taste

Lawson delivers a delicious life through astonishing products.

Original products with continuously evolving rich, delicious taste



Tomato hamburger with 16-grain rice



Cajun chicken with 16-grain rice

We are working every day at Lawson to plan and develop assorted original foods and daily necessities that add richness and good taste to daily life through our familiar community stores. Our product developers take their lead from analyses of point card purchasing data and consumer input collected on social media. We deliver "superior taste" suited to LAWSON community lifestyles with our original products, which currently account for about 40% of the stores' total sales.

We are especially particular about the quality and taste of our food product ingredients. We have developed a colorful chilled box lunch product group that makes optimal use of the ingredients' taste. We augmented our standard lunch boxes in 2020, for example, by launching the new 16DELI series that blends rice with 16 grains in addition to meat and vegetables in an optimal balance. Our Machi-no Pan ("community bread") series has produced one hit product after another through its focus on superior-tasting bread dough and added ingredients aimed at creating "postconvenience store bag breads." The new "GOOODOG" hotdog with tasty toppings has become especially popular with hungry customers.

Since leading the way among convenience stores with the launch of the Premium Roll Cake in 2009, moreover, LAWSON has constantly attracted attention with its commitment to sweets. Such sensational new products as our BASCHEE Basque-style cheesecake with its unprecedented texture and taste owe their immense popularity to product development with strict attention to texture, appearance and ingredients. We continue to release hit products, including our Dora-motchi sweet cakes with their superb tastes and textures and our CUPKE cake-in-a-cup series.

Machikado Chubo in-store kitchens are now operating in approximately 6,000 LAWSON stores nationwide (as of end August 2020). The kitchens offer foods such as white rice, thick-sliced, deep-fried pork loin cutlets, and other delicacies, all freshly cooked right on the premises with delicious taste born of the extra effort exerted in their preparation.

In spring of 2020, we divided our Lawson Select brand products into two series, "L basic" and "L marche," customers can enjoy at home. The brand logos and packaging have been renewed with the cooperation of the nendo design office.



このですのほと、みんながまれたい時に 食べたいオンが見つかる、そんなパン屋になりたい マチノボンです。 ひょうひょうの音響や鼻根のこだわり 984. 158.0. T. OCATIETA



Machi-no Pan French bread with milk and butter



2 pieces of French toast



GOOODOG

Tomato and onion

Dora-motchi (red bean paste & whipped cream)



BASCHEE - Basque-style cheesecake



CUPKE Melted cream and strawberry shortcake





Machikado Chubo in-store Charcoal-grilled pork rice bowl

L basic

鬲



L marche

24 LAWSON INTEGRATED REPORT 2020

kitchen delicacies



Foods that bring vibrant color to the dining table

With more people eating at home due to the COVID-19 pandemic, demand for frozen foods that are easy to cook, delicious and reasonably priced is ascending to new heights. LAWSON's frozen foods are environmentally friendly products that create little waste by remaining unsold. The extremely rich lineup of original frozen foods includes noodle and rice dishes, side dishes that can be eaten just as they are, and cut vegetables. Frozen products are also available under the NATURAL LAWSON and Seijo Ishij brands.

In addition to our greatest hit Kara-age-kun chicken nuggets, which have garnered sales of over 3.4 billion servings, the fast-food window at a LAWSON counter sells fried foods, yakitori, oden and other popular side dishes for dinner and snacks to accompany drinks. We added Tokekoro "melted" croquettes and Afure Menchi minced-meat croquettes to the menu in January this year and followed up with GU-BO crispy snack pies, which became an immediate hit upon their launch in March. Other innovations include the newly added Cup Delica small-volume cold side dishes that are perfect for sheltering at home. We have also expanded our lineups of whole vegetables and fresh-cut vegetables to make the vegetables customers need available at a nearby store. They appreciate the ability to purchase potatoes, cucumbers, carrots and other vegetables in small guantities as well.





Mixed salad



Soft natto (fermented soybeans) with reduced odor



Salt-flavored stir-fried noodles with shrimp and 6 vegetables

Coarse-ground wieners





Tokekoro "melted" Afure Menchi croquettes minced-meat croquettes



GU-BO hot snack series



Nuts and half-day portion green & yellow vegetable salad

Message

Strategic product development anticipating emerging needs in the medium to long term Launch of new systems that meet challenges with free thinking

Lawson established the new Merchandising Concept Development Dept. in March 2020 to specialize in developing and cultivating strategic products that respond to medium- to long-term trends. The department's mission is to grasp the latest trends, respond to customers' emerging values and needs, and move quickly and continuously to create delicious products that stimulate excitement as only Lawson can. Every day is spent on developing products for the convenience store industry, where every week brings the birth of new products. In a workflow unlike those observed by merchandisers in the various regular product departments, we conduct thorough investigations in careful consideration of strategic products and series for the future.

Every Product Concept Development Department member is expected to ascertain the movements of society and changes in the latent and actual needs of customers, formulate hypotheses based on free thinking without limitation by preexisting values, and generate strong concepts. The goal of this process is to strengthen 11 categories of original products. We direct particular attention to

Lawson's strengths in desserts and fast-food counter items in order to enhance its reputation further. Besides conducting marketing training and workshops for our team members, we seek to solve any problems that emerge through cooperation with our manufacturers and vendors and to offer customers attractive product series they will love far into the future. Our primary goal is to make our franchise stores and our many customers happy. Going forward, we will continue to take up the challenge of fulfilling Lawson's Three Promises.



Nobuhiro Tomonaga Deputy Division Director, Merchandising Division General Manager, Merchandising Concept Development Dept.

Unique LAWSON store development responding to the demands of the community



NATURAL LAWSON

Contributing to more beautiful, healthy and relaxed lifestyles

The NATURAL LAWSON chain, which has expanded to 146 stores nationwide (as of end August 2020), attracts customers who insist on "health and beauty," "seasonality" and "safety and reliability" in daily life. Its agreeable interiors offer a reliably relaxed shopping experience. Customers rely on NATURAL LAWSON for carefully selected delicious, healthful foods and environmentally friendly detergents and cosmetics. They find that its commitment to excellence provides them with exceptional value.



Dandelion coffee jelly decaffeinated)





LAWSON DO

Providing good value centered on 100-yen food products

LAWSON STORE 100 is a convenience store-sized mini-supermarket with a stress on fresh foods. It provides safe, secure, superior-quality fruits and vegetables that are procured and presented with fastidious care for freshness and quality to meet daily dietary needs. The 687 stores in operation nationwide (as of end August 2020) are patronized by customers ranging from children to seniors, and especially by singles and housewives.



Pure-brewed soy sauce







A high-end supermarket offering a complete assortment of specialty foods

Seijo Ishii offers a selection of high-appeal products from Japan and around the world, all produced with strict attention to delicious taste. Seijo Ishii's 162 stores nationwide,* mainly in the Tokyo Metropolitan Area (as of end August 2020), come in a variety of configurations, including roadside stores and stores in station buildings, department stores and shopping centers. The "grocerant," a new-concept in-store eatery that fuses dining with shopping, has proved highly popular. Most notably, Seijo Ishii's extensive lineup of imported foods, carefully selected fresh foods, prepared foods and processed meat products manufactured by skilled cooks in its central kitchen, along with its many original products brimming with unique delicious taste, have received the support of customers who care about high-quality food.

* Figures for Seijo Ishii include only directly managed stores.



Le Bar à Vin 52

Entrance to a Seijo Ishii "grocerant"

SMARI

A new cashier-free shipping service that enables easy, speedy package shipping with no face-to-face contact



LAWSON SMARI is a new socially distanced package shipping service that permits customers to return rental or e-commerce products without conducting shipping or acceptance procedures at the store counter. Instead, customers conduct the simple procedures on their own and place their packages in the store's SMARI box to be picked up by a delivery truck on its return trip. Since its launch at a few Tokyo stores in April 2019, the service has been introduced to more than 2,000 stores in the Tokyo Metropolitan and

Kinki areas. Customers using LAWSON stores' e-shipping service to ship items sold on auction sites or flea market apps were formerly required to hand their packages to a crew member after completing the Loppi multimedia terminal and cash register procedures. Now they can simply follow the easy SMARI preparation procedures at a store offering the service and place their packages in a dedicated SMARI box for collection by Japan Post.

Uber Eats

Bring your meals home without going to the store! The first initiative of its kind offered by a Japanese convenience store

In a new last mile initiative to deliver products to customers' homes, LAWSON has become the first convenience store in Japan to offer the Uber Eats service at some of its stores. We handle some 300

types of products unique to convenience stores. including boxed meals. rice balls, deep-fried foods prepared fresh at the store and desserts as well as daily necessities and magazines. In the year since Uber Eats was first introduced in August 2019, the number of stores offering the service has expanded to over 1.000.





26 LAWSON INTEGRATED REPORT 2020



Convenient, value-added financial services

Your most accessible bank, with ATMs right in the store

ATMs installed at LAWSON stores nationwide accept the ATM cards of nearly any financial institution. In fiscal 2020, besides services that permit customers to charge smartphone payment apps from their bank accounts using our ATMs and ATM payment network, we introduced the ATM Charge service that enables them to charge the balance of payment apps with cash from an ATM and the Smartphone ATM that permits deposits and withdrawals via financial institutions' apps without a card. Lawson Bank's easy-to-use services are making life increasingly convenient for everyone.

As an added bonus, customers who shop with their Lawson Ponta Plus credit card receive preferential treatment with Ponta points.



The LAWSON Ponta Plus credit card system

Fun life support / Entertainment 360°





Enhancing the movie-viewing experience

UNITED CINEMAS, Japan's third-largest cinema complex provider, operates 43 theaters with 389 screens nationwide (as of August 2020). We offer community residents various new ways to enjoy movies besides standard screenings, beginning with the state-of-the-art IMAX Laser*1 screening system introduced in Okinawa Prefecture in June 2019 and including the 4DX*2 and SCREENX*3 film formats. We are also pursuing various avenues toward leveraging cooperation among Lawson Group companies to use our theaters for purposes such as screening of video content other than movies, or as venues for promotional and marketing activities.

- *1 A screening system that adds 4K laser projection and advanced 12-channel sound to the IMAX movie experience
- *2 A technology that transmits movements, sights and smells reflecting on-screen content to provide a cinematic experience that transforms "watching" to "experiencing"
- *3 A panoramic multi-projection movie screening system that uses the theater's side walls as well as its screen





Providing new experiences through real-world retail store shopping

Lawson Entertainment operates 57 stores nationwide (as of end August 2020), beginning with HMV, one of Japan's largest-scale music and video software specialty stores, which includes a composite store specializing in books and a record specialty store. Besides housing the permanent hmv museum exhibition space, the stores host "seasonal" events presenting contents such as music, movies, art and animation, thus providing a venue for entertainment experiences that can be enjoyed nowhere else.

Lawson Entertainment also conducts a diverse range of other businesses such as the HMV flat-rate music-streaming service, operates its own music label, invests in anime and movie production, and develops and produces entertainment-themed merchandise.



Issuing tickets any time of day at LAWSON stores

This innovative ticketing service provider occupies a major share of Japan's play guide industry, selling tickets for concerts, sporting events, theaters, cinemas and leisure facilities through its Loppi multimedia terminals in LAWSON stores nationwide and its I-tike.com EC (e-commerce) site. We are currently working to expand our business domain further to include planning and production of live events, a paid membership business, a fan club enrollment agency, and entertainment tour planning and sales.