

CONSUMER INDUSTRY GROUP



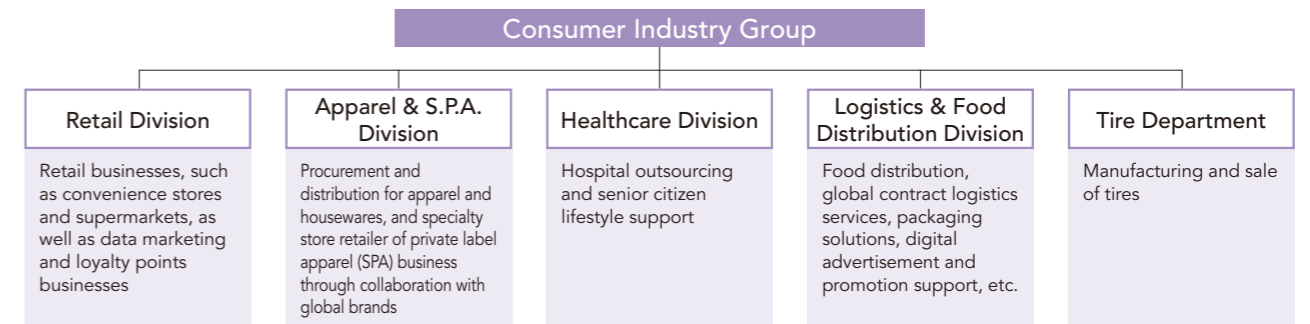
Our Vision



Kiyotaka Kikuchi
Executive Vice President
Group CEO,
Consumer Industry Group

K. Kikuchi

Our Group will promote supply chain optimization and new demand creation by connecting producers and consumers through the use of digital technology in the areas of retail, apparel and SPA (Specialty store retailer of private label apparel), healthcare, food distribution and logistics and tires for the automotive industry to achieve the sustainable development of local communities and increase convenience for consumers.



Materiality (Material Issues)

Related Material Issues



Promoting Stable, Sustainable Societies and Lifestyles

Relevance of Material Issues to the Business

Our Group will reduce waste by optimizing the entire supply chain through the use of digital technology to improve sales forecasting and order accuracy, data linkage and sales promotion at retail stores, thereby enhancing the sustainability of society. As an example, we aim to reduce food waste generated by the Group by 50% compared to 2018 levels.

In addition, by utilizing the Group's broad connections with consumers, we will work to create demand and revitalize local economies by building mechanisms to address societal and environmental challenges raised by the SDGs and by engaging in communications that encourage consumer participation to bring about a high-quality, plentiful lifestyle together with consumers.

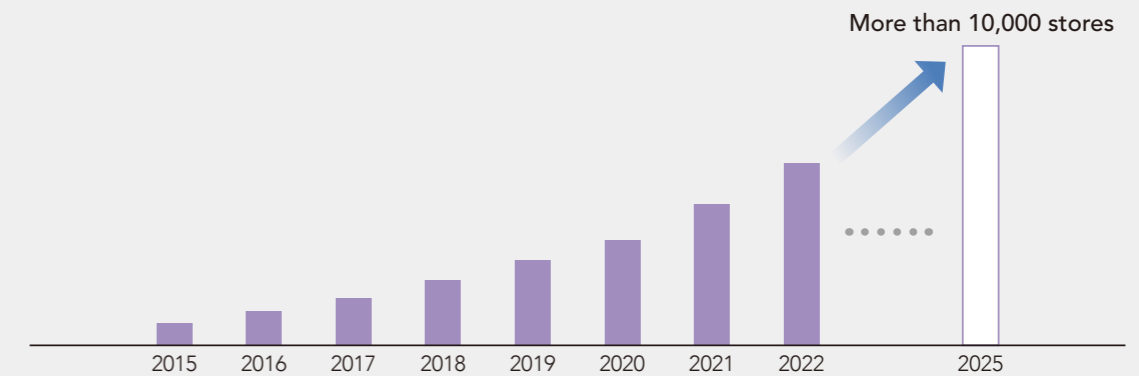
Group Strengths and Strategy

Group Strengths	<ul style="list-style-type: none"> A system that provides unique and convenient goods and services based on a deep understanding of consumer needs through our wide range of contact with consumers centered on physical retail stores, and consumer data accessed through the membership base Knowledge and a presence built up through our industry-leading intermediary distribution business, and networks of regional manufacturers, retailers, and healthcare facilities Locally-rooted business knowledge cultivated through the expansion of a retail store network in China and Southeast Asia
Summary of Midterm Corporate Strategy 2021	Through collaboration with affiliates such as Lawson, Inc. and Loyalty Marketing, Inc. we promoted the creation of new consumption experiences that integrate the Internet and the real world. In the intermediary distribution business, including apparel and health care, we began to reform our business through DX and launched an AI-based demand forecasting system in cooperation with Mitsubishi Shokuhin Co. Ltd. In China, we continued to open convenience stores, expanding to more than 4,000 stores. However, some businesses were hit by the COVID-19 pandemic and are still in the process of recovery.
Strategies Under Midterm Corporate Strategy 2024	In order to respond to the needs of consumers in the "new normal", we will transform our existing businesses and further create value for consumers through the use of digital technology. Through DX, we will also address various societal challenges in the Japanese market, such as the declining birthrate, aging population, labor shortage, logistics crisis, and weakening of regional infrastructure. Overseas, we will capture market growth by expanding our convenience store, apparel, tire, and other businesses.
Forecast for Future Growth	We will refine the uniqueness and convenience of the goods and services provided by each business, and aim to create a market-in business model that meets local needs. In Japan, we will contribute to the creation of attractive cities by continuously supplying goods and services that improve the quality of life in local communities by utilizing the Group's customer contacts and distribution network. Overseas, we will develop markets with partners who provide unique goods and services, aiming to win the support of local consumers.

Major Growth Drivers

Number of overseas retail stores of affiliated companies

We aim to increase Group business profit by expanding business models and products overseas that feature Japanese competitiveness and uniqueness, and by gaining the support of local consumers.



Business Examples

Promote the provision of DX and EX solutions to address industry and societal challenges. We will expand the solutions established in one business channel horizontally to other business channels and industries to create a chain of transformation.

