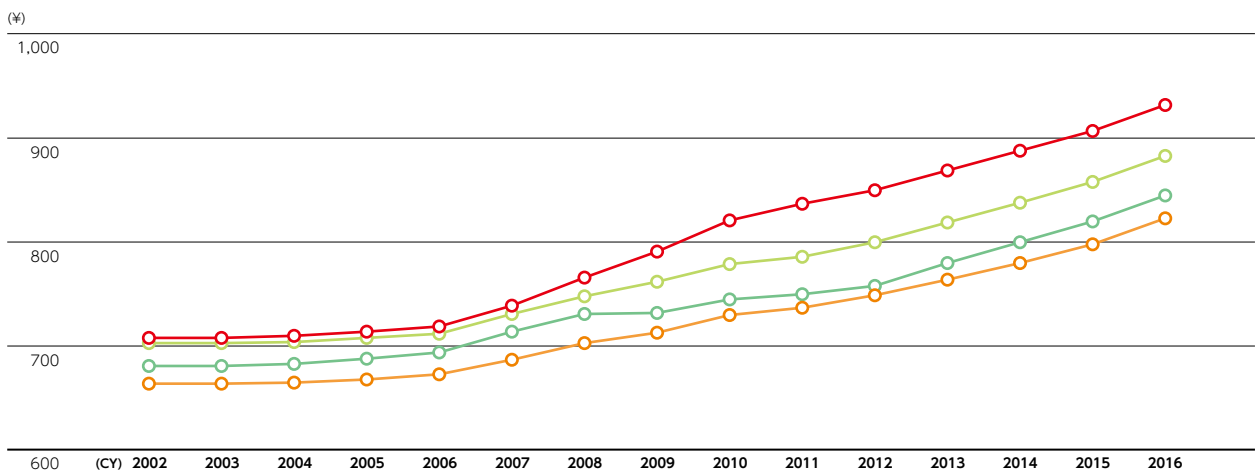
China South Korea Taiwan Hong Kong U.S. Other



Source: Japan National Tourism Organization

### MINIMUM WAGE NATIONWIDE AND IN THREE MAIN URBAN CENTERS

Nationwide Tokyo Aichi Osaka



Note: National weighted average

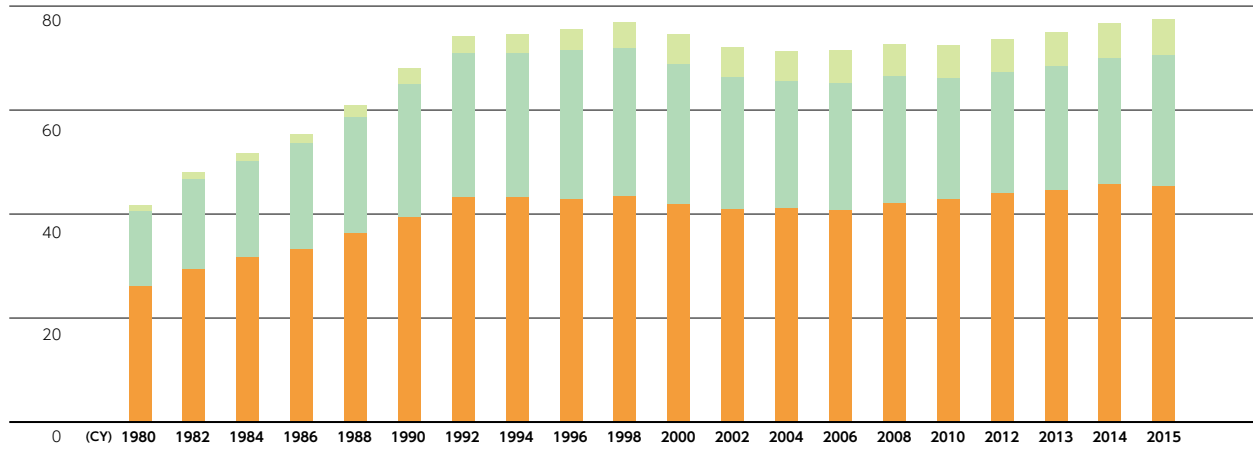
Source: Ministry of Health, Labour and Welfare

## Environment of the Retail Industry

### TRENDS IN THE SCALE OF THE FOOD MARKET

Food and beverages Food-service industry Takeout meals

(¥ Trillion)

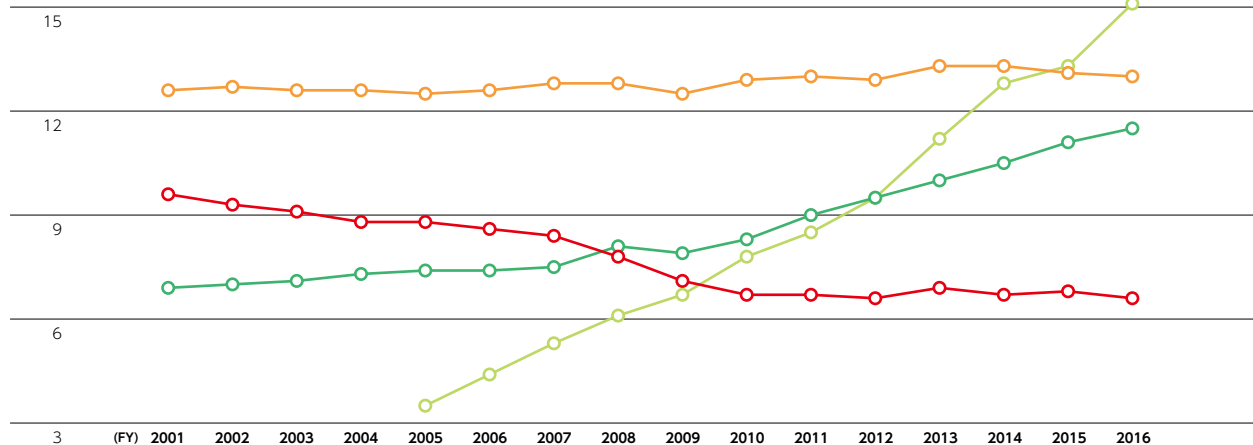


Sources: Current Survey of Commerce (Ministry of Economy, Trade and Industry) and the Foodservice Industry Research Institute

### TREND IN NET SALES AT MAJOR STORE FORMATS

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

(¥ Trillion)

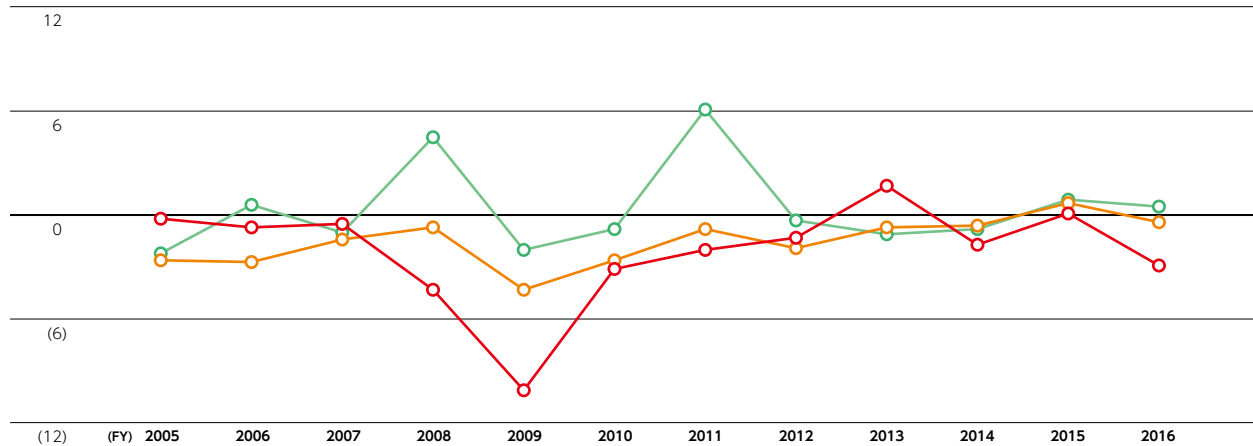


Source: Current Survey of Commerce, E-Commerce Market Survey (Ministry of Economy, Trade and Industry)

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

Department stores Supermarkets Convenience stores

(%)



Sources: Japan Department Stores Association, Japan Chain Stores Association and Japan Franchise Association

# Major Group Companies' Market Share in Japan (Nonconsolidated)

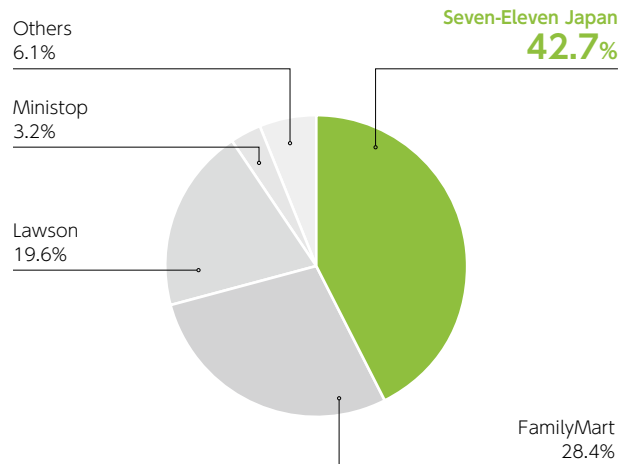
## AMONG TOP FOUR FOR TOTAL STORE SALES AT CONVENIENCE STORES

	FY2017 (¥ Billion)	Share (%)
Convenience stores total market*1	10,586.3	100.0
1 Seven-Eleven Japan	4,515.6	42.7
2 FamilyMart*2	3,009.3	28.4
3 Lawson*3	2,070.8	19.6
4 Ministop	340.4	3.2
Others	650.0	6.1
Top four combined	9,936.2	93.9

\*1 Figures for convenience stores and chain stores are sums of sales from March 2016 to February 2017, according to the Japan Franchise Association's Convenience Store Statistics Investigation Monthly Report.

\*2 Total store sales of FamilyMart are a sum of the nonconsolidated first half results for the former FamilyMart and Circle K Sunkus before management integration and FamilyMart results following management integration.

\*3 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.



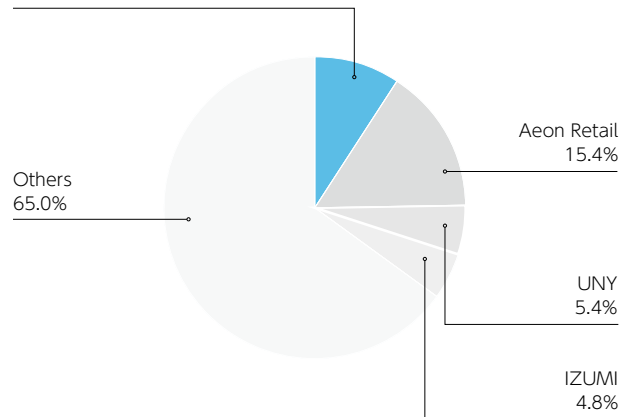
## AMONG TOP FOUR FOR NET SALES AT SUPERSTORES

	FY2017 (¥ Billion)	Share (%)
Superstores total market	12,965.2	100.0
1 Aeon Retail	2,006.2	15.4
2 Ito-Yokado	1,219.2	9.4
3 UNY	699.8	5.4
4 IZUMI	618.6	4.8
Others	8,421.3	65.0
Top four combined	4,543.9	35.0

<Reference>

York-Benimaru	418.7	3.2
York Mart	141.6	1.1

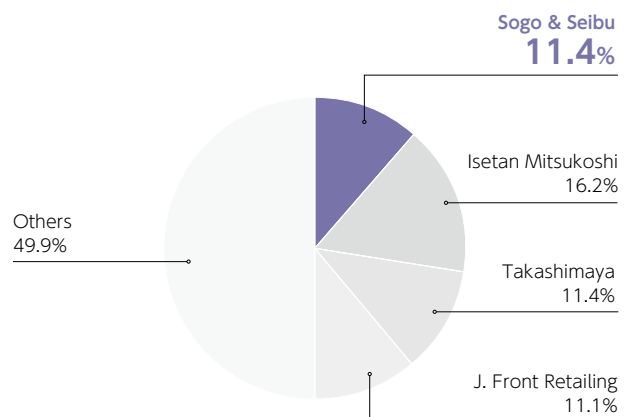
## Ito-Yokado 9.4%



## AMONG TOP FOUR FOR NET SALES AT DEPARTMENT STORES

	FY2017 (¥ Billion)	Share (%)
Department stores total market	6,561.0	100.0
1 Isetan Mitsukoshi	1,065.1	16.2
2 Sogo & Seibu	747.9	11.4
3 Takashimaya	745.1	11.4
4 J. Front Retailing	727.9	11.1
Others	3,274.8	49.9
Top four combined	3,286.2	50.1

Note: Net sales of Isetan Mitsukoshi, J. Front Retailing and Takashimaya represent simplified sums of their subsidiaries of domestic department stores.



Sources: Published material from the Current Survey of Commerce (Ministry of Economy, Trade and Industry) and the Japan Franchise Association's Convenience Store Statistics Investigation Monthly Report