Amazon Go

Stepping towards Globalization

PEMIKA | JATEJIT | PANISA | SIREMON

Amazon offers convenience shopping experience by leveraging on its assets

VALUE PROPOSITION

Convenient,
No wait

ASSETS

Advanced
Technology

Retail
Experience

Source : Team Analysis

KEY OBJECTIVE:

Evaluate 3 Strategies
To take Amazon Go to the global market

Amazon Go innovations can be internationally scaled through 3 key strategies differentiated by business model

1

Physical Stores

New retailer player in the market
With full ownership and operations in our hand

Get sales revenue
Customers Buying Products from the store

2

Franchising

Offer franchise to local retailers
Provide them with IP and Technology as they operate under the name Amazon Go

Get franchising fees
Upfront and on-going charges, Revenue Sharing

3

Technology Provider

Sell software and hardware
That enables JWO technology to existing retailer in the market as they operate under their own brand

Get fees
Upfront and subscription plan

Source : Team Analysis

Physical stores have the following pros and cons

amazon go

1 Physical Stores

High Revenue Potential	Customers are convenient shoppers, **growing at 5.5%** in Value
High Market Readiness	Readiness from both sides: **customers and partners**
Controlled Technology & Operations	Ensure **high standards** and **low risk**
Helps Build Brand Equity	Increase **brand awareness** and **no. of accounts**
High Investment Costs	Hardware costs **$1 m USD**
Low Scaling Speed	**Allow time** for implementation

Source :

FLAMINGO CONSULTING

Franchising have the following pros and cons

2 Franchising

Scalable and Fast	**Less time** to realize revenue
Access to Local Insights	Enhance **product selection** and **customer experience**
Lower Investment Costs	**Not responsible** for construction and operation costs
Helps Build Brand Equity	Increase **brand awareness** and **no. of accounts**
Opportunity Cost	Not receiving full benefit due to **revenue sharing scheme**
Low Market Readiness	Retailer's biggest hurdle to change is **cost**
High Brand Risk	Franchisee may **not meet standards**
Lack of Expertise in Franchising	May meet integration, collaboration and monitoring issues

Source : Gravity Supply Chain Solution Survey

Technology Provider have the following pros and cons

3 Technology Provider

Scalable and Fast	**Less time** to realized revenue
Low Competition	**Few** infant competitors, **No** dominated player
Lower Investment Costs	**Not responsible** for construction and operation costs
Lower Brand Risk	Retailer **not operating** under our name
Opportunity Cost	**Shuts down future opportunity** for physical Amazon Go stores
Low Market Readiness	Retailer's biggest hurdle to change is **cost**
Lack Synergy with other Amazon services	No impact on **awareness or number of accounts**

Source : Gravity Supply Chain Solution Survey

Amazon Go should make a decision based on 4 areas of concerns criteria

amazon go

Criteria	1 Physical Stores	2 Franchising	3 Technology Provider
Revenue Potential	High Revenue Potential	Scalable and Fast	Scalable and Fast
Market Readiness	High Market Readiness	Access to Local Insights	Low Competition
Low Risk	Controlled Technology & Operations	Lower Investment Costs	Lower Investment Costs
Drawbacks are not severe	Helps Build Brand Equity	Helps Build Brand Equity	Lower Brand Risk
	High Investment Costs > Amazon has low financial constraints	Opportunity Cost	Opportunity Cost
	Low Scaling Speed > Strategic partnership with stakeholders	Low Market Readiness	Low Market Readiness
		High Brand Risk	Lack Synergy with other Amazon services
		Lack of Expertise in Franchising	

Source :

Amazon Go should make a decision based on 4 areas of concerns criteria

amazon go

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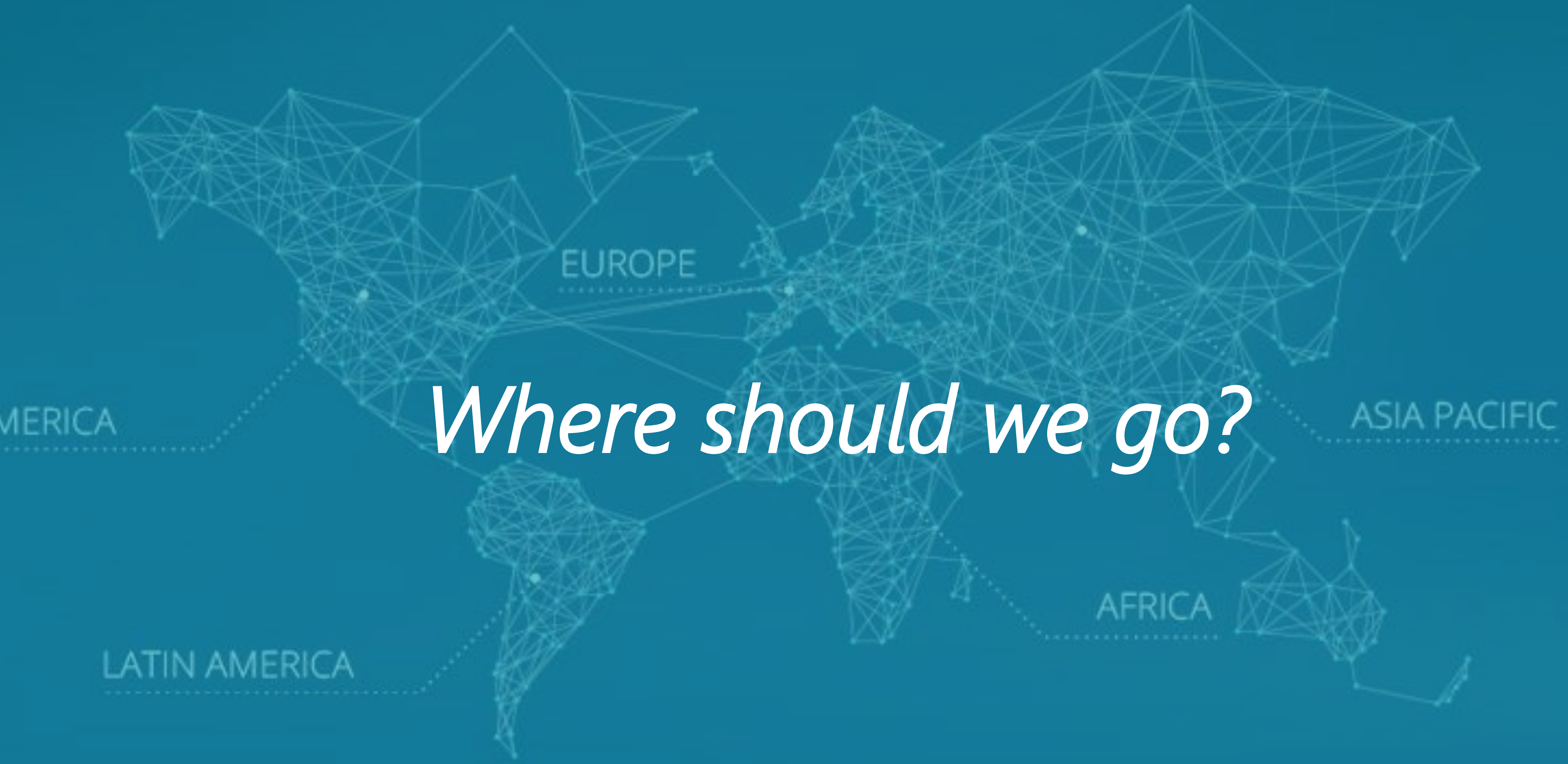
Revenue Potential	High Revenue Potential	Scalable and Fast	Scalable and Fast
Market Readiness	High Market Readiness	Access to Local Insights	Low Competition
Low Risk	Controlled Technology & Operations	Lower Investment Costs	Lower Investment Costs
Drawbacks can be mitigated	Helps Build Brand Equity	Helps Build Brand Equity	Lower Brand Risk
	High Investment Costs > Amazon have low financial constraints	Opportunity Cost	Opportunity Cost
	Low Scaling Speed > Strategic partnership with stakeholders	Low Market Readiness	Low Market Readiness
		High Brand Risk	Lack Synergy with other Amazon services
		Lack of Expertise in Franchising	

Source :

Where should we go?



Countries are shortlisted from existing operations which provides 2 benefits

1 Country shortlisted by Amazon's existing presence and facilities

1. Leverage on existing relationship with local suppliers and logistic players → Higher Speed of Penetration
2. Leverage on brand awareness of Amazon → Lower effort in brand establishment

Source : Team Analysis

The shortlisted countries are then mapped against these 3 key criteria

KEY CRITERIA

1 **MARKET ATTRACTIVENESS**

Market value of convenience stores
5 years growth projection

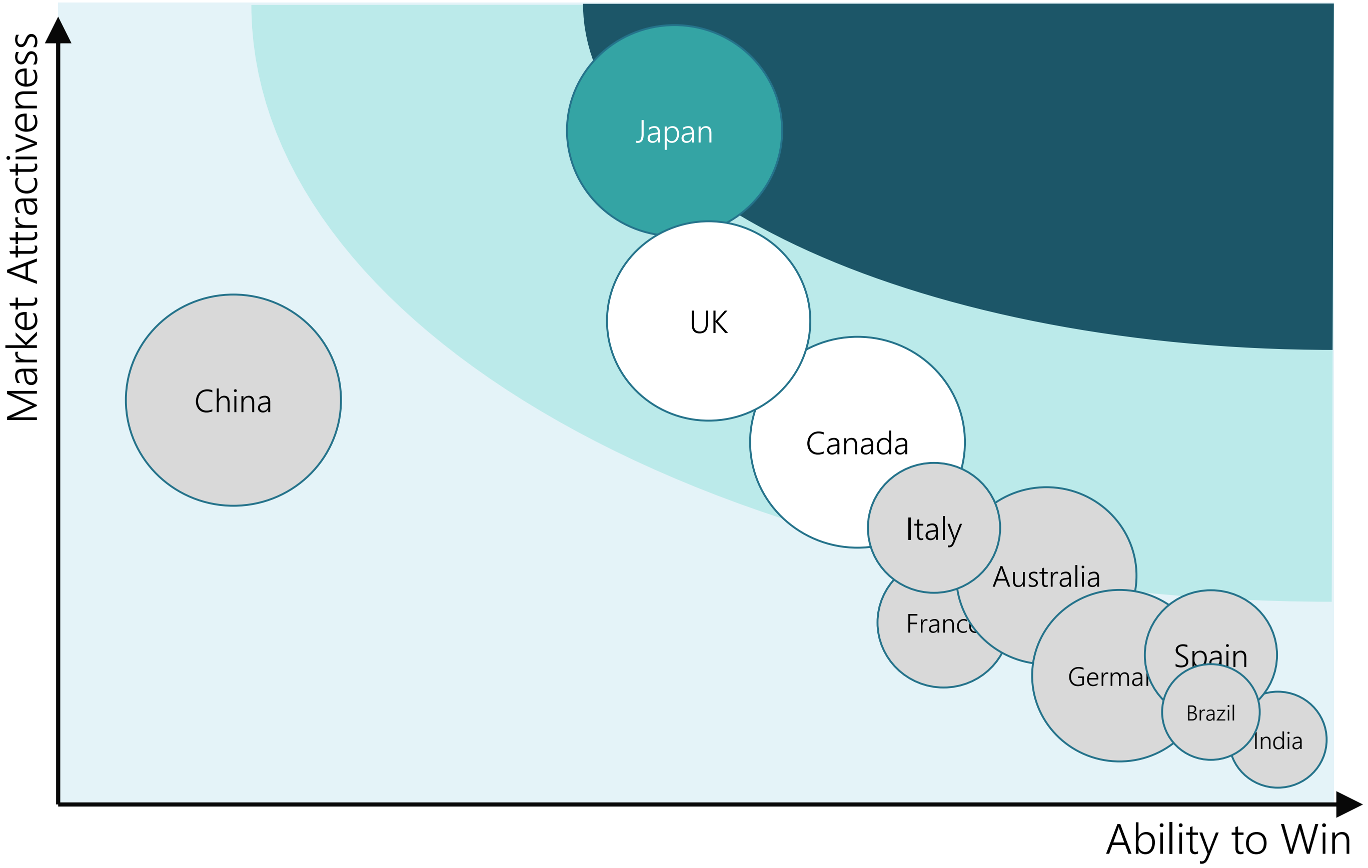
2 **ABILITY TO WIN**

No. of convenience stores in the market

3 **MARKET FIT**

Customer lifestyle towards convenience stores
Income per capita (higher income is preferred)

Bubble Size = Market Fit



The most favorable market are Japan, UK, Canada respectively

Source : Team Analysis, Euromonitor, World Bank, BBC

Among the top 3 countries, we prioritize our expansion in the market with highest urgency

	MARKET ATTRACTIVENESS		*ABILITY TO WIN*	*MARKET FIT*	
Country	**Market Size** Value of Convenient Stores Market In million USD	**Growth** 2019 – 2023 CAGR%	**No. of Competitors** Convenience stores	**Income per Capita** In USD	**Customer Lifestyle**
Japan	**91,135.40**	2.6%	71,000 stores	31,118	Fast-paced, usually shop at convenient stores
UK	43,843.10	4.1%	50,000 stores (BBC)	34,229	Young generation shop weekly at grocery stores
Canada	14,740.50	0.4%	28,000 stores	34,167	Likes physical store more than online retail experience

URGENCY

<u>Rationale:</u>

> **Beat competitors**

> **First-mover advantage** (Revolutionize customers lifestyle and create loyalty)

Source : Euromonitor, World Bank, BBC

Japan is the go-to market with urgent pressure from emerging competitor

	MARKET ATTRACTIVENESS		ABILITY TO WIN	MARKET FIT		URGENCY
Country	**Market Size** Value of Convenient Stores Market In million USD	**Growth** 2019 – 2023 CAGR%	**No. of Competitors** Convenience stores	**Income per Capita** In USD	**Customer Lifestyle**	**No. of Emerging Competitor** (cashierless)
1 Japan	**91,135.40**	2.6%	71,000 stores	31,118	Fast-paced, usually shop at convenient stores	**High** Signpost already launched a store
UK	43,843.10	4.1%	50,000 stores (BBC)	34,229	Young generation shop weekly at grocery stores	**Moderate** Sensei developing technology
Canada	14,740.50	0.4%	28,000 stores	34,167	Likes physical store more than online retail experience	**Low** No players in cashierless market

Amazon should prioritize efforts to become the first-mover in Japan before expanding into other markets

Source : Euromonitor, World Bank, BBC

In order to successfully launch Amazon Go in Japan, several factors have to be considered

1. Physical Store Format
2. Product
3. Location
4. Size and Layout
5. Payment Method
6. Marketing

Source : Team Analysis

It is important that we understand the working population which is our potential target

"In 2017, approximately 12.95 million people worked in office worker positions in Japan"

AGE

24 - 40

INCOME BRACKET

Medium - High

LIFESTYLE

Fast paced
Work-oriented
Long working hours
Packed lunch or bento to work
Commute through public transportations
Relatively tech savvy

What does Miyu value?

Convenience

Time

Brand information

Source : Statista, Mainichi, Bloomberg, Live Japan

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With our technological capability and customer preference in mind, convenience store format is the way to go

1 2 3 4 5 6

CONVENIENCE STORE FORMAT

1 | KONBINI CULTURE

Cater to Japanese people's needs

Convenience store offers tasty and ready-to-eat food

Growth in convenient stores despite competitions

2.6% projected growth 2019 to 2023
Current Value $91,135.4m

2 | FAST PACED LIFESTYLE

Hard working culture

Little free time for food and leisure

Long working hours and short breaks

Prefer grab and go option

Source : Euromonitor, LiveJapan, Case Handout, Team Analysis

Products will focus on ready to go meal, packaged food and magazines

amazon 行く

行く (Iku) = Go

READY TO EAT MEAL

Menus include Bento (Lunch Box), Onigiri (Japanese Rice Ball), Tamago Sando (Egg sandwich), Donburi (Rice with toppings)

やよい軒
YAYOI
JAPANESE TEISHOKU RESTAURANT

Partnership with Yayoi
- Japanese cuisine expertise
- Reliable brand name

PACKAGED FOOD

Customer favorites snacks and beverages

Japan has a snacking culture of vending machines and bag of goods sold at different store format

Brand examples :

Calbee, Pocky Glico, SUNTORY, 伊藤園

MAGAZINES

Popular magazines curated from Amazon Japan top sellers

Reading culture still persist as there are so many bookstores, and people can buy cheap but well-made books

Brand examples :

Safari, CanCam

Source : Livejapan, Japan Times, Team Analysis

amazon 行く will be situated prime subway stations and business centers

1 2 **3** 4 5 6

Subway

"Japan has the world's busiest rail network. About 18½ million people use the trains everyday in Japan and 40 percent of the total passenger travel is on railway transport"

Locations: Marunouchi, Shinbashi, Yurakucho

Ensure close proximity of each location to enable sharing of resources

Office Tower

"Japan has some of the longest working hours in the world."

"Nearly one quarter of Japanese companies require employees to work more than 80 hours of overtime a month"

Locations: Marunouchi Building, Shiodome Sio-Site, Yurakucho Denki building, Toho Hibiya Building

Source : Real Estate Japan, CNBC

Size and layout

The layout and size will differ slightly between subway and office tower location

Subway

PRODUCT DISPLAY

Size : 40 m^2

Layout : Normal product display

Office Tower

PRODUCT DISPLAY

KITCHEN

Size : 120 m^2

Layout : Normal product display + Kitchen

Source : 7-11 Japan, Nikkei Reviews, Team Analysis

Since Japan is still a cash reliant society, amazon 行く should provide an optional cash payment option

1 2 3 4 5 6

Insights: 80% of Japanese retail sales are in cash

amazon go

Offer seamless experience for credit/debit card users

\+

Suica

PASMO

1. Top up cash at subway ticket machine
2. Link card with Amazon Go account
3. Use Amazon Go app for shopping

Large user base

Necessity of Japanese commuters

42m users of Suica

22m users of Pasmo

Ease of use

Convenient top up location

Accustomed system

Source : Japantimes, Suica, Pasmo, Team Analysis

amazon 行く will be introduced through both offline and online channels

1 2 3 4 5 6

Online

1
Email existing Amazon customers
Amazon video, music, prime, etc.

44% of people responding that email is the last thing that they check in their digital day

2
Short video advertisement
Advertisement emphasizes on the word 行く to demonstrate how fast and convenience the service is

Localize content to build trust, engagement, and brand loyalty

Offline

1
Posters
Display at the subway stations and office towers with an emphasis on the word 行く

Japan people like to have all the information they need gathered in one place. In addition, the ad has to be bright and eye-catching.

Source : Tech Crunch, E-marketer

IMPLEMENTATION

Market Research

Assess local market and make necessary adjustments to product and services

Search for the most optimal and prime location in subway and office towers

Partnership Deals

Develop partnership package and approach potential partners

Collaborate in product development and continuously monitor and provide feedback

Personnel Recruitment and Training

Hire and train local staff to work as monitoring personnel and chef in the kitchen area

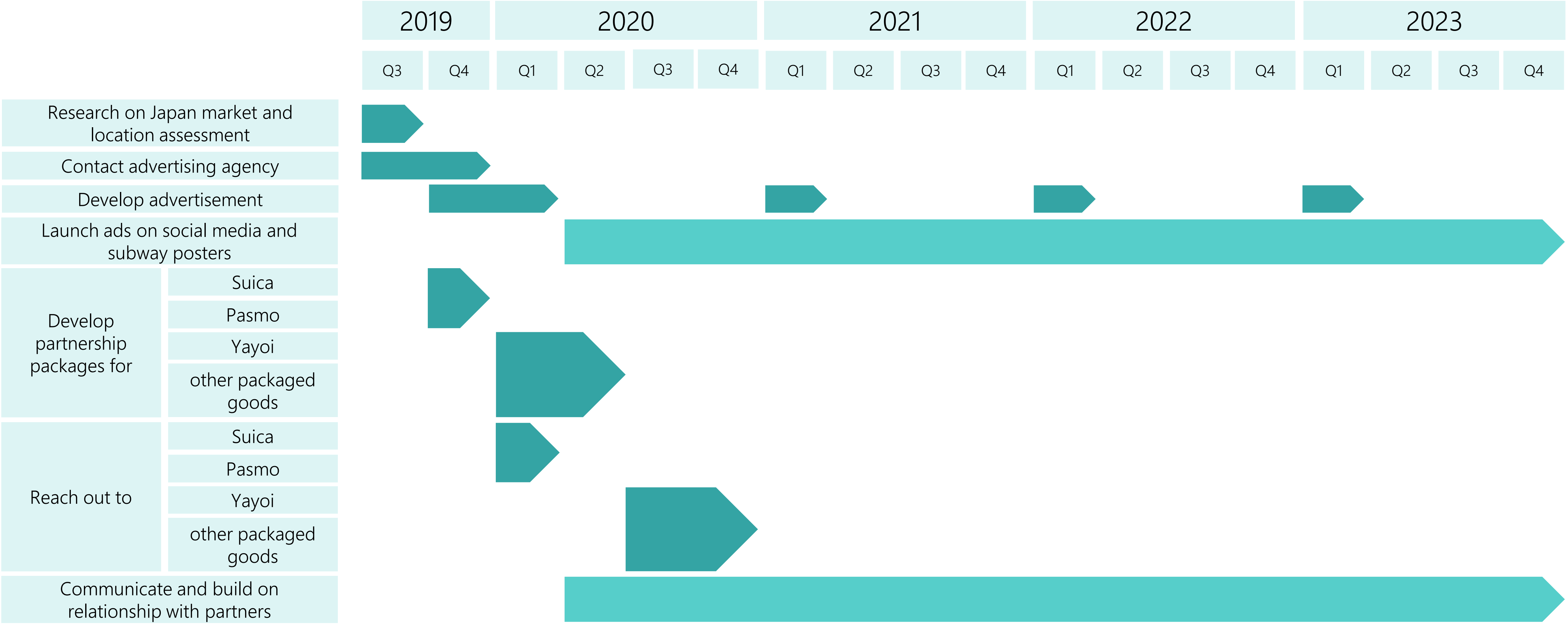
Marketing

Contact advertising agency to develop the vdo campaign

Observe customer responses and make further improvement to future campaigns

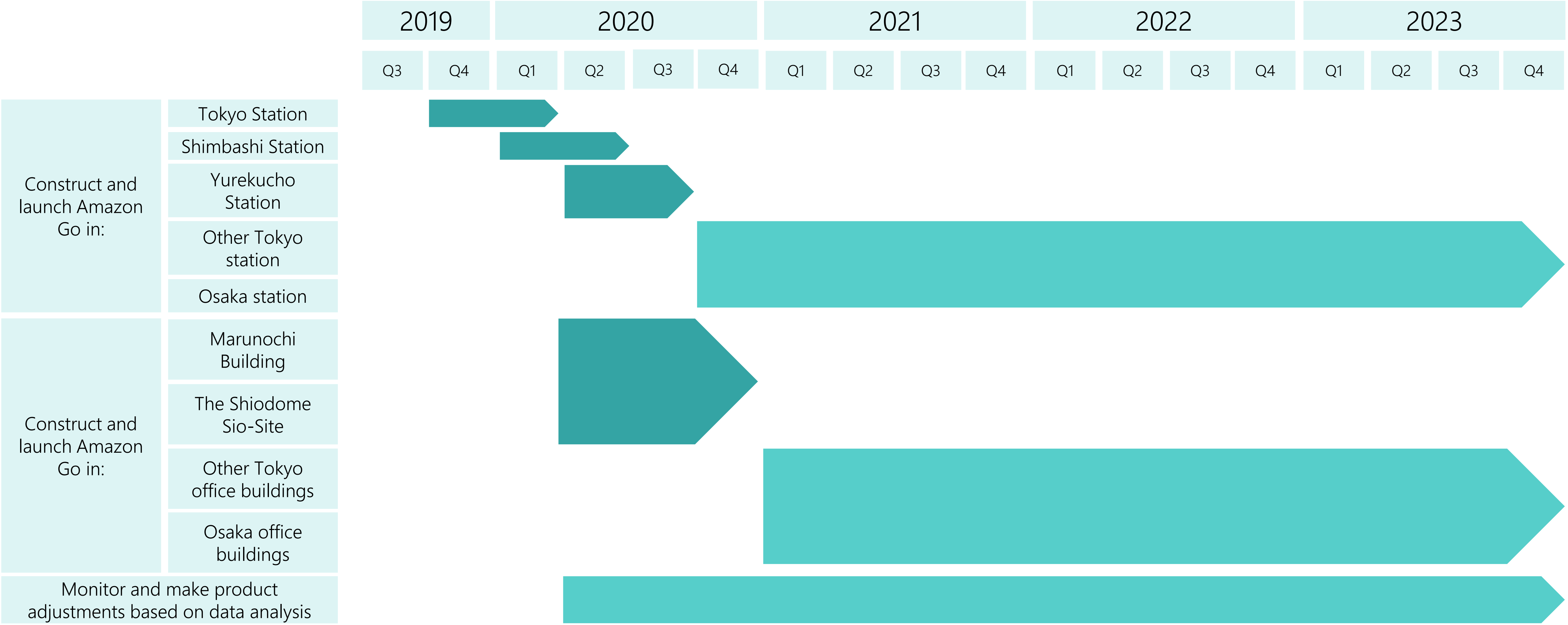
Source : Team Analysis

Implementation Timeline



Source : Team Analysis

Implementation Timeline



Source : Team Analysis

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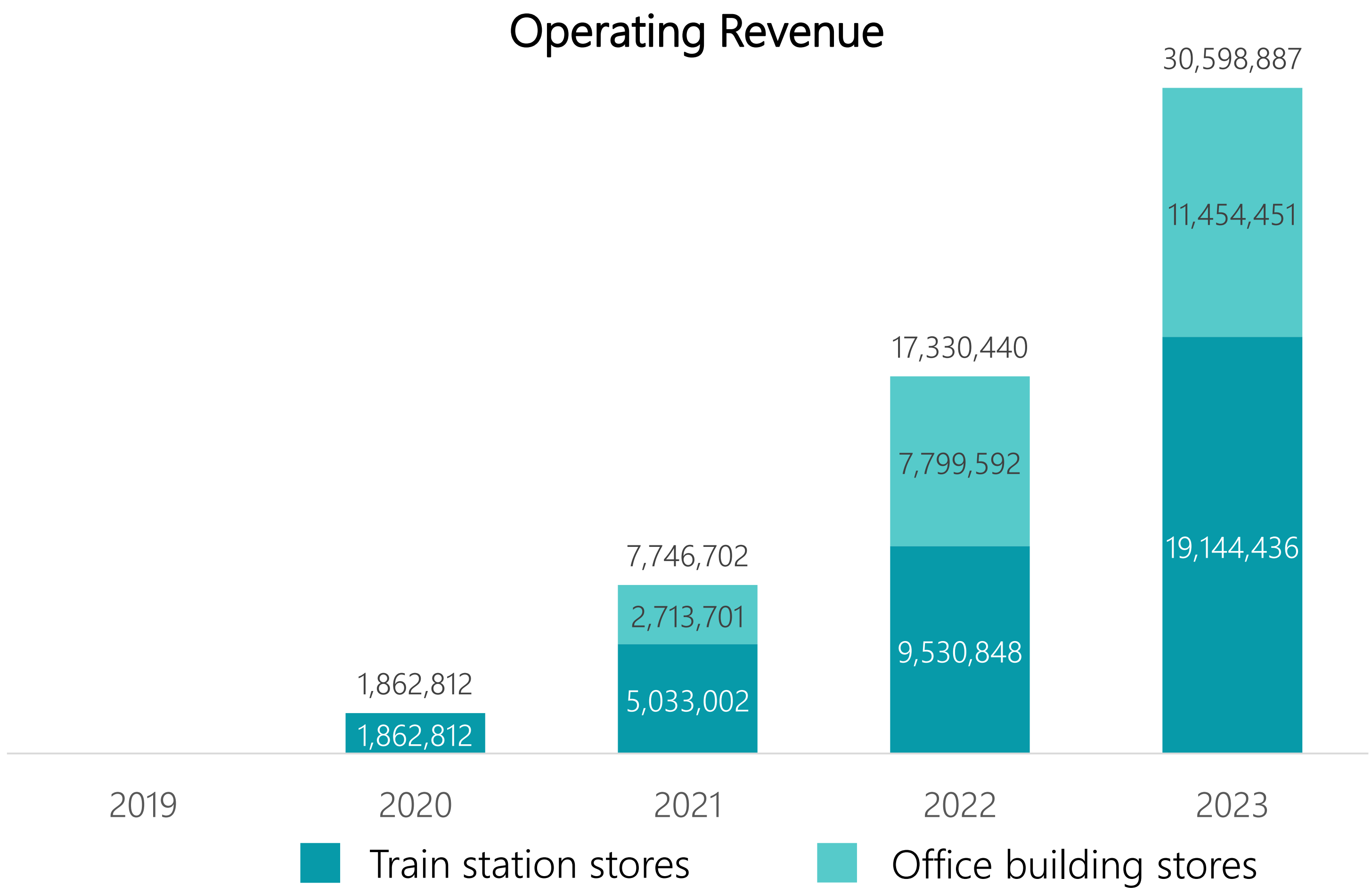
Income Statement (2019-2023)

Periods	2019	2020	2021	2022	2023
Income Statement					
Revenue from operation	-	1,862,812	7,746,702	17,330,440	30,598,887
Profit sharing	-	11,177	277,145	766,948	1,157,222
Net Revenue	**-**	**1,851,636**	**7,469,558**	**16,563,492**	**29,441,666**
Cost of good sold	-	1,456,311	5,874,807	13,027,187	23,155,870
Gross Profit	**-**	**395,324**	**1,594,751**	**3,536,306**	**6,285,796**
Sale and Marketing expense	96,000	111,000	126,000	141,000	141,000
Selling and administrative expense	-	81,900	313,560	797,160	1,389,960
Rental expense	-	57,900	144,600	293,800	520,200
Utilities expense	-	22,964	110,565	302,778	525,609
Operating Income	**- 96,000**	**121,561**	**900,026**	**2,001,568**	**3,709,027**
Financing cost	-	19,495	41,379	80,704	106,697
Earning before tax	**- 96,000**	**102,066**	**858,647**	**1,920,864**	**3,602,330**
Tax expense (income)	- 20,160	25,528	189,005	420,329	778,896
Net profit (loss)	**- 75,840**	**76,538**	**669,641**	**1,500,535**	**2,823,434**
Finance Costs	17.0%	17.0%	17.0%	17.0%	17.0%
Tax Rate	21.0%	21.0%	21.0%	21.0%	21.0%
Depreciation	-	295,162	1,227,461	2,745,999	4,848,378
EBITDA	- 96,000	416,722	2,127,487	4,747,567	8,557,404

Source :

Revenue Projection

Total revenue of Amazon Go is expected to reach $30 million by 2023



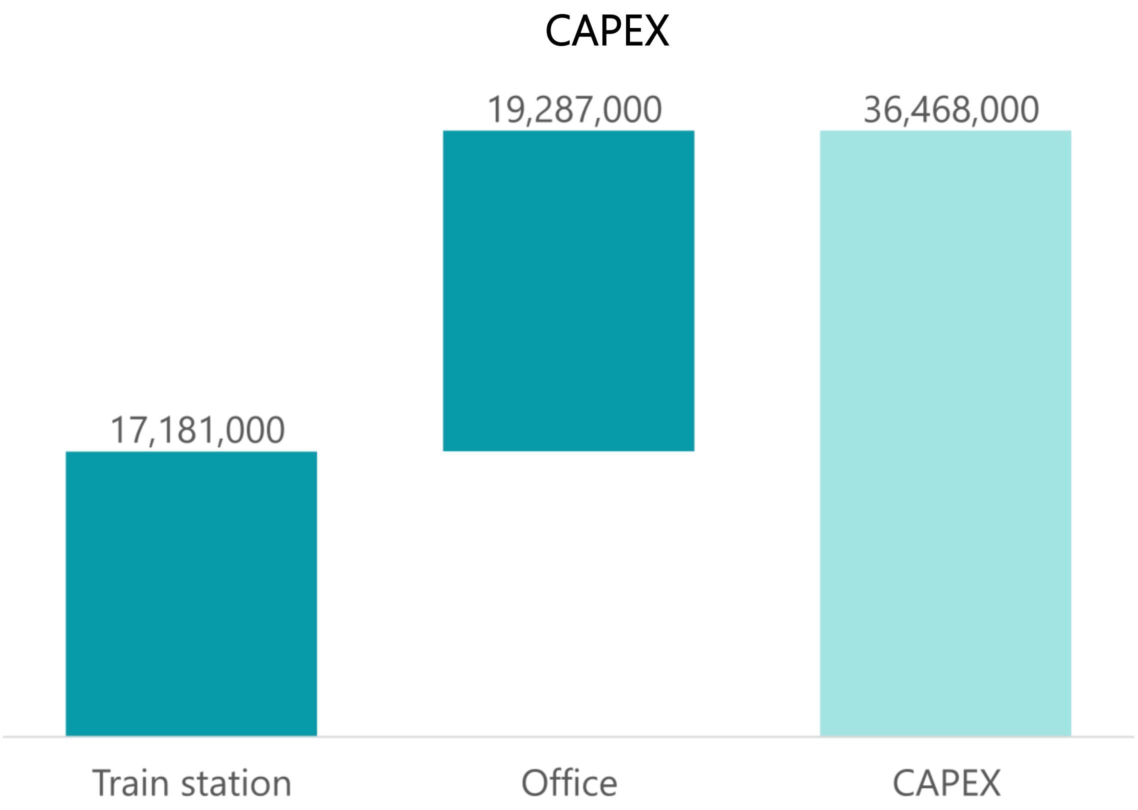
Key Assumptions

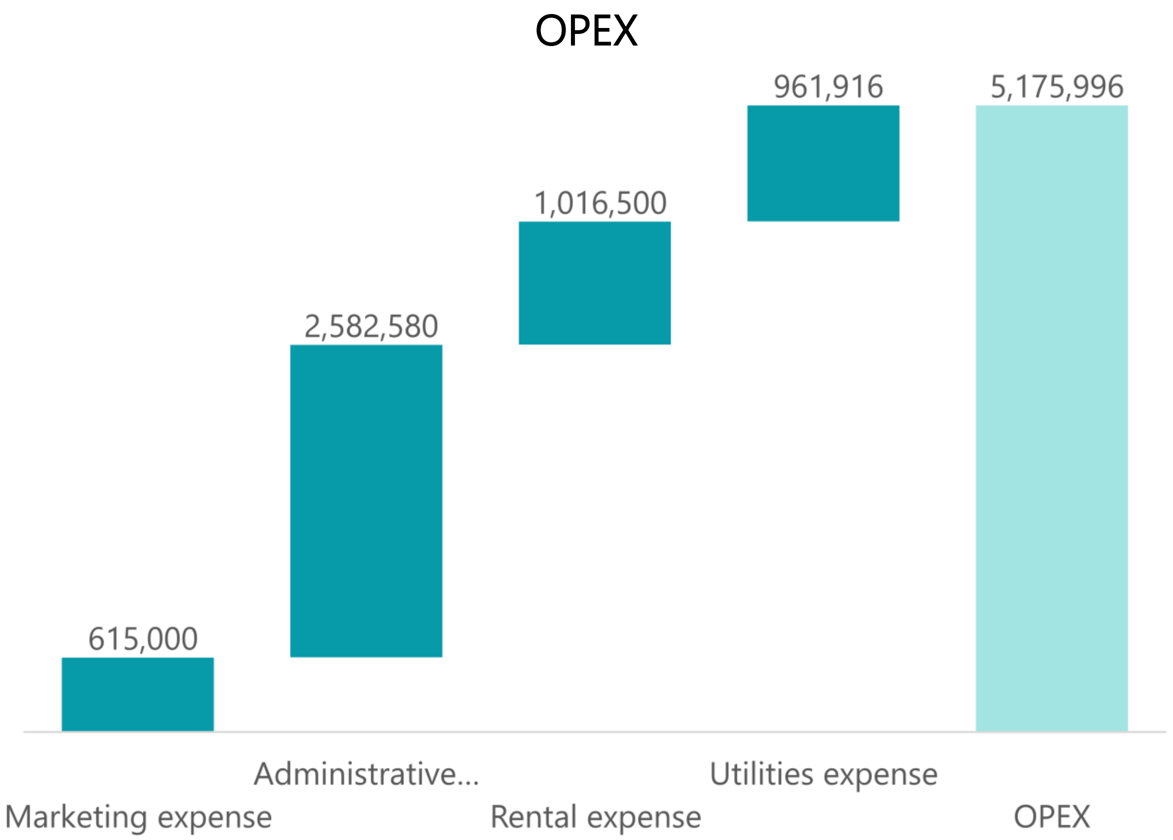
- Working population is **60%** of total Japan population
- Household with experience in e-money is **51%** of total Japan population
- Capture rate is **between 0.15% and 0.30%**

Revenue CAGR	Net Present Value
154%	$2.5 mil

Source : Team analysis, Worldbank

CAPEX of $36 mil and OPEX of $5 mil in the course of 5 years





Source of funding: Funding from Amazon | Internally Generated | Debt Financing

Source : Team analysis

Net Present Value Sensitivity analysis

Positive valuation in all cases support the expansion to Japan

Base

$0.8 mil ← $2.5 mil → $4.2 mil

WACC 17.02%

Sensitive Variables

Capture rate

Customer preferences risk

Gross margin

Operation efficiency

Rental and Maintenance

Technical issues

Source : Team analysis, Stock Analysis on Net

Amazon Go

Stepping towards Globalization

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MAIN DECK

SITUATION ANALYSIS

2. Company Overview
3. Key Objective
4. 3 Strategies
5. Physical Store
6. Franchise
7. Service Tech
8. Key Decision
9. Key Decision
10. Key Question
11. Shortlist Selection
12. Criteria Map
13. Prioritization
14. Prioritization

STRATEGY

15. Considerations
16. Customer Analysis
17. Store Format
18. Products
19. Location
20. Size and Layout
21. Payment
22. Marketing
23. Implementation

FINANCIALS

24. Timeline I
25. Timeline II
26. Income Statement
27. Revenue Projection
28. Cost Estimation
29. NPV Sensitivity Analysis

BACK UP

RISK & MITIGATION, FUTURE PLAN

33. Risk and Mitigation
34. Future Plan
35. Integration to Amazon Ecosystem
36. Amazon Products

ALTERNATIVE STRATEGIES

37. UK Strategy
38. Canada Strategy
39. Tech Service
40. Franchising

COMPETITION

41. Competitive Analysis
42. FamilyMart
43. 7-11
44. Lawson
45. Signpost
46. Sensei
47. Sainsbury
48. Microsoft
49. Hema
50. 7Fresh
51. Le Marché
52. Le Casino 4

STRATEGY

49. Japanese Lunch Insights
53) Popular Konbini food
54) Application Interface
55) Marketing Campaign
56) Popular Social Media in Japan

FINANCIALS

57) Financial Assumption
58) Revenue Projection : Tokyo Station
59) Revenue Projection : Shimbashi Station
60) Revenue projection : Yurakucho station
61) Revenue Projection : Tokyo Office Building
62) Revenue Projection :Other train station in Tokyo
63) Revenue Projection : Office in Osaka
64) Revenue Projection : Train Station in Osaka
65) Revenue Projection Summary
66) Partnership Profit Sharing
67) CAPX

68. Rental Expense
69. Marketing Expense
70. Administration Expense
71. Utilities Expense
72. Expense Summary
73. Overall Summary
74. Tokyo and Osaka rising population
75. Japan working population
76. Japan e-money

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Risk and Mitigation

	Severity	Likelihood	Mitigation
Competitors adopt similar technology			Introduce additional value-adding services, tying into other Amazon products
Software error due to overcrowded customers			Ensure only grab and go products and a flexible queuing system
Low customer acceptance regarding our technology			Educating customers and give incentives for first time users

strong weak

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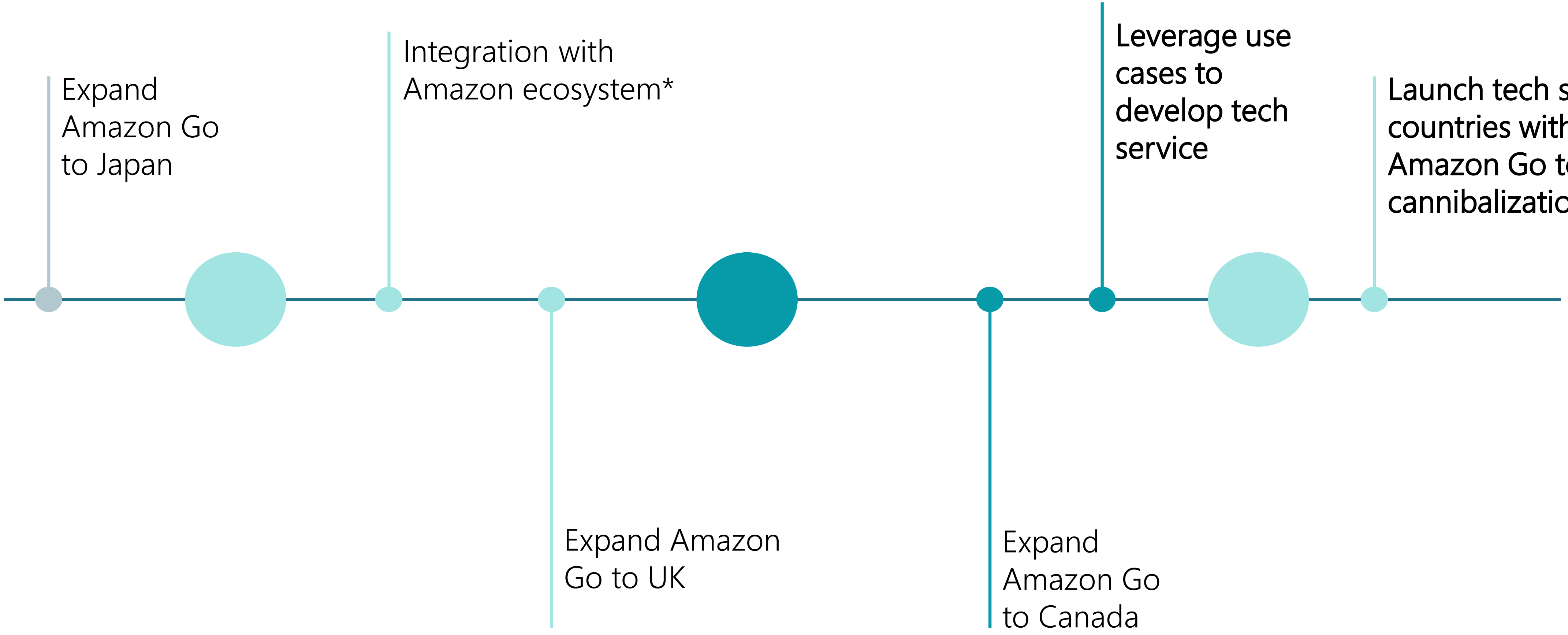
Source : Team Analysis

Backup

Future direction



Source : Team Analysis

Integration to Amazon Ecosystem

Ex: Japan

amazon Prime

amazon (video)

amazon music

prime wardrobe

Increase benefits when used together

Membership Privilege

amazon 行く

Introduce delivery option; leverage logistics network of Amazon Fresh

Delivery Service

amazonfresh

(grocery delivery service)

Shopping List

amazon alexa

Link shopping list feature

Source : Amazon

Amazon products

- 1Retail goods
- 2Amazon Prime
- 3Consumer electronics
- 4Digital content
  - 4.1Amazon Games
- 5Amazon Art
- 6Amazon Video
- 7Amazon Business
- 8Amazon Drive
- 9Private labels and exclusive marketing arrangements
- 10Amazon Studios
- 11Amazon Web Services
- 12New book content production
- 13Amazon Smile
- 14Amazon Local
- 15AmazonWireless
- 25Amazon Home Services
- 26Amazon Destinations
- 27Handmade by Amazon
- 28Amazon Inspire
- 29Amazon Cash/Top Up
- 30Amazon 4-star
- 31Merch by Amazon

Source :

PERSONA

Office workers
Millennials

Rationale
25.3% of those who weekly shop at grocery stores are **younger generation** (25 – 34 years old), (5 times more than age 50 and older)

Source: Global Data

LOCATION

Area type

Office Towers or Shopping Malls

Strategic Location

Near London Underground Station

PRODUCT

Fresh baked goods
Popular item in UK stores

Vegan
Larger number of vegans

Food-on-the-go
Type of product that drives the growth in convenience retail

Source: Global Data

Payment Method

Credit/Debit card linked to Application
(More than 50% uses cards)

Source: The Guardian

Marketing

Digital Advertising and Social Media
Won over TV and Newspaper

Source: Statista

PERSONA

Office workers
Millennials

Values: Convenience, Safety

40% have lunch at work station

LOCATION

Area type

Office Towers or Shopping Malls

Strategic Location

Toronto, Vancouver

PRODUCT

Coffee
Everyone's favorite

Quick Meals
Many prefer breakfast and lunch that are ready to eat

Payment Method

Credit/Debit card linked to Application
Continue to dominate the POS in transaction value, totaling more than $462 billion in 2016.

Source: Payments Canada

Marketing

Channel: Mobile
57% bought a phone, 14% growth
Content: Reflects diversity

Source: MediaCom Canada

Alternative Strategy: Tech Service

**Introduce to countries without Amazon Go presence to prevent cannibalization

Amazon Go use cases →

Software
(sensor, weighing technology, etc.)

\+

Hardware
(camera & code reader)

\+

Service and Maintenance

Subscription fee

Upfront cost

Ongoing

Source : Team analysis

Alternative Strategy: Franchising

Previous franchising model:

Amazon Delivery Franchise

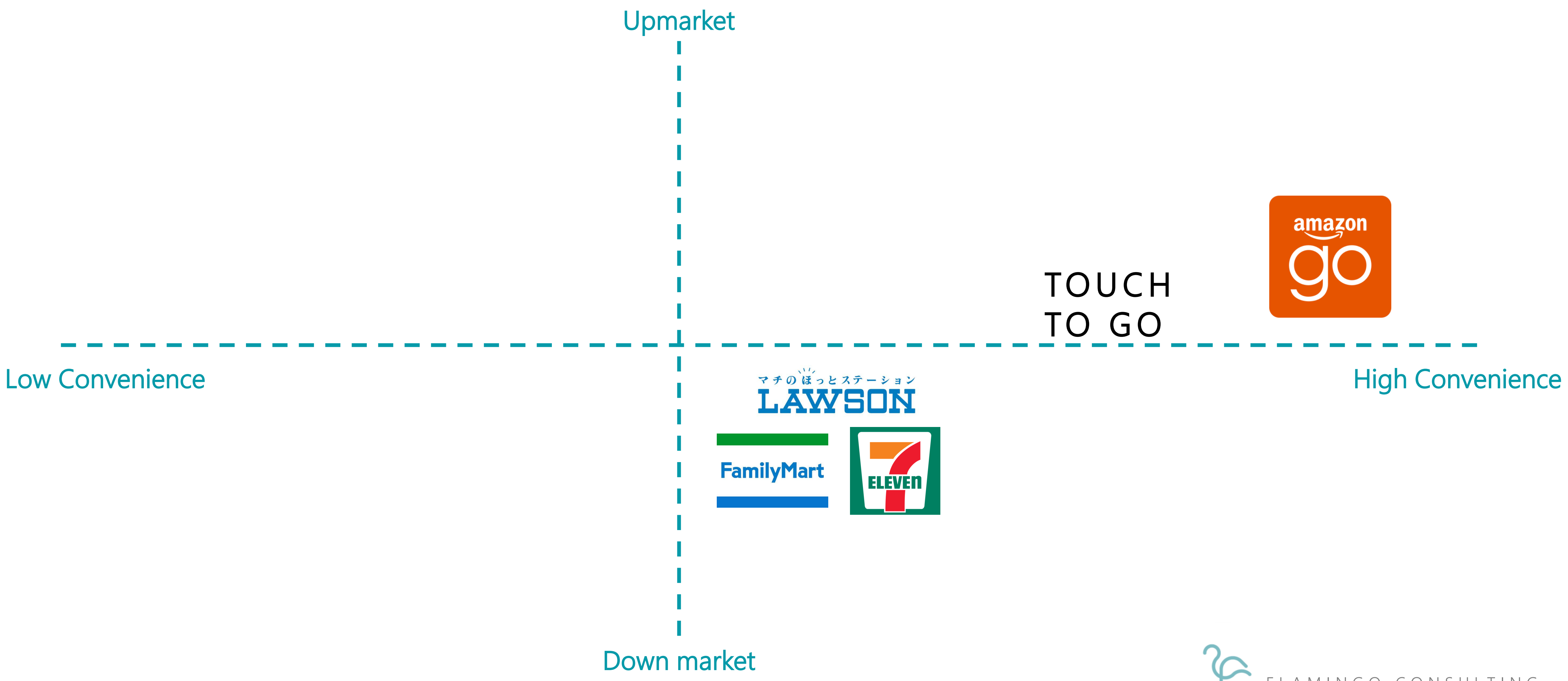
As a Delivery Service Partner (DSP), you'll run your own delivery company, employing 40–100 employees and operating 20–40 delivery vans. You'll be responsible for hiring the employees, managing your team, and working to deliver packages seven days a week, 365 days a year.
Amazon will work closely with you to teach you how to set up and operate your delivery business. They'll also provide ongoing support, with each DSP having a dedicated account manager who can help them ensure they stay on track with their business goals. Amazon will also guarantee the earnings of your business

Amazon Go provide rights to franchisee to operate the business under its name (receive royalties with every units sold)

Ongoing support in areas such as business operations, marketing

Source : Small business

Amazon Go can stand apart by pushing further the value of convenience



Source : Team Analysis, Case Handout

Competitors

Number of stores : approx. 14,000

Specialty : Bigger portion, popular among men

Oreno Series
(Larger size for men)

Famichiki
(Fried chicken)

Source : Tokyostory, Team Analysis

Competitor

Number of stores : approx. 18,000

Specialty : Bakery, Coffee

Coffee & Donut

Kin-no-shokupan
(Golden Bread)

Source : Tokyostory, Team Analysis

Competitor

マチのほっとステーション
LAWSON

Number of stores : approx. 12,000

Specialty : Desserts , Fried food

Premium roll cake

Karaage-Kun
(Fried Chicken Ball)

Experimental Stage : REGI ROBO

- Partnership with Panasonic
- Automated Robotic Checkout System and RFIDs
- Customers scan items and check put through robotic checkout counter

Source : Tokyostory, Panasonic, Team Analysis

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signpost

"Super Wonder Register"
¥100 million ($880,000) to install

ONLY ONE USED CASE
Touch to go : a 30 m^2 kiosk on the platform of a train station in Tokyo

Insufficient data collection and possible inaccuracy

Lower possibility and longer time (approx. 2 years) to acquire big partnership

Source : Japantime, Team Analysis

Competitor

sensei

SIMILAR SYSTEM WITH AMAZON GO
Check in with application , No check out needed

NO PARTNERSHIP
Still in talks with retailers in Europe

Source : Sensei, Convenience Store Decision, Team Analysis

Sainsbury's

LESS CONVENIENT THAN AMAZON GO
Require scanning every purchased item

Limited to Apple users
Scan through smartphones and pay through Apple Pay

Source : Retail Gazette, Team Analysis

Microsoft

MORE COMPREHENSIVE SERVICES
Utilize cloud technology (ex. Richer product date, Real-time promotion alteration)

IN DEVELOPING STAGE WITH WALMART

Source : Fortune, Team Analysis

Competitors

Strong foothold in China
80 branches and backed by Alibaba

Required scanning every item
With smartphones

Additional features
Quickly order same goods to be delivered

Source : CNBC, Team Analysis

Competitors

7FRESH FOOD MARKET

Similar to Hema Grocery Store
Same shopping process and delivery services

Specialized in fresh fruits and vegetables
Scan and see origin and attribute

Partnership with Familymart
Delivery of goods from closest Familymart

Source : TechCrunch, Team Analysis

Carrefour partnership with Tencent in Shanghai
Pay through WeChat

Specialized in organic food and wine

Special features
Showroom for e-commerce site, Cdiscount ,
Home-delivery service and Free coworking space

Source : Venture Beat, Retail Detail, Team Analysis

JAPAN LUNCH TIME

Male White Collar

1. Bento at the desk and sleep
2. Lunch outside
   - Fast (approx. 20 minute)
   - Large portion
   - Prefer Japanese food

Female White Collar

1. Usually lunch outside
   - Longer than male
   - Prefer international food

Source : Japan Talk, Team Analysis

POPULAR KONBINI FOOD

Onigiri

Bento

Donburi

Sando

Oden

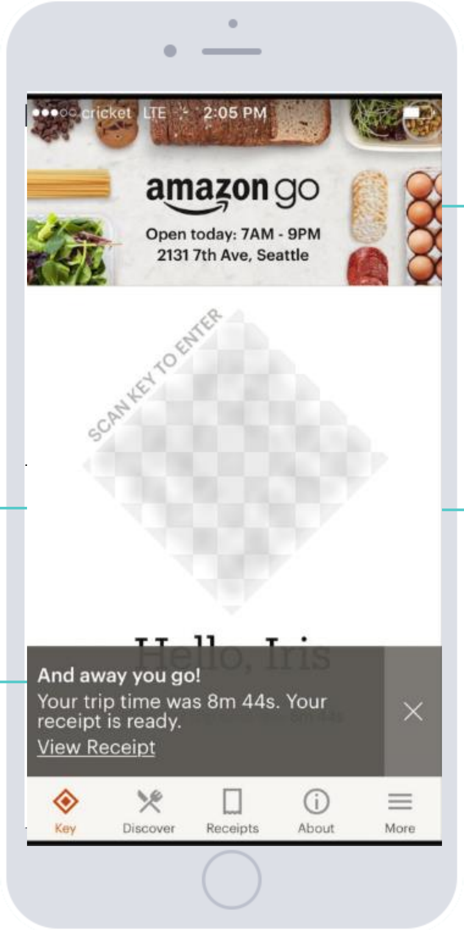
Karaage

Source :

Application Interface

Shopping List

Personalized Recommendations



Expense Tracker

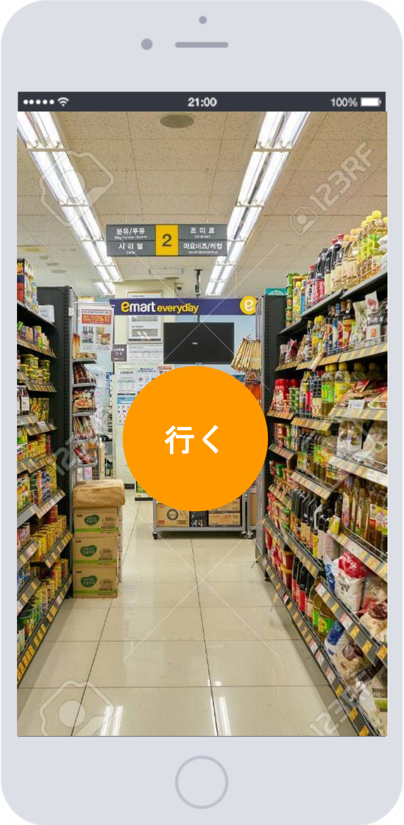
Nutritional Values

Source : Team analysis

Marketing Campaign

Short video advertisement

Advertisement emphasizes on the word 行く to demonstrate how fast and convenience the service is



Display at the subway stations and office towers with an emphasis on the word 行く

Source : Team analysis

Popular Social Media in Japan

1. Facebook over LinkedIn

Because LinkedIn is seen primarily as a job-hunting platform and doing this publicly is considered unprofessional and disrespectful, LinkedIn is not popular in Japan. For this reason, Facebook has a much wider use in Japan than it does in Western markets. It's also used as a job-seeking platform and an acceptable way for Japanese users to connect with potential employers – which makes Facebook a far less social space than in the US.

2. Twitter

Despite wanting to be anonymous, Japanese people still like to express their personalities by customizing their online presence. Twitter is popular because it allows users to select alternative names and avatars. In Japan, using a Twitter handle allows you to express ideas without fear of being judged. As such, Twitter has become a popular platform for voicing complaints and opinions, just like in the rest of the world.

3. YouTube

Because Japanese culture values anonymity and users are comparatively camera-shy, YouTube initially struggled in Japan because users weren't uploading content. YouTube Japan responded by encouraging users to focus on videos of their pets. Now, YouTube is the most popular social media platform in Japan – and pet videos are the most popular genre, with many pets becoming Japanese pop-culture celebrities.

Source : World Bank

Financial assumption

Periods	2016	2017	2018	2019	2020	2021	2022	2023	*note
Financing assumption									
Debt Assumption									
Incremental									
CAPEX size				-	2,863,500	6,078,000	11,854,250	15,672,250	
% Debt/Funding				20%	20%	20%	20%	20%	
Debt				-	572,700	1,215,600	2,370,850	3,134,450	
ST Debt				**-**	**458,160**	**972,480**	**1,896,680**	**2,507,560**	
LT Debt				**-**	**114,540**	**243,120**	**474,170**	**626,890**	80% ST/LT De
Depreciation									
Sale				-	1,862,812.50	7,746,702.43	17,330,440.04	30,598,887.21	
Depreciation (as % of Sales)				**16%**	**16%**	**16%**	**16%**	**16%**	16%
Depreciation				**-**	**295,162**	**1,227,461**	**2,745,999**	**4,848,378**	

Source :

Revenue projection: Tokyo station

Periods	2016	2017	2018	2019	2020	2021	2022	2023	*note
Revenue assumption									
Tokyo Station									
Annual traffic				165,180,385	168,483,993	171,853,673	175,290,746	178,796,561	2% growth rat
% of target population				*80%*	*80%*	*80%*	*80%*	*80%*	80%
Target population				132,144,308	134,787,194	137,482,938	140,232,597	143,037,249	
% of household with e-money				*77%*	*79%*	*80%*	*82%*	*83%*	2% growth rat
# of potential customer				**101,751,117**	**105,861,862**	**110,138,682**	**114,588,284**	**119,217,651**	
Capture rate				*0.15%*	*0.20%*	*0.20%*	*0.25%*	*0.25%*	
# of customer annually				152,627	211,724	220,277	286,471	298,044	
# of customer per month				**12,719**	**17,644**	**18,356**	**23,873**	**24,837**	
Operating months				-	9	12	12	12	
# of captured customer				**-**	**158,793**	**220,277**	**286,471**	**298,044**	
Average spending per person				-	7.47	7.47	7.47	7.47	7.47 average sp
Revenue from Tokyo Station				**-**	**1,186,182.17**	**1,645,471.90**	**2,139,936.21**	**2,226,389.63**	

Source :

FLAMINGO CONSULTING

Revenue projection: Shimbashi station

Periods	2016	2017	2018	2019	2020	2021	2022	2023	*note	
Revenue assumption										
Shimbashi Station										
Annual traffic				101,252,460	103,277,509	105,343,059	107,449,921	109,598,919	2%	growth rat
% of target population				*80%*	*80%*	*80%*	*80%*	*80%*	80%	
Target population				81,001,968	82,622,007	84,274,448	85,959,936	87,679,135		
% of household with e-money				*77%*	*79%*	*80%*	*82%*	*83%*	2%	growth rat
# of potential customer				**62,371,515**	**64,891,325**	**67,512,934**	**70,240,457**	**73,078,171**		
Capture rate				*0.15%*	*0.20%*	*0.20%*	*0.25%*	*0.30%*		
# of customer annually				93,557	129,783	135,026	175,601	219,235		
# of customer per month				**7,796**	**10,815**	**11,252**	**14,633**	**18,270**		
Operating months				-	7	12	12	12		
# of captured customer				**-**	**75,707**	**135,026**	**175,601**	**219,235**		
Average spending per person				-	7.47	7.47	7.47	7.47	7.47	average sp
Revenue from Shimbashi Station				**-**	**565,527.89**	**1,008,643.24**	**1,311,740.53**	**1,637,681.81**		

Source :

FLAMINGO CONSULTING

Revenue projection: Yurakucho station

Periods	2016	2017	2018	2019	2020	2021	2022	2023	*note
Revenue assumption									
Yurakucho Station									
Annual traffic				61,885,750	63,123,465	64,385,934	65,673,653	66,987,126	2% growth rat
% of target population				*90%*	*90%*	*90%*	*90%*	*90%*	90%
Target population				55,697,175	56,811,119	57,947,341	59,106,288	60,288,413	
% of household with e-money				*77%*	*79%*	*80%*	*82%*	*83%*	2% growth rat
# of potential customer				**42,886,825**	**44,619,452**	**46,422,078**	**48,297,530**	**50,248,751**	
Capture rate				*0.15%*	*0.20%*	*0.20%*	*0.25%*	*0.30%*	
# of customer annually				64,330	89,239	92,844	120,744	150,746	
# of customer per month				**5,361**	**7,437**	**7,737**	**10,062**	**12,562**	
Operating months				-	2	12	12	12	
# of captured customer				**-**	**14,873**	**92,844**	**120,744**	**150,746**	
Average spending per person				-	7.47	7.47	7.47	7.47	7.47 average sp
Revenue from Yurakucho Station				**-**	**111,102.44**	**693,545.85**	**901,956.38**	**1,126,074.50**	

Source :

Revenue projection: Tokyo office building

Periods	2016	2017	2018	2019	2020	2021	2022	2023	*note
Revenue assumption									
Office building in Tokyo									
Tokyo population				9,555,919	9,747,037	9,941,978	10,140,818	10,343,634	2% growth rat
% of target population				*70%*	*70%*	*70%*	*70%*	*70%*	70%
Target population				6,689,143	6,822,926	6,959,385	7,098,572	7,240,544	
Working days per year				261	261	261	261	261	261
Visiting rate per store				-	-	*5%*	*5%*	*5%*	
Foot traffic per store per year				-	-	90,819,970	92,636,370	94,489,097	
Capture rate				-	-	0.20%	0.20%	0.20%	
# of customer per year				**-**	**-**	**181,640**	**176,009**	**170,080**	
Average spending per person				-	-	7.47	7.10	6.39	
SSSG%				-	-	-	-5%	-10%	
Incremental revenue per store				**-**	**-**	**1,356,850**	**1,249,049**	**1,086,278**	
# of store				-	-	2	6	10	
Revenue from office store in Tokyo				**-**	**-**	**2,713,700.71**	**7,494,291.56**	**10,862,778.40**	

Source :

FLAMINGO CONSULTING

Revenue projection: Other train station in Tokyo

Periods	2016	2017	2018	2019	2020	2021	2022	2023
Revenue assumption								
Other train station in Tokyo								
Average annual Tokyo train station traffic				61,260,870	62,486,087	63,735,809	65,010,525	66,310,736
% of target population				*80%*	*80%*	*80%*	*80%*	*80%*
Target population				49,008,696	49,988,870	50,988,647	52,008,420	53,048,589
% of household with e-money				*77%*	*79%*	*80%*	*82%*	*83%*
# of potential customer				**37,736,696**	**39,261,258**	**40,847,413**	**42,497,649**	**44,214,554**
Capture rate				*0.15%*	*0.20%*	*0.20%*	*0.25%*	*0.30%*
# of customer annually				56,605	78,523	81,695	106,244	132,644
# of customer per month				**4,717**	**6,544**	**6,808**	**8,854**	**11,054**
Operating months				-	-	12	12	12
# of captured customer per staion				**-**	**-**	**81,695**	**106,244**	**132,644**
Average spending per person				-	-	7.47	7.47	7.47
# of store				-	-	2	5	12
Revenue from other Tokyo train station				**-**	**-**	**1,220,520.71**	**3,968,217.95**	**11,890,177.80**

Source :

FLAMINGO CONSULTING

Revenue projection: Office in Osaka

Periods	2016	2017	2018	2019	2020	2021	2022	2023
Revenue assumption								
Office building in Osaka								
Osaka population				2,725,006	2,779,506	2,835,096	2,891,798	2,949,634
% of target population				*60%*	*60%*	*60%*	*60%*	*60%*
Target population				1,635,004	1,667,704	1,701,058	1,735,079	1,769,780
Working days per year				261	261	261	261	261
Visiting rate per store				-	-	*5%*	*5%*	*5%*
Foot traffic per store per year				-	-	22,198,804	22,642,780	23,095,635
Capture rate				-	-	0.20%	0.20%	0.20%
# of customer per year				**-**	**-**	**44,398**	**43,021**	**43,882**
Average spending per person				-	-	7.47	7.10	6.74
SSSG%				-	-	-	-5%	-5%
Incremental revenue per store				**-**	**-**	**331,650**	**305,301**	**295,836**
# of store				-	-	-	1	2
Revenue from office store in Osaka				**-**	**-**	**-**	**305,300.52**	**591,672.41**

Source :

Revenue projection: train station in Osaka

Periods	2016	2017	2018	2019	2020	2021	2022	2023	*note
Revenue assumption									
Other train station in Osaka									
Average annual Osaka train station traffic				46,660,870	47,594,087	48,545,969	49,516,889	50,507,226	2% growth rat
% of target population				*80%*	*80%*	*80%*	*80%*	*80%*	80%
Target population				37,328,696	38,075,270	38,836,775	39,613,511	40,405,781	
% of household with e-money				*77%*	*79%*	*80%*	*82%*	*83%*	2% growth rat
# of potential customer				**28,743,096**	**29,904,317**	**31,112,451**	**32,369,394**	**33,677,118**	
Capture rate				*0.15%*	*0.20%*	*0.20%*	*0.25%*	*0.30%*	
# of customer annually				43,115	59,809	62,225	80,923	101,031	
# of customer per month				**3,593**	**4,984**	**5,185**	**6,744**	**8,419**	
Operating months				-	-	12	12	12	
# of captured customer per staion				**-**	**-**	**62,225**	**80,923**	**101,031**	
Average spending per person				-	-	7.47	7.47	7.47	
# of store				-	-	1	2	3	
Revenue from other Osaka train station				**-**	**-**	**464,820.02**	**1,208,996.88**	**2,264,112.64**	

Source :

FLAMINGO CONSULTING

Revenue Projection Summary

Periods	2016	2017	2018	2019	2020	2021	2022	2023
Revenue summary								
Tokyo train station store revenue				-	1,862,812	4,568,182	8,321,851	16,880,324
%					100%	91%	87%	88%
Revenue from Tokyo Station				-	1,186,182	1,645,472	2,139,936	2,226,390
Revenue from Shimbashi Station				-	565,528	1,008,643	1,311,741	1,637,682
Revenue from Yurakucho Station				-	111,102	693,546	901,956	1,126,074
Revenue from other Tokyo train station				-	-	1,220,521	3,968,218	11,890,178
Osaka train station store revenue				-	-	464,820	1,208,997	2,264,113
%					0%	9%	13%	12%
Revenue from other Osaka train station				-	-	464,820	1,208,997	2,264,113
Total train station store revenue				**-**	***1,862,812.50***	***5,033,001.72***	***9,530,847.95***	***19,144,436.39***
%					100%	65%	55%	63%
Tokyo Office store revenue				-	-	2,713,701	7,494,292	10,862,778
%						100%	96%	95%
Osaka Office store revenue				-	-	-	305,301	591,672
%						0%	4%	5%
Total office store revenue				**-**	**-**	***2,713,700.71***	***7,799,592.09***	***11,454,450.82***
%					0%	35%	45%	37%
Total revenue				**-**	***1,862,812.50***	***7,746,702.43***	***17,330,440.04***	***30,598,887.21***
# of store				-	3	8	17	30
Revenue per store				-	620,937.50	968,337.80	1,019,437.65	1,019,962.91

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Source :

Partnership Profit Sharing

Periods	2016	2017	2018	2019	2020	2021	2022	2023
Partnership Profit Sharing								
Partnership Profit Sharing for Subway Station								
Total sales from train station				-	1,862,812	5,033,002	9,530,848	19,144,436
proportion of subway card payment				30%	30%	30%	30%	30%
Sale of subway card in subway station				-	558,844	1,509,901	2,859,254	5,743,331
% of revenue sharing for subway card partner				2%	2%	2%	2%	2%
Subway store partnership revenue sharing				**-**	**11,177**	**30,198**	**57,185**	**114,867**
Partnership Profit Sharing for Subway Station								
Total sales from office store				-	-	2,713,701	7,799,592	11,454,451
average proportion of restaurant partner food sale				30%	30%	30%	30%	30%
Sale of restaurant partner food				-	-	814,110	2,339,878	3,436,335
% of revenue sharing for restuarant partner				30%	30%	30%	30%	30%
Office store revenue sharing for restaurant partner				**-**	**-**	**244,233**	**701,963**	**1,030,901**
Total sales from office store				-	-	2,713,701	7,799,592	11,454,451
proportion of subway card payment				5%	5%	5%	5%	5%
Sale of subway card in office store				-	-	135,685	389,980	572,723
% of revenue sharing for subway card partner				2%	2%	2%	2%	2%
Office store revenue sharing for subway card partner				**-**	**-**	**2,714**	**7,800**	**11,454**
Office store partnership revenue sharing				**-**	**-**	**246,947**	**709,763**	**1,042,355**
Total partnership revenue sharing				***-***	***11,177***	***277,145***	***766,948***	***1,157,222***
Total revenue				**-**	**1,862,812.50**	**7,746,702.43**	**17,330,440.04**	**30,598,887.21**
% of revenue					1%	4%	4%	4%

Source :

FLAMINGO CONSULTING

Periods	2016	2017	2018	2019	2020	2021	2022	2023
Cost assumption								
New Stores CAPEX								
# of new branches				**-**	**3**	**5**	**9**	**13**
# of new train station store				-	3	3	4	8
Hardware per store				600,000	600,000	600,000	600,000	600,000
Store shelves				800	800	800	800	800
Cooler merchandiser shelves				3,600	3,600	3,600	3,600	3,600
Other decoration				100	100	100	100	100
Construction				350,000	350,000	350,000	350,000	350,000
Train station store CAPEX				**-**	**2,863,500**	**2,863,500**	**3,818,000**	**7,636,000**
# of new office store				-	-	2	5	5
Hardware per store				1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Store shelves				1,200	1,200	1,200	1,200	1,200
Cooler merchandiser shelves				5,000	5,000	5,000	5,000	5,000
Other decoration				150	150	150	150	150
Kitchen equipment				900	900	900	900	900
Construction				600,000	600,000	600,000	600,000	600,000
Office store CAPEX				**-**	**-**	**3,214,500**	**8,036,250**	**8,036,250**
CAPEX				**-**	**2,863,500.00**	**6,078,000.00**	**11,854,250.00**	**15,672,250.00**

Source :

FLAMINGO CONSULTING

Rental expense

Periods	2016	2017	2018	2019	2020	2021	2022	2023
Cost assumption								
Store Rental								
# of store in Tokyo subway				-	3	5	8	15
Average rental rate in Tokyo subway station				19,300	19,300	19,300	19,300	19,300
Tokyo subway rental expense				**-**	**57,900**	**96,500**	**154,400**	**289,500**
# of store in Tokyo office				-	-	2	6	10
Average rental rate in Tokyo office				14,400	14,400	14,400	14,400	14,400
Tokyo office rental expense				**-**	**-**	**28,800**	**86,400**	**144,000**
# of store in Osaka subway				-	-	1	2	3
Average rental rate in Osaka subway station				19,300	19,300	19,300	19,300	19,300
Osaka subway rental expense				**-**	**-**	**19,300**	**38,600**	**57,900**
# of store in Osaka office				-	-	-	1	2
Average rental rate in Osaka office				14,400	14,400	14,400	14,400	14,400
Osaka office rental expense				**-**	**-**	**-**	**14,400**	**28,800**
Total rental expense				**-**	**57,900.00**	**144,600.00**	**293,800.00**	**520,200.00**

Source :

Marketing expense

Periods	2016	2017	2018	2019	2020	2021	2022	2023
Cost assumption								
Marketing								
Content development expense per ad				15,000	15,000	15,000	15,000	15,000
# of ad				1	2	3	4	4
Cost of ad development				**15,000**	**30,000**	**45,000**	**60,000**	**60,000**
Facebook ad promotion				9,000	9,000	9,000	9,000	9,000
Instagram ad promotion				7,000	7,000	7,000	7,000	7,000
Twitter ad promotion				5,000	5,000	5,000	5,000	5,000
Digital marketing agency				60,000	60,000	60,000	60,000	60,000
Cost of digital marketing				**81,000**	**81,000**	**81,000**	**81,000**	**81,000**
Total Marketing expense				**96,000.00**	**111,000.00**	**126,000.00**	**141,000.00**	**141,000.00**

Source :

Administration expense

Periods	2016	2017	2018	2019	2020	2021	2022	2023	*note
Cost assumption									
Wage and Salary Administration									
# of subway store				-	3	6	10	18	
# of receptionist per subway store				1	1	1	1	1	
# of employee at subway store				-	3	6	10	18	
wage per hour				7	7	7	7	7	
annual working hours				3,900	3,900	3,900	3,900	3,900	17 hours a day
Subway store human resource expense				**-**	**81,900**	**163,800**	**273,000**	**491,400**	
# of office store				-	-	2	7	12	
# of receptionist per office store				1	1	1	1	1	
# of chef per office store				2	2	2	2	2	
# of employee at office store				-	-	6	21	36	
wage per hour				8	8	8	8	8	
annual working hours				3,120	3,120	3,120	3,120	3,120	13 hours a day
Office store human resource expense				**-**	**-**	**149,760**	**524,160**	**898,560**	
Total Human Resource expense				**-**	**81,900.00**	**313,560.00**	**797,160.00**	**1,389,960.00**	

Source :

Utilities expense

Periods	2016	2017	2018	2019	2020	2021	2022	2023
Cost assumption								
Utilities								
# of subway store				0	3	6	10	18
Average space per subway store (sq.ft.)				450.00	450.00	450.00	450.00	450.00
Total subway store speace				-	1,350.00	2,700.00	4,500.00	8,100.00
Average kWh per sq.ft.				63.00	63.00	63.00	63.00	63.00
Total kWh for subway store				**-**	**85,050.00**	**170,100.00**	**283,500.00**	**510,300.00**
Price per kWh				0.27	0.27	0.27	0.27	0.27
Total utilities expense for subway store				**-**	**22,963.50**	**45,927.00**	**76,545.00**	**137,781.00**
# of office store				0	0	2	7	12
Average space per office store (sq.ft.)				1,900.00	1,900.00	1,900.00	1,900.00	1,900.00
Total office store speace				-	-	3,800.00	13,300.00	22,800.00
Average kWh per sq.ft.				63.00	63.00	63.00	63.00	63.00
Total kWh for office store				**-**	**-**	**239,400.00**	**837,900.00**	**1,436,400.00**
Price per kWh				0.27	0.27	0.27	0.27	0.27
Total utilities expense for office store				**-**	**-**	**64,638.00**	**226,233.00**	**387,828.00**
Total utilities expense				**-**	**22,963.50**	**110,565.00**	**302,778.00**	**525,609.00**

Source :

Expense summary

Periods	2016	2017	2018	2019	2020	2021	2022	2023
Expense summary								
Train station store CAPEX				-	2,863,500	2,863,500	3,818,000	7,636,000
% of total CAPEX				0%	100%	47%	32%	49%
Office store CAPEX				-	-	3,214,500	8,036,250	8,036,250
% of total CAPEX				0%	0%	53%	68%	51%
CAPEX				**-**	**2,863,500.00**	**6,078,000.00**	**11,854,250.00**	**15,672,250.00**
% of total expense				0%	91%	90%	89%	86%
Rental expense				-	57,900	144,600	293,800	520,200
% of total OPEX				0%	21%	21%	19%	20%
Sale and Marketing expense				96,000	111,000	126,000	141,000	141,000
% of total OPEX				100%	41%	18%	9%	5%
Selling and administrative expense				-	81,900	313,560	797,160	1,389,960
% of total OPEX				0%	30%	45%	52%	54%
Utilities expense				-	22,963.50	110,565.00	302,778.00	525,609.00
% of total OPEX				0%	8%	16%	20%	20%
OPEX				**96,000.00**	**273,763.50**	**694,725.00**	**1,534,738.00**	**2,576,769.00**
% of total expense				100%	9%	10%	11%	14%
Total expense				***96,000.00***	***3,137,263.50***	***6,772,725.00***	***13,388,988.00***	***18,249,019.00***

Source :

FLAMINGO CONSULTING

Overall summary

Periods	2016	2017	2018	2019	2020	2021	2022	2023
Executive summary								
Revenue								
Total train station store revenue				-	1,862,812	5,033,002	9,530,848	19,144,436
% of total revenue					100%	65%	55%	63%
Total office store revenue				-	-	2,713,701	7,799,592	11,454,451
% of total revenue					-	35%	45%	37%
Total revenue				**-**	**1,862,812.50**	**7,746,702.43**	**17,330,440.04**	**30,598,887.21**
Total partnership revenue sharing				-	11,177	277,145	766,948	1,157,222
% of total revenue					1%	4%	4%	4%
Net revenue				-	***1,851,635.62***	***7,469,557.66***	***16,563,492.07***	***29,441,665.56***
Expense								
Train station store CAPEX				-	2,863,500	2,863,500	3,818,000	7,636,000
% of total CAPEX					100%	47%	32%	49%
Office store CAPEX				-	-	3,214,500	8,036,250	8,036,250
% of CAPEX					-	53%	68%	51%
CAPEX				-	2,863,500	6,078,000	11,854,250	15,672,250
% of total expense				0%	91%	90%	89%	86%
Rental expense				-	57,900	144,600	293,800	520,200
% of total OPEX				-	21%	21%	19%	20%
Sale and Marketing expense				96,000	111,000	126,000	141,000	141,000
% of total OPEX				100%	41%	18%	9%	5%
Selling and administrative expense				-	81,900	313,560	797,160	1,389,960
% of total OPEX				-	30%	45%	52%	54%
Utilities expense				-	22,964	110,565	302,778	525,609
% of total OPEX				-	8%	16%	20%	20%
OPEX				96,000	273,764	694,725	1,534,738	2,576,769
% of total expense				100%	9%	10%	11%	14%
Net expense				*96,000*	*3,137,264*	*6,772,725*	*13,388,988*	*18,249,019*

Source :

Tokyo and Osaka rising population

Name	Native	Status	Population Census 1995-10-01	Population Census 2000-10-01	Population Census 2005-10-01	Population Census 2010-10-01	Population Census 2015-10-01	Population Estimate 2018-10-01
Adachi-ku	足立区	Special Ward (tokubetsu-ku)	622,270	617,123	624,807	683,426	670,122	680,269
Arakawa-ku	荒川区	Special Ward (tokubetsu-ku)	176,886	180,468	191,207	203,296	212,264	217,265
Bunkyō-ku	文京区	Special Ward (tokubetsu-ku)	172,474	176,017	189,632	206,626	219,724	230,184
Chiyoda-ku	千代田区	Special Ward (tokubetsu-ku)	34,780	36,035	41,778	47,115	58,406	63,165
Chūō-ku [Center]	中央区	Special Ward (tokubetsu-ku)	63,923	72,526	98,399	122,762	141,183	160,889
Edogawa-ku	江戸川区	Special Ward (tokubetsu-ku)	589,414	619,953	653,944	678,967	681,298	693,616
Itabashi-ku	板橋区	Special Ward (tokubetsu-ku)	511,415	513,575	523,083	535,824	561,916	578,127
Katsushika-ku	葛飾区	Special Ward (tokubetsu-ku)	424,478	421,519	424,878	442,586	442,913	452,761
Kita-ku [North]	北区	Special Ward (tokubetsu-ku)	334,127	326,764	330,412	335,544	341,076	351,663
Kōtō-ku	江東区	Special Ward (tokubetsu-ku)	365,604	376,840	420,845	460,819	498,109	515,029
Meguro-ku	目黒区	Special Ward (tokubetsu-ku)	243,100	250,140	264,064	268,330	277,622	285,110
Minato-ku	港区	Special Ward (tokubetsu-ku)	144,885	159,398	185,861	205,131	243,283	256,415
Nakano-ku	中野区	Special Ward (tokubetsu-ku)	306,581	309,526	310,627	314,750	328,215	338,069
Nerima-ku	練馬区	Special Ward (tokubetsu-ku)	635,746	658,132	692,339	716,124	721,722	735,212
Ōta-ku	大田区	Special Ward (tokubetsu-ku)	636,276	650,331	665,674	693,373	717,082	734,381
Setagaya-ku	世田谷区	Special Ward (tokubetsu-ku)	781,104	814,901	841,165	877,138	903,346	929,448
Shibuya-ku	渋谷区	Special Ward (tokubetsu-ku)	188,472	196,682	203,334	204,492	224,533	231,700
Shinagawa-ku	品川区	Special Ward (tokubetsu-ku)	325,377	324,608	346,357	365,302	386,855	403,338
Shinjuku-ku	新宿区	Special Ward (tokubetsu-ku)	279,048	286,726	305,716	326,309	333,560	346,958
Suginami-ku	杉並区	Special Ward (tokubetsu-ku)	515,803	522,103	528,587	549,569	563,997	579,877
Sumida-ku	墨田区	Special Ward (tokubetsu-ku)	215,681	215,979	231,173	247,606	256,274	266,605
Taitō-ku	台東区	Special Ward (tokubetsu-ku)	153,918	156,325	165,186	175,928	198,073	205,659
Toshima-ku	豊島区	Special Ward (tokubetsu-ku)	246,252	249,017	250,585	284,678	291,167	300,179
Tōkyō	**東京都区部**		**7,967,614**	**8,134,688**	**8,489,653**	**8,945,695**	**9,272,740**	**9,555,919**

Name	Native	Status	Population Census 1995-10-01	Population Census 2000-10-01	Population Census 2005-10-01	Population Census 2010-10-01	Population Census 2015-10-01	Population Estimate 2018-10-01
Abeno-ku	阿倍野区	Ward	102,753	103,973	107,354	106,350	107,626	109,172
Asahi-ku	旭区	Ward	102,500	99,231	95,204	92,455	91,608	91,072
Chūō-ku [Center]	中央区	Ward	52,874	55,324	66,818	78,687	93,069	98,094
Fukushima-ku	福島区	Ward	55,104	55,733	60,959	67,290	72,484	75,896
Higashinari-ku	東成区	Ward	78,736	78,580	78,929	80,231	80,563	82,857
Higashisumiyoshi-ku	東住吉区	Ward	141,447	139,593	135,016	130,724	126,299	125,907
Higashiyodogawa-ku	東淀川区	Ward	185,931	183,888	178,343	176,585	175,530	176,031
Hirano-ku	平野区	Ward	200,556	201,722	200,678	200,005	196,633	193,925
Ikuno-ku	生野区	Ward	149,271	142,743	138,564	134,009	130,167	129,379
Jōtō-ku	城東区	Ward	155,597	157,936	160,925	165,832	164,697	166,852
Kita-ku [North]	北区	Ward	85,487	91,952	100,385	110,392	123,667	133,123
Konohana-ku	此花区	Ward	68,529	65,037	63,809	65,569	66,656	65,914
Minato-ku	港区	Ward	89,527	87,262	83,191	84,947	82,035	81,076
Miyakojima-ku	都島区	Ward	98,045	97,253	99,831	102,632	104,727	106,858
Naniwa-ku	浪速区	Ward	49,122	50,188	54,174	61,745	69,766	72,991
Nishi-ku [West]	西区	Ward	58,674	63,402	72,591	83,058	92,430	100,437
Nishinari-ku	西成区	Ward	141,849	136,813	132,767	121,972	111,883	109,764
Nishiyodogawa-ku	西淀川区	Ward	91,134	92,465	95,662	97,504	95,490	95,749
Suminoe-ku	住之江区	Ward	138,944	135,437	130,627	127,210	122,988	121,364
Sumiyoshi-ku	住吉区	Ward	162,493	161,047	158,999	155,572	154,239	153,361
Taishō-ku	大正区	Ward	78,372	75,042	73,207	69,510	65,141	63,741
Tennōji-ku	天王寺区	Ward	55,611	58,812	64,137	69,775	75,729	79,177
Tsurumi-ku	鶴見区	Ward	97,843	101,971	107,419	111,182	111,557	111,268
Yodogawa-ku	淀川区	Ward	162,022	163,370	169,222	172,078	176,201	180,998
Osaka	**大阪市**	**City**	**2,602,421**	**2,598,774**	**2,628,811**	**2,665,314**	**2,691,185**	**2,725,006**

Source : Citypopulation

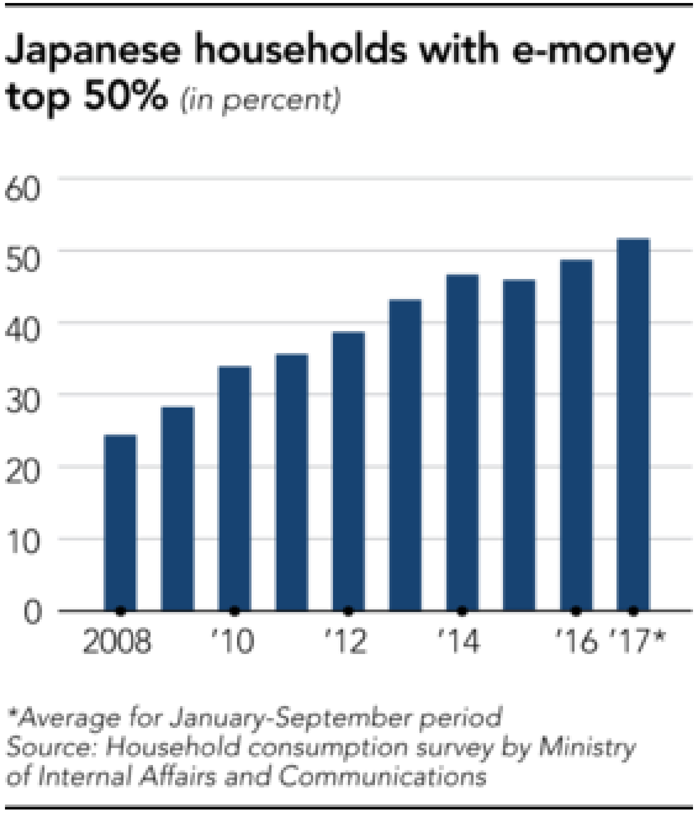
Japan working population

Among countries with a population of more than 40 million,
the ratio of people aged 65 or older in Japan was the **highest at 28 percent**,
while that of people under 15 was the **lowest at 12.2 percent**, according to the internal affairs ministry.

Therefore, working population is 60% -
This number would be a significantly higher in office district

Source : The Mainichi

Japan e-money



The Japanese government has set an ambitious target of doubling the percentage of cashless payments over the coming decade as part of efforts to move away from being so heavily dependent on cash.

Source : Nikkei Asia

Country Selection

	Market Attractiveness		Market Fit		Ability Win	Urgency	
	Market Size: Value of Retails Market (Million USD)	Growth 2019 - 2023 CAGR%	Market Fit (1-3)	Income per Capita (USD)	No. of Convenient Stores	No. of emerging competitors in cashierless (Green = very urgent. Red = less urgent)	Exsiting Operation
Canada	14,740.50	0.4	3	34,229	28,000	-	7 Fulfilment Centers
UK	43,843.10	4.1	3	34,167	50,000	Sainsbuy, Sensei	22 Fulfilment Centers, 45 Delivery Stations
Japan	91,135.40	2.6	3	31,118	70,000	Signpost, Regi-Robo	15 Fulfilment Centers
China	18,706.70	12.7	3	6,309	160,000	Alibaba	15 Fulfilment Centers
India	739.1	23	1	1,462	1,040	Watasale	50 Fulfilment Centers, 25 Sortation Centers, Delivery Stations
Germany	875.2	5.5	2	35,518	1,043	-	21 Fulfilment Centers, 5 Delivery stations
Spain	1,308.20	5.3	2	21,836	1,550	-	7 Fulfilment Centers, 10 Delivery Stations
Italy	10,531.50	3	2	25,262	12,848	-	5 Fulfilment Centers, 8 Delivery stations
Brazil	646.90	14.4	1	7,352	2,637	-	1 Fulfilment Center
Australia	2,269.60	1.4	2	38,859	6,300	Woolworth (1st)	2 Fulfilment Centers
France	8,258.70	4.6	2	30,816	8,801	Casino (3 floors, delivery service)	10 Fulfilment Centers,7 Delivery Stations,
Sources	Euromonitor			Euromonitor, Brazil Supermaket Association, Australian Association of Convenience Stores Limited			MWPVL Consulting

Source : Team Analysis

FLAMINGO CONSULTING

Market Fit Analysis

Countries	Market Fit (1-3)	LIfestyle	Value per Store (Higher = customers likely to spend more)
Canada	3	Likes physical store more than online retail experience	0.53
UK	3	Young generation shop weekly at grocery stores	0.88
Japan	3	Fast-paced, usually shop at convenient stores	1.30
China	3	Fast-paced lifestyle, highly value convenience, use product from local giants	0.12
India	1	Prefer local mom and pop shops and street food	0.71
Germany	2	German pay less on their food than other Europen countries, likes to eat homecooked food, tech-savvy	0.84
Spain	2	Likes small independent shops more, health conscious, growth in online retail	0.84
Italy	2	Likes delivery, like local stores more then chains	0.82
Brazil	3	Fast-paced lifestyle, often live alone	0.25
Australia	3	Time-pressed, want convenience	0.36
France	2	95% prefer physical stores	0.94

Source : Team Analysis, Euromonitor