Overview and Promotion of Challenge 2025



Pursuing new ways to provide convenience with "new hubs of refreshment in every community"

Under Challenge 2025, which was established with a view toward Lawson's 50th anniversary in 2025, we aim to realize the Group Philosophy, "Creating Happiness and Harmony in Our Communities" by becoming the No. 1 recommended store for our customers, communities, and colleagues and creating "new hubs of refreshment in every community," as we pursue new ways to provide convenience. In our pursuit of new ways to provide convenience, we established the Lawson Group Sweeping Transformation Executive Committee in September 2020, and we have conducted a range of initiatives to fulfill our business policy comprising Three Promises: "Superior taste," "Human Kindness" and "Environmental (Machi) friendliness." As of May 2022, the Committee has formed 10 projects, as well as Group company business activities and SDG promotional activities, and the President himself serves as a Committee Chair. In addition to these initiatives, under Challenge 2025 we will also strategically select investment targets from the three perspectives of environment, society, and corporate governance while aiming to achieve the 2025 performance



indicators through a business portfolio strategy based on increasing corporate value, balancing growth investment and returns to shareholders, the growth of individual Group companies and the growth of Lawson Group as a whole.

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Milestones for the Lawson Group Sweeping Transformation Executive Committee

Committee chair: Sadanobu Takemasu, President and CEO, Representative Director, Chairman of the Board and CSO*			FY2022	FY2023-FY2024	FY2025
Transforming store displays	Create stores where people come to purposely shop for essential daily goods that satisfy new lifestyles and values.	Pursuit of ideal store format project	Reform store displays, new fittings		
		Machikado Chubo in-store kitchens project	Introduce into more stores, renew menus	Realize a new CVS model	Realize a new form of convenience
		Product renewal project	Expand daily & frozen foods and delicatessen products		
		MUJI introduction project	Introduction of MUJI Products		
		The No.1 recommendation acquiring project	Improve product and service level		
Transforming profit structures	Improve profitability of franchise stores, HQ, and operating companies by reviewing costs and striving to increase revenue.	Customer-centric supply chain reform project	Design optimal supply chain	Launch new system in 2024	
		Vendor distribution reform project	Improve vendor productivity, quality	Strengthen profitability through structural reform of vendors	Ensure lean Group transformation and
		Unified use of Group data project	Infrastructure building	Make profitable	solid profit sources
Transforming work motivation	Continually reform work motivating factors for all franchise store, HQ and Group Company employees.	Work motivation reform project	Policies to support challenges and improvement of store crew satisfaction		Improve satisfaction working for Lawson Group
		Group branding project	Enhance brand penetration Strengthen external communications		
Operating companies	Seek to provide new value that horizontally combines the Group's overall strengths.	Operating companies	Accelerate China store openings, consider new financial services, develop post-COVID entertainment strategy, etc.		Growth of all operation companies
SDG promotion	Contribution to the Sustainable Development Goals (SDGs)	SDG promotion	Reduction of CO ₂ emissions, use of plastics and food loss, etc.		Realization of a sustainable society through business activities

*CSO: Chief Sustainability Officer