

Department Store Profiles

THE SEIBU DEPARTMENT STORES, LTD.

Address: 1-28-1, Minami Ikebukuro, Toshima-ku, Tokyo 171, Japan Tel: 03-989-0111 Telex: J22507 SEIBU	
ANNUAL TURNOVER (Period ending February 1988)	648 473 million yen
TOTAL NUMBER OF STORES	12
LOCATION OF STORES	Eastern Japan
AVERAGE ANNUAL SALES PER STORE	54 039 million yen
PROPORTION OF FOOD SALES	18%
TOTAL FLOOR SPACE	273 899 square metres
TOTAL NUMBER OF EMPLOYEES	13 811 Full time: 8 839 Part time: 4 972
YEAR ESTABLISHED	1940

Seibu is the largest department store chain in Japan. Seibu Department Store is part of the family-run Seibu Saison Group, which includes 100 companies and over 77 000 employees.

Seibu has become the largest department store in Japan, recording annual sales of ¥648 billion for the year ending February 1988, surpassing Mitsukoshi for the first time. It operates 12 stores and the company has expanded business rapidly by opening new stores in major cities and affiliating with local department stores such as Darumaya Seibu, Gobankan and Matsukiya. Seibu Department Stores is the core company in the retail group; it has capital tie-ups with most of the companies of the retail group, including Seiyu, another key company. Accordingly, the company is regarded as a source of capital for the group. But in 1987, Saison Corporation was established to control the group companies as a whole. This means that Seibu Department Stores is theoretically no longer the central fundraiser for the group. Sales at its main store, Seibu Ikebukuro, reached ¥344 billion for the year ending February 1988, the highest figure of any single store in Japan.

Seibu Department Stores is expanding into the Kansai area of Japan. The company will open a store in Osaka in 1990, with plans to open another three stores in Kansai in the near future.

Seibu is now eyeing the Southeast Asian market. The company will open a store in Hong Kong around 1990. Seibu has been wary of setting up stores overseas since it closed its Los Angeles branch only a year after it opened in 1961 because of poor sales. Furthermore, the company will also enter the Taiwan market through a capital tie-up with a local department store. Seibu Department Stores and the local store set up a joint venture with paid-up capital of ¥100 million in November 1988 in preparation for opening a department store in Taiwan and for exporting and importing their products.

Seibu Department Stores set up a joint merchandising organization, the Japan Department Stores Management Association (JMA), together with 22 other department stores, including Meitetsu Department Store, Tsuruya Hyakkaten, Tokiha and Yamagataya. However, it has not been active and stopped joint merchandising in 1980. Its aims are now restricted to the exchange of information concerning management among member companies.