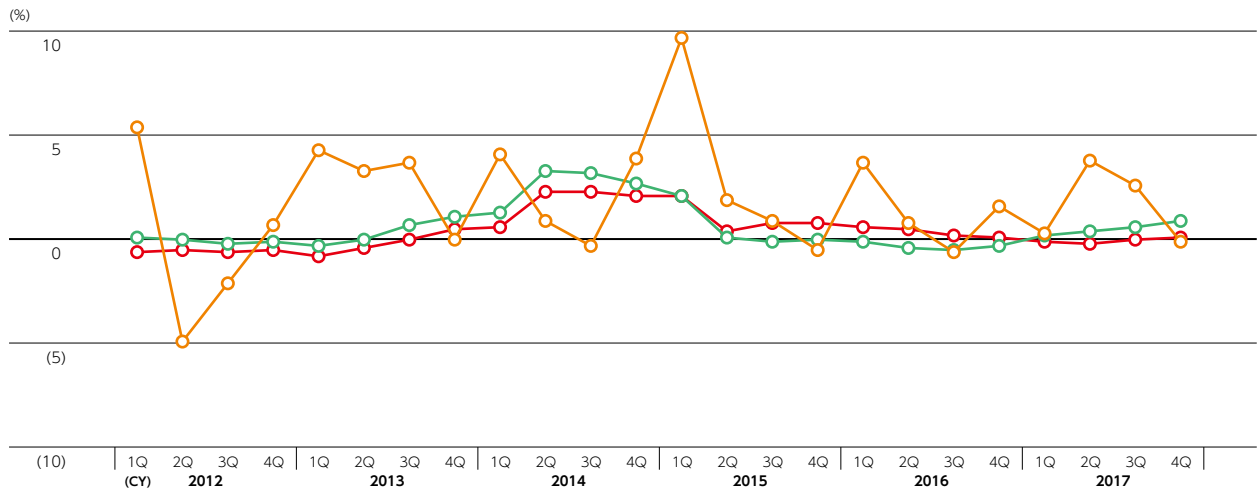


# Retail Environment in Japan

## Macroeconomic Environment

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

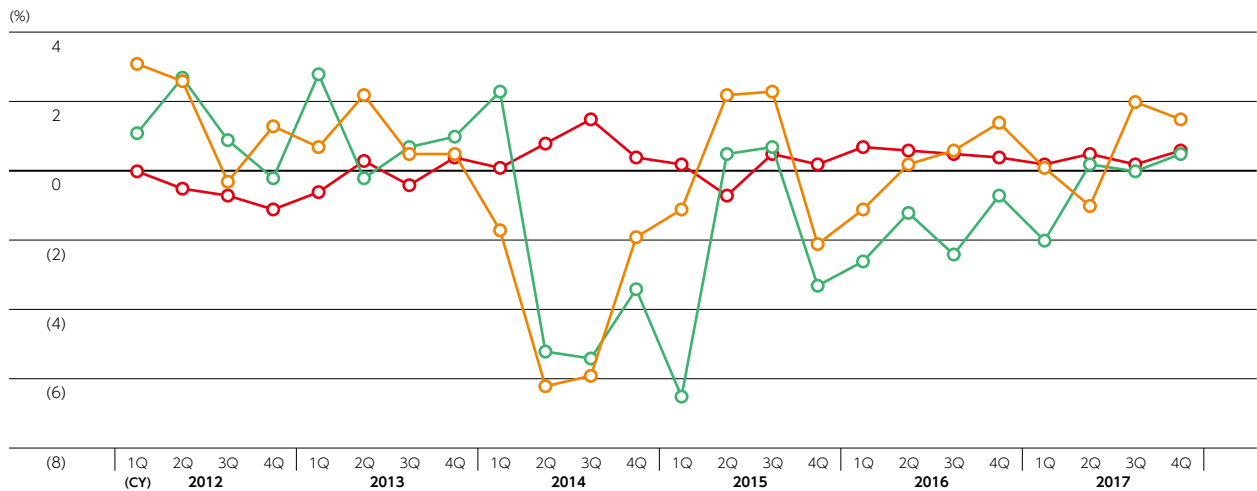
○ GDP (nominal)    ● Consumer price index, excluding fresh products    ● Consumer price index, excluding food (less alcoholic beverages) and energy



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

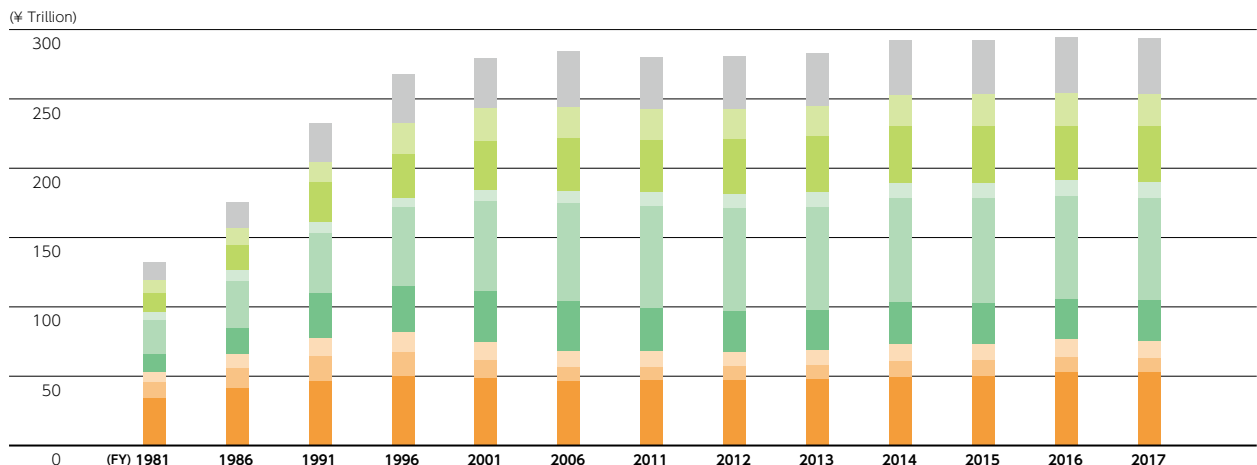
○ Real income (real)    ● Consumption expenditure (real)    ● Total wages



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

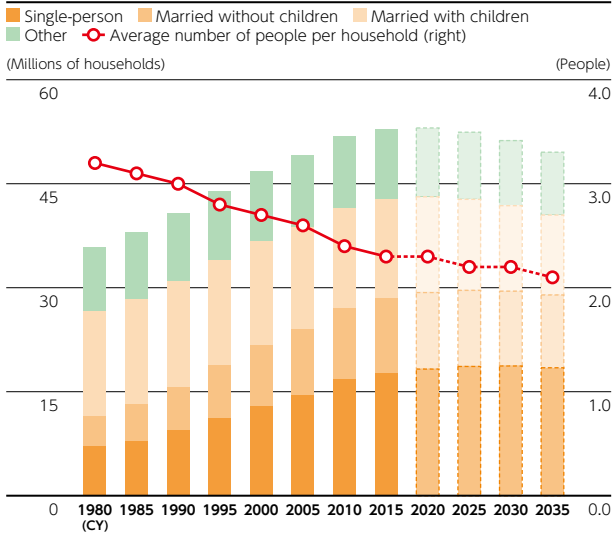


Note: The figures before 2000 are based on an old standard.  
 Source: National Accounts (Economic and Social Research Institute, Cabinet Office)

Retail Environment in Japan

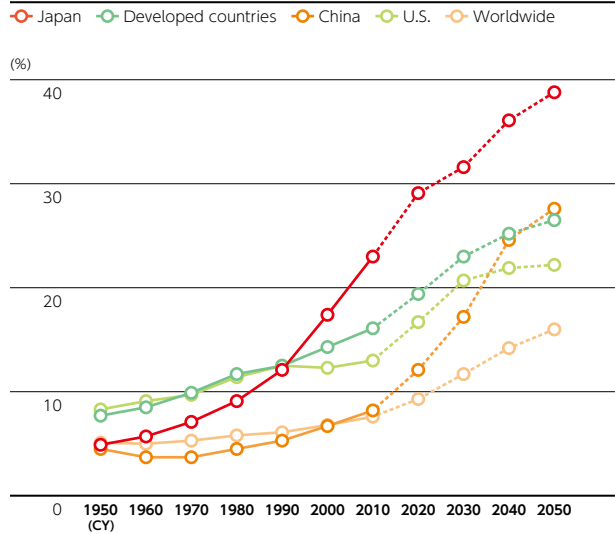
## Macroeconomic Environment

### CHANGES IN THE NUMBER OF HOUSEHOLDS



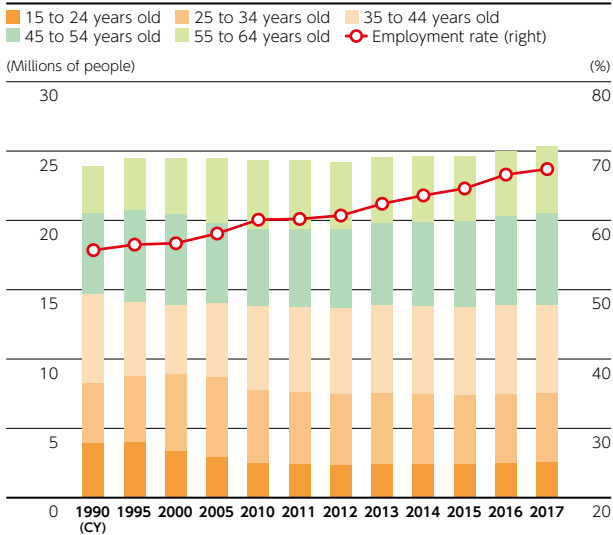
Source: National Institute of Population and Social Security Research

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



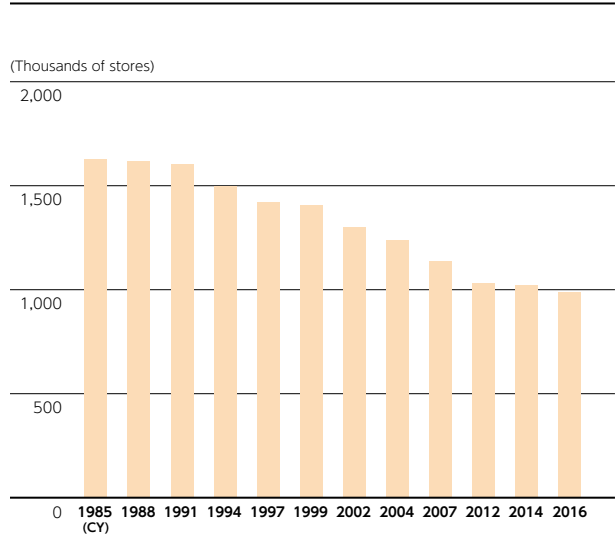
Source: Statistical Handbook of the World (Ministry of Internal Affairs and Communications)

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



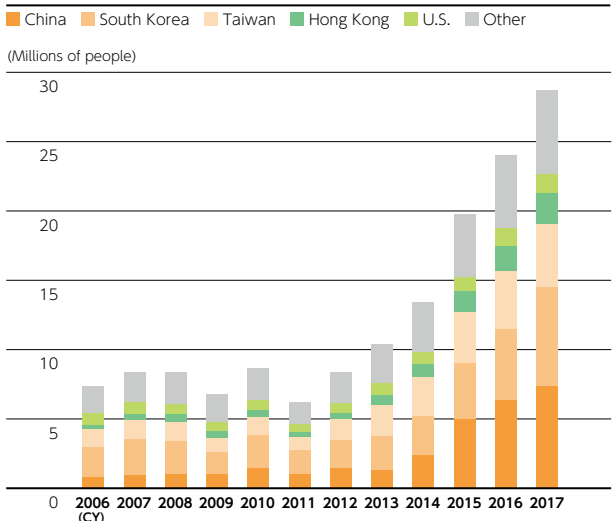
Source: Labour Force Survey (Ministry of Internal Affairs and Communications)

### TREND IN THE NUMBER OF RETAIL STORES



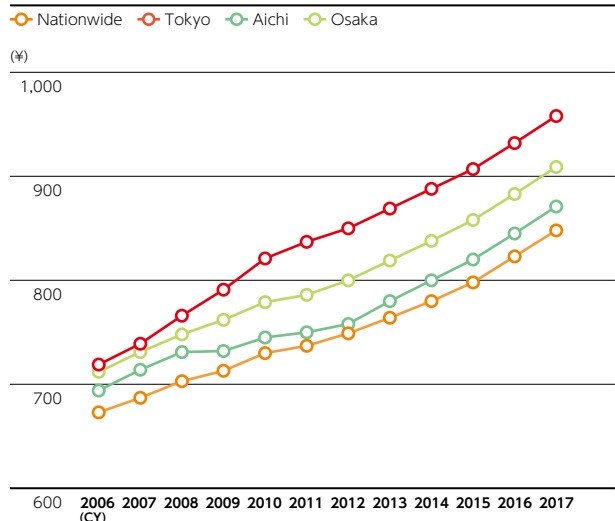
Sources: The Census of Commerce (Ministry of Economy, Trade and Industry) <until 2007> and Economic Census (Ministry of Economy, Trade and Industry; Ministry of Internal Affairs and Communications) <from 2012>

### THE NUMBER OF FOREIGN TOURISTS



Source: Japan National Tourism Organization

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



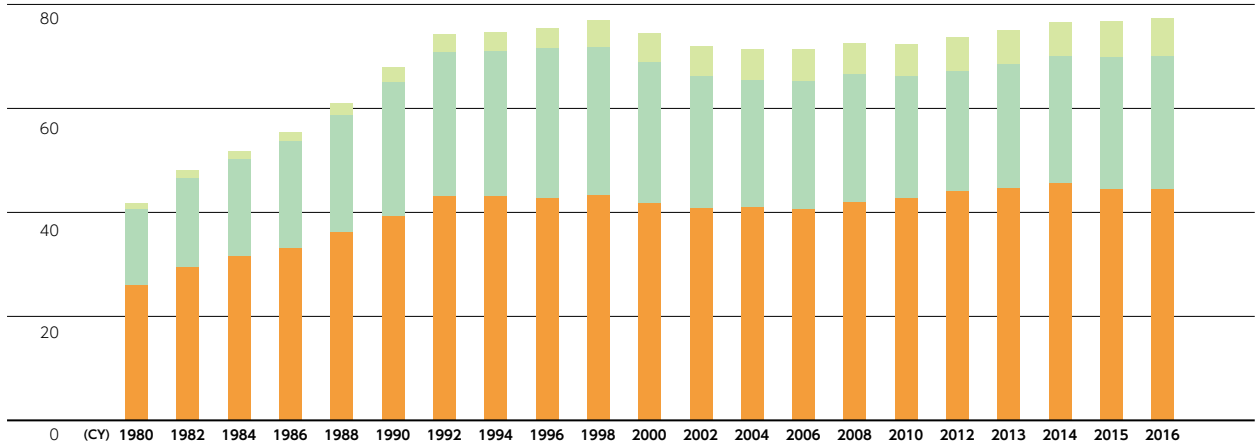
Note: National weighted average  
Source: Ministry of Health, Labour and Welfare

## Environment of the Retail Industry

### TRENDS IN THE SCALE OF THE FOOD MARKET

Food and beverages Food-service industry Takeout meals

(¥ Trillion)

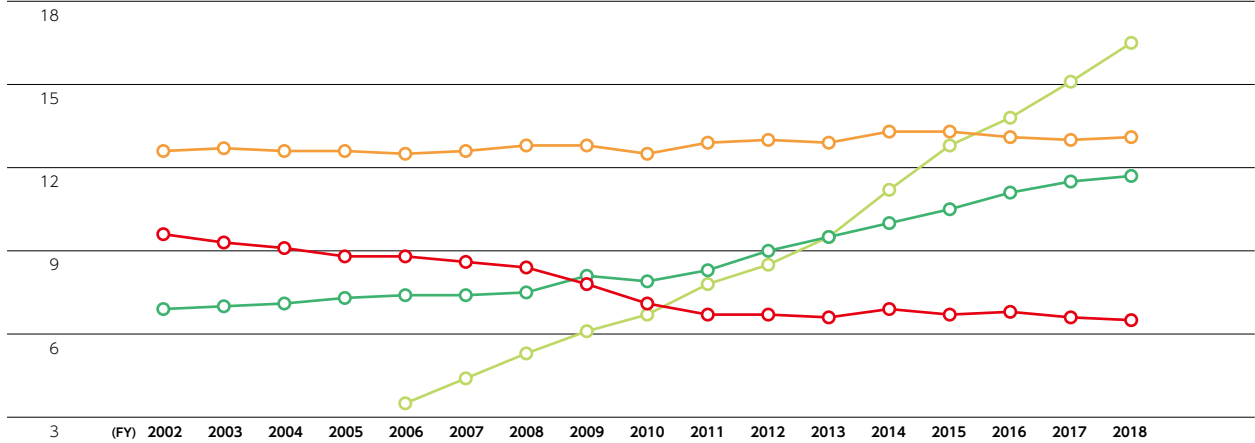


Sources: Current Survey of Commerce (Ministry of Economy, Trade and Industry) and the Foodservice Industry Research Institute

### TREND IN NET SALES AT MAJOR STORE FORMATS

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

(¥ Trillion)

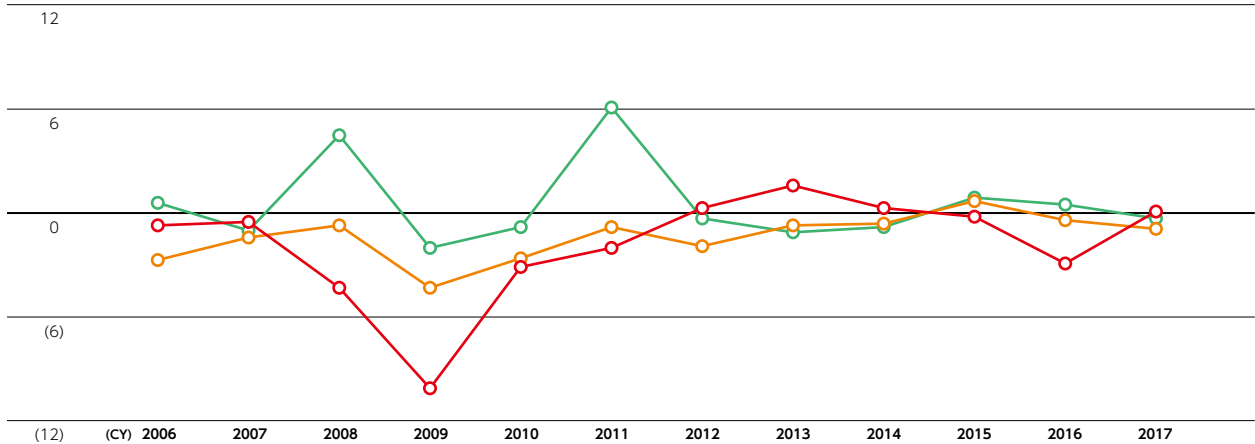


Sources: Current Survey of Commerce and E-Commerce Market Survey (Ministry of Economy, Trade and Industry)

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

Department stores Supermarkets Convenience stores

(%)



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

Retail Environment in Japan

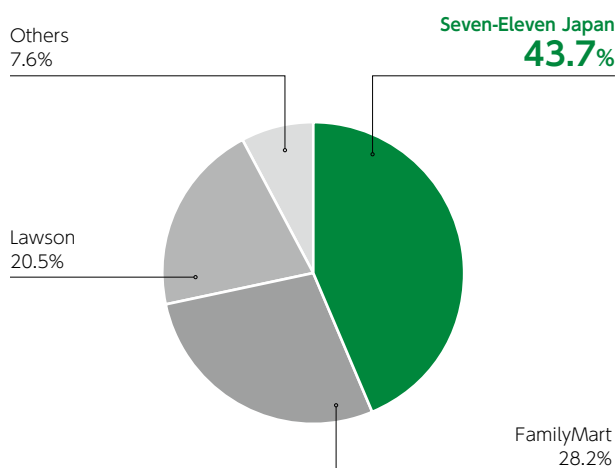
## Major Group Companies' Market Share in Japan (Nonconsolidated)

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

	FY2018 (¥ Billion)	Share (%)
Convenience stores total market*1	10,712.5	100.0
1 Seven-Eleven Japan	4,678.0	43.7
2 FamilyMart	3,016.0	28.2
3 Lawson*2	2,201.2	20.5
Others	817.1	7.6
Top three combined	9,895.4	92.4

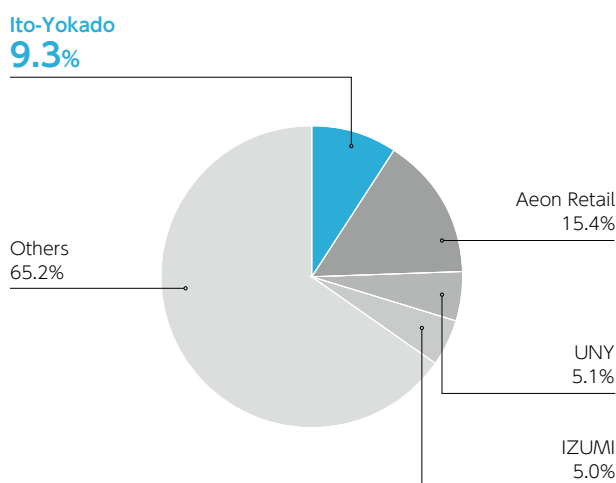
\*1 Figures for convenience stores and chain stores are sums of sales from March 2017 to February 2018, according to the Japan Franchise Association's Convenience Store Statistics Investigation Monthly Report.

\*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 FOUR FOR NET SALES AT SUPERSTORES

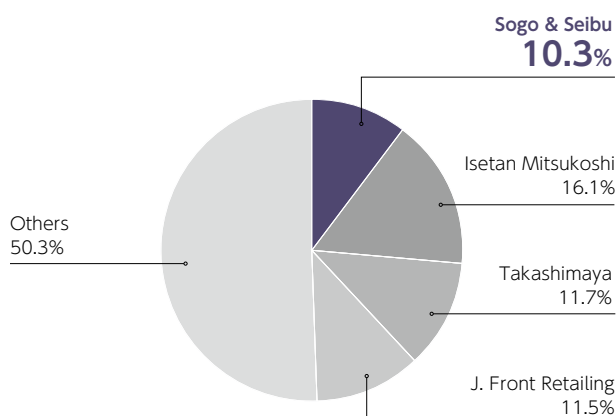
	FY2018 (¥ Billion)	Share (%)
Superstores total market	13,086.8	100.0
1 Aeon Retail	2,021.3	15.4
2 Ito-Yokado	1,213.6	9.3
3 UNY	670.6	5.1
4 IZUMI	652.6	5.0
Others	8,528.6	65.2
Top four combined	4,558.2	34.8
<Reference>		
York-Benimaru	429.0	3.3
York Mart	143.6	1.1



### AMONG TOP FOUR FOR NET SALES AT DEPARTMENT STORES

	FY2018 (¥ Billion)	Share (%)
Department stores total market	6,535.4	100.0
1 Isetan Mitsukoshi	1,054.1	16.1
2 Takashimaya	765.0	11.7
3 J. Front Retailing	754.0	11.5
4 Sogo & Seibu	674.3	10.3
Others	3,287.8	50.3
Top four combined	3,247.6	49.7

Note: Net sales of Isetan Mitsukoshi, Takashimaya and J. Front Retailing 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