

Q&As at the Financial Results Briefing for FY2023 of Lawson, Inc.	
Date	April 11, 2024, Thursday, 16:30–17:30
Attendees	Sadanobu Takemasu, President and CEO, Representative Director, Chairman of the Board Masayuki Itonaga, Member of the Board, Executive Managing Officer, Chief Financial Officer Tomoki Takanishi, Senior Vice President, Division Director of Financial Administration Division

Q: How do you envisage the role of franchise owners, store crews, and the head office changing going forward as you proceed to shift to digital-driven business over the long-term?

A: It will take a considerable amount of time to convert the major task in our stores to robotic operation, but we hope to open trial tech-driven stores in time to celebrate our 50th anniversary in 2025. There will be some stores that do not require much customer service depending on the nature of their location, but we feel we need to offer communication and other values that only people in the real world can provide in order to fully realize our Group philosophy of “creating happiness and harmony in our communities.” For that reason, however advanced robotics might become, we will continue to create stores that offer the warmth of human contact as a dedicated community partner. We also believe that the head office has a key leadership role to play in the injection of various management resources and in guiding the use of data and technology in transforming our physical retail business. At the same time, the head office will continue to work with our franchise owners and store crews to fully grasp customer needs and help solve social issues.

Q: What kind of collaboration do you envisage between KDDI and Mitsubishi Corporation going forward?

A: If we want to effectively transform our physical retail business, it is important that it is connected. KDDI are the ultimate professionals when it comes connecting different entities, so we would like to work together on various initiatives. We have already received a considerable amount of support from Mitsubishi Corporation, and we need their comprehensive capabilities in order to fully grasp the needs of our customers, solve social issues, and provide even great convenience.

Q: Following a solid performance in fiscal 2023, customer visits continued to increase strongly in March. What measures and pricing strategies do you intend to pursue going forward to further increase customer numbers?

A: Fiscal 2023 was a difficult year to navigate and we believe that the recent depreciation of the

yen will prove a negative factor in terms of consumption. Pricing strategies have an important role to play. We implemented limited-period price reductions on lunch boxes and other items in fall 2023 followed by our Morisugi (Bumper Volume) Challenge in February when we sold much larger portions at the same price to catch our customers' attention. Going forward, we will strive to develop further measures to delight our customers and to earn our customers' trust by keeping the price of basic products low while also developing value-added products that our customers will appreciate.

Q: You stock price and corporate performance are currently strong, so what was the most significant factor behind your decision to delist the company?

A: We have managed to generate strong results since the middle of fiscal 2023, but we need to evolve our stores by combining physical store qualities with the benefits of technology in order to secure further growth. KDDI's proposal and technical support will help Lawson achieve its future vision with greater speed. We believe that KDDI is a reliable partner with a respectable corporate culture, so we expressed our support for the takeover bid.

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