

# Business Plan GP10 Stage II Phase 2



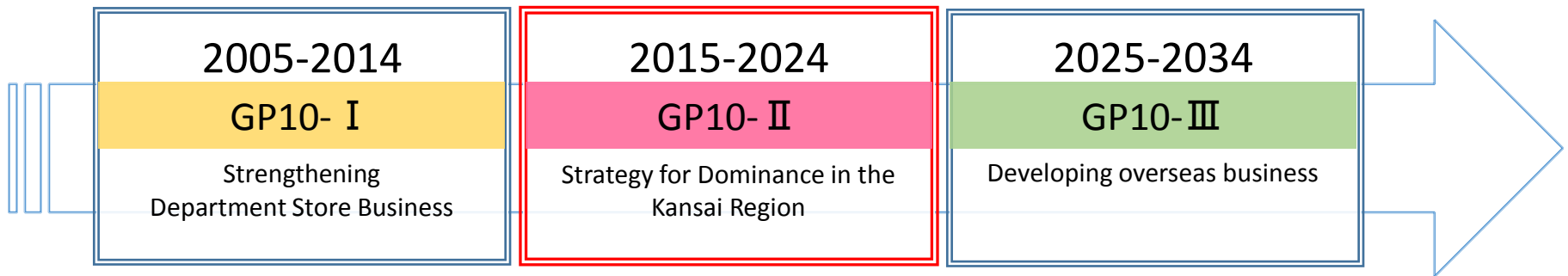
# Long-term Business Plan 『GP10』

## Long term of 10-year business plan to survive in shrinking market

Retail market shrinking in Japan

- Population aging, lower birthrates and population decline

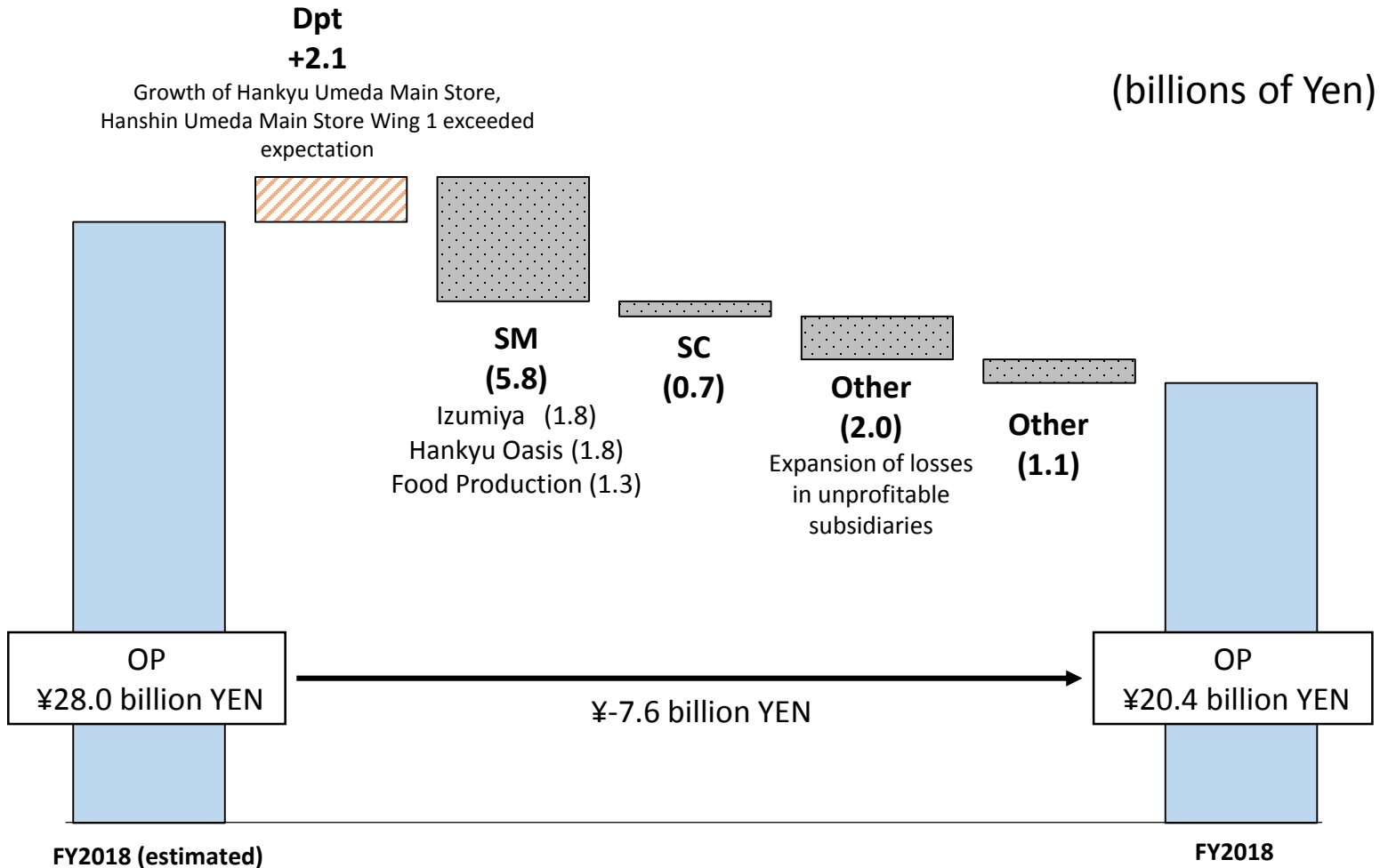
[GP10] : Plan to keep expanding share in this market



### For Dominance in the Kansai Region

- Make strong connection with customers' whole lifestyle by establishing store network (covers from everyday meals to fun shopping)

# GP10- II Phase 1



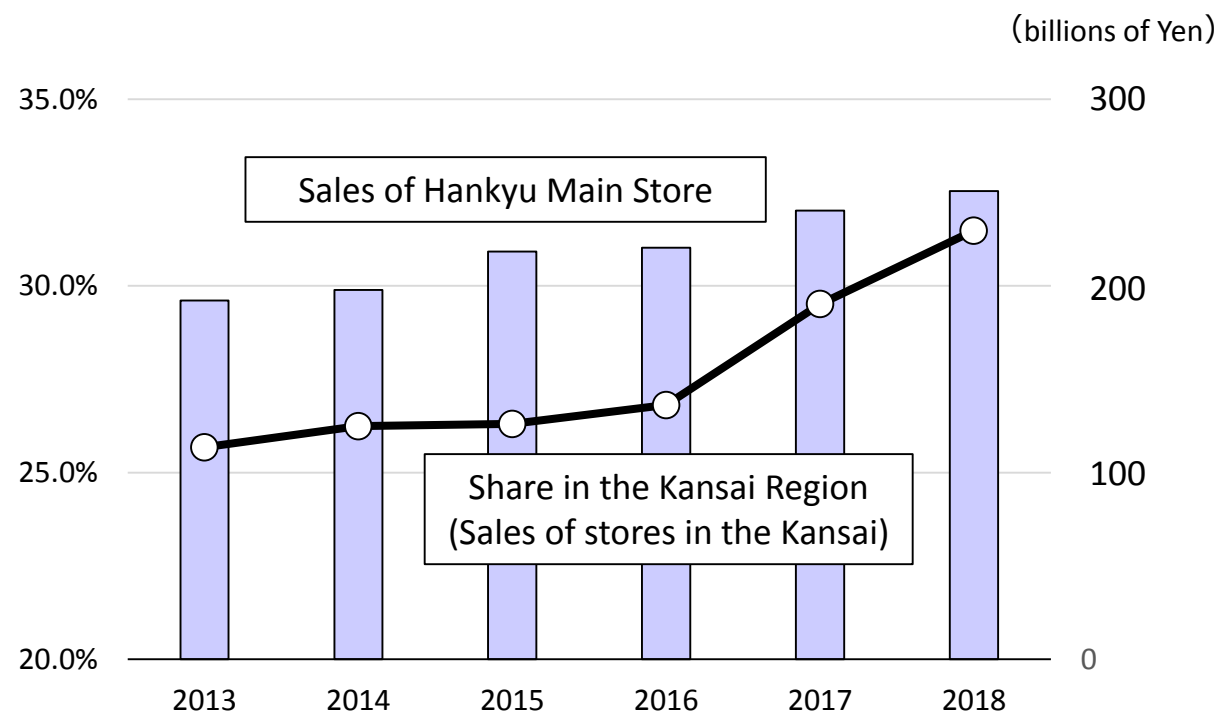
※estimation by segments are estimated values reflecting segment change

# GP10- II “Strategy for Dominance in the Kansai Region”

## Department store Business in the Kansai Region

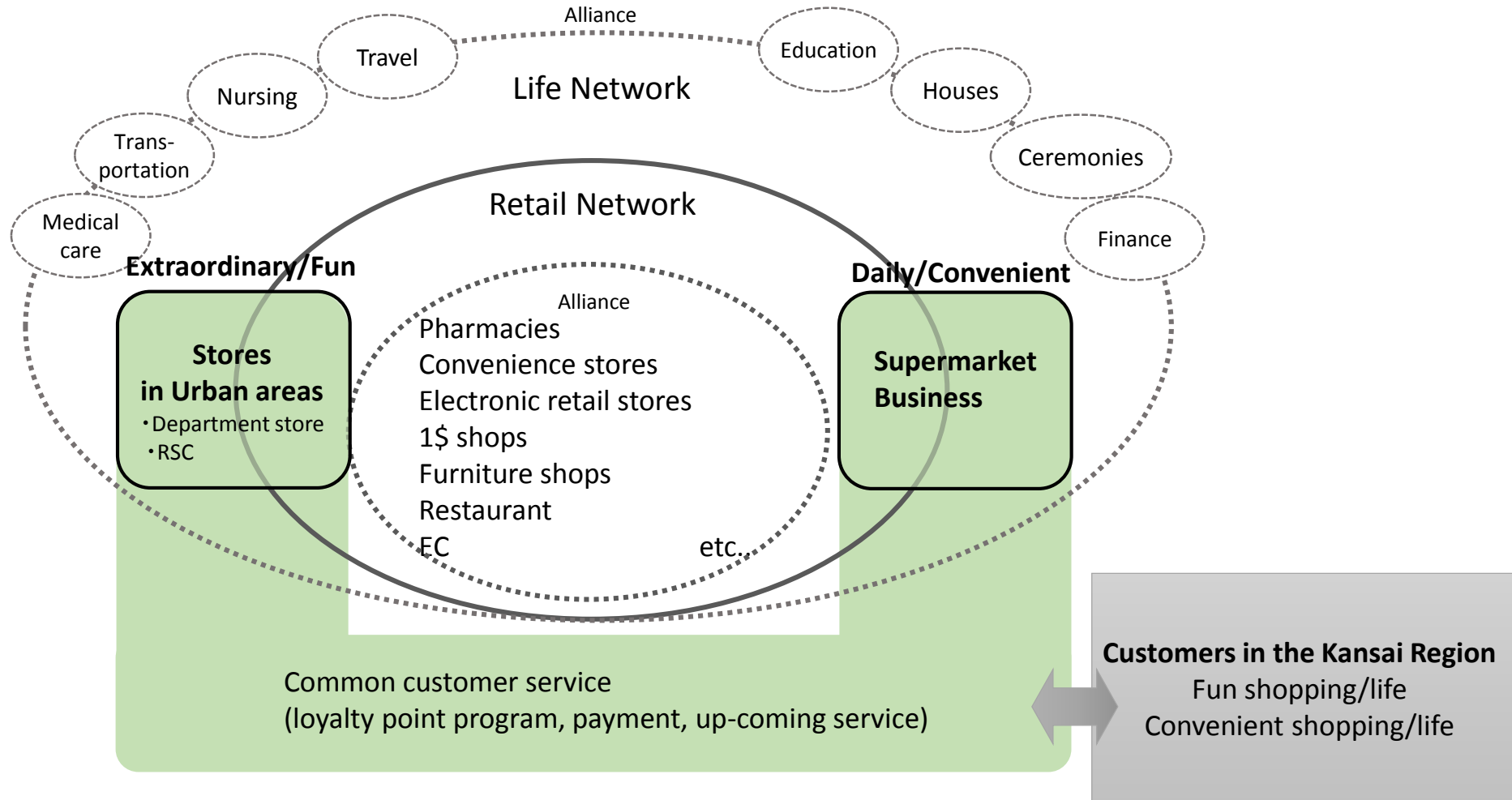
► Steady growth of share after rebuilding of Hankyu Umeda Main Store

		FY 2013	FY 2018
Hankyu Main Store	Sales	¥192.2 billion	¥250.7 billion
Stores in the Kansai Region	Share in the Kansai Region	26%	31%



# GP10- II “Strategy for Dominance in the Kansai region”

- Become a leading company in the Kansai Region
  - Core businesses “Department Store Business” and “Supermarket Business”
- Establish a business ecosystem for customers
  - An alliance network with other companies in different business areas.



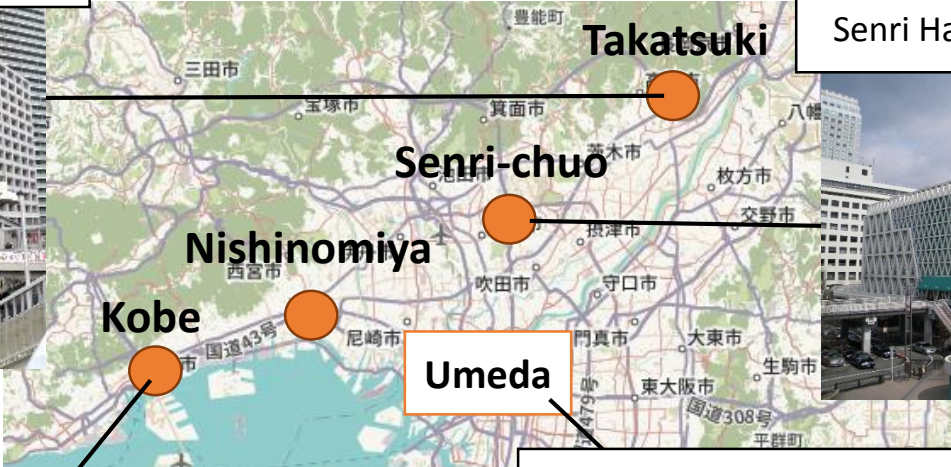
# Strengthen Stores in Urban areas

Strengthen stores in urban high-traffic areas  
Umeda (the biggest commercial area) and 4 large commercial areas

to be "Takatsuki Hankyu" in Oct, 2019



Redevelopment of Senri Hankyu and SELCY



to be "Kobe Hankyu" in Oct, 2019



Hanshin Umeda Main Store grand opening in Autumn 2021



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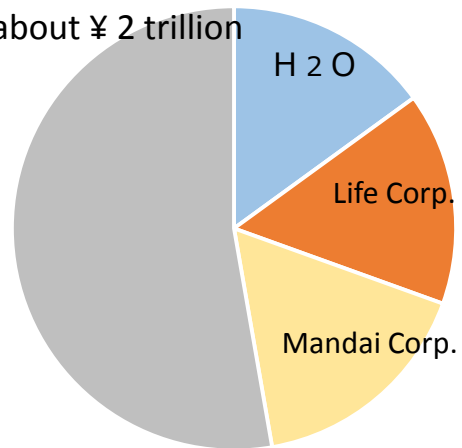
# Establish platform of Supermarket operation

- Establish common platform for supermarket operation to utilize economies of scale
- Increase productivity in whole Supermarket Business

## Supermarket Business in the Kansai Region

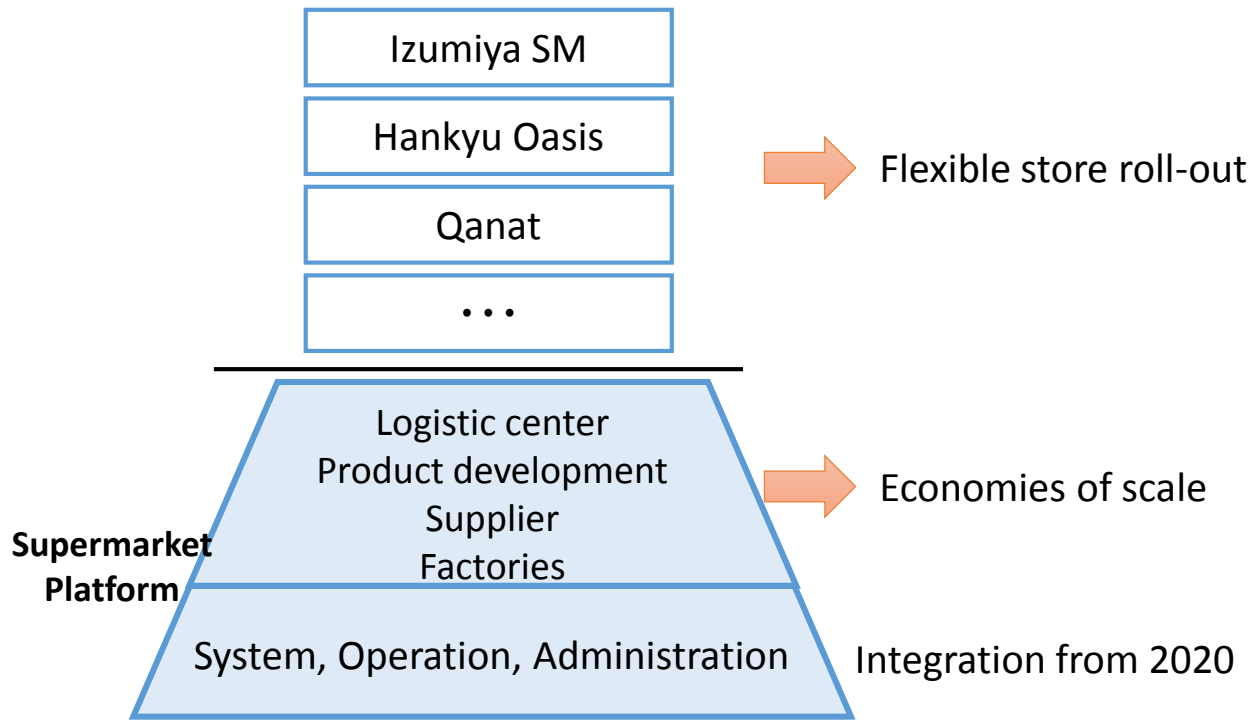
One of the biggest companies in supermarket industry in the Kansai Region

Whole market scale about ¥ 2 trillion



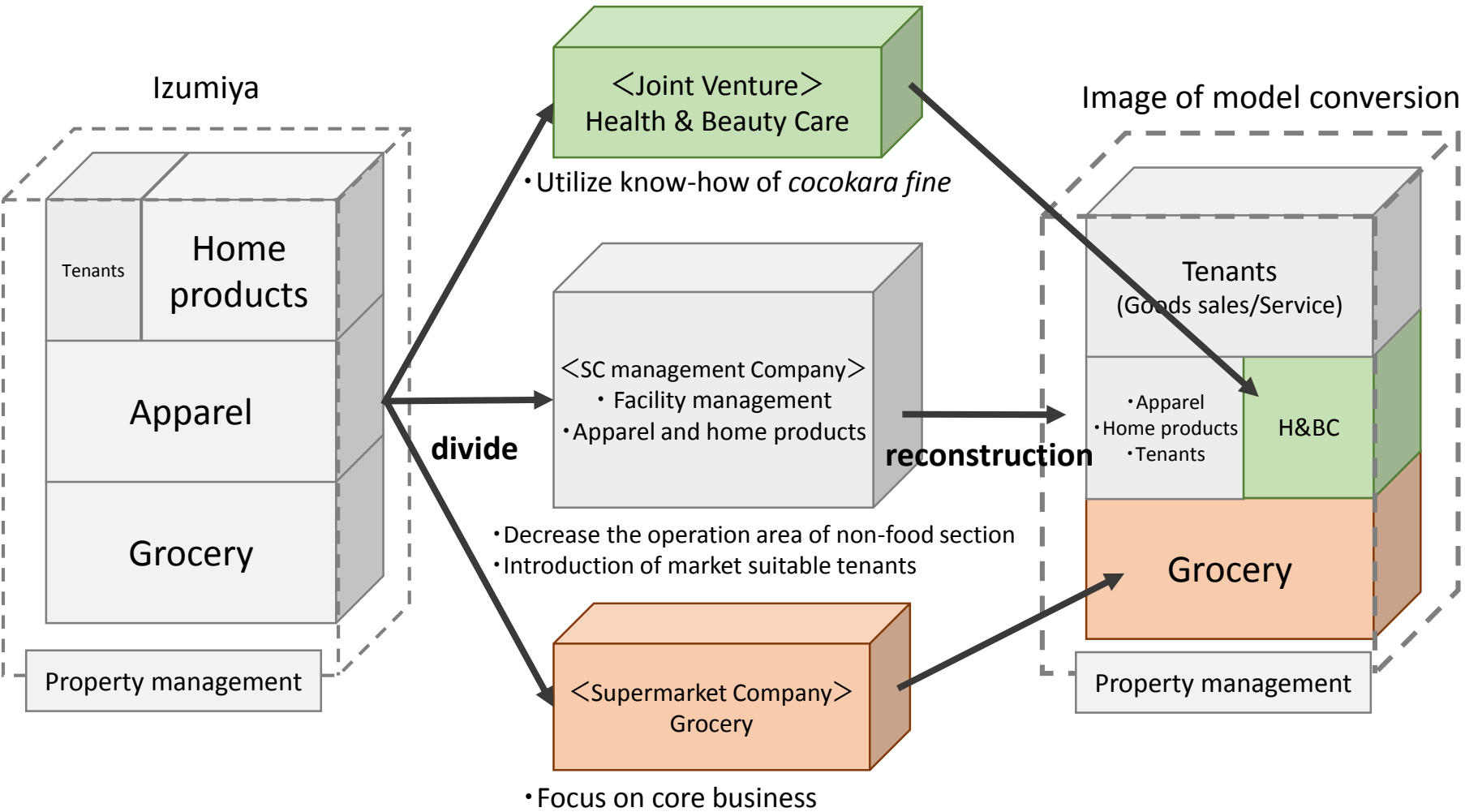
※estimated by H2O

## Establish platform of supermarket



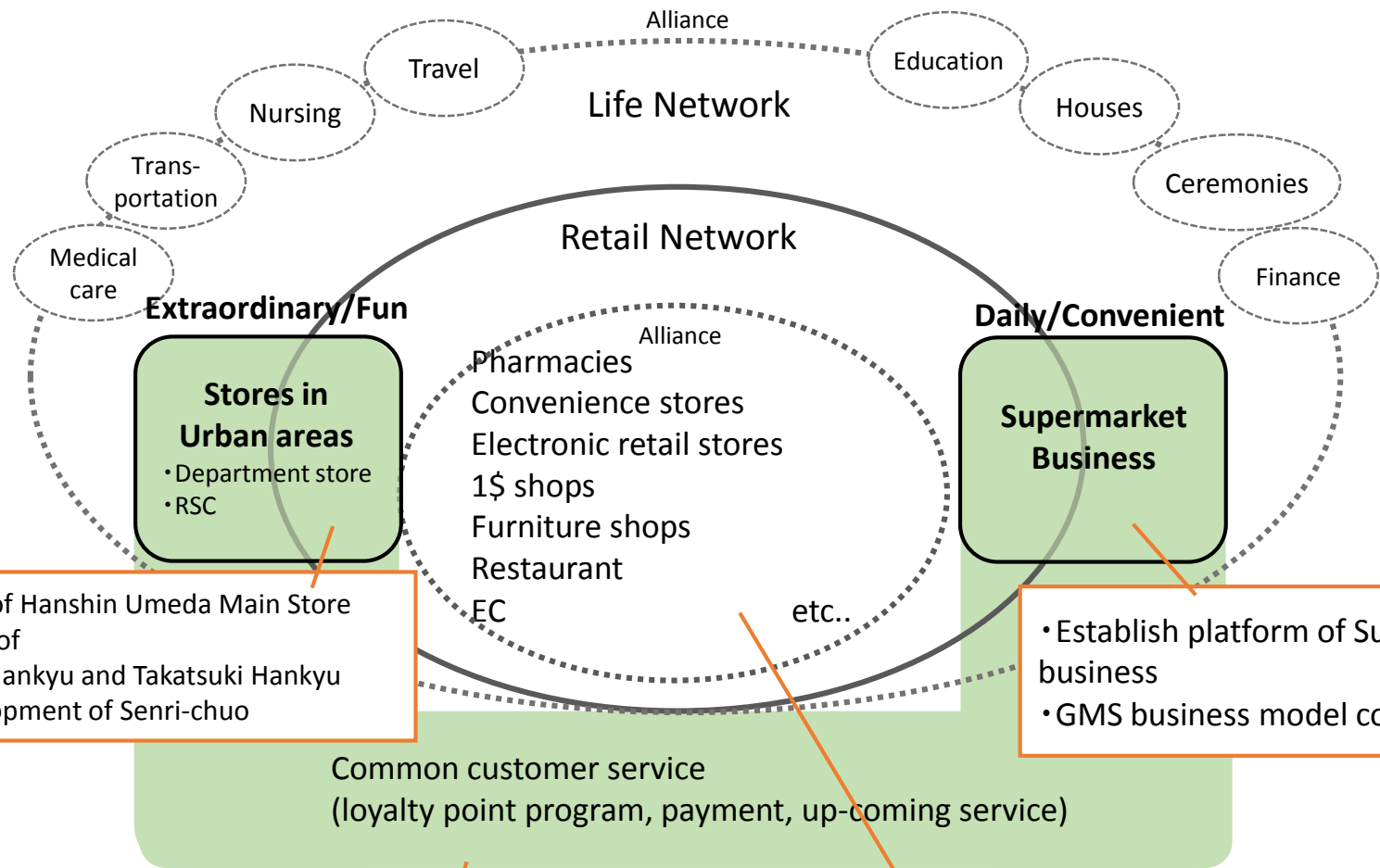
# Business model conversion of Izumiya GMS stores

- Izumiya will be divided into Grocery segment, non-food segment and property management segment
- GMS conversion to new commercial facility





# Establish Business ecosystem



- Rebuild of Hanshin Umeda Main Store
- Start-up of Kobe Hankyu and Takatsuki Hankyu
- Redevelopment of Senri-chuo

- Establish platform of Supermarket business
- GMS business model conversion

Establish Service platform

- Expand an alliance network
  - ▶ SRS HOLDINGS CO., LTD.
  - ▶ cocokara fine Inc.

# GP10- II Phase 2 Forecast

## GP10- II Phase 2 (FY2019-FY2021)

(billions of Yen)

Consolidated	FY2018	FY2021 (Forecast)	Inc./Dec.
Sales	926.8	960.0	<b>+33.1</b>
Operating Profit	20.4	25.0	<b>+4.5</b>
Ordinary Profit	21.3	25.0	<b>+3.6</b>
Profit attributable to owners of parent	2.1	12.5	<b>+10.3</b>

By segments	FY2018	FY2021 (Forecast)	Inc./Dec.
Department store Business	17.8	16.5	<b>(1.3)</b>
Supermarket Business	(0.4)	5.0	<b>+5.4</b>
Shopping Center Business	4.2	4.0	<b>(0.2)</b>
Other	5.0	6.0	<b>+0.9</b>

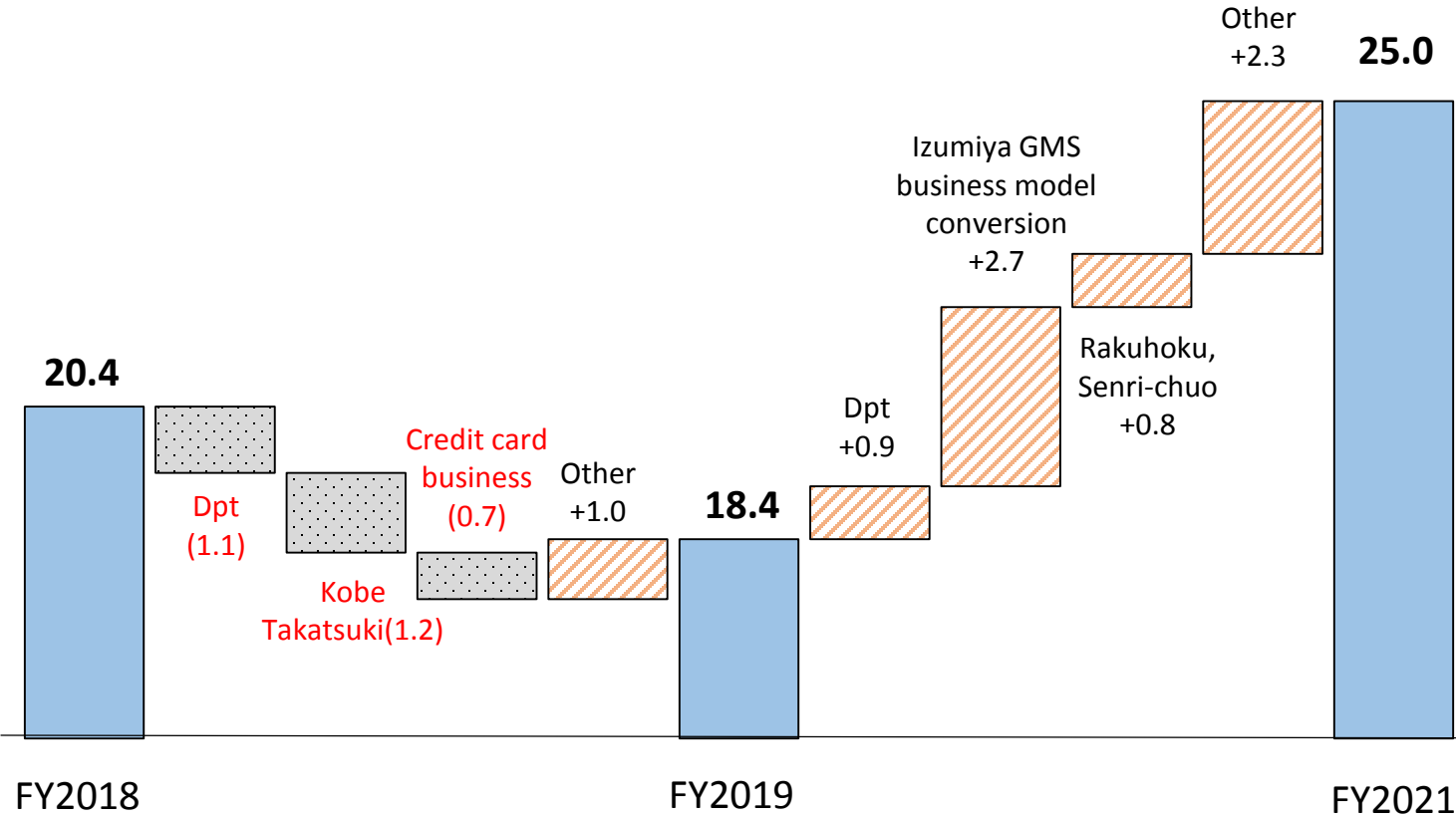
- Upfront cost of rebuilding Hanshin Umeda Main Store
- Renovation of Kobe Hankyu and Takatsuki Hankyu

- Establish SM platform

**Capital Investment (FY2019 – FY2021) Approx. ¥95.0 billion**

# GP10- II Phase 2 Factors of Inc./Dec. of operating profit

(billions of Yen)





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