

Store Development

Remodeling established stores and opening attractive new ones are the cornerstone of Seiyu's efforts to revitalize store image and increase growth.

Strengthening the Supermarket Business

In terms of store development, Seiyu is focusing on expanding the supermarket business, particularly in and around Tokyo. In fiscal 2001, Seiyu plans to brighten store image by remodeling over 20 existing supermarkets and building 14 new stores, most of which will be supermarkets. Product lineup will be tailored to local customers and prices will be revised in line with market demands. In addition, a support system led by supervisors will be strengthened to enable each store to efficiently display its own initiative.



A Store Strategy Tailored to the Local Area

Seiyu is currently focusing on the development of Seiyu Rakuichi neighborhood shopping centers (NSC). Seiyu Rakuichi centers in urban areas consist primarily of supermarkets, whereas those in suburban areas are larger complexes made up of a combination of stores for daily life needs, such as supermarkets and drugstores. At the same time, in order to make general merchandise stores (GMS) more competitive, we are working to expand self-service food areas and to introduce more specialty stores such as Mujirushi Ryohin and DAIK. In addition, Seiyu will continue to open new The Mall shopping centers structured around LIVIN department stores.



New Lifestyle Department Store LIVIN

LIVIN is a new type of department store that emphasizes the enrichment of customers' daily lives. To enhance the selection of lifestyle goods, including imported products, LIVIN stores feature private brands as well as major Seiyu labels such as Mujirushi Ryohin. This maintains the store's focus on clothing, food and home products and increases its appeal and competitiveness.
(Photo: LIVIN Yokosuka)



Seiyu Rakuichi (Uenoshiba store)



Mujirushi Ryohin (Koriyama store)



The Mall (Koriyama location)

Store Development

Seiyu Net Super

Seiyu Net Super (<http://www.the-seiyu.com>), an online ordering service that offers same-day delivery, was launched in May 2000. This convenient delivery service, which can be accessed via personal computer or i-mode, has been favorably received. The site features approximately 3,000 food products and daily necessities, and members (who can register for free) receive weekly e-mail updates about sales and other events.

As of February 2001, the delivery area included Suginami Ward, Nerima Ward, Nakano Ward, Meguro Ward, Musashino City, Mitaka City,

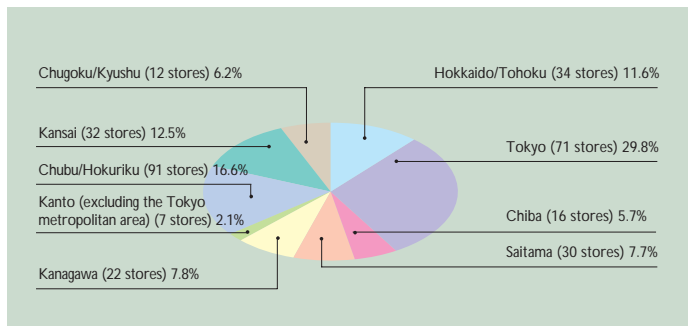


Seiyu Net Super Website

part of Shibuya Ward, and part of Setagaya Ward, all in the Tokyo metropolitan area. There are plans to further expand the delivery area. As of the end of June 2001, Seiyu Net Super had approximately 15,000 members.

Seiyu Group Stores: Sales by Area

(As of February 28, 2001)



Seiyu Group Store Network

315 stores

including Kyusyu Seiyu, Hokkaido Seiyu and SSV
(As of February 28, 2001)

- *1 Operated by Kyusyu Seiyu Co., Ltd.
- *2 Operated by Hokkaido Seiyu Co., Ltd. starting March 1, 2001
- *3 Stores in parentheses are operated by Tohoku Seiyu Co., Ltd.
- *4 Stores in parentheses are operated by SSV Inc.

Kyushu	11
*1 Saga	1
*1 Nagasaki	3
*1 Fukuoka	7
Kinki	32
Osaka	13
Nara	1
Shiga	6
Kyoto	7
Hyogo	5

Chugoku	1
Yamaguchi	1

Chubu	91	(69) *4
Shizuoka	9	
Nagano	58	(56) *4
Aichi	17	(7) *4
Fukui	1	
Gifu	6	(6) *4

*2 Hokkaido	11	
Tohoku	23	(20) *3
Miyagi	21	(19) *3
Fukushima	2	(1) *3
Kanto	146	(3) *4
Tokyo	71	
Saitama	30	
Chiba	16	
Kanagawa	22	
Gunma	6	(3) *4
Ibaraki	1	