

Innovation for Growth

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Lawson, Inc.
July 2012

What's Lawson

Convenience stores in Japan

Uniqueness of Lawson

Company Name	LAWSON, INC.	Date Established	April 15, 1975
# of Employees	6,450	# of Stores	10,457 (Japan) / 370 (Overseas)
Business Activities	Franchise chain development of "LAWSON," "LAWSON STORE 100," and "NATURAL LAWSON"		
Net Sales	JP¥ 1,826bn (US\$ 23bn)		
Operating Profit	JP¥ 62bn (US\$ 790mn)		
Market Cap*	JP¥ 560bn (US\$ 7bn)		
Operating Region	All 47 prefectures in Japan China (Shanghai, Chongqing, Dalian) / Indonesia (Jakarta, Bali) / US (Honolulu)		



FY2011 (ending 2012.02), US\$1=JP¥78
*As of June 29, 2012

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What's LAWSON?

LAWSON

LAWSON's Global Site <http://lawson.jp/en/>



click to go to
LAWSON WALK <http://walk.lawson.jp/>



click to go to
What's LAWSON?
<http://walk.lawson.jp/#whatslawson>



click to view
Lawson's use of
social media

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Convenience stores in Japan

Uniqueness of Lawson

Japanese CVS are the most advanced retail format

Services



- Payment for public utility charges
- ATM
- Ticket sales (sports / movies / theater)
- Package delivery (order / receive)
- Gift order
- Photo print order
- Copy / Fax
- Free Wi-Fi service with Ponta
- Coupon / reward via mobile

Store Hours : Open 24 hours
Total No. of CVS in Japan : 45,000
Total No. of Customers / Day : 45mn
Total Sales / Day : US\$ 330mn

Payment



- NFC / Felica
- Pre-paid Card
- Reward



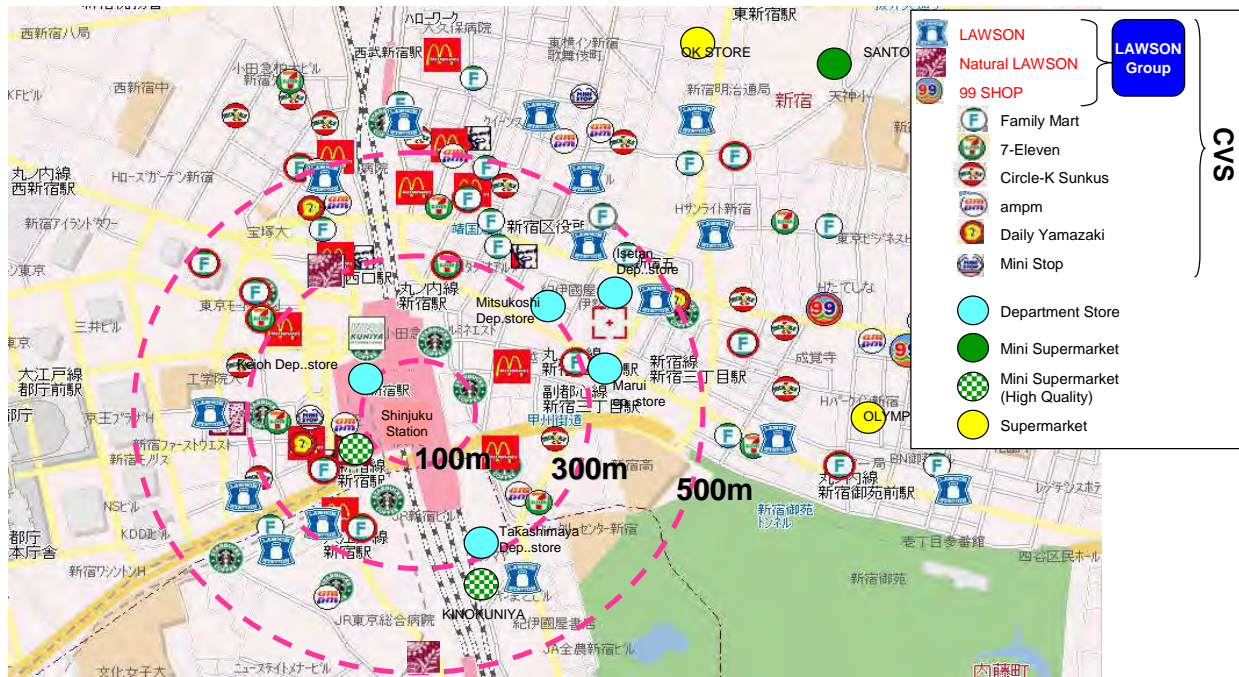
Products

- Beverages
- Groceries
- Food (take-out)
- Magazines
- Snacks
- Stationary

Frequently accessed digital infrastructure
where approx. 50% of population visit
each day

CVS are the lifeline of Japanese people

LAWSON



Center of the Tokyo Metropolitan Area

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LAWSON

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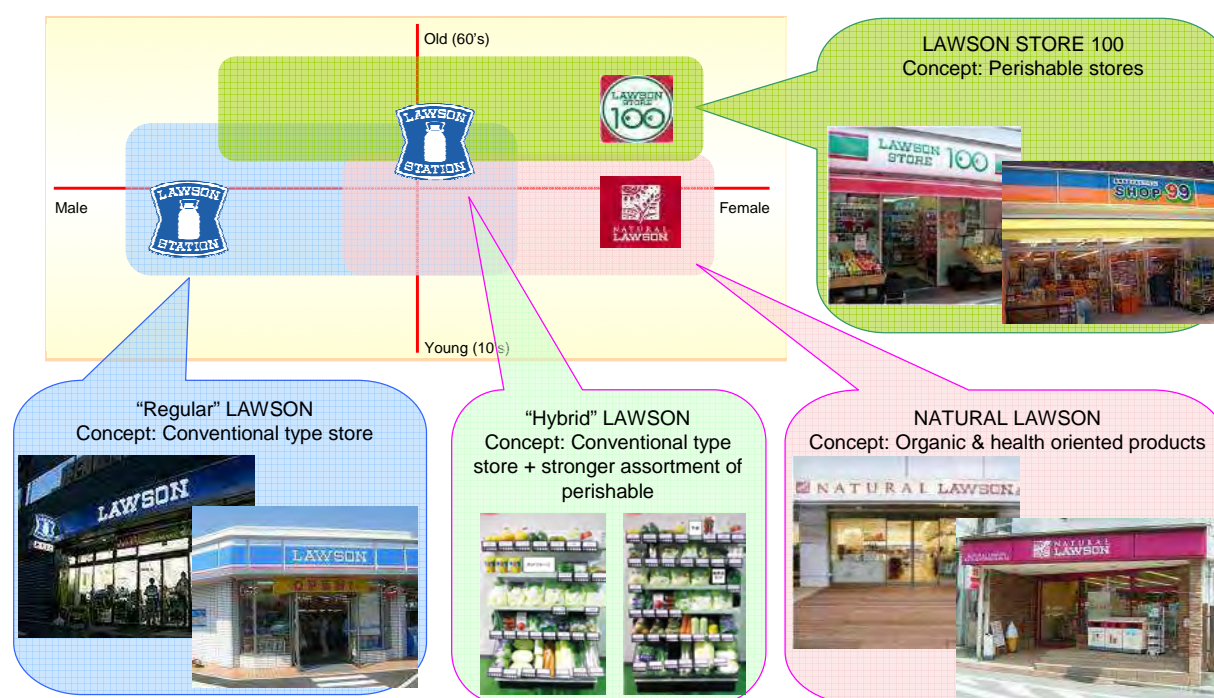
Uniqueness of Lawson

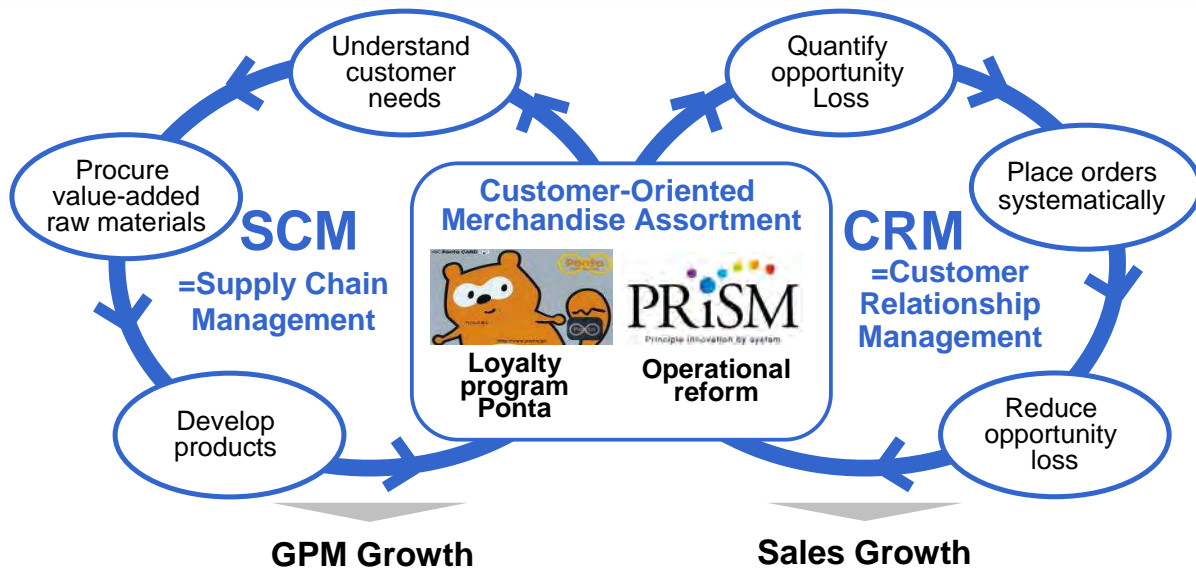
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- 10,000+ store outlets with various formats to expand customer base
 - Store formats: Regular / "Hybrid" / Natural Lawson / Store 100
- Integrated SCM-CRM model by utilizing Ponta Card data analysis
 - Use data analysis to increase our shares of 40 million card holders' wallets
- Management Owner System
 - From single store management to multi store management
- Utilization of social media
 - Facebook, Twitter, etc.
- International expansion
 - China, Indonesia, US (Hawaii)
- Diversity
 - Employment of non-Japanese and women

Store Formats

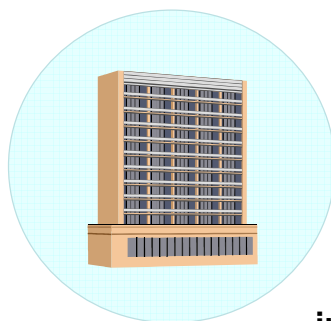




Use analysis of purchasing data of 40 million Ponta members and their profile data to increase the repeat purchase by loyal customers

LAWSON Head Office

LAWSON Franchise Stores "Mom-and-Pop"



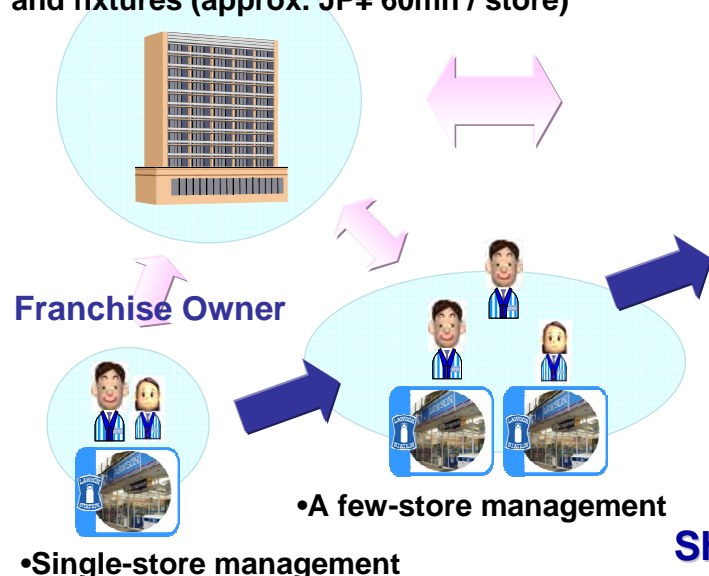
**Sharing the gross margin
instead of charging on sales**

"In the same boat"

**Lawson and Franchise owners are
partners in conducting joint business**

LAWSON Head Office = Venture Capital

- Build stores with leasing equipment and fixtures (approx. JP¥ 60mn / store)



Management Owner "MO" = Venture Company



Shifting towards multi-store management by MO

Utilization of Social Media

Lawson ranked No.2 in Japan for utilization of social media

	Company/Brand	Total Score
1	UNIQLO	81.0
2	LAWSON	75.6
3	MUJI	75.2
4	All Nippon Airways	74.8
5	Starbucks	74.2
6	T Point	68.3
7	Japan Airlines	65.6
8	Haagen-Dazs	65.3
9	Subway Japan	64.7
10	McDonald's	63.8
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15	Kentucky Fried Chicken	59.3
18	Family Mart	58.5
20	Seven-Eleven	57.1

Source: Nikkei BP

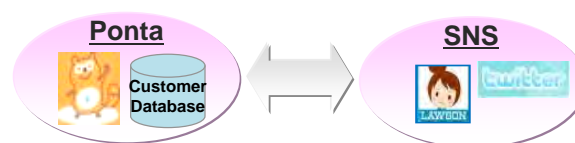
Twitter



facebook



Twitter Project (Nov 2011 – Mar 2012)
Data analysis conducted by Lawson and Twitter Japan





Exporting accumulated know-how of Japanese convenience store model with SCM and CRM to other countries

Diversity

- Promoting non-Japanese participation
 - One-third of new hirers are non-Japanese since FY2008
- Encouraging women's empowerment
 - Half of new hirers are women since FY2005
 - 2 out of 7 Board of Directors are women

- Role of Venture Capital is to promote entrepreneurship and innovation
- Entrepreneurship is important not only in small start-up firms but also in large established companies to create competitive edge
- Key to everlasting success is to foster entrepreneurial spirit among people and encourage them to think outside the box and challenge the status quo to bring innovation to the organization

Thank You