

# Summary of Results for FY2022

Lawson, Inc.

April 14, 2023



# Financial Results for FY2022

Masayuki Itonaga
Executive Managing Officer
Chief Financial Officer

Lawson, Inc.



Unit: Billions of yen

	FY2021	FY2022		
	Results	Results	YoY	v.plan <sup>*1</sup>
Operating income	47.0	55.0	+7.9	+2.0
Ordinary income	47.5	53.4	+5.8	+4.9
Profit	17.9	24.6	+6.7	+2.6

(Non-consolidated) excluding LAWSON STORE100 business

Existing-store sales (YoY)*2	101.1%	103.6%	+2.5%pt	+0.6%pt
Gross profit margin <sup>*2</sup>	30.7%	31.0%	+0.3%pt	- 0.1%pt
Total no. of stores in Japan <sup>*3</sup>	14,656	14,631	- 25	- 75

<sup>\*1</sup> Any differences v, plan in these documents are compared to the plan issued along with the announcement of FY2022 1H results in October 2022.

#### 1. Operating income: 55.0 billion yen

- (1) YoY: In the Domestic CVS business, existing-store sales rose 3.6% YoY on the back of successful store refurbishments and marketing measures. The gross profit margin increased by 0.3%pt and operating income expanded as we were able to offset sharply higher utility costs. Profit from our Overseas business declined due to lockdowns in China, while our Entertainment-related business and Financial service businesses generated higher profit. As a result, consolidated profit increased 7.9 billion yen YoY.
- (2) v.plan: Operating profit rose 5.0 billion yen v. plan on a non-consolidated basis as YoY growth in existing-store sales at the Domestic CVS business came in 0.6%pt above plan. The Overseas business fell short of plan due to China lockdowns, etc. As a result, operating profit came in 3.0 billion below plan for subsidiaries and 2.0 billion above plan on a consolidated basis.

#### 2. Profit: 24.6 billion yen

- (1) YoY: Increase due to decrease in store-related impairment losses, etc.
- (2) v. plan: Store-related impairment losses came in lower than expected.

<sup>\*2</sup> These figures are sums of total LAWSON and NATURAL LAWSON operated by Lawson, Inc. Existing-store sales do not include the impact of tickets, etc.

<sup>\*3</sup> The number of stores is a total number of stores operated by the Lawson group.

#### LAWSON

### **FY2022 Initiatives Review**

	FY2022			
	Plan	Results	YoY	v.plan
Consolidated operating income	53.0	55.0	+7.9	+2.0

Unit: Billions of yen

Various measures	Progress	YoY	v. plan
Charge fees from franchise stores, etc.	As captured daily demand through store refurbishments and product renewals, sales of in-store kitchens foods and frozen foods increased. Furthermore, existing-store sales rose 3.6% YoY (+0.6%pt v.plan) on strong sales of over-the-counter fast food and rice products, which were boosted by marketing measures such as the HAPPY LAWSON PROJECT and a recovery in people flows.	+20.0	+4.5
Sweeping Transformation Executive Committee measures, etc.	Due to the careful selection of target stores, the 2,985 stores that were refurbished were less than the 3,500 stores planned, resulting in lower refurbishment costs.	-3.5	+1.0
Marketing measures, New measures, etc.	We developed marketing strategies such as TV commercials and app coupons based on the HAPPY LAWSON PROJECT, but we controlled any rise in costs by rationalizing and replacing existing marketing initiatives with the new ones. As a result, these costs came in lower than planned.	-1.0	+2.5
Electric utility expense, etc.	2H utility prices increased significantly on the back of higher electricity unit prices.	-6.0	-3.0
Subsidiaries	Subsidiaries declined YoY and v. plan primarily due to lower profits in China. <seijo ishii=""> Although affected by strong COVID-induced stay-home demand in the previous year, profit exceeded the plan due to strengthened measures.  <entertainment-related> Profit rose on more active market in an environment without restrictions on movement, but fell short of plan.  <financial services="">Exceeded plan on higher ATM usage.  <overseas>Lower than planned. In China,1H profit fell due to lockdowns and restrictions and 2H profit declined on the back of spreading infections once the government's zero-COVID policy was relaxed.</overseas></financial></entertainment-related></seijo>	-1.5	-3.0
	e nearest 0.5 billion for clarity n in these documents are compared to the plan issued along with the announcement of FY2022 1H results in October 2022.	+8.0	+2.0

#### Factors affecting FY2022 consolidated operating income



Unit: Billions of yen



(v.plan +4.5) Charge fees from franchise stores, etc.

approx. **-1.0** 

(v.plan +2.5) Marketing measures, New measures, etc. approx. **-6.0** 

(v.plan -3.0) Electric utility expense, etc.

approx. **-1.5** 

(v.plan -3.0) Subsidiaries

47.0

#### **Existing-store sales**

(Results) (v.plan)

approx. **-3.5** 

(v.plan + 1.0)

Sweeping
Transformation
Executive Committee
measures, etc.

First half +2.4% +0.4%pt Second half +4.8% +0.8%pt

Full year +3.6% +0.6%pt

#### **Subsidiaries**

	(YoY) (	v.plan)
Seijo Ishii	±0.0	+0.5
Entertainment-related business*	+1.5	- 0.5
Financial service business*	+1.0	+0.5
Overseas business (China)	- 4.0	- 2.0

\*Segment profit

FY2021 consolidated operating income

FY2022 consolidated operating income

55.0

<sup>\*</sup>Figures rounded to the nearest 0.5 billion for clarity.

<sup>\*</sup>Any differences v. plan in these documents are compared to the plan issued along with the announcement of FY2022 1H results in October 2022.

### FY2023 Full-Year Plan (Japanese GAAP: Reference figures)



Unit: Billions of yen

	FY2023	
	Plan	YoY
Consolidated operating income	57.0	+1.9
Domestic convenience store business	37.4	-1.5
LAWSON (Included above)	35.0	-0.1
Seijo Ishii business	11.6	+0.4
Entertainment-related business	4.3	+0.4
Financial service business	2.6	-1.2
Overseas business	1.2	+4.2
Profit (IFRS) *1	29.0	
	FY2023(Plan)	FY2022
Dividends per share	<b>200</b> yen	<b>150</b> yen

- LAWSON (Assumed conditions for the plan)
  - •Existing-store sales \*2 YoY: 104.0%
  - •Gross profit margin\*2: 31.4% (+0.4%pt YoY)
  - •Store numbers\*3: Opening 280, closure 270, net increase 10
- \*1 The Group has decided to voluntarily apply International Financial Reporting Standards (IFRS) for the consolidated financial statements in its Annual Securities Report effective from the fiscal year ended February 2023.
- \*2 These figures are sums of total LAWSON and NATURAL LAWSON operated by Lawson, Inc.. Existing-store sales do not include the impact of tickets, etc.
- \*3 The number of stores is a total number of stores operated by the Lawson group.

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#### Factors affecting FY2023 consolidated operating income





approx. +19.0 approx. -10.0

Charge fees Marketing measures, from franchise stores, etc. New measures, etc.

approx. **-5.0** 

Electric utility expense, etc.

approx. **-4.0** 

IT-related cost, etc.

approx. **+2.0** 

Subsidiaries

55.0

#### **Existing-store sales**

(Plan)

First half +6.0%

Second half +2.0%

Full year +4.0%

57.0

FY2022 consolidated operating income

\*Figures rounded to the nearest 0.5 billion for clarity

FY2023 consolidated operating income (Plan)



# FY2022 Review and Action Plan for Lawson Group's Challenge 2025

Sadanobu Takemasu
President and CEO
Representative Director
Chairman of the Board
Lawson, Inc.

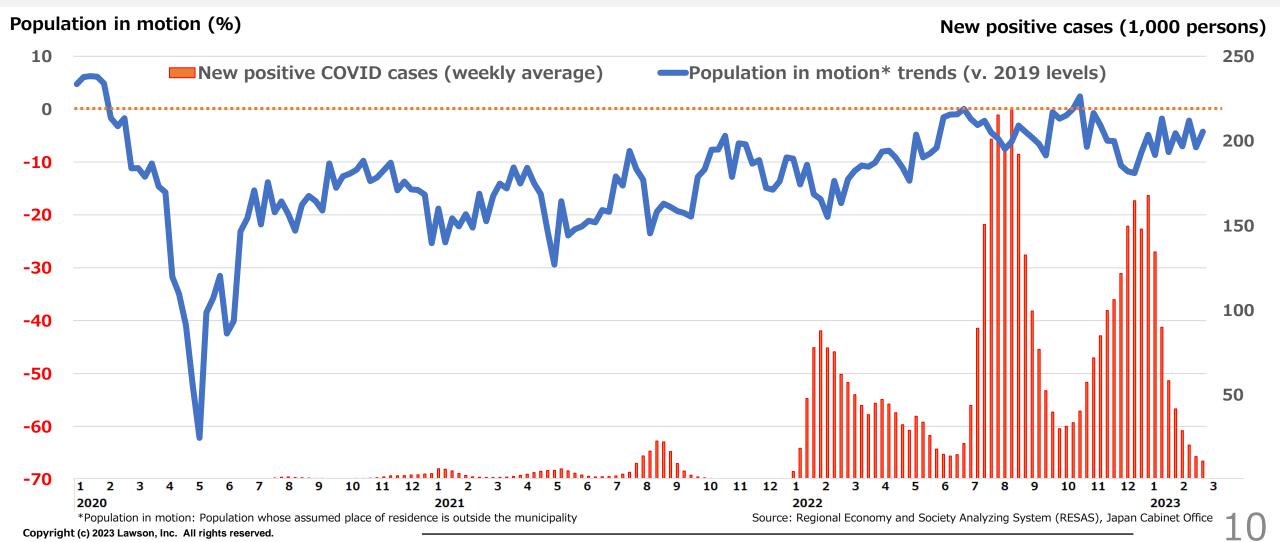


# FY2022 Review

#### **FY2022** Business environment



- People flows started to recover after priority measures were removed in March
- Removal of cap on number of people entering the country and launch of national travel support measures helped boost the recovery in people flows from November



#### **Lawson Group Sweeping Transformation Executive Committee**



■ In FY2022, accelerate implementation of pursuit of ideal store format project, etc. to improve daily sales

#### **Lawson Group Sweeping Transformation Executive Committee**

Daily sales improvement

Pursuit of ideal store format

Daily sales improvement

Machikado Chubo in-store kitchens

Daily sales improvement

**Product renewal** 

Daily sales improvement

**MUJI** introduction

Medium to long term

Customer-centric supply chain reform

Medium to long term

Vendor distribution reform

Medium to long term

Unified use of Group data

Medium to long term

**Work motivation reform** 

Medium to long term

**Group branding** 

Medium to long term

The No.1 recommendation acquiring

**Operating companies** 

**SDG** promotion

# Lawson Group Sweeping Transformation Executive Committee -FY2022 results-



#### ■ Pursuit of ideal store format and other projects improved daily sales up 1.9%

	Project	Achievements and major initiatives	
Pursuit of ideal store format  Machikado Chubo  in-store kitchens		Refurbished stores: 7,290 stores (+2,985 stores)	
		Stores with kitchens: 9,191 stores (+832 stores)	Impact of improved daily sales on all
		Category sales up approx. 30% YoY	
improvement	Product renewal	Frozen foods: Category sales up approx. 10% YoY	stores up
		Daily foods: Category sales up approx. 5% YoY	1.9%
		Stores with MUJI products: 9,621 stores (+9,511 stores)	==3 / C

\*Figures in parentheses represent the number of stores refurbished and introduced kitchens in FY2022

	Project	Achievements and major initiatives
	Customer-centric supply	Conduct experimental SA & AI-driven discount sales promotions at approximately
	chain reform	180 stores
Medium	Vendor distribution reform	Optimize store delivery diagram using AI
long ter	I INITIAN LICA OF (-POLID MATA	Start utilizing Group data in our marketing measures
long ter	Work motivation reform	Develop measures to improve job satisfaction through internal recruitment, etc.
	Group branding	Develop Groupwide measures to improve brand image
	The No.1 recommendation acquiring	Implementation of initiatives to improve customer evaluations
	· · ·	
Г	Operating companies	Initiatives to promote growth at each energing company

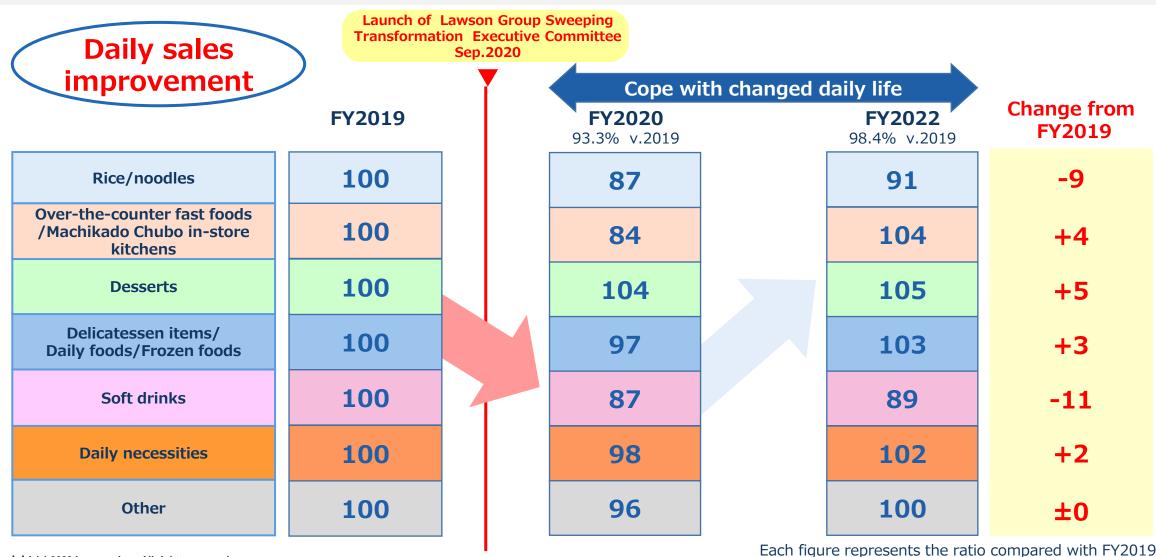
Operating companies	Initiatives to promote growth at each operating company
Decarbonization activities (SDGs Committee)	Pursuing initiatives promoting Lawson Blue Challenge 2050!

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# Lawson Group Sweeping Transformation Executive Committee -Daily sales improvement-



■ Cope with changed needs in the coronavirus pandemic through Lawson Group Sweeping Transformation Executive Committee project

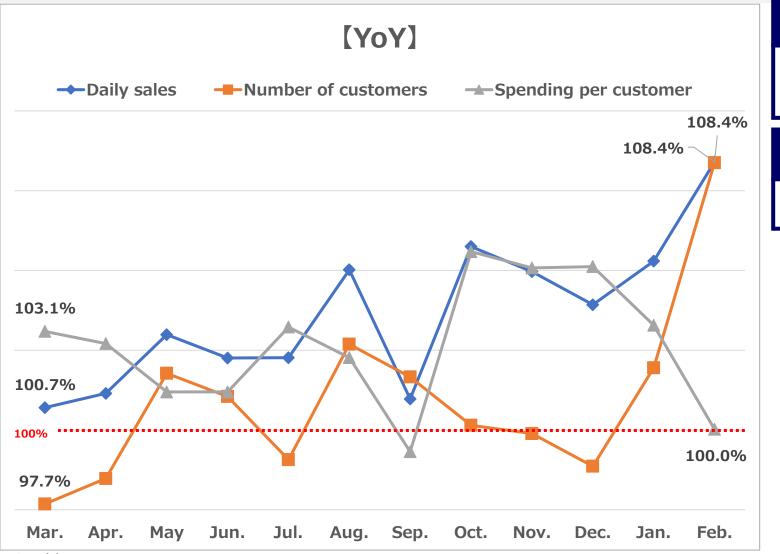


#### FY2022 Domestic convenience store business (1)



-Daily sales at existing stores, number of customers, spending per customer-

■ Achieved plan by implementing sales promotion measures focused primarily on ideal store refurbishments and HAPPY LAWSON PROJECT



## Daily sales

**103.6%** (Plan 103.0%)

Number of customers	Spending per customer
100.9%	102.7%

#### ■ Ideal store refurbishment

- ✓ 7,290 stores by end February (FY2022 +2,985 stores)
- ✓ Introduced Machikado Chubo in-store kitchens, refined and expanded frozen foods and other products

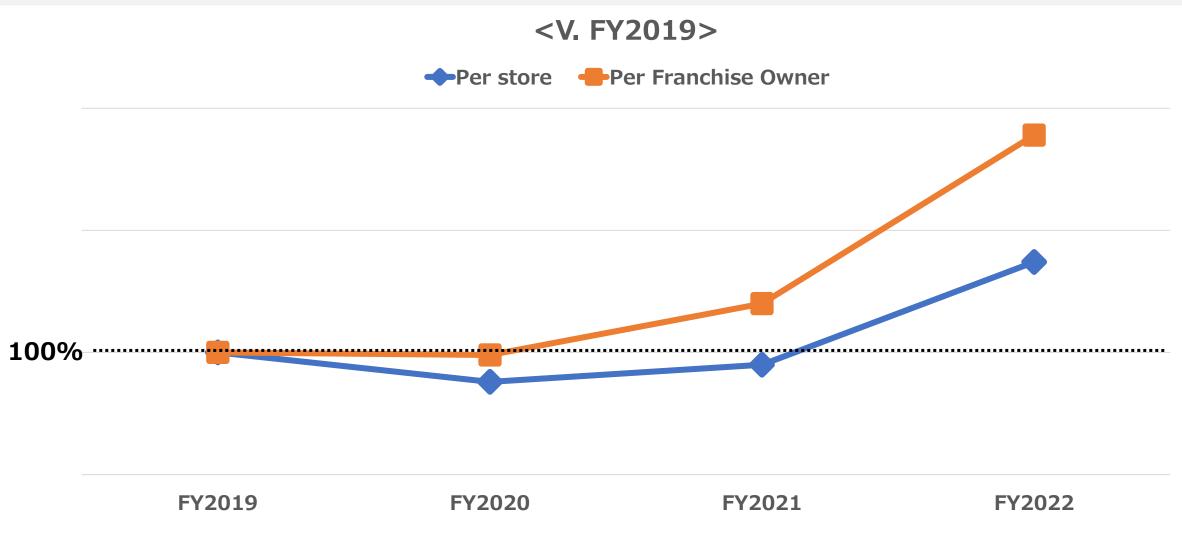
#### ■ HAPPY LAWSON PROJECT

- ✓ Broadcast TVCM. Strengthen store sales promotion
- ✓ Product renewal, implemented promotion measures, such as Lawson app coupons

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■Rising daily sales offset higher utility costs, resulting in higher franchise store profits



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#### FY2022 Seijo Ishii/Entertainment-related business

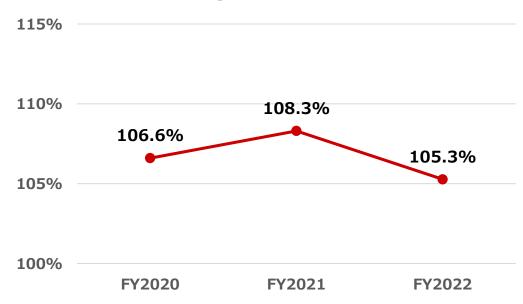
# Seijo Ishii

#### <Operating income> 11.9 billion yen

(Seijo Ishii Co., Ltd. non-consoidated)

(YoY -0 billion yen v.plan + 0.3 billion yen)

#### Existing-stores sales (V.2019 levels)



Sales slackened in the first half of FY2022 compared to the previous year's efforts to capture strong stay-home demand during the COVID-19 pandemic. However, sales of Seijo Ishii's own deli items and other products proved firm in the second half and operating income was maintained at the same level as the previous year.

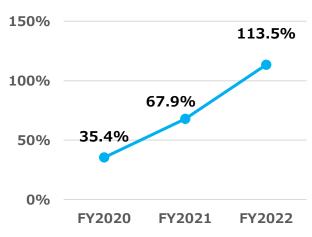
#### **Entertainment-related**

<Operating income> 3.9 billion yen (segment profit)

(YoY + 1.6 billion yen v.plan -0.4 billion yen)

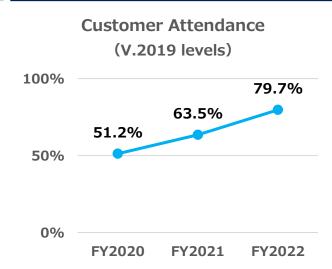
#### **Lawson Entertainment**

#### Ticket Sales (V.2019 levels)



Profits rose after the enthusiastic holding of concerts and other events helped ticket sales recover beyond FY2019 levels.

#### **United Cinemas**



Profits rose as spectator numbers recovered gradually on the back of stronger measures to boost customer appeal and the release of some major films.



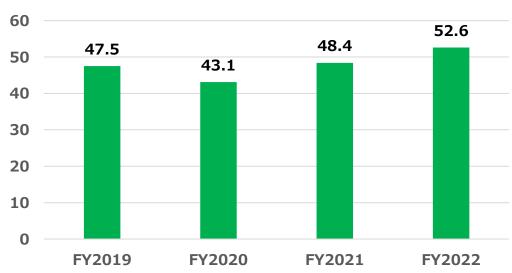
#### Financial services

#### <Operating income> 3.8 billion yen

(Segment profit)

(YoY + 0.9 billion yen v.plan + 0.2 billion yen)

#### Average number of ATMs used (Per machine per day)



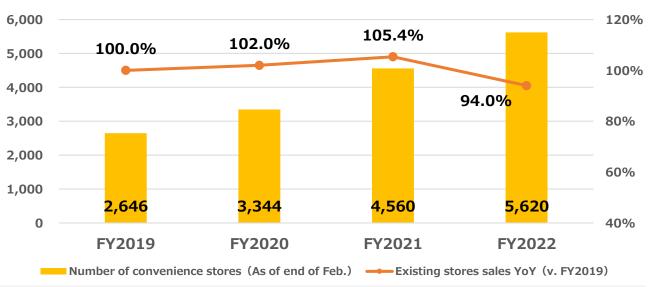
Profit fell due to expansion of financial institutions affiliated with ATM business\* and increasing usage of ATM machines by expanding services that make cashless payment apps charge available.

#### Overseas (China)

#### <Operating income> -2.1 billion yen

(YoY -4.2 billion yen v.plan -1.8 billion yen)

#### Number of convenience stores and Existing-stores sales YoY



The number of stores in China was 5,620 as of end of Feb. 2023, exceeding 5,000 stores in July. The adverse impact of the blanket lockdowns imposed on Shanghai in April and subsequent intermittent restrictions on movement imposed across China, and positive cases increased due to relaxing zero-COVID policy in early December. Profit fell because of the business environment proved severe throughout the year.

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<sup>\*</sup>Financial affiliates increased by 6 from end Feb. to 384

# FY2022 Results (Consolidated)



Unit: Billions of yen

	FY2021	FY2022	
	Results	Results	YoY
Operating Income	47.0	55.0	+7.9
Ordinary Income	47.5	53.4	+5.8
Profit	17.9	24.6	+6.7

■ FY2022 Domestic convenience store business Existing-stores sales YoY 103.6%\*1 Opening 228/Closure 253/Total number of stores 14,631\*2

<sup>\*2</sup> These figures are sums of total LAWSON and NATURAL LAWSON operated by Lawson, Inc. Existing-store sales do not include the impact of tickets, etc.

<sup>\*3</sup> The number of stores is a total number of stores operated by the Lawson group.



# Action Plan for Lawson Group's Challenge 2025

# Lawson Group's Challenge 2025 Overview



2025
50th anniversary

Customers, society, friends'
No.1 recommended brand



Group Vision
"New hubs of
refreshment in every
community"

New convenience in practice

Lawson Group Sweeping Transformation

Executive Committee

Work motivation, determined spirit, digital data

**Promise 1**Superior taste

Promise 2
Human kindness

Promise 3
Environmental
(Machi) friendliness

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# **Growth strategy**



#### ■ Create and practice "New convenience," and aim for No.1 recommended brand

Community-based × individual customer and individual store-focused FY2023 FY2024 FY2025

- Expand area company system nationwide
- Thoroughly pursue ultimate product taste along with ample product ranges and inventory
- Explore deeper store opening potential and diversify store formats

#### Lawson Group Sweeping Transformation Executive Committee

**Vendor distribution reform** 

**Customer-centric supply chain reform** 

Pursuit of ideal store format 2.0

**Unified use of Group data** 

The No.1 recommendation acquiring

Projects

50<sup>th</sup> anniversary executive

Franchise model reform

**Group branding** 

**Personnel system reform** 

Internal structure reform

- Optimize vendor frameworks and strengthen product appeal
- Expand sales of frozen food and establish a frozen distribution model to spark competition among local vendors
- Establish optimal delivery models (changes to 2 deliveries of chilled and temperature-controlled products, reduce CO<sub>2</sub> emissions)
  - Promote optimal ordering volumes for individual stores by introducing new semi-automatic ordering, maximize profit on sales, reduce food loss
  - Promote environment-conscious stores, reduce electricity consumption, pursue labor-saving measures
- Expand marketing business using data and owned media
  - No.1 recommendation from customers, society, colleagues
  - Plan and promote suitable events and communication to mark Lawson's 50<sup>th</sup> anniversary
    - Establish a sustainable new FC model
- Improve Group brand value
  - Reform HR systems to focus on market value (by job type) and performance-based remuneration, reform management training platform and job satisfaction measures
    - Introduce lean head office systems

 Incubation business (delivery, ghost restaurants, nationwide OTC sales, kitchen cars, etc.), **Group growth investment** Group businesses (Seijo Ishii, Entertainment-related, Finance services, Overseas) Copyright (c) 2023 Lawson, Inc. All rights reserved.

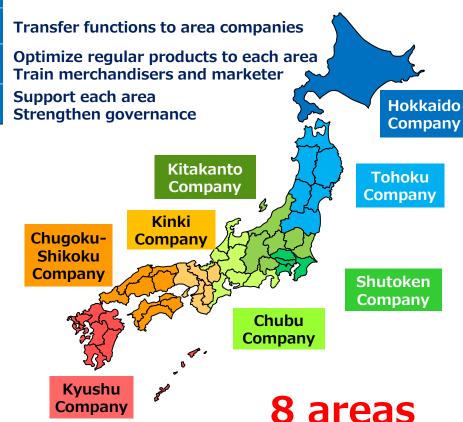
-Domestic convenience store business (Community-based × individual customer and individual store-focused)-

■ Aim for evolution of "Community-based × individual customer and individual store-focused" through area company system, product & sales strategy, and store opening strategy

#### **Expand area company system nationwide**

Management structure Sales & development Product & marketing

#### **Pursue execution**



#### **Product & Sales strategy**

Aim for ultimate chain-store management, pursue double-axis policy of strengthening product power and sales floor execution

Products

Delicious taste

Pursue

Product range, stock

Ample ranges, volumes

Improve execution

#### **Store opening strategy**

Continue opening a certain number of stores each year by opening stores tailored to local characteristics

**New locations** 

Active opening of hospital stores

**Diversify formats** 

- Open dominant stores and develop logistics networks in areas with new business area
- ·Utilize sites abandoned by other industries, cooperate with local authorities
- •Continue to expand store openings in large hospitals
- ·Try opening stores in medium-sized hospitals
- ·Stores housed in bookstores, etc.
- Mobile sales, etc.



-Domestic convenience store business (Lawson Group Sweeping Transformation Executive Committee)-

#### Projects newly established and updated to practice "New convenience"

#### **Vendor distribution reform**

# <Strengthen Product development and manufacturing function>

- ·Optimize vendor system/Strengthen product appeal
- •Expand sales of frozen food and establish a frozen distribution model

#### <Distribution reform>

•Establish optimal delivery models (changes to 2 deliveries of chilled and temperature-controlled products, reduce CO<sub>2</sub> emissions)

#### **Pursuit of ideal store format 2.0**

#### <Environment-conscious stores>

•POC and installation of environment-conscious stores reduce electricity consumption and CO<sub>2</sub> emissions

#### <Labor-saving measures>

 POC of selling cigarettes and alcoholic drinks using selfcheckout system

#### **Customer-centric supply chain reform**

#### <Introduce new semi-automatic ordering>

- •Improve demand forecasting accuracy by incorporating latest AI models
- Optimize product ranges and order volumes
- •Realize models that rundown all products

Aim to maximize profits and reduce food loss

#### **Unified use of Group data**

#### Utilize data and owned-media>

- Expand owned-media marketing
- •Utilize store network to develop and provide high valueadded services

#### **Growth strategy - Seijo Ishii business-**



#### Accelerate store openings with the growth engine

#### **Key strategies**

- 1 Store opening strategy
  - (1)Expanding business area Seeking new store format
  - (2) Doubling production capacity by new central kitchen
  - (3) Considering overseas expansion
  - (4) Partner strategy
- 2 Product strategy
  - (1) Strengthening in-house items
  - (2) Developing and procuring high value-added items



- 3 Digital transformation strategy
  - (1) Strengthening e-commerce and delivery services
  - (2) Renewal of the website
  - (3) Strengthening customer base

#### **Doubling production capacity**

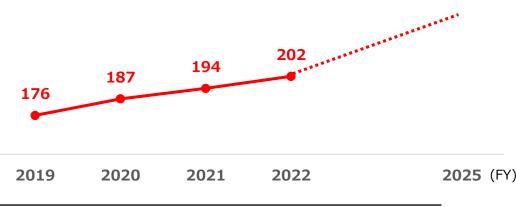






# Segment profit Unit: Billions of yen 8.3 10.3 11.2 11.1 11.6 2019 2020 2021 2022 2023 2025 (FY)

Number of stores (Sum of company-operated and franchised supermarket store)



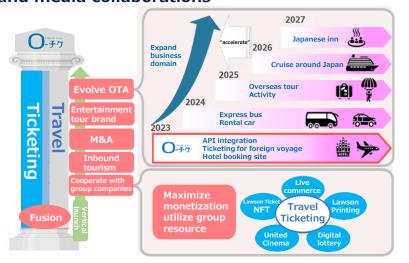
#### **Growth strategy** -Entertainment-related business-

Expand business fields to become a one-of-a-kind comprehensive entertainment distribution company

#### **Key strategies**

#### 1 Ticketing business

- (1)Establish a ticket platformer Vertical launch of high affinity travel business (consider alliances)
- (2)Expand exclusive sales through leading content and media collaborations



#### 2 Product sales and service business

- (1) Strengthen content procurement: video, music, books, goods, etc.
- (2)Accelerate online-merge-offline
- (3)Evolve stores: Expand product lineup to satisfy needs

#### 3 Cinema complexes business

(1)Accelerate the evolution from watching to an emotional experience

Differentiate through higher added-value theater facilities. Increase theater occupancy rates.

(2)Strengthen sales, marketing, and promotion of non-move products



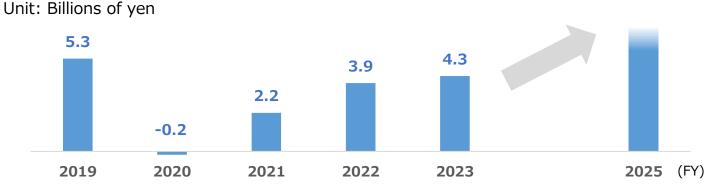
#### 4 CVS-related business

(1) Promote "community-based x individual customer and individual store-focused operations" in stores housed in bookstores (2)Expand catalogue gift business scope and promote DX





#### **Segment profit**



25

#### **Growth strategy** -Financial services business-



#### Strengthen ATM business and consider the launch of new retail business

#### **Key strategies**

1

business

#### (1)Growth joint ATM

•Provide value that benefits users by expanding partner financial institutions and business partners

#### (2)Expand ATM numbers

•Encourage the installation of ATMs outside retail stores and other outlets by utilizing business channels with partner banks



A joint ATM installed together with JA Shinmiyagi on the road adjacent to station in March 2021

#### New retail business

#### Consider launching a new retail business

·Aim to offer "necessary financial services when customers need them" that are timed to suit customers' different life stages, something that conventional financial services don't offer "LAWSON BANK supports everyone's



Develop new retail

Strengthen ATM business

• Synand partner financial institutions

- Expand partner financial institutions
- Strengthen function and reduce cost

  Until now

Offer convenience to customers challenge

FY2023~

Support customers' dream

Offer security to customers

happiness and challenge, giving

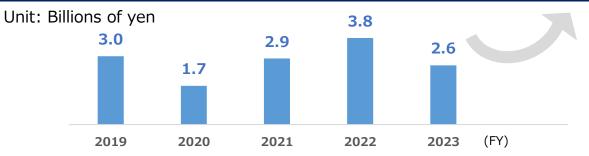
consideration to people's life

#### Average number of ATMs used (per machine per day)

**ATM business** 



#### Segment profit



#### **Growth strategy - Overseas business-**

- LAWSON
- Aim to open 10,000 stores in total in China, accelerating the expansion of the number of stores
- Aim to open 3,000 stores in total in Asia-Pacific area, accelerating the expansion of the number of stores

#### 1

#### Store opening strategy

- (1) Grow by accelerating store openings in new areas
- (2) Expand scale and improve profit margins in existing store areas

#### 2

#### **Product strategy**

Make hot-selling items more popular by strengthening private brand products and improving quality of basic items

#### 3 Digital transformation strategy

- (1) Expand delivery services, OMO, and e-commerce
- (2) Promote digital transformation in sales, products, and development field

#### (1)

#### **Store opening strategy**

- (1) The Philippines
- •Extend high daily sales/high rent urban model to include medium daily sales/low rent suburban model
- •Accelerate highly profitable individual FC, open new stores in various formats and locations
- (2) Thailand, Indonesia
- ·Differentiate. Cooperate with railways and other industries

#### 2

#### **Product strategy**

- (1) The Philippines, Thailand
- Expand private brand products, strengthen fast foods, strengthen vendor policy
- (2) Indonesia ·Support development of new products

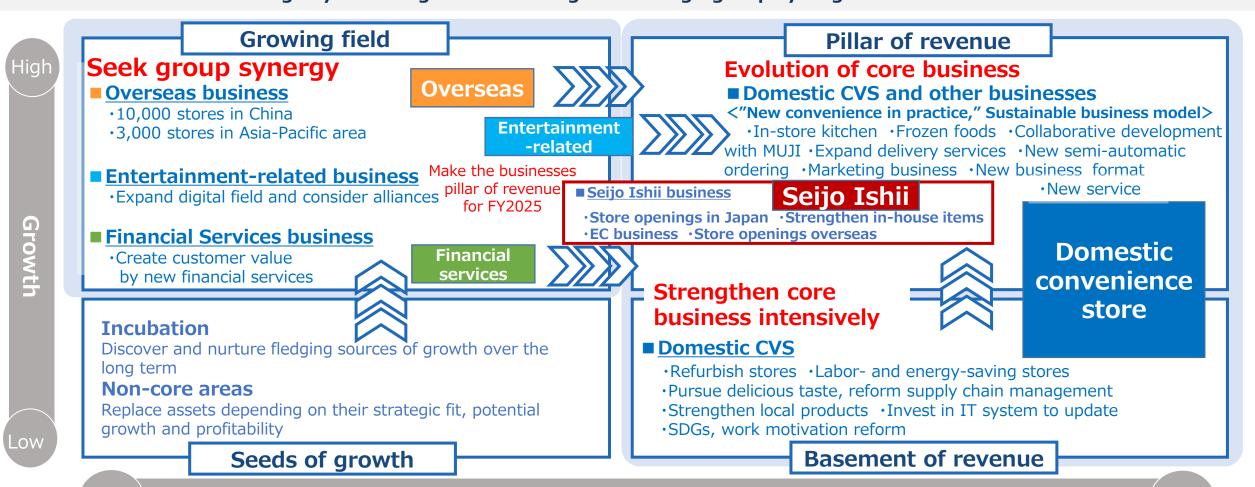




#### **Business portfolio strategy - Overview-**



- Base on the policy "Improve corporate value," "Balance growth investment and shareholder returns," and "Ensure growth for individual subsidiaries and the overall Group"
- Fundamentally strengthen our core Domestic CVS business
- Seek to increase earnings by investing in areas that generate high group synergies



Revenue

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Low

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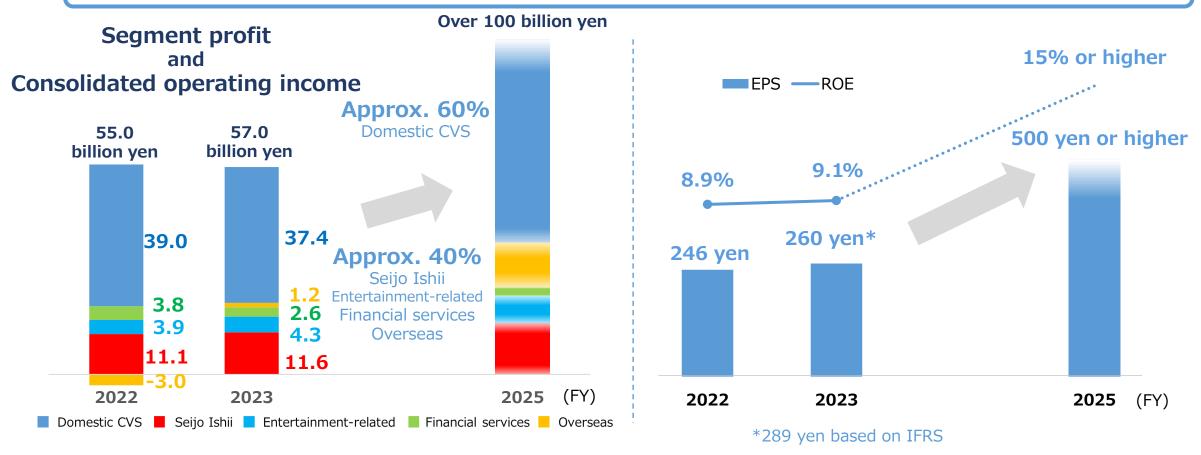
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#### **FY2025 Performance indicators**



■ Aim to achieve FY2025 Performance indicators, growing Domestic convenience store business and the other businesses





FY2022 results and FY2023 plan are based on Japanese GAAP. FY2025 figures are based on IFRS.

# Shareholder return policy

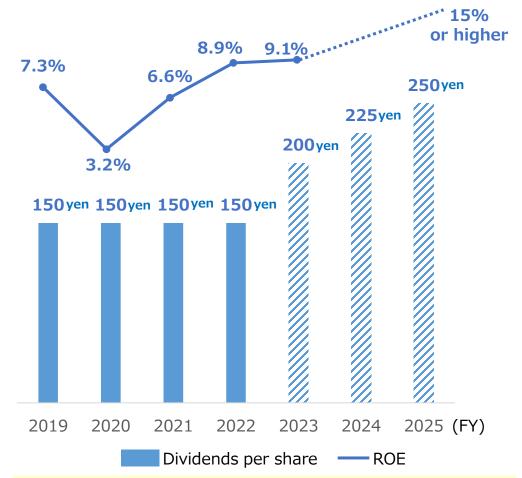
LAWSON

- Set a minimum of 200 yen for FY2023 and seek to increase dividends
- Strengthen shareholder returns by gradually increasing dividends through FY2025
- > Changed dividend policy in FY2019 to strengthen franchise owner support
- Strengthened FC support from FY2020 to promote FC profit-focused management
- ➤ Head office and FC profitability improved through measures designed by our Sweeping Transformation Executive Committee, etc.
- > Strengthen shareholder returns by aiming for EPS of 500 yen and ROE of 15%

#### <Dividends for the next 3 years>

	Dividends per share	Payout ratio (consolidated)
FY2023	Minimum 200 yen	
FY2024	Minimum 225 yen	Target 50%
FY2025	Minimum 250 yen	

Set a cumulative total payout ratio target for FY2023 to FY2025 of 70%, and consider agile and flexible additional returns



Regarding ROE FY2019 to FY2022 results and FY2023 plan are based on Japanese GAAP and FY2025 figures are based on IFRS.



# Initiatives for ESG

#### Lawson Blue Challenge 2050!



2025

2030

2050

50th anniversary

**SDGs** targets

**Environmental** vision

Lawson Blue Challenge 2050! —Save our blue planet!—

Reducing CO<sub>2</sub> emissions

Reduce by 15% v.2013 levels

Reduce by 50% v.2013 levels

Reduce by 100%

CO<sub>2</sub> emissions per store

v.2013 levels

Reducing plastic use

Reduce by 15% **\***Reducing plastic containers v.2017 levels and packaging use

Reduce by 30%

v.2017 levels

**%Lawson's original products Eco-friendly materials** 

50% used

**XLawson's original products Eco-friendly materials** 

100% used

Reducing plastic use

Reducing plastic shopping bags use

Reduce by 100%

Reduce by

25% v.2018 levels Reduce by 50% v.2018 levels

Reduce by 100%

v.2018 levels

**Reducing food loss** 

#### **Environmental and social initiatives FY2022**

#### **Reducing food loss**



Sell-out operations (encourage customers to buy from the front of the shelf, discounts)

#### Reducing plastic use

Gradually introducing shorter spoon and forks handles and handles with holes in them, as well as wooden spoons

Expect to reduce plastic use by approx. 67 tons/year



#### Reducing CO<sub>2</sub> emissions

Introduce energy-saving equipment

CFC-free refrigerators Life-cycle refurbishment



Renovate stores that use large amounts of energy

- •Utilize the function to automatically restore the air conditioner temperature setting after a manual change
- Energy-saving measures (temperature settings, etc.)

#### Support for disabilities

#### Create stores that offer fun, safe shopping

# Support for hearing disabilities

- Install instructions with the ear mark label on checkout counters
- Make the data available to the general public



#### **Promote active participation**

Collaborative projects with artists with disabilities



**Art toilets** 



Designer cups for MACHI café

#### **Newly launched initiatives**



#### GREEN LAWSON (future format stores)

The experimental store that consolidates over 20 sustainable measures and responds to changes in MACHI and the diverse customer needs.

- Stores where you can work proactively without restrictions using avatars
- Stores that seek to save labor and offer warm communication through DX



lunchbox waste



Save labor with selfcheckouts. Support customers with avatars

 Planet-friendly stores that reduce CO<sub>2</sub> emissions and plastic use



Shopping basket made from recycled plastic

- ·Install chilled and frozen food showcases with panel doors
- Stop handing out plastic bags or cutlery, …etc.

#### Model Store Demonstration Experiment

Reduce electricity consumption by 40% and CO<sub>2</sub> emissions by 55% v. FY2013

- Install glass or acrylic doors on approximately 80% of the store's refrigerated and frozen food showcases.
- Install solar panels

# Reduce electricity charges by roughly 1 million yen per store

Seek to standardize from March 2024







Acrylic-paneled refrigerated showcase



Planet-friendly stores that aim for zero



Only sell frozen lunchboxes or lunchboxes made in-store

#### **Progress Toward 2030 Targets for Environmental Initiatives**



2030 target	CO <sub>2</sub> emissions per store V. 2013 levels Reduction of <b>50%</b>	Plastic use V. 2017 levels Reduction of 30%	Food Loss V. 2018 levels Reduction of 50%
2022 preliminary results	Reduction of 27.1%	Reduction of 24.8%	Reduction of 23.1%
KPI	CO <sub>2</sub> emissions  100%  100%  80%  40%  20%  2013  2025  2030	plastic containers  120%  100%  80%  60%  40%  2017  2025  2030	Food loss  120%  100%  80%  60%  40%  2018  2025  2030
Initiatives	New measures •GREEN LAWSON: OP cases with panel doors •Thoroughly implement 10 energy-saving articles •Introduce energy-saving equipment in stores that use large amounts of energy  Ongoing measures •Introduce energy-saving equipment through life-cycle renovations	New measures	New measures •Experimenting with the use of expired products •Discount sales of desserts through Cookpad Mart •Donation of fast food using quick freezing  Ongoing measures •Improve ordering accuracy •Thorough pursuit of sell-out operations



#### **Cautionary Statement**

This presentation contains forward-looking statements and forecasts regarding the future plans, strategies and performances of Lawson and its subsidiaries and affiliates. These statements and forecasts are not historical facts. They are expectations based on assumptions and beliefs derived from information currently available to the Company and are subject to risks and uncertainties including, but not limited to, economic trends, heightened competition in the domestic convenience store sector, personal consumption, market demand, the tax system and other legislation. As such, actual results may differ materially from estimates. Figures in this presentation have been rounded down.