

JAPAN

Serving Customers In Diverse Ways

History

Seiyu is one of the largest supermarket chains in Japan, established in 1963. Walmart acquired 6.1% stake in Seiyu in May 2002 and gained sole ownership in June 2008. Nine months later, Walmart established a holding company, Walmart Japan Holdings Godo Kaisha (K.K.) and Seiyu is a wholly-owned subsidiary of the holding company.

Banners

- Seiyu
- Livin
- Sunny

Quick Facts

- Nearly 340 retail units*
- Approximately 34,900 associates**

*As of May 31, 2017

**As of January 31, 2017

QUALITY

Walmart Japan implemented the “Alive@5” program in September 2016, and it has been contributing to a positive increase in sales of the overall fresh offerings.

Wakana developed the “Grilled Beef Bento Lunch Box” in May 2016 to meet customers’ interests. It quickly became one of the hottest selling products.

Seiyu successfully changed the development strategy of their private-label brand, Minasama-no-Osumitsuki (MO), in June 2016 to further improve the quality of the existing products and lower their prices, which has been well received.

SUSTAINABILITY

As of 2015 Walmart Japan reduced its energy intensity by 39% versus the 2010 baseline through following key initiatives:

- Installation of chilled case doors
- Installation of LED lighting
- Increased maintenance of freezers, refrigerators and air conditioners

INNOVATION

eCommerce continues to be one of the most important drivers for Seiyu’s business growth.

Walmart Japan offers Net Super (NS), a grocery delivery service from Seiyu stores to neighborhoods, and eCommerce service. Seiyu.com, an integrated service of Net Super and eCommerce, was launched in June 2013, resulting in sales and membership increasing by 120% and 125%, respectively.

Consumers have become more price conscious in recent years, due to a price increase in daily necessities and little growth in the income. Seiyu launched the first “Price Lock” program in March 2015, referring to the best practice of Asda which “locks” the low prices of daily necessities in categories of grocery and consumable for six months.

The program excited customers and they were very pleased, thus the eighth run of “Price Lock” was launched in November 2016 for another six months. Seiyu has lowered prices of more than 1,200 items and has stabilized prices of approximately 2,300 items in total since it was launched. In addition, Seiyu has been offering American Angus Beef at an extremely low price since September 2016, and it has been a great success.





OPPORTUNITY

- 65% of Walmart Japan associates are women. Empowering and creating opportunities for women will continue to be a priority, as it's also a focus of the Japanese government's national growth strategy.
- 526 part-time associates have been promoted to managerial positions as of December 2016 (241 of them are women). In 2016 alone, 64 part-time associates (29 women) were promoted.
- 14.9% of Walmart Japan managers are women (of which 9.3% are women store managers), exceeding the Japanese average of 6.6%.



SUPPLIER DEVELOPMENT

By the end of 2015, 100% of palm oil used in Walmart Japan's private brand, deli and in-store was sourced by purchasing GreenPalm Certificates, in accordance with the certification standards of the Roundtable on Sustainable Palm Oil (RSPO). Seiyu sponsored and participated as a panelist in Japan's first RSPO in September 2016.

Since November 2016, Seiyu has supported Japan's First Fishery Improvement Project (FIP) and launched "Tokyo Bay Sea Perch".

In 2015, Seiyu rolled out the "Women-in-Retail (WIR)" program to strengthen the leadership and talent pipeline for women associates. The program provides training courses for those interested in store manager, co-manager and assistant manager positions. The assistant manager course was newly established in 2016 after the success of the other two courses. Since 2015, 182 participants have been enrolled in the WIR program, and 45 participants have been promoted to store manager.



COMMUNITY

Walmart Japan donates food from stores to **Second Harvest Japan**, a non-profit organization that leads Japan's food banking activity. Approximately 130 Seiyu stores currently participate.

Walmart Japan also provided a grant to **Second Harvest Japan** and the following non-profit organizations:

- **Florence**, to support the opening and expansion of the first nursery in Japan that provides specialized care for physically and mentally challenged children.
- **Sodateage Net**, to support young people and prevent them from becoming "NEETs" (Not in Employment, Education or Training).
- **Madre Bonita**, to support mothers raising babies in difficult situations with free postpartum care.

Walmart Japan implemented an in-store fundraising and matching program. Through this program, they raised 21,000,000 yen in 2016 to benefit Seashore Forest Restoration (OISCA), Nursery for Sick Children (Florence), Food Bank (Second Harvest Japan) and Providing School Meals to Africa (Table For Two).



OUR CUSTOMER



More than 50% of customer base makes 2M yen ~ 6M yen annually (USD \$17,000 - \$52,000)