

Superior
taste

Current **CHALLENGE**

Making daily meals tastier and abundantly enjoyable



CHALLENGE 1

To contribute to more delicious living



Enriching our lineup with better-tasting original products

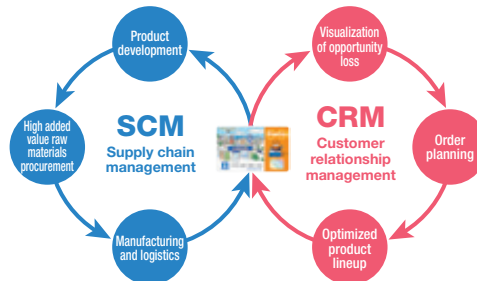
At Lawson, we concentrate our efforts on planning and developing original products to ensure our customers' ability to obtain delicious foods every day from a nearby LAWSON store. Our product development employs analyses of purchasing data gathered from Ponta Point Cards as well as feedback obtained through social media. Our insight into customers' lives enables us to provide them with incomparable good tastes from morning to night.

In our pursuit of delicious taste, we select only the finest-quality ingredients for our original products. Our sandwiches are made with specially developed sandwich breads and filled with tasty ingredients, and our noodle dishes are prepared with carefully selected noodles, soup stocks, raw materials and preparation methods to assure unexcelled excellence. The

Lawson bakery has crafted a new Machi-no Pan ("community bread") series with painstaking care for textures and ingredients. Sales of our Kara-age Kun (fried chicken nuggets) introduced 33 years ago have surpassed 3.1 billion servings, and our new unprecedentedly smooth, rich BASCHEE Basque-style cheesecake has scored another enormous hit, selling over 13 million slices in just two months. Kinshari onigiri rice balls featuring a blend of Niigata Koshihikari rice with other domestic rice varieties wrapped in tasty nori seaweed has also achieved immediate popularity. Some 5,500 LAWSON stores nationwide are now preparing meals on site in Machikado Chubo in-store kitchens. Dishes such as freshly cooked white rice and thick-sliced pork cutlets deep-fried right in the store offer delicious tastes possible only with home cooking.

Our widely varied lineup of original LAWSON products now accounts for about 40% of total sales by the stores.

●The LAWSON SCM-CRM Model



The LAWSON SCM-CRM Model facilitates development of delicious, highly appealing products and product offerings from the customer's perspective. It uses Ponta Point Card members' personal attributes (gender, age, region of residence, etc.) to analyze their purchasing behavior, visualize expected opportunity loss (missed sales) and conduct order planning. This analysis also contributes to food waste reduction. CRM activities provide the driving force for increasing sales and profitability by helping us to understand our communities, stores and customers better.



Charcoal-grilled pork rice bowl



Double-cream square buns



Pearl barley & walnut milky cream buns



Machikado Chubo in-store kitchen delicacies



BASCHEE
— Basque-style cheesecake —



Kara-age Kun
Regular



Akuma-no ("devilishly
delicious") onigiri rice balls



4-variety frozen fruit bar pack



FROZEN PARTY
strawberry dessert



A grilled salmon Kinshari
onigiri rice ball



Store development in pursuit of superior taste

Demand for delicious, affordable frozen meals that can be cooked easily in a microwave oven is increasing among working women and seniors who live alone. These products are environmentally friendly, moreover, since they generate minimal food waste.

The taste of Sanuki udon, a popular frozen noodle product in the LAWSON Select private brand series, was improved in spring 2019 with a switch to the use of domestic wheat in its manufacture. Rice dishes are another perennial favorite frozen food. Enhancement of our incomparably delicious frozen food



Fried rice



Shrimp pilaf



Sanuki regional specialty udon noodles

lineup will continue into the future.

In addition to frozen foods, LAWSON stores respond to demand for prepared meals to meet individual needs with such delicacies from the fast-food counter as croquettes and minced beef cutlets, now established as staple side dishes for the dinner table, as well as a popular line of Cup Sozai snacks to accompany evening drinks.

We are also introducing self-service display cases that enable customers to select their own ready-to-eat dishes.



Message

The Machi-no-pan bakery series developed by women to appeal to wide-ranging customers

Launched on March 5, 2019, Machi-no-pan is a new series of delectable bakery items offering choices to suit the tastes of every hungry customer. Developed by a team reporting directly to the President and designated



Cheese! Cheese Boule



French toast made with 2 slices of French bread

as a “Free-thinking Bakery Creation Task Force,” the products reflect the goal of breaking with the conventional image of “packaged convenience store bread.”

The team comprises four women from various Lawson departments. Their innovations cover a broad range, from breads with crispy, chewy textures to breads packed with delicious fillings, and even breads that go nicely with wine, all developed to generate the excitement of visiting a popular bakery in town.

I suggest ideas based on my experience in a regional merchandising department.

I look for delicious breads that bring sudden smiles to people's faces!

I draw on my supervisory experience and reflect feedback from the stores!

I envision a bakery section that always provides customer satisfaction.



Tohoku Merchandising Dept.

Natural Lawson Merchandising Dept.

Products Planning Dept.

Daily Foods Dept.

Yoshiko Ishibashi

Aika Kobayashi

Kasumi Fukui

Ayako Murata

The Free-thinking Bakery Creation Task Force

CHALLENGE 2

To satisfy a diverse range of personal preferences



NATURAL LAWSON

Contributing to more beautiful, healthy and relaxed lifestyles

The NATURAL LAWSON chain, which has expanded to 143 stores nationwide (as of July 2019), serves a customer base comprising people who insist on daily life products oriented toward “health and beauty,” “seasonality” and “safety and reliability.” The pleasant store interiors assure a 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.



Onigiri rice balls with sticky barley, Edamame and salted kelp



Sweet bean paste gipfeli



LAWSON STORE100

Providing good value centered on 100-yen food products

With its 790 stores nationwide (as of July 2019), LAWSON STORE100 offers three types of value to meet the needs of single people, homemakers and others: a wide selection of products similar to those available in supermarkets; the accessibility of a convenience store; and an easily understandable single price. This “100-yen grocery store” offers optimal value for money with products distinguished by suitable volumes and small portions. Popular favorites include fresh, good-quality fruits and vegetables sourced from cooperating producers in regions throughout Japan.



Fried chicken



Shredded cabbage



Pure-brewed soy sauce



SEIJO ISHII

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

Seijo Ishii offers a full assortment of appealing products handpicked with unstinting selectivity from throughout Japan and around the world. The 151 stores in the chain* (as of July 2019), most congregated in the Tokyo Metropolitan Area, have developed a variety of formats, from street-side stores to shops in station buildings, department stores, shopping centers and office buildings. The “grocerant,” which fuses dining with shopping, is a popular new variant. Customers who insist on superior quality rely on Seijo Ishii for a wide range of imported foods, select fresh foods and deli items as well as for processed meat products prepared by skilled chefs in a central kitchen.

Seijo Ishii uses no preservatives, synthetic colorants, or synthetic sweeteners in its original products. Its product development seeks to minimize the use of additives to enable customers to enjoy the natural flavors of the ingredients.

*The 151 stores operated directly by SEIJO ISHII, CO., LTD. only



Entrance to a Seijo Ishii “grocerant”



Premium cheesecake



Juicy domestic pork dumplings (small)



Le Bar à Vin 52, a Seijo Ishii production. With a menu of tasty items made with Seijo Ishii ingredients, Le Bar à Vin 52 wine bars serve fine foods and wines carefully selected by the parent store's expert buyers.

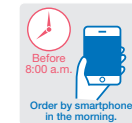


Faithful ally of busy people who require help with grocery shopping

LAWSON FRESH PICK

The LAWSON FRESH PICK (Loppick) service enables customers to place orders by smartphone app before 8:00 a.m. and pick them up at a LAWSON of their choice as early as 2:00 p.m. the same day.* The available selection includes products that are not normally sold by LAWSON stores, among them meal kits, fresh foods, high-end ingredients from Seijo Ishii and other specialty stores and various sweets and desserts. Already serving customers at approximately 1,800 stores in Tokyo, Kanagawa and Chiba prefectures, Loppick will be rolled out nationwide in the future.

*The arrival time of ordered products varies with the selected store.



Order by smartphone in the morning.



Purchase at LAWSON the same evening.

Original Lawson meal kits



Ready to eat in as little as 10 minutes! Now, anyone can prepare delectable meals. Kitchento meal kits come with written preparation instructions and the proper proportions of all the necessary pre-cut ingredients, so they can be cooked right out of the package.



Chop suey with seafood



CHALLENGE 3

To spread happiness through wide-ranging entertainment and financial services

Proposals for a “delicious life”

Since the 1990s, Lawson has sought to enliven and enrich its customers’ lives by promoting entertainment-related services. Lawson Entertainment, Inc., which operates Lawson Ticket and HMV & BOOKS, is strengthening its collaboration with Group members United Cinemas Co., Ltd. and Lawson Travel Inc. with the aim of becoming the only comprehensive entertainment company that meets customers’ all-round entertainment needs.



Lawson also makes people’s lives more convenient and enjoyable with financial services provided by Lawson Bank, Inc. and various administrative services conducted in partnership with local governments.

Convenient, value-added financial services

Your most accessible bank, with ATMs right in the store
Lawson Bank

In October 2018, Lawson introduced various new financial services with the opening of Lawson Bank. Customers can conduct bank transactions anytime using ATMs installed in LAWSON stores throughout Japan, or by PC or smartphone 24 hours a day, 365 days a year. The bank is currently issuing a variety of coupons for ATM users as part of a promotional campaign. The closest, most easily accessible bank in the neighborhood, Lawson Bank is making life increasingly convenient for every community resident.

In another new development, customers earn added Ponta points when they use the Lawson Ponta Plus credit card introduced in January 2019 to make purchases at LAWSON stores.



The LAWSON Ponta Plus credit card system



UNITED CINEMAS
Enhancing the movie-viewing experience

United Cinemas, Japan’s third-largest cinema complex provider, operates 42 theaters with 378 screens nationwide (as of July 2019). In June 2019, it opened a theater in Okinawa Prefecture equipped with a state-of-the-art IMAX Laser*1 screening system as well as the new 4DX*2 and SCREENX*3 experiential and multi-projection technologies. Besides providing unparalleled entertainment through enriched movie experiences, the company is leveraging the synergies of the Lawson Group to develop a wide array of event-hosting operations.

- *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



Lawson Entertainment
Providing new experiences through real-world retail store shopping

HMV, now one of Japan’s largest music and video software store brands, entered the Japanese market in 1990 and joined the Lawson Group in 2010. The company operates 56 stores nationwide (as of July 2019), most under the HMV brand encompassing HMV & BOOKS book-centered multi-media stores and specialized record stores as well as an online retail component.

Lawson Entertainment’s other conventional retail businesses include merchandize sales at event venues in conjunction with Lawson Ticket. It also provides a flat-rate music-streaming service HMV music, invests in anime and movie production, and develops and produces entertainment-themed merchandise.



LAWSON TICKET
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 website. The company is pursuing efforts to expand its scope of business further, by partnering with China’s Alibaba Group to make visiting Japan easier for overseas tourists, for instance, hosting large-scale original events, and providing fan club membership agency services.



A multilingual screen

