



# CONTENTS

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

## Caring for Our Planet

## Enriching the Community

## Motivating People

## About LAWSON

- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
  - Value of the Existence of the LAWSON Group Revealed by the Earthquake - As an Entity that Supports the Lifeline -
- 06 Responses Made by the LAWSON Group Right After the Earthquake Disaster
- 12 "Cheer up, Japan!" Project – Activities for Recovery
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

## Caring for Our Planet

### Reducing CO<sub>2</sub> Emissions

- 30 Building Energy-Efficient Stores
- 32 Improve Logistics Efficiency
- 34 Eco-Friendly Packaging

### Working with customers for the environment

- 36 CO<sub>2</sub> Offset Program
- 38 "Bring Your Own" Program to Reduce Plastic Shopping Bag Use
- 40 Reducing Disposable Chopstick Use through "Bring Your Own" Program
- 43 "LAWSON Green Fund" Twenty years with customers
  - Support Activities to Protect Coral Reefs in a Campaign Commemorating the Anniversary of the 35th Year in Business
- 46

### Boosting Reducing Waste

- 47 Helping to Build a Recycling Society

### Group Company Environmental Initiatives

- 53 LAWSON Okinawa, Inc. / Ninety-nine Plus Inc.
- 54 LAWSON ATM Networks Inc. / LAWSON ENTERMEDIA INC.

## Enriching the Community

### LAWSON Group Initiatives for the Community

- 55 Stores that Enrich the Community
- 58 Enriching the Community by Collaborating with Local Authorities

### Serving as One of Society's Lifelines

- 61 In order to protect the community from large-scale natural disasters

### Aiming to Become a Vital Part of Neighborhood Life

- 63 Delivering Convenience and Comfort Every Day

### Bringing Ties with the Local Community

- 67 Together with the Local Community

### For the Next Generation

- 70 Supporting Social Education

### Supporting Citizenship Activities/Overseas Assistance

- 72 Building Social Contribution Infrastructure

## Motivating People

### Keeping Customers Satisfied

- 74 Efforts to Ensure Customer Satisfaction

### Providing Safe, Secure and Healthy Products

- 77 Ensuring Customer Safety and Health

### Together with Franchise Owners and Store Crews

- 85 Supporting Owners and Crews

### Nurturing Employee Enthusiasm

- 91 Becoming an Easy Place to Work

### Together with Our Business Partners and Shareholders

- 97 Maintaining Fair Relations with Our Business Partners
- 99 In Order to Properly Disclose Information to Shareholders

## About LAWSON

### LAWSON's Organization

- 100 LAWSON Group Corporate Conduct Charter
- 101 Corporate Governance and Internal Control
- 104 Initiatives to Promote Compliance
- 106 Improvement of the Risk Control System for a Speedier Response
- 109 Corporate Data / Store Information / Subsidiaries and Affiliates
- 112 Comments of third parties
- 115 History of the LAWSON Group

# Corporate Philosophy and Editorial Policy

## Corporate Philosophy of LAWSON Group Happiness and Harmony in Our Community



### Editorial Policy

LAWSON cares deeply about the health of our planet and local community life, and endeavors to contribute to both society and the environment in various ways based on its corporate philosophy of working for “happiness and harmony in our community.”

This report — our 13th — presents our initiatives for working with and for society and the environment in three key parts focusing respectively on the environment, local communities, and people. Each part contains special features and other information on the ways in which we are striving to help create a sustainable society, and on our relationship with our customers, franchise owners, store managers and store crews\*, business partners and society as a whole, laid out in what we hope is an easy readable format. The report also highlights the actions taken by the LAWSON Group after the occurrence of the Great East Japan Earthquake in March 2011. We sincerely hope that this report will help you to understand the ways in which we are working for the betterment of our society.

\*crews:part-time and temporary workers

### ● Scope of Report

**Scope:** This report focuses on LAWSON as a parent company, its franchise stores and specific affiliated companies, and includes examples of the cooperative efforts of our business partners involved in logistics, manufacture of food products and waste management.

**Period:** The primary period covered by this report is fiscal 2010 (March 1, 2010 through February 28, 2011), but information on activities from previous fiscal years and fiscal 2011 has been included where appropriate.

**Date of Issue:** September 2011 (previous report: August 2010; next report: planned for July 2012)

**Reference Guidelines:** Environmental Reporting Guidelines (fiscal 2007 version, Japan’s Ministry of the Environment)

01 CONTENTS

02 Corporate Philosophy and Editorial Policy

03 Top Commitment

05 Value of the Existence of the LAWSON Group Revealed by the Earthquake

20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities

21 LAWSON’s Environmental Management

25 LAWSON Environmental Activities Report

Caring for Our Planet

Enriching the Community

Motivating People

About LAWSON

## We will realize a state in which “whatever you want, whenever and wherever you need it” as the maximum contribution by a company that coexists with the local community.



First of all, I would like to express my deepest condolences for all the people who lost their lives in the Great East Japan Earthquake that occurred on March 11<sup>th</sup>, 2011 with my deepest hope that the affected area will recover as soon as possible and the people affected will be able to live with peace of mind.

### The top priority was to open the stores and supply products.

It was a massive earthquake, followed by a tsunami beyond the scope of assumption, and further followed by the disaster of Tokyo Electric Power Company Incorporated’s Fukushima Daiichi Nuclear Power Plant. The damage to employees, franchise store staff, store buildings, product-manufacturing plants, and distribution centers was greater than expected. As soon as I was faced with this unprecedented situation, I decided that the entire company must work together to address it.

Customers feel relieved when they find the neighborhood store open. Therefore, we put our first priority on opening stores and delivering merchandise to the affected area as part of LAWSON’s mission. Right after the earthquake, there were some areas to which it was impossible to supply sufficient merchandise to satisfy customers due to temporary plant shutdowns and distribution function failures. But now, our customers are thankful as the result of our company-wide effort towards recovery.

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON’s Environmental Management
- 25 LAWSON Environmental Activities Report
- Caring for Our Planet
- Enriching the Community
- Motivating People
- About LAWSON

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 **Top Commitment**
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

**Caring for Our Planet**

**Enriching the Community**

**Motivating People**

**About LAWSON**

## Top Commitment

### “Cheer up, Japan!” Project for Recovery

As the next step, we have drawn up the “Cheer up, Japan!” Project in order to work for recovery towards a brighter future. The Group makes an all-out effort to help cheer up Japan by identifying what only we can do, including the opening of temporary stores, use of mobile vending vehicles, and sales of products produced in the Tohoku region.

As part of the above effort, we have established the “Support Dreams Fund” to provide support to young people. LAWSON is supported by a large number of young temporary workers. This is why we decided to help students who are having difficulties in continuing their study or enrolling at university, etc., even if they want to due to the earthquake disaster, with scholarship money. Young people’s power is essential for the recovery and prosperity of Japan. LAWSON will provide various supports to help young people acquire knowledge and skills that will prove useful when they enter society.

### Value of the Existence of a Company Requestioned after the Earthquake

This past experience made me keenly aware that companies exist with the community. It seemed to me that cities became alive as stores resumed operation, which made people look happier and hopeful and willing for recovery. This I think is the direction that the LAWSON Group should take. And I think that the franchise owners, store managers, crew members, and employees are those who understand their local community most. After the disaster, the branch system that LAWSON promotes proved to be an advantage. Moreover, we could act speedily for the affected area with the help of the business partners we regularly work with.

Working to reopen the stores in the affected area and to realize a state in which “whatever you want, whenever and wherever you need it” is the maximum social contribution that the LAWSON Group can make. Based on the Group Corporate Philosophy of “Happiness and Harmony in our Community,” all the members of the Group will work together to reconstruct “our community.”

元気になろう  日本

President and CEO, LAWSON, INC.  
**Takeshi Niinami**

# Value of the Existence of the LAWSON Group Revealed by the Earthquake

- As an Entity that Supports the Lifeline -



- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 04 Value of the Existence of the LAWSON Group Revealed by the Earthquake
  - As an Entity that Supports the Lifeline -
  - Responses Made by the LAWSON Group Right After the Earthquake Disaster "Cheer up, Japan!"
  - Project – Activities for Recovery
- 05 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 06 LAWSON's Environmental Management
- 07 LAWSON Environmental Activities Report

- Caring for Our Planet
- Enriching the Community
- Motivating People
- About LAWSON

The Great East Japan Earthquake that occurred on March 11<sup>th</sup> caused significant damage and had a major impact on the entire Group. This section describes the activities of the LAWSON Group, with the mission of realizing a state in which “whatever you want, whenever and wherever you need it,” after the occurrence of the earthquake and the activities that the Group intends to undertake in the future.

## For Support of the Lifeline in Times of Disaster

An unprecedented magnitude-9.0 earthquake hit East Japan at 14:46 on March 11<sup>th</sup>, 2011. The severe tremor and the tsunami that followed devastated cities and towns, and many precious lives were lost. Moreover, due to the damage to lifelines, distribution of food and other daily use products and supply of electricity that are essential to our daily life were affected, which created anxiety all over Japan. The LAWSON Group as well was significantly affected by the planned blackouts and merchandise shortage.

The LAWSON Group, as part of the lifeline, has always worked to realize a state in which “whatever you want, whenever and wherever you need it” even in times of major disaster. In the recent disaster, the Group, in cooperation with its business partners, made best use of the stores and distribution network all over Japan to “maintain/resume the operation of the stores in the affected area,” “supply merchandise to the stores in the affected area,” “deliver relief goods,” and “collect donations.”

In this section, we report on the responses we made and those made cooperatively by our business partners and many others under the two titles of “Responses Made by the LAWSON Group right after the Earthquake Disaster” and “‘Cheer up, Japan!’ Project – Activities for Recovery.”

### P05-

#### Responses Made by the LAWSON Group Right After the Earthquake Disaster



### P12-

#### “Cheer up, Japan!” Project – Activities for Recovery



# Responses Made by the LAWSON Group Right After the Earthquake Disaster

## Major Events and Responses of the LAWSON Group right after the Earthquake Disaster

### Responses Made by the LAWSON Group

- March 11<sup>th</sup>** Set up the “Disaster Headquarters” and decided to supply merchandise to the affected area from the plants located in other areas in Japan.
- March 12<sup>th</sup>** Decided to send 100 headquarters employees to the affected area.
- March 13<sup>th</sup>** Resumed supply of merchandise to the Tohoku region.  
Started securing fuel for the affected area from the offices in other areas in Japan.  
Started delivery of relief goods.  
Started accepting donations in stores and through Ponta points.  
Implemented switching off of store front signs, etc. all day to respond to electricity shortage.

### Major Events in Japan

- March 11<sup>th</sup>**
  - 14:46  
A magnitude-9.0 earthquake occurred off the coast of Sanriku, Japan. The earthquake registered 7 on the Japanese scale in Kurihara City, Miyagi Prefecture.
  - 14:49  
The Japan Meteorological Agency issued a warning of a massive tsunami to Iwate, Miyagi, Fukushima, Aomori, Ibaraki, Chiba, and other areas along the Pacific coast of Japan.
  - 14:52  
The Governor of Iwate Prefecture requested the dispatch of the Self-Defense Force of the Ministry of Defense.
  - 15:14  
The Government set up disaster headquarters.
  - 15:18  
The largest tsunami ever recorded was observed in Ofunato City, Iwate Prefecture.
  - 19:03  
A state of emergency was declared at the Tokyo Electric Power Company Fukushima Daiichi Nuclear Power Plant (hereinafter referred to as Fukushima Nuclear Plant).
  - 21:23  
The Government asked the residents within a 3-kilometer radius of Fukushima Nuclear Plant to evacuate and those within a 3- to 10-kilometer radius to stay inside their homes.
- March 12<sup>th</sup>**
  - 3:59  
A magnitude-6.7 earthquake hit northern Nagano Prefecture. The earthquake registered 6-upper on the Japanese scale in Sakaemura, Nagano Prefecture.
  - 10:17  
At the Fukushima Nuclear Plant, it was decided to release steam out of Reactor No.1.
  - 15:36  
A hydrogen explosion occurred at the Fukushima Nuclear Plant Reactor No. 1.
- March 14<sup>th</sup>**
  - 5:36  
Planned blackouts started in the Tokyo Metropolitan area and services were reduced or suspended on many train lines in the area.
  - 11:01  
A hydrogen explosion occurred at the Fukushima Nuclear Plant Reactor No.3

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 04 Value of the Existence of the LAWSON Group Revealed by the Earthquake  
- As an Entity that Supports the Lifeline -
- 05 Responses Made by the LAWSON Group Right After the Earthquake Disaster  
“Cheer up, Japan!”  
Project – Activities for Recovery
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON’s Environmental Management
- 25 LAWSON Environmental Activities Report

- Caring for Our Planet
- Enriching the Community
- Motivating People
- About LAWSON

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 05 - As an Entity that Supports the Lifeline - Responses Made by the LAWSON Group Right After the Earthquake Disaster "Cheer up, Japan!"
- Project - Activities for Recovery
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

- Caring for Our Planet
- Enriching the Community
- Motivating People
- About LAWSON

## Responses Made by the LAWSON Group Right After the Earthquake Disaster

**March 11<sup>th</sup>** On the day of the earthquake, the "Disaster Headquarters" was set up in the head office four minutes after the occurrence of the earthquake to confirm the safety of those in the affected area. Moreover, a policy was developed to supply merchandise to the stores in East Japan from the plants in other areas in Japan.

### Launch of the "Disaster Headquarters" and Merchandise Supply Policy

At 14:46 of March 11<sup>th</sup>, the massive earthquake occurred. After four minutes, the "Disaster Headquarters" was set up in the head office to confirm the safety of employees, franchise owners, store managers, crew members, and others. But we could not obtain information on the area hit by the quake, because communication with the Tohoku Office was cut off.

On the other hand, a policy was developed to supply merchandise to the stores in the Tohoku region from the plants in other areas in Japan, to prepare relief goods for the affected area.



▲ Meeting at the Disaster Headquarters



▲ Damaged store

### Safety of the LAWSON Family and the State of the Stores, Plants, and Distribution Centers

Of the 911 stores located in the six prefectures of Tohoku and in Ibaraki Prefecture before the earthquake, only 60% were able to continue operation because of the damage to the building, power failure, water failure, stoppage of supply of merchandise, etc. Moreover, 20 stores were forced to close, as they were either washed away or completely destroyed by the tsunami. Furthermore, merchandise-manufacturing plants and distribution centers in the Tohoku and Kanto regions were damaged by the March 11<sup>th</sup> earthquake, which made it impossible to supply sufficient merchandise to stores.

	Operating stores (as of March 13 <sup>th</sup> )			Operating stores (as of April 14 <sup>th</sup> )		
	Number of stores	Open	Temporarily closed	Number of stores	Open	Temporarily closed
Aomori Prefecture	170	165	5	169	168	1
Akita Prefecture	154	152	2	154	154	0
Iwate Prefecture	161	1	160	149	140	9
Yamagata Prefecture	61	39	22	61	61	0
Myagi Prefecture	164	46	118	155	144	11
Fukushima Prefecture	96	45	51	95	82	13
Ibaraki Prefecture	105	76	29	105	104	1
<b>Total</b>	<b>911</b>	<b>524</b>	<b>387</b>	<b>888</b>	<b>853</b>	<b>35</b>

\* The stores located in Fukushima Prefecture that are temporarily closed include eight stores located within a 30-kilometer radius of the Fukushima Daichi Nuclear Power Plant as stores temporarily closed due to the evacuation order.

There are franchise owners, their family members, and co-workers who were victims of the earthquake. Three owners, four store managers, and six crew members have been killed and there are still some who are missing.

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 05 - As an Entity that Supports the Lifeline -  
Responses Made by the LAWSON Group Right After the Earthquake Disaster  
"Cheer up, Japan!"  
Project - Activities for Recovery
- 06 Lawson Stores: Environmental Protection and Corporate Citizenship Activities
- 07 LAWSON's Environmental Management
- 08 LAWSON Environmental Activities Report

- Caring for Our Planet
- Enriching the Community
- Motivating People
- About LAWSON

## Responses Made by the LAWSON Group Right After the Earthquake Disaster

**March 12<sup>th</sup>** The head office decided to send 100 headquarters employees to the affected area to grasp the state of the stores and provide support for store operation. Ahead of the other members, seven employees left the head office at 17:00 on the 12<sup>th</sup>.

### Dispatch of 100 Employees to the Affected Area

Crisis-response meetings were held three times daily at the head office. The attendees shared information on the safety of franchise owners, store managers, and store crews as well as on store buildings, merchandise, and fuel. After discussions on countermeasures, it was decided to send about 100 headquarters employees to the affected area as support personnel to grasp the state of the stores and provide support for store operation. Ahead of the other members, seven employees left the head office at 17:00 on the 12<sup>th</sup>. Then, the other members from the head office visited the site in several groups.

### Supply of Merchandise to the Stores in the Affected Area and the Kanto Region

On the 12<sup>th</sup>, an evacuation instruction was issued for the area within a 10-kilometer radius of the Tokyo Electric Power Company Fukushima Daiichi Nuclear Power Plant, then the same instruction for the area within a 20-kilometer radius, followed by another instruction for residents living within a 30-kilometer radius to stay inside their homes, which forced some of the stores in the Iwaki/Soma area to close temporarily.

The number of stores that can open increased in other disaster-stricken areas, as the confusion subsided. The amount of available merchandise, however, was small. Repeatedly, stores opened when merchandise was delivered and closed when merchandise was sold out. A shortage of merchandise of ready-made meal was seen in the stores in the Kanto region as well, because two companies that manufacture boxed lunches, rice balls, and readymade noodles were affected by the disaster. Fear of such a shortage of products prompted customers to bulk buy, which caused many daily-use products and processed food to go out of stock. Many store shelves remained empty for some time.



▲ Empty store shelves



▲ Headquarters employees providing help

### VOICE From the Frontline: Franchise Owner



LAWSON Wataru Yamamoto  
(Miyagi Prefecture)  
Owner  
Mr. Munezuki Yusa

"I opened the store immediately after the earthquake. Shopping customers were very thankful, saying, 'Thank you for keeping your store open. Thank you. Thank you very much.' I told my wife, 'This is what business is about.'"



LAWSON Iwamoto-cho 3-chome  
(Tokyo)  
Owner  
Mr. Michio Kojima

"All the members of my store made sure to courteously serve each customer at the cash register and say to the customer, 'Please take care,' as he/she leaves the store. This short sentence seemed to calm down customers to some degree. Many looked back and said, 'Thank you. The same to you.'"

**Responses Made by the LAWSON Group Right After the Earthquake Disaster**

**March 13<sup>th</sup>** We resumed supplying merchandise to respective prefectures on March 13<sup>th</sup>, as merchandise production plants resumed operation.

**Resumption of the Supply of Merchandise to the Tohoku Region**

Thanks to the hard efforts of the staff of merchandise manufacturers that produce boxed lunches, rice balls, bread products, etc., plants successfully resumed operation on the 13<sup>th</sup>. The top priority was placed on the supply of merchandise to the Tohoku region.

The delivery of bread products resumed on the 13<sup>th</sup> and rice balls on the 14<sup>th</sup> to some of the stores. The delivery of boxed lunches resumed on the 26<sup>th</sup> and sandwiches on the 27<sup>th</sup> in all the prefectures in Tohoku. But delivery was only once daily. Besides, customers wanted to buy a variety of products. So the merchandise shortage remained for some time. As for processed food and daily-use products, delivery was made each day from Kanto to Fukushima, Miyagi, and Yamagata Prefectures. In this difficult situation, stores in the Tohoku region tried to keep operating to the extent possible, even though they themselves were affected by the disaster.



▲Store staff selling merchandise temporarily in front of the store building



▲Customers in line waiting for the store to open

**VOICE** From the Frontline: Employee



Merchandise & Logistics Division  
Logistics Department  
**Makoto Tomioka**

"I made arrangements for the delivery vehicles to carry relief goods to the Tohoku region, after the goods were transported from Komaki Base to Fukushima Airport on a Self-Defense Force transport aircraft on March 18th. It was a demanding job on such short notice, but when I saw the scene of transportation of relief goods on TV, I felt a sense of achievement, thinking that I helped realize this operation."



**Nobuhiro Tomonaga**,  
Kanto Merchandise Department



**Yohei Tsutsumi**,  
Kanto Merchandise Department

"As all the staff in charge of management and merchandise gathered together on the branch office floor, we knew what the person next to us was doing, which helped various departments work cooperatively together in such an extreme situation. I think the experience helped make the organization better and stronger."

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 05 - As an Entity that Supports the Lifeline - Responses Made by the LAWSON Group Right After the Earthquake Disaster "Cheer up, Japan!"  
Project - Activities for Recovery
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

**Caring for Our Planet**

**Enriching the Community**

**Motivating People**

**About LAWSON**

## Responses Made by the LAWSON Group Right After the Earthquake Disaster

# March 13<sup>th</sup>

**We delivered relief goods to the disaster headquarters in each prefecture, starting on March 13<sup>th</sup>**

**To address the fuel shortage, we worked to secure fuel.**

### Procurement of Fuel

In the affected area, a shortage occurred concerning diesel oil for vehicles to deliver merchandise, heavy oil for manufacturing products in plants, and gasoline for company cars for use by SVs (supervisors: store management instructors) and for the cars of franchise owners and plant workers going to work.

In order to resolve the shortage of fuel, we tried to secure it for the affected area, collecting gasoline from the offices throughout Japan. A franchise owner who operates a gas station in Kyoto personally drove the tank lorry he owns for more than 1,000 kilometers each way to deliver fuel to the affected area.



▲ Tank lorry carrying gasoline from Kyoto to the affected area

### Delivery of Relief Goods

The LAWSON Group delivered relief goods to the disaster headquarters of respective local governments to support the affected area.

March 13 <sup>th</sup>	March 14 <sup>th</sup>		March 15 <sup>th</sup>		March 18 <sup>th</sup>		April 8 <sup>th</sup>	April -20 <sup>th</sup> 22 <sup>nd</sup>
10,944 bottles of mineral water (2 liters each); 10,752 cup noodles; 16,000 pairs of chopsticks/plastic bags	1,450 rice balls ▼ <b>Aomori Prefecture</b>	18,550 rice balls; 10,000 packages of bread ▼ <b>Ibaraki Prefecture</b>	24,000 packages of bread ▼ <b>Iwate Prefecture</b>	25,000 rice balls; 10,000 packages of bread ▼ <b>Fukushima Prefecture</b>	40,000 rice balls 8,000 packages of bread ▼ <b>Miyagi prefecture</b>	2,000 packages of bread ▼ <b>Fukushima Prefecture</b>	1,490 emergency and other meal packs ▼ <b>Ishinomaki City, Miyagi Prefecture</b>	School lunch replacement meals (boxed lunches, etc.) 3,450 meals per day for three days ▼ <b>Soma City, Fukushima Prefecture</b>
▼ <b>Miyagi Prefecture</b>								

### Provided School Lunch Replacement Meals in Soma City

LAWSON provided a total of 3,459 students, school children, and kindergarten children of Soma City, Fukushima Prefecture, with school lunch replacement meals for three days, starting from April 20<sup>th</sup>, as the school lunch facilities in the area were damaged by the disaster. Different menus were served each day, including rice balls, boxed lunches, bread snacks, baked goods, ready-made dishes, milk, fruit, and desserts.



▲ Thank you letters from elementary and junior high school students in Soma City, Fukushima Prefecture.

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 05 - As an Entity that Supports the Lifeline -
- Responses Made by the LAWSON Group Right After the Earthquake Disaster "Cheer up, Japan!"
- Project - Activities for Recovery
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

- Caring for Our Planet
- Enriching the Community
- Motivating People
- About LAWSON

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment

Value of the Existence of the LAWSON Group Revealed by the Earthquake

- As an Entity that Supports the Lifeline -

Responses Made by the LAWSON Group Right After the Earthquake Disaster  
“Cheer up, Japan!”

Project – Activities for Recovery

- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

Caring for Our Planet

Enriching the Community

Motivating People

About LAWSON

**Responses Made by the LAWSON Group Right After the Earthquake Disaster**

**March 13<sup>th</sup> The LAWSON Group jointly started a fund-raising campaign titled the “Great East Japan Earthquake Relief Fund.” Moreover, electricity-saving measures have been taken in stores.**

**Acceptance of Donations in Stores and with Ponta Points Started**

LAWSON started preparing for fund raising right after the earthquake.

Notices and announcements to stores nationwide were developed and

fund raising was started in the LAWSON stores as well as stores of the Group companies, including Ninety-nine Plus stores, LAWSON Okinawa, and HMV Japan on March 13<sup>th</sup>. The funds were raised from customers all over Japan, including donations with points by the Ponta card and HMV membership cards, between March 13<sup>th</sup> and April 30<sup>th</sup> amounted to ¥1,038,101,304. The money will be used to provide support to disaster victims through the Japanese Red Cross Society.



▲Donation box

Total amount of funds raised by the LAWSON Group: **¥1,038,101,304**

Donations accepted in:	Amount of funds raised (Yen)	Number of stores (as of April 30 <sup>th</sup> , 2011)
LAWSON <sup>1)</sup>	928,046,591	8,925
Ninety-nine Plus	52,186,779	1,060
HMV Japan	(¥)24,908,428	31
Donation with Ponta points	32,959,506	—

<sup>1)</sup> Includes LAWSON Okinawa  
<sup>2)</sup> (Breakdown)

Storefront donations: ¥1,146,684 Point donations: ¥1,450,956

Donations of the amount equivalent to 5% of sales via HMV ONLINE and HMV MOBILE: ¥22,310,788

**Switching off of Store Front Signs throughout the Day Nationwide**

In order to respond to the electricity shortage due to the Tokyo Electric Power Company Fukushima Daiichi Nuclear Power Plant disaster, etc. all the LAWSON stores except those located in the Tohoku region and Ibaraki Prefecture implemented measures for saving electricity, starting from the evening of March 13<sup>th</sup>. Store front signs were switched off during the nighttime, and more than 50% of the in-store lighting and heating was switched off during daytime. (In Hokkaido, heaters were kept on.)

Planned blackouts were implemented in some of the areas where electricity is supplied by Tokyo Electric Power Company, starting from March 14<sup>th</sup>. During the blackouts, the stores in those areas opened during the daytime and closed after sunset from the viewpoint of crime prevention.



▲Store, saving electricity

<Tochimaru Fund Raising> (May 1-May 31)

Total amount of funds raised: ¥1,340,218

Participating stores: All the LAWSON Stores in Tochigi Prefecture (107 stores as of May 31<sup>st</sup>, 2011)

Funds delivered to: Tochigi Prefecture

<Fund raising for the “Sakaemura Earthquake” in northern Nagano Prefecture>(5/1-5/31)

Total amount of funds raised: ¥1,964,844

Participating stores: All the LAWSON Stores in Nagano Prefecture (131 stores as of May 31<sup>st</sup>, 2011)

Funds delivered to: Sakaemura Village, Nagano Prefecture

▼Office, saving electricity



# “Cheer up, Japan!” Project – Activities for Recovery

## Activities from the Occurrence of the Earthquake to one Month after and the Launch of the “Cheer up, Japan!” Project

### Responses of the LAWSON Group

- April 14<sup>th</sup>**      Founded the “Support Dreams Fund.”
- April 21<sup>st</sup>**      The first temporary store opened in Rikuzentakata City in Iwate Prefecture.  
Started the operation of “Mobile LAWSON-Go,” a mobile vending vehicle, in the affected area.
- May 6<sup>th</sup>**            Started delivering carnation flowers for Mother’s Day to evacuation centers.
- May 15<sup>th</sup>**          The second temporary store opened in Minamisanriku-cho, Miyagi Prefecture.
- May 18<sup>th</sup>**          Part of the proceeds from sales of rice balls in all the stores belonging to the Kanto Office were donated to the “Support Dreams Fund.”
- May 21<sup>st</sup>**          Jointly held a concert to support the affected area.
- June 5<sup>th</sup>**          Sunflower and snapdragon seeds were handed out in stores.
- June 7<sup>th</sup>**          Part of the proceeds from sales of rice balls in all the stores belonging to the Tohoku Office were donated to the “Support Dreams Fund.”
- July 1<sup>st</sup>**            Started taking electricity-saving measures in the stores located in the areas serviced by Tokyo/Tohoku Electric Power Company.
- July 7<sup>th</sup>**          Three temporary stores opened in Yamada-machi and Otsuchi-cho, Iwate Prefecture (7<sup>th</sup>, 19<sup>th</sup>, and 21<sup>st</sup>).

**On April 14<sup>th</sup>, about a month after the quake, the LAWSON Group decided to start the “Cheer up, Japan!” Project with collective efforts, hoping for the recovery of the Japanese economy.**

### The “Cheer up, Japan!” Project Started.

Lawson started the “Cheer-up, Japan!” Project after reviewing what it is that only a convenience store, which is closely connected with daily life, can do. Through the project, the LAWSON Group carries out activities that will help revitalize the Japanese economy, including the improvement of local infrastructure in the affected area, provision of support for economic revitalization, and provision of assistance for students to continue their study.

### Major Events in Society

- April 5<sup>th</sup>**  
Tokyo Electric Power Company Fukushima Daiichi Nuclear Power Plant (hereinafter referred to as the Fukushima Nuclear Plant) started releasing into the sea low-level radioactive water that contains some 100 times the legal limit of radiation.
- April 8<sup>th</sup>**  
The “Committee for Determining the Percentages of Allocation of Donations” determined the standards for the first allocation of donations to the 15 affected prefectures.
- April 12<sup>th</sup>**  
The degree of seriousness of the Fukushima Nuclear Plant disaster was raised to Level 7, the most serious level on the international scale.
- April 22<sup>nd</sup>**  
The area within a 20-kilometer radius from the Fukushima Nuclear Plant was set as the “evacuation zone,” and entering the zone was basically prohibited.  
Moreover, “emergency evacuation preparation zones” and “planned evacuation zones” were set.
- May 6<sup>th</sup>**  
Prime Minister Kan ordered Chubu Electric Power Company to stop Hamaoka Nuclear Power Plant, which was in operation at that time.
- May 13<sup>th</sup>**  
Tokyo Electric Power Company announced the meltdown in Reactor No. 1 at the Fukushima Nuclear Plant.  
The Government announced a 2011 summer energy-saving target of 15% for the areas supplied by Tokyo/Tohoku Electric Power Company.
- June 5<sup>th</sup>**  
Plutonium was detected outside the premises of the Fukushima Nuclear Plant.
- July 1<sup>st</sup>**  
Restriction on the use of electricity came into effect under Article 27 of the Electricity Business Act.



- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment

- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake

- As an Entity that Supports the Lifeline -
- Responses Made by the LAWSON Group Right After the Earthquake Disaster “Cheer up, Japan!”

- Project – Activities for Recovery
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON’s Environmental Management
- 25 LAWSON Environmental Activities Report

- Caring for Our Planet

- Enriching the Community

- Motivating People

- About LAWSON

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 05 - As an Entity that Supports the Lifeline - Responses Made by the LAWSON Group Right After the Earthquake Disaster "Cheer up, Japan!"
- Project – Activities for Recovery
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

Caring for Our Planet

Enriching the Community

Motivating People

About LAWSON

▼“All Rice Balls ¥20 Off” Campaign



“Cheer up, Japan!” Project – Activities for Recovery

**April 14<sup>th</sup>** LAWSON set up the “Support Dreams Fund,” a scholarship program, for students who have worries about the affordability of university education, etc. due to the effects of the recent disaster.

The “Support Dreams Fund” has been set up.

We need young people’s power to recover from the disaster. Therefore, the LAWSON Group has set up a scholarship program called the “Support Dreams Fund,” which will help high school students, specialized vocational high school students, etc. affected by the Great East Japan Earthquake to stay at school/enroll at university, etc.

The “Support Dreams Fund” will be operated with contributions from LAWSON, donations from Group executives, franchise owners, employees, store managers, and store crews, donations made in stores and through Ponta points, and donations from business partners. In cooperation with education organizations, NPOs, etc., the Fund will provide ¥30,000 a month per student as scholarship money for a maximum of seven years during the time scholarship students study at high school, university, etc. Moreover, scholarship students will be referred to LAWSON Group stores for part-time jobs based on request.



Click here for details.  
Japanese only

▶ “Support Dreams Fund” special website

Part of the Proceeds from the Sales of Rice Balls Went into the Fund

A campaign to discount the price of all types of rice balls by ¥20 was undertaken in 2,592 stores that belong to the Kanto Office (between May 18<sup>th</sup> and 21<sup>st</sup>; May 25<sup>th</sup> and 28<sup>th</sup>) and in 769 stores that belong to the Tohoku Office (between June 7<sup>th</sup> and 13<sup>th</sup>). From the sales during the campaign, ¥10 per rice ball sold was donated to the “Support Dreams Fund.”



▲Donation box

Accumulated Total of the Donations to the “Support Dreams Fund”  
As of June 30, 2011: ¥214,656,982

Donation accepted by	Amount of donation
LAWSON*	¥140,876,820
Ninety-nine Plus	¥18,438,141
HMV Japan	¥139,673
Donation from the sales of donation-included merchandise	¥54,466,642
Ponta point donation	¥735,706

\*LAWSON Okinawa included

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 05 - As an Entity that Supports the Lifeline - Responses Made by the LAWSON Group Right After the Earthquake Disaster "Cheer up, Japan!"
- Project – Activities for Recovery
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

- Caring for Our Planet
- Enriching the Community
- Motivating People
- About LAWSON

## "Cheer up, Japan!" Project – Activities for Recovery

# April 21<sup>st</sup>

LAWSON working with full efforts for the recovery of the affected area opened temporary store No.1 Opened in Rikuzentakata City in Iwate Prefecture on April 21<sup>st</sup>. Moreover, temporary stores were opened in Minamisanriku-cho in Miyagi, and in Yamada-machi and Otsuchi-cho in Iwate. Currently, a total of five temporary stores are operating (as of August 31<sup>st</sup>, 2011).

### Temporary Store No.1 opened in Rikuzentakata City, Iwate Prefecture.

There were six LAWSON stores in Rikuzentakata City in Iwate Prefecture before the disaster, but all of them were washed away or completely destroyed by the tsunami. The "Rikuzentakata Naruishi store" opened as the first temporary store in the city on April 21<sup>st</sup>. On the first day of the store's operation, vegetables, snacks, roll cakes, soft drinks, and daily necessities were sold under a tent set up outside the store. Operation in the store started on the 22<sup>nd</sup>.

On May 15<sup>th</sup>, "Minamisanriku M's store" opened as the second temporary

store by refurbishing the warehouse of M's Shizugawa Distribution Center in Minamisanriku-cho in Miyagi Prefecture and in July, two stores (Yamada-machi Nagasaki store from July 7<sup>th</sup> and Yamada-machi Osawa Store from July 21<sup>st</sup>) opened in Yamada-machi, Iwate Prefecture, and one store (Otsuchi-cho Kirikiri store from July 19<sup>th</sup>) opened in Otsuchi-cho in the same prefecture as temporary stores.



▲ The first day of operation of the Rikuzentakata Naruishi store



▲ Rikuzentakata Naruishi store, the first temporary store

▼ Minamisanriku M's store and "Mobile Lawson-Go"



### Started Operation on a Mobile Vending Vehicle

LAWSON also operated in the affected area, using a mobile vending vehicle called "Mobile Lawson-Go." The vehicle had been used for on-site sales in the Kinki region. It is equipped with a storage cabinet for boxed lunches, rice balls, and sandwiches, a refrigerator display case for soft drinks, deep-frying equipment, and a showcase.

### VOICE From the Frontline: Store Manager



**Mr. Hiroshi Kinno**  
Manager,  
Rikuzentakata  
Naruishi Store

"I am so excited to be able to work. To be able to say to a customer, 'Welcome to our store' and the fact that I have a job make me so happy."



**Mr. Kazuyuki Sato**  
Manager,  
Rikuzentakata  
Naruishi Store

"Customers had been saying to me, 'When are you going to open the LAWSON store? Please open it immediately!' It was after about 50 days that I was back to work to serve customers and I feel that there is a blank that needs to be filled in. I will motivate myself to encourage customers."

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 05 - As an Entity that Supports the Lifeline - Responses Made by the LAWSON Group Right After the Earthquake Disaster "Cheer up, Japan!"
- Project – Activities for Recovery
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

Caring for Our Planet

Enriching the Community

Motivating People

About LAWSON

**"Cheer up, Japan!" Project – Activities for Recovery**

**May 6<sup>th</sup>** We provided a service to deliver carnation flowers directly to mothers staying in evacuation centers. Moreover, we are working to help revitalize the economy by selling food products and agricultural products produced in the Tohoku region and Ibaraki Prefecture and by providing related services.

**Delivery of Carnation Flowers to Evacuation Centers on Mother's Day**

We provided a service to deliver carnation flowers directly to mothers staying in evacuation centers on May 6<sup>th</sup> and after (for orders received between April 25<sup>th</sup> and May 1<sup>st</sup>).



▲Carnation flowers

**Support for Economic Revitalization of the Affected Area**

We sell food products, agricultural products, sake, and other alcoholic drinks produced in the Tohoku region and Ibaraki Prefecture as products "MADE in Tohoku" and "MADE in Ibaraki" in LAWSON stores and the Lawson Online Shopping website. On May 13<sup>th</sup>, we handed out for free 10,000 pieces of "Nanbu senbei (rice cracker)" produced in Tohoku, in the store opened on the day, commemorating the establishment of 10,000 stores in Japan.



▲Zundamochi, one of the specialty products of the Tohoku region

**Support for Disaster Prevention Forests in the Affected Area with the "LAWSON Green Fund"**

The "LAWSON Green Fund" supports activities for developing disaster prevention forests, etc. and greening, etc. of the area surrounding residences and schools to serve as a support for the community conducted by local governments, etc. for the recovery and reconstruction of the areas affected by the Great East Japan Earthquake.

**Handed out Sunflower and Snapdragon Seeds**

Taking advantage of the "LAWSON Green Fund," we handed out sunflower and snapdragon seeds in our wish to fill the community with flowers and greenery to encourage local citizens. We gave away seeds of two different plants, sunflower and snapdragon, to 1.6 million people in LAWSON stores all over Japan, starting from June 5<sup>th</sup>.



▲Flower seeds

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment

- Value of the Existence of the LAWSON Group Revealed by the Earthquake

- As an Entity that Supports the Lifeline -
- Responses Made by the LAWSON Group Right After the Earthquake Disaster "Cheer up, Japan!"

- Project – Activities for Recovery
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

Caring for Our Planet

Enriching the Community

Motivating People

About LAWSON

**“Cheer up, Japan!” Project – Activities for Recovery**

**May 21<sup>st</sup>** LAWSON held a live event jointly with DREAMUSIC Inc. to enliven people affected by the Great East Japan Earthquake in our effort to encourage the affected area and Japan as a whole.

**Revitalization of the Affected Area and Japan as a Whole through Entertainment**

We work to encourage the affected area and Japan as a whole for recovery and economic revitalization through the appeal of entertainment. LAWSON asks various artists and characters to offer special goods and digital contents through LAWSON ENTERMEDIA, INC., and HMV Japan K.K. in order to donate the proceeds to support recovery from the Great East Japan Earthquake disaster.

As the first of the series, exchange of “EXILE” special goods with Ponta points was implemented and all the points used by customers went to donations. Cooperation will be provided by Tomoyasu Hotei, Kou Shibasaki, Momoiro Clover Z, and many other artists.



▲EXILE



▲Kou Shibasaki

**Co-hosting of Concerts to Support the Affected Area**

Moreover, through LAWSON ENTERMEDIA, INC., we positively provide support by organizing and sponsoring concerts and events held for recovery. We held a live event titled “Cheer up, Japan! DREAMUSIC × LAWSON Special Live” jointly with DREAMUSIC Inc. which is celebrating the 10<sup>th</sup> anniversary of its foundation this year at the Keio University Fujiwara Hiroshi Hall on May 21<sup>st</sup>, where Yuzo Kayama, Ryoko Moriyama, Ayaka Hirahara, and other artists performed. High-definition images of the event were relayed live to evacuation centers, etc. in the affected area via optical fiber cables laid by NTT East Japan (NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION).



▲Artists performed in the special live event held jointly with DREAMUSIC Inc.

## “Cheer up, Japan!” Project – Activities for Recovery

### July 1st

In order to address the power shortage this past summer, we started implementing electricity-saving measures, setting a target of a 25% reduction in peak electricity usage year on year in the LAWSON stores located in the areas serviced by Tokyo/Tohoku Electric Power Company.

### Installation of LED Lighting in All the Stores throughout Japan

LAWSON started implementing electricity-saving measures, setting a target of a 25% reduction in peak (July-September/9am-8pm) electricity usage year on year in the (3,400) LAWSON stores located in the areas serviced by Tokyo/Tohoku Electric Power Company in order to address the power shortage this past summer.



▲LED lighting for a new store

The items implemented this time were determined based on knowledge and data of experiments obtained concerning stores with energy-saving features in collaboration with the University of Tokyo Institute of Industrial Science (Yashiro Laboratory), starting from June 2008.

The percentage of reduction was highly accurate

as it was arrived at based on the results of monitoring eight stores nationwide with different locations and environments 24 hours a day, 365 days a year, and the plan was highly feasible.

LAWSON decided to install LED lighting in all the stores throughout Japan by the end of fiscal 2011. In addition, by switching off the lighting of freezer and refrigerator cases and raising the preset temperature of air conditioners (+2°C), we are working to achieve the target of a 25% reduction.

### Change in uniform

In order to address the change in the store temperature, the uniforms in the stores located in the areas serviced by Tokyo/Tohoku Electric Power Company have been changed to aprons.

#### Major Items Implemented in Stores for Saving Electricity

- Cleaning various filters once a week
- Switching off lighting in the restroom (outside the cubicles) (when not in use)
- Switching off in-store lighting for the two rows nearest to the store entrance (from 9 am to sunset)
- Presetting in-store air conditioners to two degrees centigrade higher
- Stopping using the heating function of the cases with cool/warm switching capabilities
- Switching off the lighting of the devices that require cooling
- Setting the temperature of the open cases one degree centigrade higher
- Stopping using jet towels

#### ▼Aprons



- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 05 - As an Entity that Supports the Lifeline - Responses Made by the LAWSON Group Right After the Earthquake Disaster “Cheer up, Japan!”
- Project – Activities for Recovery
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON’s Environmental Management
- 25 LAWSON Environmental Activities Report

- Caring for Our Planet
- Enriching the Community
- Motivating People
- About LAWSON

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 05 - As an Entity that Supports the Lifeline - Responses Made by the LAWSON Group Right After the Earthquake Disaster "Cheer up, Japan!"  
Project – Activities for Recovery
- 06 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

- Caring for Our Planet
- Enriching the Community
- Motivating People
- About LAWSON

## "Cheer up, Japan!" Project – Activities for Recovery

**There was confusion concerning delivery of merchandise and others in various sections of the LAWSON Group companies due to the recent disaster. This page describes major movements toward recovery in respective companies.**

### State and Responses of LAWSON Group Companies

#### Ninety-nine Plus Inc.

On March 14<sup>th</sup>, soon after the March 11<sup>th</sup> earthquake, four among the 29 stores, including LAWSON STORE100 in Miyagi Prefecture, resumed operation. The remaining 25 stores were not in a state where operation was possible. Although a stock of merchandise was kept in the distribution center, delivery was not possible due to the shortage of workers and fuel. Moreover, most of the stores in the Kanto region ran out of stock, because many customers bulk bought merchandise out of fear of product shortage. In order to improve the above situation, support teams were sent from the headquarters to the Tohoku region to conduct recovery activities.



▲ Selling merchandise in front of a LAWSON STORE100

#### HMV Japan K.K.

Of the 33 stores nationwide, 21 are located in the Kanto and Tohoku regions. Immediately after the earthquake, about two thirds of the stores stopped operation, but the operation was resumed around March 30<sup>th</sup>.

Moreover, from the occurrence of the earthquake until mid April, almost all scheduled new releases were postponed.



▲ Inside a warehouse for shipping merchandise immediately after the earthquake (HMV Japan K.K.)

#### LAWSON ENTERMEDIA, INC.

More than 5,000 performances were either cancelled or postponed because of the earthquake disaster. As a result, we were extremely busy serving customers, gathering information on refunds and postponements, providing information to customers, arranging ticket delivery, and notifying the procedures for postponed performances.

When the situation settled down in May, we started providing support for the concerts held to encourage the affected area and Japan as a whole through the appeal of entertainment.



## “Cheer up, Japan!” Project – Activities for Recovery

### Customer Feedback to LAWSON’s Responses

Concerning the responses to the recent earthquake disaster, we have received many valuable comments and much encouragement. Excerpts are shown below:

#### Encouragement

- I understand LAWSON stores have been operating with reduced lighting to save electricity since the occurrence of the earthquake. Thank you for your effort in this time of difficulty.
- I think that the “ties between people”-family members, friends, colleagues, and others-are important. I think a time like this makes me aware of their value. I made a donation, although just a small amount.
- They stayed in the store for local people for 24 hours from the day of the earthquake, providing what was left in the store and tap water and letting us use the restroom. The store manager and store crews did not take any day off and worked for local citizens, although they have homes of their own. All the people in the neighborhood are truly grateful because the tap water and availability of the restroom really helped us immediately after the earthquake when lifelines were damaged.

#### Comments

- Will you please advise all the LAWSON stores in Japan to turn off signs and advertising displays in order to address the power shortage? Supply of food products is urgently needed, of course, but we also need electricity. In total darkness, you cannot save a life that can be saved. Please do stop the use of electricity for signs and advertising displays nationwide to give the ray of hope to the affected area.
- I have extra LAWSON points. Can I use these points for making donations? I think those who do not know what to do with these points, just like myself, will be happy to be of help.
- I would like you to help the affected area to recover by, for example, making boxed lunches and rice balls mainly with rice and vegetables produced in the affected area and donate part of the proceeds from the sales. It is expected that the period needed for recovery from the disaster will be prolonged. I think the provision of sustained support for recovery is possible if the convenience stores, which are closely connected with our daily life, keep providing support for recovery.

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 05 - As an Entity that Supports the Lifeline - Responses Made by the LAWSON Group Right After the Earthquake Disaster “Cheer up, Japan!”
- Project – Activities for Recovery
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON’s Environmental Management
- 25 LAWSON Environmental Activities Report

#### Caring for Our Planet

#### Enriching the Community

#### Motivating People

#### About LAWSON



- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

Caring for Our Planet

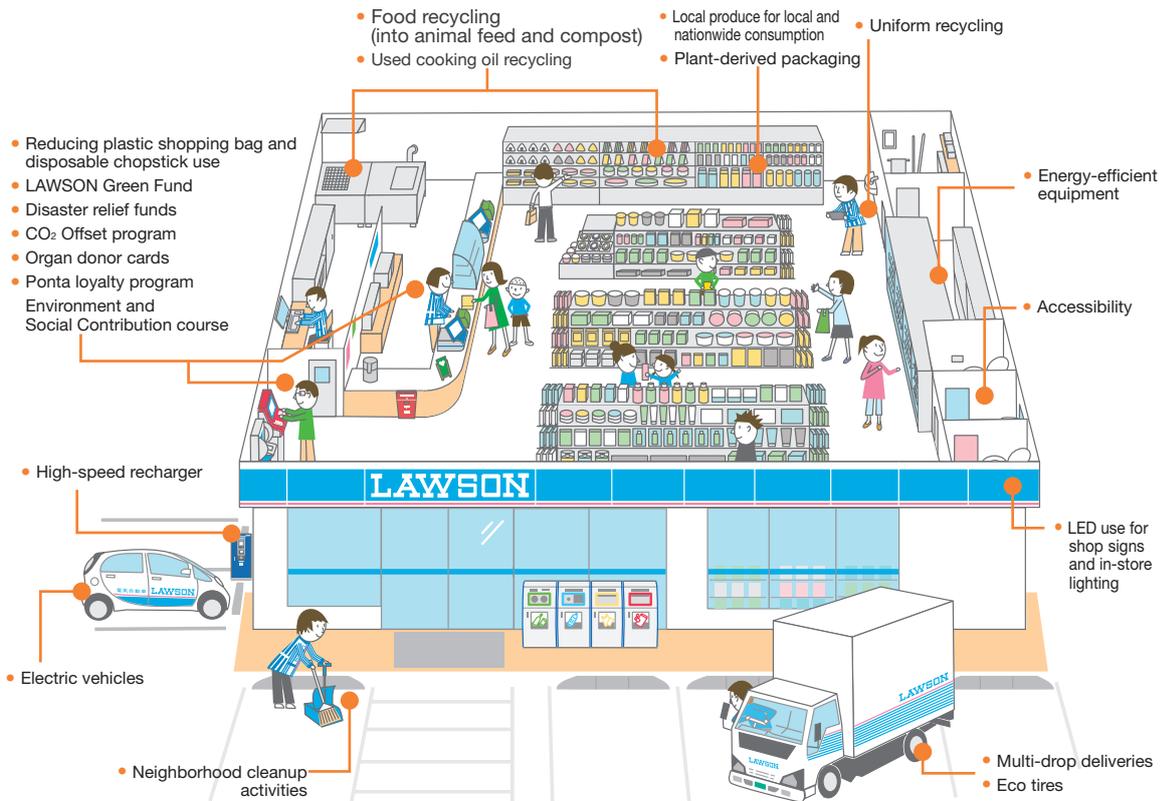
Enriching the Community

Motivating People

About LAWSON

# LAWSON Stores: Environmental Protection and Corporate Citizenship Activities

LAWSON works with people in society to implement initiatives aimed at protecting the environment and contributing to society.



# LAWSON's Environmental Management

## The LAWSON Group Environmental Policy

Our Environmental Policy constitutes the basis and driving force for our environmental protection activities. By applying this Environmental Policy to our business activities, we seek to help leave the Earth in a healthy state for future generations.

### The LAWSON Group Environmental Policy

#### Basic Commitment

The LAWSON Group is committed to leaving a rich world for future generations. We will consider the environment in every aspect of our business activities and strive to achieve sustainable development and coexistence with local communities.

#### Policies

##### 1. Helping build a low-carbon society

To help combat global warming, we will work in our business activities to conserve energy and resources, and to reduce waste.

##### 2. Considerations in the development of products and services

We will give proper consideration to the effect on the natural environment and local communities at every stage in the cycle of products and services, from procurement of raw materials, through to sales and disposal.

##### 3. Active participation in social contribution activities

We will actively participate in social contribution activities, getting involved as a member of local communities in efforts to promote greenery and beautification of local areas, and other initiatives.

##### 4. Continuous improvements

We will strive to preserve the environment by utilizing our environmental management systems to make continuous improvements, which will be measured against objectives and targets.

##### 5. Observing laws and regulations

We will observe laws and internal rules relating to environmental preservation activities.

##### 6. Promotion of communication

We will foster greater awareness about environmental preservation by promoting education, and will also promote communication with stakeholders.

June 2010

01 CONTENTS

02 Corporate Philosophy and Editorial Policy

03 Top Commitment

05 Value of the Existence of the LAWSON Group Revealed by the Earthquake

20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities

21 LAWSON's Environmental Management

25 LAWSON Environmental Activities Report

Caring for Our Planet

Enriching the Community

Motivating People

About LAWSON

# LAWSON's Environmental Management

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores' Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management**
- 25 LAWSON Environmental Activities Report

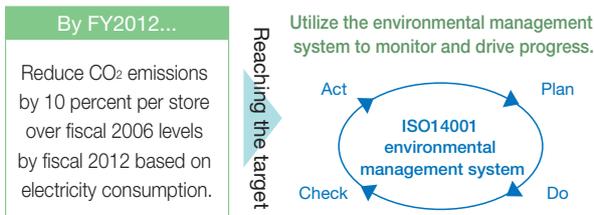
- Caring for Our Planet
- Enriching the Community
- Motivating People
- About LAWSON

## Towards a Low Carbon Society

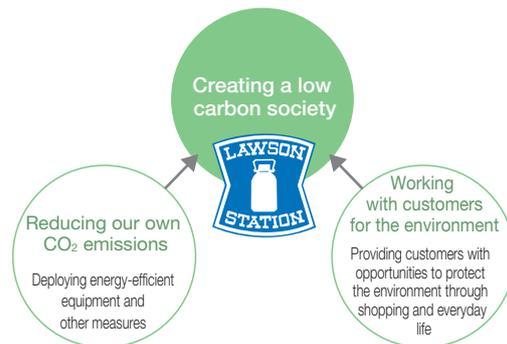
LAWSON is taking two key approaches to environmental management. One of those approaches is the setting and achievement of voluntary targets for reducing CO<sub>2</sub> emissions from our business activities. The other is the provision of services that will help our customers to reduce CO<sub>2</sub> emissions. Through these two approaches, we are working as one with our customers to help create a low carbon society.

Electricity consumption by our stores accounts for 87.0% of our total annual CO<sub>2</sub> emissions of about 710,000 t-CO<sub>2</sub>. The voluntary target was to reduce CO<sub>2</sub> emissions by 10 percent per store over fiscal 2006 levels by fiscal 2012 based on electricity consumption. This amounts to a yearly reduction of about 60,000 tons in emissions compared with fiscal 2006.

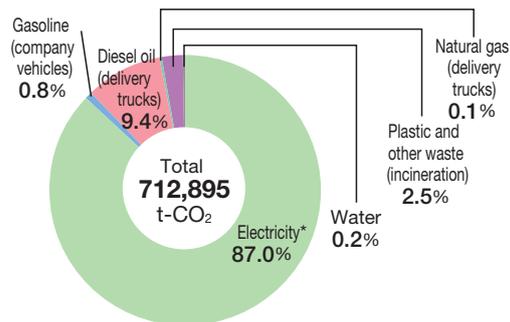
### CO<sub>2</sub> Emissions Voluntary Reduction Target



### LAWSON's Environmental Management



### FY2010 CO<sub>2</sub> Emission Breakdown



note: CO<sub>2</sub> emissions from electricity consumption were calculated based on fiscal 2009's emission coefficient of 3.7 t-CO<sub>2</sub>/10,000 kWh.

# LAWSON's Environmental Management

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management**
- 25 LAWSON Environmental Activities Report

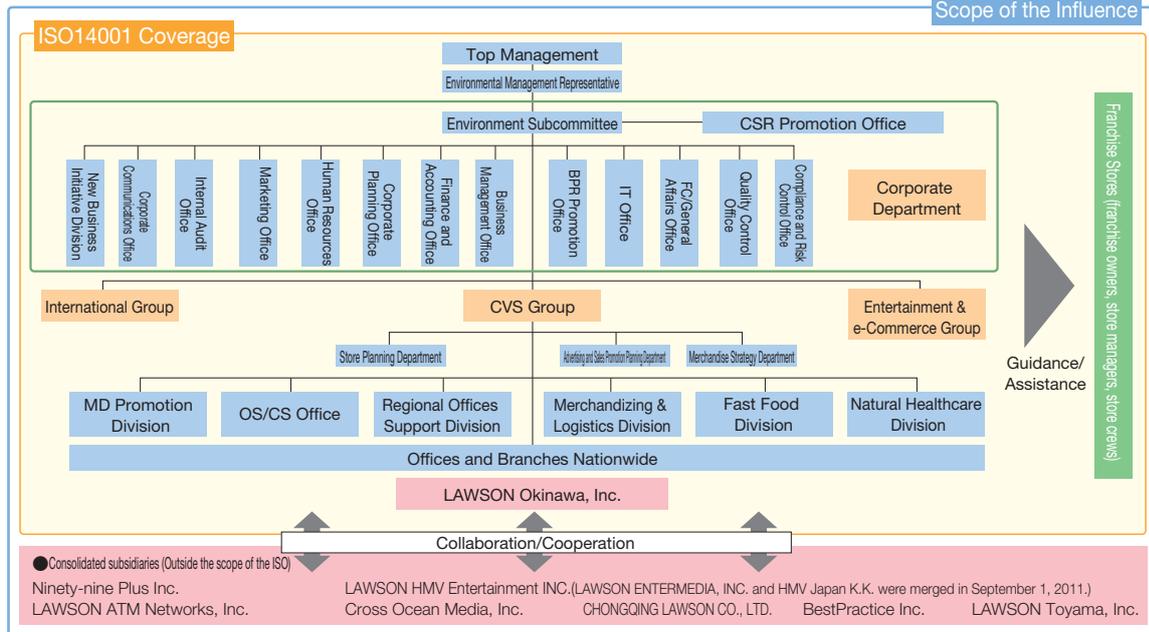
- Caring for Our Planet
- Enriching the Community
- Motivating People
- About LAWSON

## ISO14001

In order to promote environment-friendly business activities, we use an ISO14001 environmental management system to monitor progress and implement a Plan-Do-Check-Act (PDCA) cycle. Company sections and group companies strive to reduce environmental impacts

by setting their own targets for energy saving and other environmental objectives. In addition to annual in-house environmental audits, we use the auditing services of the Japan Quality Assurance Organization to monitor the progress status of our initiatives.

### ●Organization Chart of Environmental Management System (as of Sep 1, 2011)



\*LAWSON Toyama is scheduled to be covered by the ISO, starting from fiscal 2012.

# LAWSON's Environmental Management

## Environmental Education

The LAWSON Group, in its effort to enhance the awareness of environmental conservation activities, educates its employees, franchise owners, store managers, and store crews. For the headquarters employees, training is given to new employees and newly-appointed Merchandise Developers, or Assistant Merchandise Developers (AMDs). Moreover, general environmental training via e-learning is given annually to all the employees.

The Environment Subcommittee held once every three months is participated by environment promotion leaders representing respective sections to confirm the state of progress towards the environmental targets and share the knowledge of the environment. Environmental education is given to franchise owners at the time of store opening. We make efforts for their deeper understanding of related laws and regulations and LAWSON's environmental conservation and social contribution activities through "Pal," the communication magazine published for franchise stores, and "Letter from the Headquarters," sent as required. Other than the above, training is regularly provided to Group companies.



▲New employee training



◀"Pal," the communication magazine for franchise stores

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 **LAWSON's Environmental Management**
- 25 LAWSON Environmental Activities Report

Caring for Our Planet

Enriching the Community

Motivating People

About LAWSON

# LAWSON Environmental Activities Report

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report**
- Caring for Our Planet
- Enriching the Community
- Motivating People
- About LAWSON

## Environmental Activities: Targets and Results

\*1 Achievement Levels: Quantitative assessment: 100%: , 70% or more: , Less than 70%:   
 Qualitative assessment: Implementation completed: , Implementation in progress: , Not implemented:   
 \*2 Includes area franchise stores in Japan. (Except food recycling ratio, etc.)

### FY2010 Environmental Activities Results<sup>2</sup>

Item	Targets	Achievement status	Achievement Levels <sup>1</sup>
Saving energy	Implement energy conservation measures at 100% of new stores. (1) LED lighting or automated lighting adjustment systems (2) Combined refrigeration and air conditioning systems (3) Energy efficient signs (4) Toilet sensors	(1) LED lighting or automated lighting adjustment systems (100% deployment) (2) Combined refrigeration and air conditioning systems (100% deployment) (3) Energy efficient signs (100% deployment) (4) Toilet sensors (100% deployment)	
	Implement energy conservation measures at existing stores. (1) Replace freezers. (2) Replace air conditioners. (3) Install condensation prevention heater control units.	(1) Replaced freezers. (103.4% deployment) (2) Replaced air conditioners. (107.9% deployment) (3) Installed condensation prevention heater control units. (100.7% deployment)	
	[Delivery trucks] Reduce CO <sub>2</sub> emissions per store by 15% compared with FY2007 by promoting eco-driving and introducing eco tires.	● Reduced per store CO <sub>2</sub> emissions by 16.9% compared with FY2007 to 7,550 kg-CO <sub>2</sub> . ● Target number of introducing eco tires: 363 Achievement: 399	
	[Company cars] Reduce CO <sub>2</sub> emissions (1) Improve company car fuel efficiency by 3% compared with FY2009 by promoting eco-driving and safe driving. (2) Introduce 30 electric vehicles. (70 total)	(1) Improved company car fuel efficiency by 0.3% compared with FY2009. (2) Introduced 21 electric vehicles (61 total) 87.1% of the target.	
	Promote companywide mitigation of global warming (1) Compile CO <sub>2</sub> emissions database. (2) Create energy efficient stores.	(1) Implemented database compilation, grouping, and others. (2) Controlled and examined additional measures. Designed and examined standardization and specifications.	



### FY2011 Environmental Targets

Item	Targets
Saving energy	Implement energy conservation measures at 100% of new stores. (1) LED lighting or automated lighting adjustment systems (2) Combined refrigeration and air conditioning systems (3) Energy efficient signs (4) Toilet sensors
	Implement energy conservation measures at existing stores. (1) Replace freezers. (2) Replace air conditioners. (3) Install condensation prevention heater control units. (4) Introduce LED lighting.
	[Delivery trucks] CO <sub>2</sub> emissions per store: Achieve 18% reduction compared with fiscal 2007; 7,450kg-CO <sub>2</sub> /store.
	[Company cars] Improve company car fuel efficiency by 2% compared with fiscal 2010 through the promotion of eco & safe driving.
Promote companywide mitigation of global warming. Build energy efficient stores.	

# LAWSON Environmental Activities Report

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 **LAWSON Environmental Activities Report**
- Caring for Our Planet
- Enriching the Community
- Motivating People
- About LAWSON

## Environmental Activities: Targets and Results

\*1 Achievement Levels: Quantitative assessment: 100%: , 70% or more:  $\Delta$ , Less than 70%:  $\times$   
 Qualitative assessment: Implementation completed: , Implementation in progress:  $\Delta$ , Not implemented:  $\times$   
 \*2 Includes area franchise stores in Japan. (Except food recycling ratio, etc.)

### FY2010 Environmental Activities Results<sup>2</sup>

Item	Targets	Achievement status	Achievement Levels <sup>1</sup>
Saving resources	Reduce plastic shopping bag use. (1) Reduce by asking customers if they want shopping bags and by extending the point system. (2) Promote Bring Your Own Bag program. Reduce shopping bag handout rate per store by $\pm 0\%$ compared with FY2009. (74.3%) (Reduce the weight of shopping bags used per store by 35% compared with FY2000.)	<ul style="list-style-type: none"> <li>● Shopping bag handout rate per store: 76.0% (Weight of shopping bags used per store reduced by 25.1% compared with FY2000.)</li> <li>● Total Number of "Bring Your Own" Bag Distribution: 2,600,000</li> </ul>	$\times$
	(1) Reduce packaging weight. (2) Reduce CO <sub>2</sub> emissions by using non-petroleum packaging. Reduce CO <sub>2</sub> emissions from the incineration of containers and packaging by 8% compared with FY2006	(1) Completed the reduction of the weight and thickness of the packaging of cooked rice, delicatessen food, and bread snacks, and that of the thickness of plastic shopping bags. (2) Continuing the use of polylactic acid (PLA) containers. Reduced CO <sub>2</sub> emissions from the incineration of containers and packaging by 24.8% compared with fiscal 2006.	
	Reduce paper consumption by using computer systems for the distribution of materials to stores. (3 million sheets per year)	Completed making the materials to stores electronically available as scheduled.	
	[Advertising display] (1) Develop materials based on advertising display standards. (2) Check disposal volumes and comply with disposal laws.	(1) Developed materials based on advertising display standards. (2) Check disposal volumes and comply with disposal laws.	



### FY2011 Environmental Targets

Item	Targets
Saving resources	Reduce plastic shopping bag and disposable chopstick use. (1) Expand the areas where points are awarded for saying no to plastic shopping bags. (2) Promote increased use of "Bring Your Own" bags and "Bring Your Own" chopsticks : 50,000 convenience store eco bags/300 pairs of "Bring Your Own" chopsticks ; Weight of plastic shopping bags used per customer 2g (3% reduction in the plastic shopping bag handout rate compared with fiscal 2010=73.0%).
	(1) Promote lighter weight containers and packaging (2) Promote the reduction of materials used. (3) Reduce CO <sub>2</sub> emissions by using non-petroleum packaging. Reduce CO <sub>2</sub> emissions from the incineration of containers and packaging by 10% compared with FY2006.
	[Advertising display] (1) Develop materials based on advertising display standards. (2) Check disposal volumes and comply with disposal laws.
	Reduce the amount of use of cooking oil for fast food: 50% reduction in the amount of use in the stores working to achieve this target.
	Reduce the number of postcards mailed to new members of the Ponta card issued in stores.

# LAWSON Environmental Activities Report

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

**Caring for Our Planet**

**Enriching the Community**

**Motivating People**

**About LAWSON**

## Environmental Activities: Targets and Results

\*1 Achievement Levels: Quantitative assessment: 100%: , 70% or more:  $\Delta$ , Less than 70%:  $\times$   
 Qualitative assessment: Implementation completed: , Implementation in progress:  $\Delta$ , Not implemented:  $\times$

\*2 Includes area franchise stores in Japan. (Except food recycling ratio, etc.)

\*3 Food recycling ratio is 29.7% when not including waste generation reduction

\*4 Includes Ninety-nine Plus Inc. (LAWSON STORE100)

### FY2010 Environmental Activities Results<sup>2</sup>

Item	Targets	Achievement status	Achievement Levels <sup>1</sup>
Reducing waste	Increase food recycling ratio. Increase food recycling ratio by at least 6 percentage points compared with FY2007. (22.5%)	(1) Waste oil recycling: 8,361 stores (2) Recycling into feed and compost: 1,354 stores (3) Thermal recycling: 142 stores Achieved food recycling ratio of 34.7%. <sup>*3</sup>	
Contributing to local communities	LAWSON Green Fund (1) Collect donations at all stores. (2) Promote participation in greening projects. (3) Promote and educate, and support projects by regional offices.	(1) FY2010 collections: 0.24 billion yen Total collections to date: 3.26 billion yen <sup>*4</sup> (2) Greenery projects: 100 per year	
Promotion and education	Promote CO <sub>2</sub> Offset program CO <sub>2</sub> Offset in FY 2010: 7,000 tons (1) Promote CO <sub>2</sub> Offset program (Use points, Loppi) (2) Continue selling products with attached CO <sub>2</sub> emissions credits.	CO <sub>2</sub> Offset volume FY2010 3,389 tons Total 16,228 tons	$\times$



### FY2011 Environmental Targets

Item	Targets
Reducing waste	Achieve food recycling ratio of 30.5% (Increase at least 8 percentage points compared with FY2007) (1) Waste oil recycling: 8,650 stores (2) Recycling into feed and compost: 1,500 stores
Contributing to local communities	LAWSON Green Fund (1) Implement 100 greening projects (2) Promote participation in forest volunteer activities: 120% of the results of fiscal 2010. (3) Disseminate/Raise the awareness of the "Lawson Green Fund."
Promotion and education	Promote CO <sub>2</sub> Offset program CO <sub>2</sub> Offset volume: 5,000 tons

# LAWSON Environmental Activities Report

## Environmental Conservation Costs (Main Investments and Expenses Based on the Environmental Accounting Guidelines of the Ministry of the Environment)

Period: March 1, 2010 - Feb. 28, 2011 Scope: LAWSON headquarters and franchise stores\*1

(thousands of yen)

Categories		Main Activities	Investment	Expenses	Benefits
(1) Business area costs	(1)-I. Global environmental conservation costs	Introduction of energy efficient equipment: CO <sub>2</sub> Offset program	4,006,513	147,679	CO <sub>2</sub> reduction
	(1)-II. Resource recycling costs	Waste-related expenses*2	0	4,480,604	Legal compliance
(2) Upstream/downstream costs		Costs related to the Container and Packaging Recycling Law	0	459,846	Legal compliance
(3) Administration costs		Preparation of environmental reports, ISO14001 inspections	0	13,853	Promotion of environmental activities and education
(4) Research & development costs		Energy-efficient store research	0	9,006	CO <sub>2</sub> reduction
(5) Community engagement activity costs		Greening activities, Neighborhood cleanup activities, donations to NPOs	0	57,208	Biodiversity conservation, local community beautification
Total			<b>4,006,513</b>	<b>5,168,196</b>	

\*1 Includes area franchise stores in Japan.

\*2 The cost of waste disposal and resource recycling is an estimate calculated based on the figures of a standard store as a sample.

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

- Caring for Our Planet
- Enriching the Community
- Motivating People
- About LAWSON

# LAWSON Environmental Activities Report

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

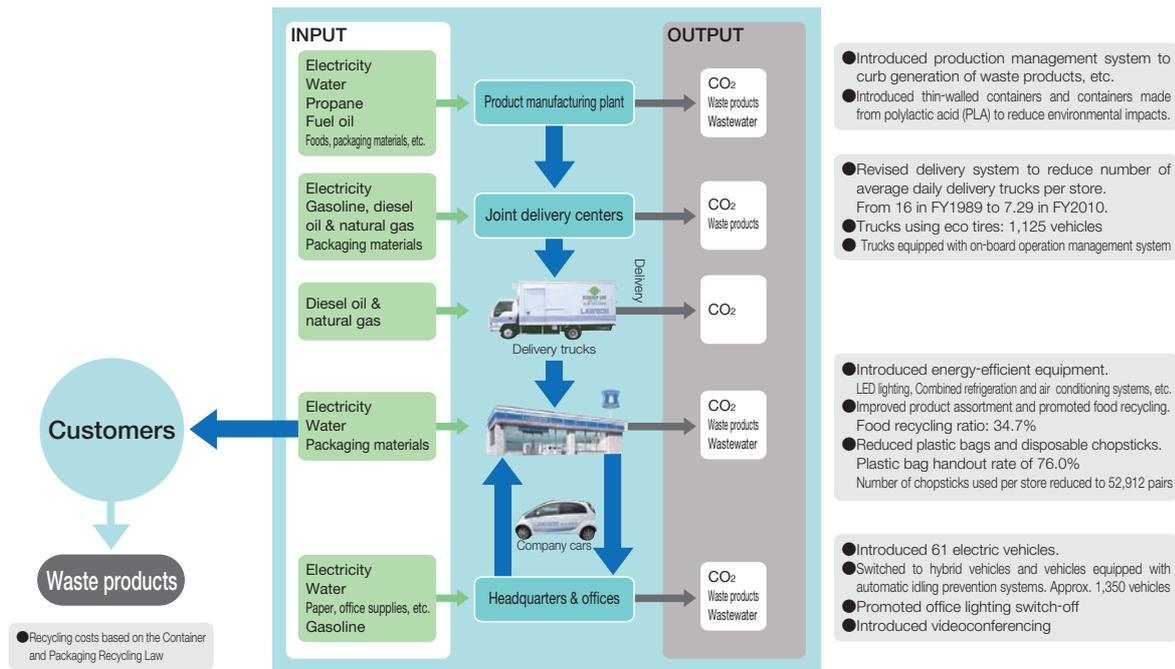
- Caring for Our Planet
- Enriching the Community
- Motivating People
- About LAWSON

## LAWSON Materials Flow

Our store operations consume electricity, gasoline, water and other resources, and generate CO<sub>2</sub> emissions and waste products as a result.

We strive to monitor and reduce the environmental impacts of our business activities.

### Store Operations Materials Flow



- Introduced production management system to curb generation of waste products, etc.
- Introduced thin-walled containers and containers made from polylactic acid (PLA) to reduce environmental impacts.

- Revised delivery system to reduce number of average daily delivery trucks per store. From 16 in FY1989 to 7.29 in FY2010.
- Trucks using eco tires: 1,125 vehicles
- Trucks equipped with on-board operation management system

- Introduced energy-efficient equipment. LED lighting, Combined refrigeration and air conditioning systems, etc.
- Improved product assortment and promoted food recycling. Food recycling ratio: 34.7%
- Reduced plastic bags and disposable chopsticks. Plastic bag handout rate of 76.0%  
Number of chopsticks used per store reduced to 52,912 pairs

- Introduced 61 electric vehicles.
- Switched to hybrid vehicles and vehicles equipped with automatic idling prevention systems. Approx. 1,350 vehicles
- Promoted office lighting switch-off
- Introduced videoconferencing

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

**Caring for Our Planet**

**30 ▼ Reducing CO<sub>2</sub> Emissions**

**Building Energy-Efficient Stores**

- Improve Logistics Efficiency
- Eco-Friendly Packaging

**36 ► Working with customers for the environment**

- CO<sub>2</sub> Offset Program
- "Bring Your Own" Program to Reduce Plastic Shopping Bag Use
- Reducing Disposable Chopstick Use through "Bring Your Own" Program
- "LAWSON Green Fund"
- Twenty years with customers
- Support Activities to Protect Coral Reefs in a Campaign Commemorating the Anniversary of the 35th Year in Business

**47 ► Boosting Reducing Waste**

- Helping to Build a Recycling Society

**53 ► Group Company Environmental Initiatives**

- LAWSON Okinawa, Inc. / Ninety-nine Plus Inc.
- LAWSON ATM Networks Inc. /
- LAWSON ENTERMEDIA INC.

**Enriching the Community**

**Motivating People**

**About LAWSON**

## Building Energy-Efficient Stores

**LAWSON has introduced latest energy conservation systems to the stores to reduce electricity consumption that accounts for most of its CO<sub>2</sub> emissions.**

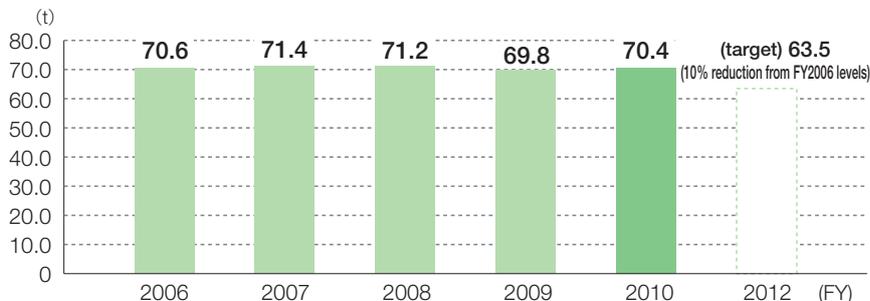
### Reduce Store Electricity Consumption By Installing Cutting Edge Energy-saving Technology

Electricity consumption by our stores accounts for 87.0% of our total annual CO<sub>2</sub> emissions of about 710,000 t-CO<sub>2</sub>.

In order to reduce electricity consumption, we introduce the latest energy-efficient equipment to combine refrigeration and air conditioning systems (2,722 stores), LEDs for signage (741 stores) and in-store lighting (718 stores).

We plan to introduce LED in-store lighting to all stores to cope with the electricity shortage. To further reduce electricity consumption, stores located in areas serviced by the Tokyo Electric Power Company and Tohoku Electric Power Company plan to reorganize store operations and reduce electricity consumption by 25% compared with 2010 during peak hours (9:00-20:00, from July to September).

●Per-Store CO<sub>2</sub> Emissions Based on Electricity Consumption\*



\*Fiscal 2006's emission coefficient of 3.68 t-CO<sub>2</sub>/10,000 kWh was used to compare CO<sub>2</sub> emissions from electricity consumption.

Per-store CO<sub>2</sub> emissions based on electricity consumption

Fiscal 2006 result  
**70.6t**

Fiscal 2010 result  
**70.4t**

Fiscal 2012 target  
**63.5t**

# Reducing CO<sub>2</sub> Emissions

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

## Caring for Our Planet

### 30 ▼ Reducing CO<sub>2</sub> Emissions

#### Building Energy-Efficient Stores

- Improve Logistics Efficiency
- Eco-Friendly Packaging

### 36 ► Working with customers for the environment

- CO<sub>2</sub> Offset Program
- "Bring Your Own" Program to Reduce Plastic Shopping Bag Use
- Reducing Disposable Chopstick Use through "Bring Your Own" Program
- "LAWSON Green Fund"
- Twenty years with customers
- Support Activities to Protect Coral Reefs in a Campaign
- Commemorating the Anniversary of the 35th Year in Business

### 47 ► Boosting Reducing Waste

- Helping to Build a Recycling Society

### 53 ► Group Company Environmental Initiatives

- LAWSON Okinawa, Inc. / Ninety-nine Plus Inc.
- LAWSON ATM Networks Inc. /
- LAWSON ENTERMEDIA INC.

## Enriching the Community

## Motivating People

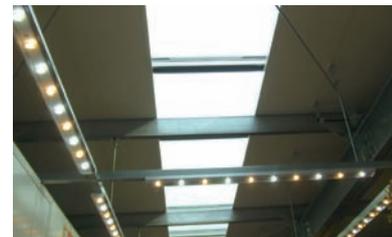
## About LAWSON

## Building Energy-Efficient Stores

### The Use of Natural Energy at Environmentally-friendly Pilot Store

We opened an environmentally-friendly pilot store that is designed to reduce CO<sub>2</sub> emissions and other environmental impacts.

In December 2010, we opened the latest pilot store, LAWSON Kyotanabe Yamatenishi. Inside, all the signage and in-store lighting is LED, and electricity consumption is reduced thanks to natural skylights. In addition to a solar power system on the roof that powers the in-store LED lighting, checkout tills and other equipment, the store also uses a lithium-ion battery system to store electricity for more efficient use. By studying other measures compared to existing stores, we anticipate to reduce electricity consumption by about 20 %. We plan to expand the number of such pilot stores to further study eco-friendly measures.



▲ Skylights in LAWSON Kyotanabe Yamatenishi Store, Kyoto Pref.



▲ Solar power system of LAWSON Kyotanabe Yamatenishi Store

### Joint Research with University of Tokyo on CO<sub>2</sub> Reduction

We have been conducting joint research with the Yashiro Lab in the University of Tokyo's Institute of Industrial Science on reducing store CO<sub>2</sub> emissions since June 2008.

Guided by the Yashiro Lab, we identify the state of energy usage best suited to the environment of each store via an advanced automatic energy monitoring and control system commercialized by Alter Buildings Japan Co.,Ltd. to verify effective CO<sub>2</sub> reduction. Based on the above, we implement comprehensive measures, taking into consideration not only the improvement of store facilities and operations but also the effects from outside the store building.



▲ Advanced automatic energy monitoring and control system

# Reducing CO<sub>2</sub> Emissions

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON'S Environmental Management
- 25 LAWSON Environmental Activities Report

## Caring for Our Planet

### 30 ▼ Reducing CO<sub>2</sub> Emissions

Building Energy-Efficient Stores

#### Improve Logistics Efficiency

Eco-Friendly Packaging

### 36 ► Working with customers for the environment

CO<sub>2</sub> Offset Program

"Bring Your Own" Program to Reduce Plastic Shopping Bag Use  
Reducing Disposable Chopstick Use through "Bring Your Own" Program  
"LAWSON Green Fund"  
Twenty years with customers  
Support Activities to Protect Coral Reefs in a Campaign  
Commemorating the Anniversary of the 35th Year in Business

### 47 ► Boosting Reducing Waste

Helping to Build a Recycling Society

### 53 ► Group Company Environmental Initiatives

LAWSON Okinawa, Inc. / Ninety-nine Plus Inc.  
LAWSON ATM Networks Inc. /  
LAWSON ENTERMEDIA INC.

## Enriching the Community

### Motivating People

### About LAWSON

## Improve Logistics Efficiency

**We work to reduce the environmental load by improving the efficiency of the nationwide distribution network and introducing eco tires.**

### Reduction of Delivery Truck CO<sub>2</sub> Emissions

#### ■ Implementing Multi-Drop Delivery and Reviewing Delivery Frequency

By using dual partition, dual temperature management trucks that enable the simultaneous delivery of products with different temperature requirements, and reworking deliveries of sundries, processed and frozen foods and other improvements, we have succeeded in reducing average daily deliveries per store from 16 in 1989 to 7.29 (excluding newspapers and cigarettes).

#### ■ Introducing Eco Tires and an Operation Management System

As of February 2011, we have fitted eco tires to 1,125 delivery trucks, and all delivery trucks carrying chilled products\* and daily products are equipped with an operation management system that monitors vehicle operation to promote efficient driving and discourage engine idling during deliveries.

\*Chilled products are rice, dairy, dessert and other products that require temperature control.



▲ Delivery truck

► Eco tire

#### ■ Promoting Eco-Driving

We curb idling and noise pollution through driver training, and endeavor to raise awareness of eco-driving by, for example, presenting letters of appreciation to contractors who promote eco-driving.

Delivery truck CO<sub>2</sub> emissions per store (compared with fiscal 2007)

Fiscal 2010 target

**15.0%**  
reduction

Fiscal 2010 result

**16.9%**  
reduction

Fiscal 2011 target

**18.0%**  
reduction

# Reducing CO<sub>2</sub> Emissions

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

## Caring for Our Planet

### 30 ▼ Reducing CO<sub>2</sub> Emissions

Building Energy-Efficient Stores

#### Improve Logistics Efficiency

Eco-Friendly Packaging

### 36 ► Working with customers for the environment

CO<sub>2</sub> Offset Program

"Bring Your Own" Program to Reduce Plastic Shopping Bag Use  
Reducing Disposable Chopstick Use through "Bring Your Own" Program  
"LAWSON Green Fund"  
Twenty years with customers  
Support Activities to Protect Coral Reefs in a Campaign  
Commemorating the Anniversary of the 35th Year in Business

### 47 ► Boosting Reducing Waste

Helping to Build a Recycling Society

### 53 ► Group Company Environmental Initiatives

LAWSON Okinawa, Inc. / Ninety-nine Plus Inc.  
LAWSON ATM Networks Inc. /  
LAWSON ENTERMEDIA INC.

## Enriching the Community

## Motivating People

## About LAWSON

## Improve Logistics Efficiency

### Postal Business Collaboration

Under our comprehensive alliance with Japan Post Holdings Co., Ltd., we have been conducting a joint delivery experiment in Kochi Prefecture since October 2009. We have reduced delivery numbers by transporting LAWSON products and mail, achieving a total 22% reduction in CO<sub>2</sub> emissions. In April 2011, we started joint deliveries between the Kushiro and Kitami areas. We are working to collectively expand our nationwide logistics network to further reduce CO<sub>2</sub> emissions.



▲ Japan Post Service Co., Ltd. delivery truck fitted with a temperature-controlled container to deliver products with different temperature requirements

### Deploying EVs as Company Cars

Our store supervisors and store development managers use about 1,800 vehicles nationwide to cover their rounds. Except four-wheel-drive vehicles, all company cars (about 1,350 cars) are hybrid cars fitted with automatic idling prevention (Smart Stop) systems to reduce CO<sub>2</sub> emissions.

In August 2009, we introduced i-MiEV, an electric vehicle model manufactured by Mitsubishi Motors Corporation, for store supervisors covering their rounds; mainly in large metropolitan areas. A total of 61 units were introduced in Tokyo, Kanagawa and Osaka on or before February 28, 2011.

We have also started equipping the car parks of surrounding stores with EV battery recharge points to help promote the spread of EVs. (As of February 28, 2011, we had deployed 6 high-speed rechargers, 2 double-speed recharge stands, and 54 200V sockets.)



▲ Some stores are being fitted with EV recharging points



◀ High-speed recharger

# Reducing CO<sub>2</sub> Emissions

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

## Caring for Our Planet

### 30 ▼ Reducing CO<sub>2</sub> Emissions

- Building Energy-Efficient Stores
- Improve Logistics Efficiency

### Eco-Friendly Packaging

### 36 ► Working with customers for the environment

- CO<sub>2</sub> Offset Program
- "Bring Your Own" Program to Reduce Plastic Shopping Bag Use
- Reducing Disposable Chopstick Use through "Bring Your Own" Program
- "LAWSON Green Fund"
- Twenty years with customers
- Support Activities to Protect Coral Reefs in a Campaign
- Commemorating the Anniversary of the 35th Year in Business

### 47 ► Boosting Reducing Waste

- Helping to Build a Recycling Society

### 53 ► Group Company Environmental Initiatives

- LAWSON Okinawa, Inc. / Ninety-nine Plus Inc.
- LAWSON ATM Networks Inc. /
- LAWSON ENTERMEDIA INC.

## Enriching the Community

### Motivating People

### About LAWSON

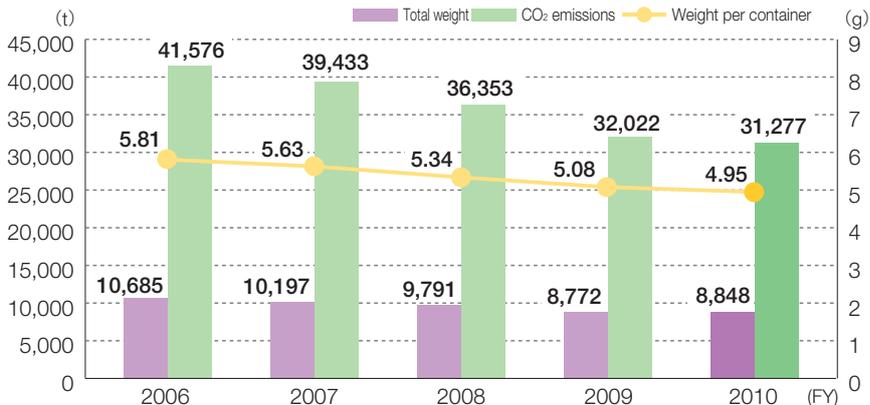
## Eco-Friendly Packaging

We also work in various ways to reduce usage of containers of boxed lunches, delicatessen items and other items and positively use eco-friendly materials.

## Reducing the use of Containers and Packaging

With ensuring safety, we promote weight reduction by using foam materials, making slimmer containers and packaging, and improving their shape to optimize the use of limited resources. To date, this has resulted in a weight reduction for containers and packaging of 14.8% compared to fiscal 2006, or a total of about 1,837 tons overall. This means that we have successfully reduced about 10,299 tons (namely 24.8%) CO<sub>2</sub> emissions from the incineration of containers and packaging.

### ● Packaging Weight and CO<sub>2</sub> Emissions



CO<sub>2</sub> emissions from the incineration of containers and packaging (compared with fiscal 2006)

Fiscal 2009 result  
**23.0%** reduction

Fiscal 2010 result  
**24.8%** reduction

Fiscal 2011 target  
**10.0%** reduction

# Reducing CO<sub>2</sub> Emissions

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

**Caring for Our Planet**

30 ▼ **Reducing CO<sub>2</sub> Emissions**  
Building Energy-Efficient Stores  
Improve Logistics Efficiency

**Eco-Friendly Packaging**

36 ▶ **Working with customers for the environment**  
CO<sub>2</sub> Offset Program  
"Bring Your Own" Program to Reduce Plastic Shopping Bag Use  
Reducing Disposable Chopstick Use through "Bring Your Own" Program  
"LAWSON Green Fund"  
Twenty years with customers  
Support Activities to Protect Coral Reefs in a Campaign  
Commemorating the Anniversary of the 35th Year in Business

47 ▶ **Boosting Reducing Waste**  
Helping to Build a Recycling Society

53 ▶ **Group Company Environmental Initiatives**  
LAWSON Okinawa, Inc. / Ninety-nine Plus Inc.  
LAWSON ATM Networks Inc. /  
LAWSON ENTERMEDIA INC.

**Enriching the Community**

**Motivating People**

**About LAWSON**

## Eco-Friendly Packaging

### Using Eco-Friendly Material

We use containers made from eco-friendly polylactic acid (PLA) for certain salads and desserts. PLA is a biodegradable resin made from corn and other plants. Since the CO<sub>2</sub> emissions from its incineration are offset by the CO<sub>2</sub> absorbed when the corn and other materials are grown, PLA use reduces CO<sub>2</sub> emissions over the product lifecycle.

We have also introduced bio-containers made from a mix of petroleum- and plant-derived plastics (polyethylene) for Big Nori-ben (boxed lunch with dried laver) in the Kanto area since June 2011.



▲ Big Nori-ben Lunch Box (right) in a bio-container (left)



▲ PLA salad container



- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

## Caring for Our Planet

- 30 ▶ Reducing CO<sub>2</sub> Emissions
  - Building Energy-Efficient Stores
  - Improve Logistics Efficiency
  - Eco-Friendly Packaging
- 36 ▼ Working with customers for the environment

### CO<sub>2</sub> Offset Program

"Bring Your Own" Program to Reduce Plastic Shopping Bag Use  
 Reducing Disposable Chopstick Use through "Bring Your Own" Program  
 "LAWSON Green Fund"  
 Twenty years with customers  
 Support Activities to Protect Coral Reefs in a Campaign  
 Commemorating the Anniversary of the 35th Year in Business

- 47 ▶ Boosting Reducing Waste
  - Helping to Build a Recycling Society
- 53 ▶ Group Company Environmental Initiatives
  - LAWSON Okinawa, Inc. / Ninety-nine Plus Inc.
  - LAWSON ATM Networks Inc. / LAWSON ENTERMEDIA INC.

## Enriching the Community

## Motivating People

## About LAWSON

## CO<sub>2</sub> Offset Program\*

LAWSON works with customers to reduce CO<sub>2</sub> emissions. In April 2008, we launched our CO<sub>2</sub> Offset program as a means of enabling its customers to participate in environmental protection through their local convenience stores.

## LAWSON's Approach to Reducing CO<sub>2</sub> Emissions

Customers can exchange shopping points of Ponta multi-partner loyalty program (see p.63 for details) for CO<sub>2</sub> offsets, or purchase CO<sub>2</sub> offsets with cash using the Loppi multimedia terminals in our stores. Accordingly, customers themselves can help offset CO<sub>2</sub> emissions.

We have also enlisted the cooperation of local authorities and manufacturers to sell beverages and other items with attached CO<sub>2</sub> offsets. As another initiative, we enable eco-points earned under the Japanese government's Green Household Appliance Promotion Policy to be exchanged for LAWSON prepaid cards. We allocate 6 yen from each card to our CO<sub>2</sub> Offset program, and donate the resulting certified emission reductions (CERs) to the Japanese government's retirement account.

To further support the efforts of customers to reduce their CO<sub>2</sub> emissions, we have also added a simple household CO<sub>2</sub> emissions calculation console to our website that anyone can use to check their household CO<sub>2</sub> emissions.

As a result of these initiatives, total offsets purchased as of the end of February 2011 amounted to 16,228 t-CO<sub>2</sub>, with cumulative participants totaling 20.9 million. We will continue with our efforts to draw attention to CO<sub>2</sub> emission reduction and provide customers with opportunities for easy participation in initiatives that contribute to the health of the Earth.

\*CO<sub>2</sub> offset is a mechanism for offsetting all or a portion of one's own CO<sub>2</sub> emissions by purchasing CO<sub>2</sub> emissions reductions — emission credits — achieved in developing countries and other regions.



▲ Georgia Green Planet and Real Energy by Coca-Cola (Japan) Co., Ltd.



▲ Kin-Mugi (2 sizes) by Suntory Liquors Limited



- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

**Caring for Our Planet**

- 30 ▶ **Reducing CO<sub>2</sub> Emissions**  
Building Energy-Efficient Stores  
Improve Logistics Efficiency  
Eco-Friendly Packaging
- 36 ▼ **Working with customers for the environment**

**CO<sub>2</sub> Offset Program**

"Bring Your Own" Program to Reduce Plastic Shopping Bag Use  
Reducing Disposable Chopstick Use through "Bring Your Own" Program  
"LAWSON Green Fund"  
Twenty years with customers  
Support Activities to Protect Coral Reefs in a Campaign Commemorating the Anniversary of the 35th Year in Business

- 47 ▶ **Boosting Reducing Waste**  
Helping to Build a Recycling Society
- 53 ▶ **Group Company Environmental Initiatives**  
LAWSON Okinawa, Inc. / Ninety-nine Plus Inc.  
LAWSON ATM Networks Inc. /  
LAWSON ENTERMEDIA INC.

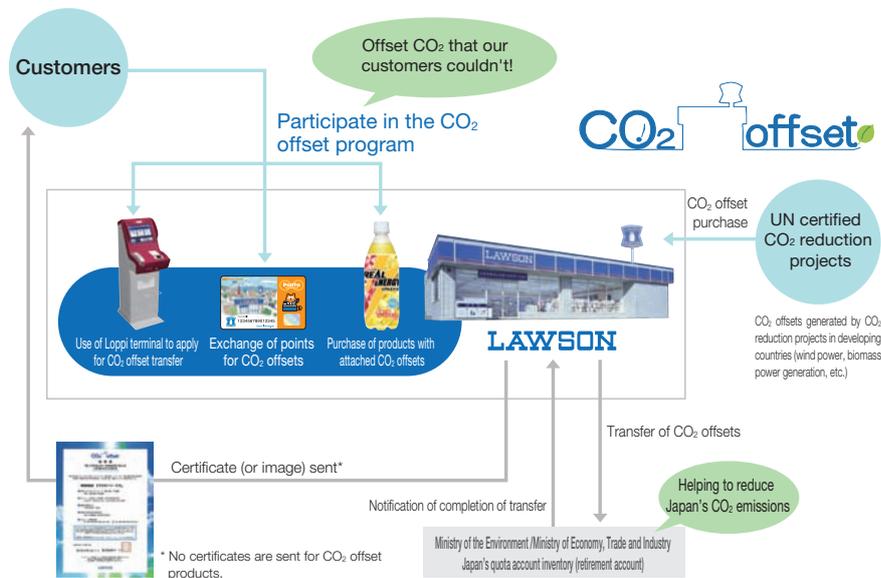
**Enriching the Community**

**Motivating People**

**About LAWSON**

**CO<sub>2</sub> Offset Program**

● **How Our CO<sub>2</sub> Offset Program Works**



**CO<sub>2</sub> Offset program results**

Fiscal 2009 result  
**5,647t**

Fiscal 2010 result  
**3,389t**

**Total**  
**16,228t**

To see the link for the latest information on the CO<sub>2</sub> Offset Program.

**Website**  
Japanese only



- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON'S Environmental Management
- 25 LAWSON Environmental Activities Report

## Caring for Our Planet

- 30 ▶ **Reducing CO<sub>2</sub> Emissions**  
Building Energy-Efficient Stores  
Improve Logistics Efficiency  
Eco-Friendly Packaging
- 36 ▼ **Working with customers for the environment**  
CO<sub>2</sub> Offset Program

### "Bring Your Own" Program to Reduce Plastic Shopping Bag Use

Reducing Disposable Chopstick Use through "Bring Your Own" Program  
"LAWSON Green Fund"  
Twenty years with customers  
Support Activities to Protect Coral Reefs in a Campaign  
Commemorating the Anniversary of the 35th Year in Business

- 47 ▶ **Boosting Reducing Waste**  
Helping to Build a Recycling Society

- 53 ▶ **Group Company Environmental Initiatives**  
LAWSON Okinawa, Inc. / Ninety-nine Plus Inc.  
LAWSON ATM Networks Inc. /  
LAWSON ENTERMEDIA INC.

## Enriching the Community

## Motivating People

## About LAWSON

## "Bring Your Own" Program to Reduce Plastic Shopping Bag Use

We implement the "Bring Your Own" Program as an environmental practice adopted by customers in their daily lives.

### 2.6 Million "Bring Your Own" Bags Distributed!

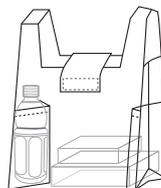
To reduce plastic shopping bag use, LAWSON created its Convenience Store Eco-Bag to best fit the boxed lunches and plastic bottles that are the most frequent items purchased.

To get as many customers as possible to use them, we started handing them out free at some stores from March 2007. Since then, we have sold them at the register and at Loppi multimedia terminals. We have also made the bag's specifications publicly available and have called on like-minded companies to make use of them to promote more widespread use of these bags. In the four years that have passed since we launched the program, we have distributed 2.6 million bags.

#### ● "Bring Your Own" Bag Distribution

Bags distributed at LAWSON stores and by Group companies	1,914,000
Bags made by cooperating companies and organizations	687,000
<b>Total bags distributed</b>	<b>2,601,000</b>

(As of February 28, 2011)



▶ Convenience store eco-bag to best fit the boxed lunches and plastic bottles



Total No. of Distributed  
"Bring Your Own" Bags

Fiscal 2008

**2.01** million

Fiscal 2009

**2.45** million

Fiscal 2010

**2.6** million

To see the latest information about  
"Bring Your Own" Bags.

▶ **Website**

Japanese only

▲ Some of the convenience store eco-bags developed so far



## “Bring Your Own” Program to Reduce Plastic Shopping Bag Use

### Total Weight of Plastic Shopping Bags Used per Store Successfully Reduced by 25.1% Compared to Fiscal 2000

LAWSON works to reduce the use of plastic shopping bags by asking customers at the register whether they need them or not, putting up posters, implementing in-store broadcasting, and handing out “Bring Your Own” bags.

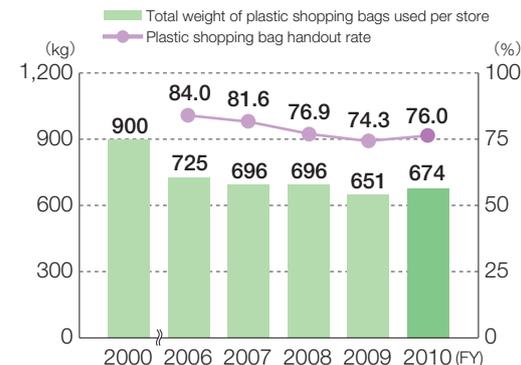
In fiscal 2010, we tried to reduce the total weight of plastic shopping bags used per store by 35% compared to fiscal 2000, and achieved a total reduction of 25.1%. While the plastic shopping bag handout rate\* increased to 76.0%, an increase of 1.7% compared to fiscal 2009, we have set a target of 73.0% for fiscal 2011, which is a 3% reduction from fiscal 2010.

\* Plastic shopping bag handout rate: (the number of plastic shopping bags purchased) divided by (the number of customers)

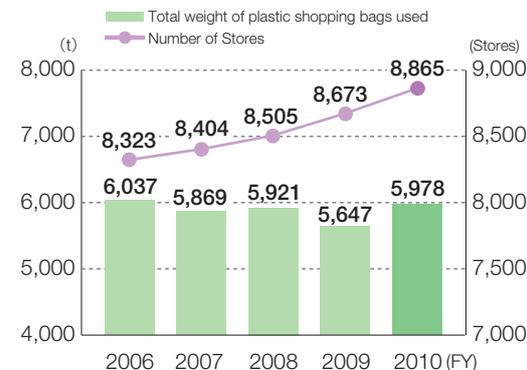
### Reducing Plastic Shopping Bag Use with the Help of Customers

From 2008, we have started awarding one point to Ponta cardholders who say no to plastic shopping bags at the register. This program has been implemented in all LAWSON stores in Hokkaido and some NATURAL LAWSON stores. This resulted in a reduction of 7.9% in the store average plastic shopping bag handout rate in our Hokkaido stores compared to before the start of the program.

#### ● Total Weight of Plastic Shopping Bags Used Per Store



#### ● Total Weight of Plastic Shopping Bags Used for All Stores



- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

#### Caring for Our Planet

- 30 ▶ Reducing CO<sub>2</sub> Emissions
  - Building Energy-Efficient Stores
  - Improve Logistics Efficiency
  - Eco-Friendly Packaging
- 36 ▼ Working with customers for the environment
  - CO<sub>2</sub> Offset Program

#### "Bring Your Own" Program to Reduce Plastic Shopping Bag Use

Reducing Disposable Chopstick Use through "Bring Your Own" Program  
"LAWSON Green Fund"  
Twenty years with customers  
Support Activities to Protect Coral Reefs in a Campaign  
Commemorating the Anniversary of the 35th Year in Business

- 47 ▶ Boosting Reducing Waste
  - Helping to Build a Recycling Society
- 53 ▶ Group Company Environmental Initiatives
  - LAWSON Okinawa, Inc. / Ninety-nine Plus Inc.
  - LAWSON ATM Networks Inc. / LAWSON ENTERMEDIA INC.

#### Enriching the Community

#### Motivating People

#### About LAWSON



- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

## Caring for Our Planet

- 30 ▶ Reducing CO<sub>2</sub> Emissions
  - Building Energy-Efficient Stores
  - Improve Logistics Efficiency
  - Eco-Friendly Packaging
- 36 ▼ Working with customers for the environment
  - CO<sub>2</sub> Offset Program
  - "Bring Your Own" Program to Reduce Plastic Shopping Bag Use
  - Reducing Disposable Chopstick Use through "Bring Your Own" Program
  - "LAWSON Green Fund"
  - Twenty years with customers
  - Support Activities to Protect Coral Reefs in a Campaign
  - Commemorating the Anniversary of the 35th Year in Business
- 47 ▶ Boosting Reducing Waste
  - Helping to Build a Recycling Society
- 53 ▶ Group Company Environmental Initiatives
  - LAWSON Okinawa, Inc. / Ninety-nine Plus Inc.
  - LAWSON ATM Networks Inc. / LAWSON ENTERMEDIA INC.

## Enriching the Community

## Motivating People

## About LAWSON

## Reducing Disposable Chopstick Use through "Bring Your Own" Program

We work to reduce the use of disposable chopsticks by asking customers at the register whether they need them or not and by disseminating the use of Bring Your Own chopsticks, "Midori no Kakehashi," which customers can always carry to use.

### We Keep Asking Customers

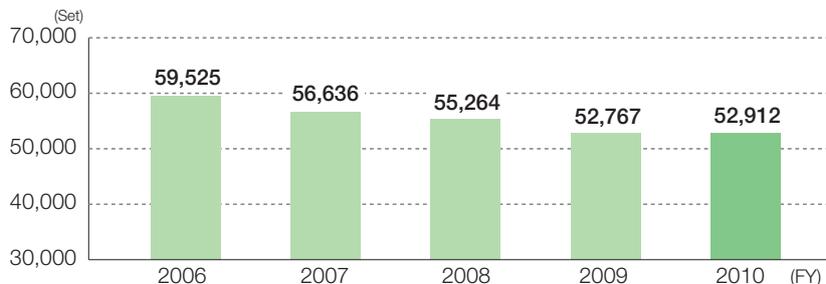
LAWSON store crews ask customers at the register whether they need disposable chopsticks or not to ensure no chopsticks are handed out unnecessarily. We also use in-store broadcasts and displays to encourage customers to help reduce plastic bag and disposable chopstick use.

Through such measures, in FY2010, we managed to reduce per-store use by 11.1% and overall use by weight by 6.2% compared with the results of FY2006. We believe that the most effective way of saving resources is to ask customers as above, and accordingly, we will continue this practice in future.



▲ Display Screen at the Register

### ● Per-Store Disposable Chopstick Use



Per-Store Disposable Chopstick Use

Fiscal 2008 result

55,264  
pairs

Fiscal 2009 result

52,767  
pairs

Fiscal 2010 result

52,912  
pairs

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

## Caring for Our Planet

- 30 ▶ Reducing CO<sub>2</sub> Emissions
  - Building Energy-Efficient Stores
  - Improve Logistics Efficiency
  - Eco-Friendly Packaging
- 36 ▼ Working with customers for the environment
  - CO<sub>2</sub> Offset Program
  - "Bring Your Own" Program to Reduce Plastic Shopping Bag Use
  - Reducing Disposable Chopstick Use through "Bring Your Own" Program
  - "LAWSON Green Fund"
  - Twenty years with customers
  - Support Activities to Protect Coral Reefs in a Campaign Commemorating the Anniversary of the 35th Year in Business
- 47 ▶ Boosting Reducing Waste
  - Helping to Build a Recycling Society
- 53 ▶ Group Company Environmental Initiatives
  - LAWSON Okinawa, Inc. / Ninety-nine Plus Inc.
  - LAWSON ATM Networks Inc. / LAWSON ENTERMEDIA INC.

## Enriching the Community

## Motivating People

## About LAWSON

### Reducing Disposable Chopstick Use through "Bring Your Own" Program

## "Bring Your Own Chopsticks" Program and "Creating a Baseball Bat Forest"

To reduce the use of disposable chopsticks, LAWSON started to promote the Bring Your Own Chopsticks Program, "Midori no Kakehashi\*" in April 2007. As of February 28, 2011, about 45,000 pairs of these Bring Your Own chopsticks had been distributed through Loppi multimedia terminal sales and the cooperation of companies supporting this initiative.

These chopsticks are made from baseball bat factory ash wood discards with the help of Mizuno Technics Corporation and Oak Village Co., Ltd.

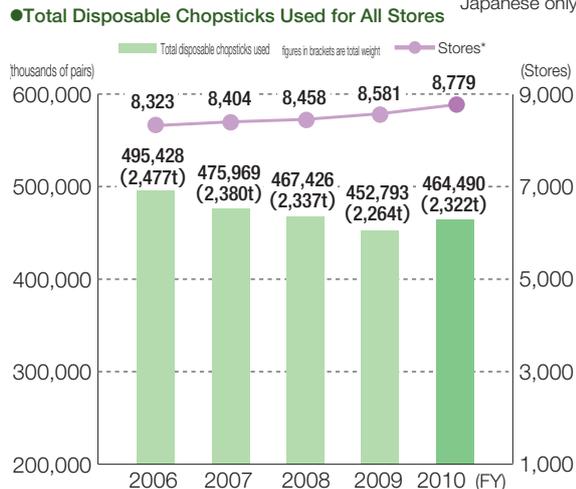
LAWSON donates 100 yen to the nonprofit organization Donguri no Kai for each set distributed. This supports efforts to "create a Baseball Bat Forest" by helping in planting and growing ash trees that take 70-80 years to grow.

\* "Midori no Kakehashi" is a registered trademark of Oak Village Co., Ltd.



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To see the latest information about the "Bring Your Own Chopsticks" Program



\*Excluding NATURAL LAWSON.



▲ The 7th "Creating a Baseball Bat Forest" program held in Kiyomi-cho, Takayama City, Gifu Pref. on May 29, 2011.



▲ Baseball bat factory ash wood discarded to make Bring Your Own Chopsticks



## Reducing Disposable Chopstick Use through “Bring Your Own” Program

### Shortening Chopsticks

We have sequentially changed the standard of disposable chopsticks handed out to customers in LAWSON and LAWSON100 stores since July 2011.

By making chopsticks one centimeter shorter, or reducing the length from 20.3 to 19.3cm, we can reduce the wood consumption per pair of chopsticks by about 5%. This is equivalent to an annual reduction in wood consumption equivalent to about 23 million pairs of chopsticks, which, in turn results in a reduction of about 4.8% in the film used for packaging of a pair of chopsticks, equivalent to about 5.6 tons of film per year.



▲ Formerly-used disposable chopsticks (below) and newly-developed disposable chopsticks (above)

### NATURAL LAWSON Uses Domestic Forest Thinning for Disposable Chopsticks

Plantation forests are thinned to encourage the growth of the best trees, a practice that also enhances CO<sub>2</sub> absorption. Lunch boxes purchased at NATURAL LAWSON stores come with disposable chopsticks made from Japanese cypress plantation forest thinnings from Yoshino in Nara Prefecture. These disposable chopsticks also carry advertisements, whereby part of the revenue is used to offset forest thinning costs.

Other than chopsticks, we use carto cans (paper beverage cups) for certain beverage products we sell, build stores using locally produced timber, and use domestic forest thinnings for part of the brochures issued by headquarters. By using domestic forest thinnings, we protect and develop Japanese forests to promote the absorption of CO<sub>2</sub>, the cause of global warming.



▲ Disposable chopsticks made from domestic forest thinnings handed out in NATURAL LAWSON



▲ Domestic forest thinnings for use as raw materials

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

#### Caring for Our Planet

- 30 ▶ Reducing CO<sub>2</sub> Emissions
  - Building Energy-Efficient Stores
  - Improve Logistics Efficiency
  - Eco-Friendly Packaging
- 36 ▼ Working with customers for the environment
  - CO<sub>2</sub> Offset Program
  - "Bring Your Own" Program to Reduce Plastic Shopping Bag Use
  - Reducing Disposable Chopstick Use through "Bring Your Own" Program
  - "LAWSON Green Fund"
  - Twenty years with customers
  - Support Activities to Protect Coral Reefs in a Campaign Commemorating the Anniversary of the 35th Year in Business

- 47 ▶ Boosting Reducing Waste
  - Helping to Build a Recycling Society
- 53 ▶ Group Company Environmental Initiatives
  - LAWSON Okinawa, Inc. / Ninety-nine Plus Inc.
  - LAWSON ATM Networks Inc. /
  - LAWSON ENTERMEDIA INC.

#### Enriching the Community

#### Motivating People

#### About LAWSON



- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON'S Environmental Management
- 25 LAWSON Environmental Activities Report

## Caring for Our Planet

- 30 ▶ Reducing CO<sub>2</sub> Emissions
  - Building Energy-Efficient Stores
  - Improve Logistics Efficiency
  - Eco-Friendly Packaging
- 36 ▼ Working with customers for the environment
  - CO<sub>2</sub> Offset Program
  - "Bring Your Own" Program to Reduce Plastic Shopping Bag Use
  - Reducing Disposable Chopstick Use through "Bring Your Own" Program
  - "LAWSON Green Fund" Twenty years with customers
  - Support Activities to Protect Coral Reefs in a Campaign Commemorating the Anniversary of the 35th Year in Business
- 47 ▶ Boosting Reducing Waste
  - Helping to Build a Recycling Society
- 53 ▶ Group Company Environmental Initiatives
  - LAWSON Okinawa, Inc. / Ninety-nine Plus Inc.
  - LAWSON ATM Networks Inc. / LAWSON ENTERMEDIA INC.

## Enriching the Community

### Motivating People

### About LAWSON

## “LAWSON Green Fund” Twenty Years with Customers

The “LAWSON Green Fund,” launched in 1992, supports various forest improvement projects undertaken by volunteer groups in various locations through the National Land Afforestation Promotion Organization.

### About “LAWSON Green Fund”

We launched the LAWSON Green Fund in 1992 to help ensure the survival of precious forest resources, and donations by customers along with LAWSON headquarters donations over the past 20 years amounted to 3.26 billion yen as of the end of February 2011. These donations have supported a great many forest improvement projects undertaken by NPOs both in Japan and overseas through the National Land Afforestation Promotion Organization. Franchise owners, store managers, store crews and employees have also participated in some of these projects. In fiscal 2010, a total of 1008 people in the LAWSON family participated in 100 projects.

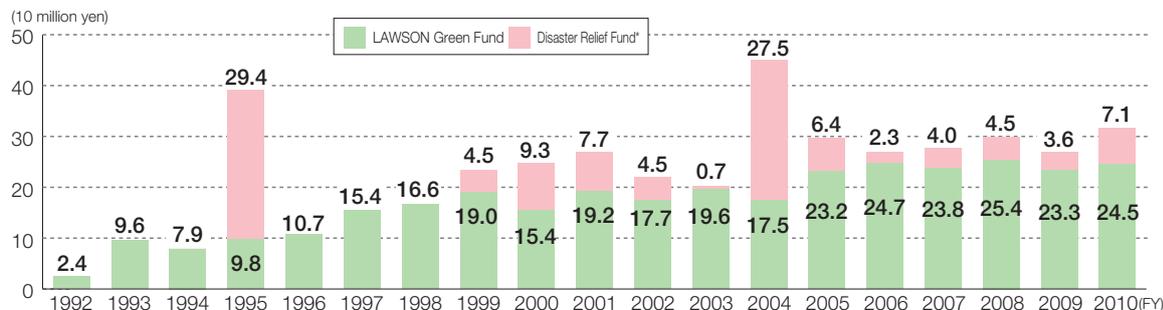
### ●LAWSON Green Fund Activities Result

Donations	3.26 billion yen
Projects supported	2,603 locations
Area covered*	approx. 6,038 hectares
No. of trees in improved forest stands*	approx. 15.09 million

(From September 1992 to the end of February 2011)

Note: Area and number of trees are calculated from LAWSON Green Fund donation totals and past results of Green Fund activities.

### ●LAWSON Green Fund Donations



Note: Lawson Green Fund collection boxes are replaced for a period by Disaster Relief Fund collection boxes in the event of a major disaster (see P.62 for information about Disaster Relief Funds).



- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

## Caring for Our Planet

- 30 ▶ Reducing CO<sub>2</sub> Emissions
  - Building Energy-Efficient Stores
  - Improve Logistics Efficiency
  - Eco-Friendly Packaging
- 36 ▼ Working with customers for the environment
  - CO<sub>2</sub> Offset Program
  - "Bring Your Own" Program to Reduce Plastic Shopping Bag Use
  - Reducing Disposable Chopstick Use through "Bring Your Own" Program
  - "LAWSON Green Fund" Twenty years with customers
    - Support Activities to Protect Coral Reefs in a Campaign Commemorating the Anniversary of the 35th Year in Business
- 47 ▶ Boosting Reducing Waste
  - Helping to Build a Recycling Society
- 53 ▶ Group Company Environmental Initiatives
  - LAWSON Okinawa, Inc. / Ninety-nine Plus Inc.
  - LAWSON ATM Networks Inc. / LAWSON ENTERMEDIA INC.

## Enriching the Community

## Motivating People

## About LAWSON

### "LAWSON Green Fund" Twenty Years with Customers

#### ■ ~Transform Reclaimed Land in Tokyo Bay into a Beautiful Forest~ The Umi-no-Mori (Sea Forest) Project

Umi-no-Mori (Sea Forest) project whose aim is transforming reclaimed land made from waste and surplus soil in Tokyo Bay into a beautiful forest through donations by the public and the planting of saplings by volunteers.

We endorsed this project, and collected donations for the same using our LAWSON Green Fund as a vehicle at about 904 of our Tokyo stores, except LAWSON STORE100, from June to the end of August 2010, and collected a total of 6.66 million yen (5,005 young trees).



▲How the forest will look when completed  
Planting saplings of 480 thousand Japanese chinquapin (*Castanopsis sieboldii*), tabunoki (*Machilus thunbergii*), and enoki nettle (*Flammulina velutipes*) on about 88 hectares of the inner central breakwater reclamation area of Tokyo Bay

### Environmental Conservation with the Gekkeikan "Eco Cup"

The United Nations designated 2011 as the International Year of Forests. Gekkeikan Sake Co.,Ltd. and LAWSON jointly developed the Gekkeikan "Eco Cup" as a charity product exclusively sold in LAWSON stores as part of a collaborative project, in which ¥1 per purchase was donated to the "LAWSON Green Fund."

The project was implemented for just 3 months between January 18 and April 18, 2011, during which time the Eco Cup was sold in all domestic LAWSON stores selling alcoholic beverages (8,675 stores as of August 31, 2010, except LAWSON STORE100). Sales exceeded the project target to reach 500,498, hence ¥500,498 was donated to the "LAWSON Green Fund."

2011年は「国際森林年」「月桂冠 エコカップ」で森林を守ろう!

1本につき1円を  
「ローソン緑の募金」に  
寄付します。(4/18まで)



月桂冠 エコカップ 各155円 お酒

未成年者は酒類を販売しません。飲酒運転は法律で禁止されています。

▲Gekkeikan Eco Cup Gekkeikan Eco Cup Shikoritate  
(Advertising display screen on the customer side of the register)



## “LAWSON Green Fund” Twenty Years with Customers

Click here to see the list of participation in Greening Projects.

[Website](#)

Japanese only

## Participation in Greening Contribution Projects in Fiscal 2010

FY2010

Total Number of Greening Contribution Projects

Projects participated in **100**

(Forest improvement 49  
School greening 51)

Participants

**1,008** People

### Chubu Region



Echizen, Fukui Prefecture  
**Active Kids' Hakusan-no-sato Tree Planting Project**

### Kinki Region



Kyotanabe, Kyoto Prefecture  
**Kyotanabe City Fugenji Elementary School**

### Chugoku Region



Goutsu, Shimane Prefecture  
**Gotsu City Gotsu Higashi Elementary School**

### Shikoku Region



Takamatsu, Kagawa Prefecture  
**Forest Development by Building a Network of People and Forests/between People**

### Kyushu / Okinawa Region



Kashima, Saga Prefecture  
**Kashima City Nogomi Elementary School**

### Hokkaido Region



Nanae, Hokkaido Prefecture  
**Nanae Beautiful Forest Project in Onuma**

### Tohoku Region

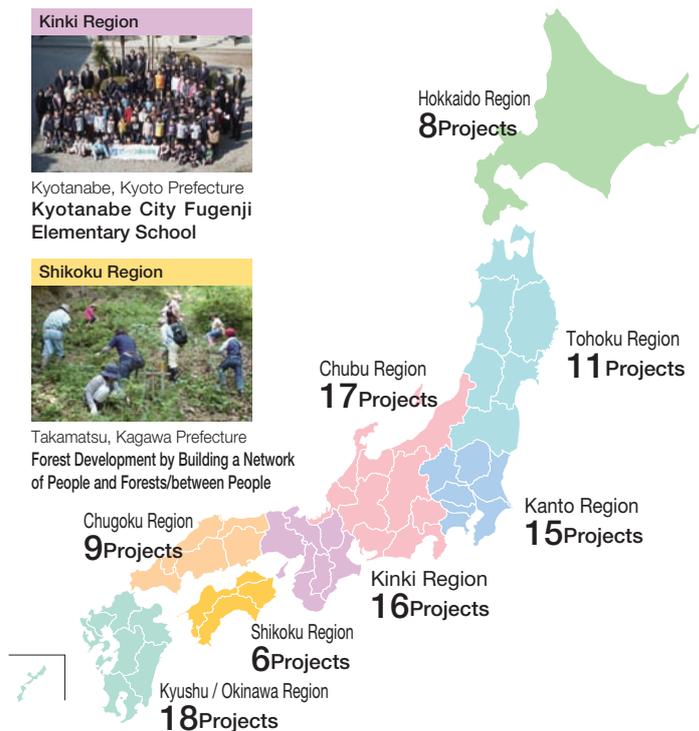


Nagai, Yamagata Prefecture  
**Nagai City Chiho Elementary School**

### Kanto Region



Hachioji, Tokyo  
**Takao Forest Tree Planting Festival**



- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

### Caring for Our Planet

- 30 ▶ Reducing CO<sub>2</sub> Emissions
  - Building Energy-Efficient Stores
  - Improve Logistics Efficiency
  - Eco-Friendly Packaging
- 36 ▼ Working with customers for the environment
  - CO<sub>2</sub> Offset Program
  - "Bring Your Own" Program to Reduce Plastic Shopping Bag Use
  - Reducing Disposable Chopstick Use through "Bring Your Own" Program

### "LAWSON Green Fund" Twenty years with customers

- Support Activities to Protect Coral Reefs in a Campaign Commemorating the Anniversary of the 35th Year in Business

- 47 ▶ Boosting Reducing Waste
  - Helping to Build a Recycling Society

- 53 ▶ Group Company Environmental Initiatives
  - LAWSON Okinawa, Inc. / Ninety-nine Plus Inc.
  - LAWSON ATM Networks Inc. / LAWSON ENTERMEDIA INC.

### Enriching the Community

### Motivating People

### About LAWSON

45



- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

## Caring for Our Planet

- 30 ▶ Reducing CO<sub>2</sub> Emissions
  - Building Energy-Efficient Stores
  - Improve Logistics Efficiency
  - Eco-Friendly Packaging
- 36 ▼ Working with customers for the environment
  - CO<sub>2</sub> Offset Program
  - "Bring Your Own" Program to Reduce Plastic Shopping Bag Use
  - Reducing Disposable Chopstick Use through "Bring Your Own" Program
  - "LAWSON Green Fund"
  - Twenty years with customers
  - Support Activities to Protect Coral Reefs in a Campaign Commemorating the Anniversary of the 35th Year in Business
- 47 ▶ Boosting Reducing Waste
  - Helping to Build a Recycling Society
- 53 ▶ Group Company Environmental Initiatives
  - LAWSON Okinawa, Inc. / Ninety-nine Plus Inc.
  - LAWSON ATM Networks Inc. / LAWSON ENTERMEDIA INC.

## Enriching the Community

### Motivating People

### About LAWSON

## Support Activities to Protect Coral Reefs in a Campaign Commemorating the Anniversary of the 35<sup>th</sup> Year in Business

LAWSON opened its first store in Sakurazuka in June 1975 and celebrated its 35<sup>th</sup> year in business in 2010. In commemoration, a "LAWSON 35<sup>th</sup> Anniversary Campaign" was conducted between June and July 2010, in which we gave away a "Trip to Okinawa to Protect Coral Reefs" (In Japanese, coral is "sango," which is the homonym of 3 (san) and 5 (go)) and others to the lucky draw winners. As part of the Anniversary Campaign, an in-house campaign, "Protect Coral Reefs in Okinawa!" was also launched for the LAWSON family to do something good for the earth.

It is said that about 20% of coral reefs, which house various living things in various parts of the world, are disappearing due to higher sea temperatures caused by global warming as well as sea pollution. To protect the coral reefs, franchise owners, store managers, store crews, and employees offered Ponta points they had accumulated and a total of 8,454 offerings, or 383,145 points, were collected. The points and donations from headquarters were donated to Aqua Planet, a non-profit organization aiming to stop the degradation of coral reefs, and 173 coral seedlings were transplanted in the sea of Okinawa.

▶ Transplanted coral seedlings with a plate showing the name of the donating store



▼ Transplantation of coral seedlings



- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

## Caring for Our Planet

- 30 ▶ **Reducing CO<sub>2</sub> Emissions**
  - Building Energy-Efficient Stores
  - Improve Logistics Efficiency
  - Eco-Friendly Packaging
- 36 ▶ **Working with customers for the environment**
  - CO<sub>2</sub> Offset Program
  - "Bring Your Own" Program to Reduce Plastic Shopping Bag Use
  - Reducing Disposable Chopstick Use through "Bring Your Own" Program
  - "LAWSON Green Fund"
  - Twenty years with customers
  - Support Activities to Protect Coral Reefs in a Campaign Commemorating the Anniversary of the 35th Year in Business

## 47 ▼ Boosting Reducing Waste

### Helping to Build a Recycling Society

- 53 ▶ **Group Company Environmental Initiatives**
  - LAWSON Okinawa, Inc. / Ninety-nine Plus Inc.
  - LAWSON ATM Networks Inc. / LAWSON ENTERMEDIA INC.

## Enriching the Community

## Motivating People

## About LAWSON

## Helping to Build a Recycling Society

**LAWSON stores generate an average of about 11.0 kg per store of food waste daily. We are working to reduce food waste generation as much as possible and promote recycling.**

## Reducing and Recycling Food Waste

LAWSON stores generate an average of about 11.0 kg per store of food waste daily, which includes oil used to fry fast foods as well as boxed lunches and other foodstuffs that have passed their sell-by dates.\* We strive to reduce such food waste through curbing output and through materials recycling (used cooking oil recycling, production of animal feed and compost from food waste) and thermal recycling (recovery of heat energy).

\*Sell-by date: a date preceding the "eat-by date," which we set voluntarily, to take into account the time likely to elapse between purchase and consumption.

### ■ Food Recycling Ratio of 34.7% achieved

From fiscal 2008, LAWSON adopted a target of increasing our food recycling ratio\* by at least 2 percentage points per year from the fiscal 2007 level (22.5%), aiming at a ratio of at least 32.5% in fiscal 2012. In fiscal 2010, we achieved a ratio of 34.7%, as compared to the target of 28.5%.

\* This is the ratio of execution of the utilization of recyclable food waste, including waste generation reduction, under the Food Recycling Law. The ratio is for LAWSON stores only.

### ●Number of Stores Recycling Food Wastes by Fiscal Year (April 1 to March 31)

	Base year	1 <sup>st</sup> Year	2 <sup>nd</sup> Year	3 <sup>rd</sup> Year
	2007	2008	2009	2010
Used cooking oil recycling	7,403	7,599	7,692	8,361
Animal feed, compost	906	1,013	1,266	1,354
Thermal recycling	—	124	135	142
Statutory target: Food recycling law	—	24.5%	26.5%	28.5%
Result: Food recycling ratio	22.5%	28.5%	26.5%	34.7%

\* The store numbers are as of March 31 (the end of the administrative year).

\* Except LAWSON Okinawa, Inc. for fiscal 2009 and after.

Food recycling ratio based on food recycling law

FY 2007 result (base year)

22.5%

FY 2009 result

26.5%

FY 2010 result

34.7%

# Boosting Reducing Waste

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

## Caring for Our Planet

- 30 ▶ **Reducing CO<sub>2</sub> Emissions**
  - Building Energy-Efficient Stores
  - Improve Logistics Efficiency
  - Eco-Friendly Packaging
- 36 ▶ **Working with customers for the environment**
  - CO<sub>2</sub> Offset Program
  - "Bring Your Own" Program to Reduce Plastic Shopping Bag Use
  - Reducing Disposable Chopstick Use through "Bring Your Own" Program
  - "LAWSON Green Fund"
  - Twenty years with customers
  - Support Activities to Protect Coral Reefs in a Campaign
  - Commemorating the Anniversary of the 35th Year in Business

## 47 ▼ Boosting Reducing Waste

### Helping to Build a Recycling Society

- 53 ▶ **Group Company Environmental Initiatives**
  - LAWSON Okinawa, Inc. / Ninety-nine Plus Inc.
  - LAWSON ATM Networks Inc. /
  - LAWSON ENTERMEDIA INC.

## Enriching the Community

### Motivating People

### About LAWSON

## Helping to Build a Recycling Society

### ■ A system that will not Generate Surplus Products and Extra Waste [Reduction of Waste Generation]

LAWSON is working to reduce waste generation. At the manufacturing stage, we have introduced a production management system designed to eliminate the production of surplus products by measuring the weights of raw materials, final products, portion amounts and other items in gram units.

In our stores, we are reducing waste generation by improving merchandise assortment. Each store uses its computer to check past sales performance according to day of the week, weather, local events, purchasing data of loyalty cards\*, and other factors to form hypotheses, adjust merchandise assortment accordingly, and reduce waste.

\* We ensure individual customers cannot be identified.

### ■ Implementing Recycling of Used Cooking Oil in 8,361 Stores in Japan [Use of Recycled Waste]

LAWSON started to recycle used cooking oil in January 2006 and steadily expanded the areas covered so that stores nationwide were participating from August of that year. As of the end of March 2011, 8,361 LAWSON stores\* (95% of all stores) were recycling used cooking oil.

The oil is collected by industrial waste collection businesses for recycling as an additive in animal feed, and for use in construction industry paint, bio-diesel fuel for public buses, additive-free soap and other products.

\*Except LAWSON Okinawa, Inc.



▲Used oil processing plant



▲Products manufactured using recycled oil

# Boosting Reducing Waste

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

## Caring for Our Planet

- 30 ▶ **Reducing CO<sub>2</sub> Emissions**
  - Building Energy-Efficient Stores
  - Improve Logistics Efficiency
  - Eco-Friendly Packaging
- 36 ▶ **Working with customers for the environment**
  - CO<sub>2</sub> Offset Program
  - "Bring Your Own" Program to Reduce Plastic Shopping Bag Use
  - Reducing Disposable Chopstick Use through "Bring Your Own" Program
  - "LAWSON Green Fund"
  - Twenty years with customers
  - Support Activities to Protect Coral Reefs in a Campaign Commemorating the Anniversary of the 35th Year in Business
- 47 ▼ **Boosting Reducing Waste**
  - Helping to Build a Recycling Society
- 53 ▶ **Group Company Environmental Initiatives**
  - LAWSON Okinawa, Inc. / Ninety-nine Plus Inc.
  - LAWSON ATM Networks Inc. /
  - LAWSON ENTERMEDIA INC.

## Enriching the Community

## Motivating People

## About LAWSON

## Helping to Build a Recycling Society

■ **Recycling of Unsold Foodstuffs as Feed/Fertilizer in Further Areas [Use of Recycled Waste]**  
Recycling of unsold foodstuffs having passed their sell-by dates (as feed/fertilizer) was started in May 2006. As of March 31, 2011, unsold foodstuffs generated from 1,354 stores (LAWSON and NATURAL LAWSON\*) are recycled to be used as pig feed or fertilizer.

We work to increase the areas where such recycling is implemented by solving issues involving securing of food recycling plants, cooperation of waste collection and transportation companies, and processing costs. From the start of fiscal 2010 to date, recycling for fertilizer production newly started in Kagawa Prefecture (except some locations) and Gunma Prefecture (Maebashi City) in August 2010, Toyama Prefecture (Toyama City, etc.) in December 2010, Fukui Prefecture(Fukui City) in February 2011, and Kagawa Prefecture (Takamatsu City) in July 2011.

Recycling is also implemented in 305 LAWSON STORE100 in the Tokyo Metropolis, Kanagawa Prefecture, Saitama Prefecture and Nagoya City as of March 31, 2010.

\*Except LAWSON Okinawa, Inc.

### From the Frontline: Business Partner

## The Target is to Recycle All Food Waste

We have worked to turn food waste into fertilizer ahead of others in Shikoku, as we are sure that such food product recycling supports the basis of our lives and is compatible with the concept of paying back to Nature. We can produce better quality fertilizer with fresher raw materials, which lets us work rapidly and take good care as if we were raising animals.

The compost we produce is used in family gardens and agricultural farms, as well as our 7,000 square meter experimental farm named "Public Organic Farm," where edamame (green soybeans), komatsuna (Japanese mustard spinach), satsumaimo (sweet potato), etc. are grown. We have built a recycle loop, consisting of food waste, compost, and agricultural products and strive daily to recycle all food waste in society.



**Mr. Eiji Moriwaki**  
Manager, Organic Project Department,  
PUBLIC, Inc.

### ● Areas where Recycling of Unsold Foodstuffs as Feed/Fertilizer is Implemented

<As feed>
Tokyo Metropolis*, Kanagawa Pref.*, Saitama Pref.* Kyoto Pref. (Kyoto City)
<As fertilizer>
Aomori Pref. (Aomori City), Gunma Pref. (Maebashi City), Aichi Pref. (Nagoya City), Mie Pref., Kagawa Pref.*, Shimane Pref. (Matsue City), Kumamoto Pref. (Kumamoto City), Ishikawa Pref. (Kaga city), Toyama Pref. (Toyama City and other), Fukui Pref. (Fukui City)

\* Except part of the municipalities

# Boosting Reducing Waste

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

## Caring for Our Planet

- 30 ▶ **Reducing CO<sub>2</sub> Emissions**  
Building Energy-Efficient Stores  
Improve Logistics Efficiency  
Eco-Friendly Packaging
- 36 ▶ **Working with customers for the environment**  
CO<sub>2</sub> Offset Program  
"Bring Your Own" Program to Reduce Plastic Shopping Bag Use  
Reducing Disposable Chopstick Use through "Bring Your Own" Program  
"LAWSON Green Fund"  
Twenty years with customers  
Support Activities to Protect Coral Reefs in a Campaign  
Commemorating the Anniversary of the 35th Year in Business

## 47 ▼ Boosting Reducing Waste

### Helping to Build a Recycling Society

- 53 ▶ **Group Company Environmental Initiatives**  
LAWSON Okinawa, Inc. / Ninety-nine Plus Inc.  
LAWSON ATM Networks Inc. /  
LAWSON ENTERMEDIA INC.

## Enriching the Community

### Motivating People

### About LAWSON

## Helping to Build a Recycling Society

### An Example of Food Recycling in Kagawa Prefecture (Cooperation provided by PUBLIC, Inc.)

Unsold foodstuffs from the 75 stores (as of July 31, 2011) in Kagawa Prefecture are collected by "PUBLIC, Inc." and transported to either of the recycling facilities, "Marugame Recycling Plaza" (Chusan and Seisan districts) or "Mitsubishi Clean Service" (Takamatsu City). There, the unsold food products are turned into good quality fertilizer and used in "Public Organic Farm" owned by PUBLIC, Inc.. and contract agricultural farms.

#### <Recycling in the Chusan and Seisan districts>

#### ① Carrying in

PUBLIC, Inc. collects unsold foodstuffs and carries them into recycling facilities.



#### ② Sorting

Foodstuffs and containers/packaging are manually sorted.



#### ③ Fermenting and drying

Sawdust, cow dung, etc. are mixed with the foodstuffs, the moisture is adjusted, and the mixture is fermented and dried with hot air.



#### ④ Composting

The mixture is fermented for about 2 months, then put into a stirring machine. It will be made into a product in 2 to 4 weeks.



PUBLIC, Inc. also sells the vegetables it grows on its farm.

#### ⑥ The compost is either sold to contract agricultural farms or used in farms owned by PUBLIC, Inc.



#### ⑤ Completion

"The organic compost Re-Green" is ready to be sold.



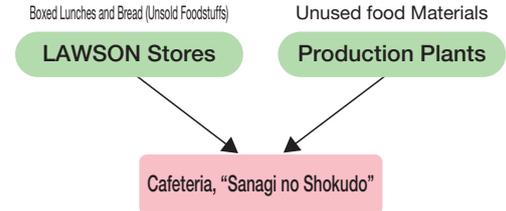
# Boosting Reducing Waste

## Helping to Build a Recycling Society

### Utilization of Unsold Foodstuffs

In cooperation with the City of Yokohama, two local LAWSON stores and a rice products plant have been providing unsold boxed lunches and bread products that have passed their sell-by dates to the non-profit organization Sanagitachi since June 2006. Sanagitachi operates a cafeteria, "Sanagi no Shokudo", in Yokohama's Kotobuki district. The cafeteria uses the unsold foodstuffs before their eat-by dates, not just as they are, but rather as raw materials to prepare inexpensive meals.

### System for the Effective Use of Unsold Foodstuffs



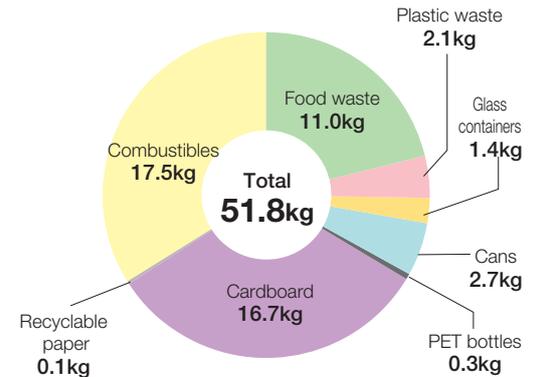
The cafeteria uses them as food materials and offers them to customers before their eat-by dates

### Measuring the Amount of Waste Output per Store

LAWSON continuously surveys the waste output and uses the findings as basic data to promote the reduction and recycling of waste. The survey of the waste output in FY 2010 shows that the average daily waste output per store was 51.8 kg. Much of this is either combustible waste such as waste paper, disposable chopsticks and wrapping paper (17.5 kg) or the cardboard boxes in which products are delivered (16.7 kg). Food waste including used oil accounts for another 11.0 kg.

The volume of waste was on the increase year by year, rising from 52.0 kg in fiscal 2008 to 53.3 kg in fiscal 2009, but decreased to 51.8 kg in fiscal 2010. We think that this is due to the promotion of measures to reduce waste generation in stores and relocation of clean boxes from outside to inside the store.

### Average Amount of Waste per Store per Day



Object: 344 LAWSON stores in Tokyo  
Period: April 1, 2010 – March 31, 2011

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

## Caring for Our Planet

- 30 ▶ Reducing CO<sub>2</sub> Emissions
  - Building Energy-Efficient Stores
  - Improve Logistics Efficiency
  - Eco-Friendly Packaging
- 36 ▶ Working with customers for the environment
  - CO<sub>2</sub> Offset Program
  - "Bring Your Own" Program to Reduce Plastic Shopping Bag Use
  - Reducing Disposable Chopstick Use through "Bring Your Own" Program
  - "LAWSON Green Fund"
  - Twenty years with customers
  - Support Activities to Protect Coral Reefs in a Campaign Commemorating the Anniversary of the 35th Year in Business

## 47 ▼ Boosting Reducing Waste

### Helping to Build a Recycling Society

- 53 ▶ Group Company Environmental Initiatives
  - LAWSON Okinawa, Inc. / Ninety-nine Plus Inc.
  - LAWSON ATM Networks Inc. / LAWSON ENTERMEDIA INC.

## Enriching the Community

### Motivating People

### About LAWSON

# Boosting Reducing Waste

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

## Caring for Our Planet

- 30 ▶ **Reducing CO<sub>2</sub> Emissions**
  - Building Energy-Efficient Stores
  - Improve Logistics Efficiency
  - Eco-Friendly Packaging

- 36 ▶ **Working with customers for the environment**
  - CO<sub>2</sub> Offset Program
  - "Bring Your Own" Program to Reduce Plastic Shopping Bag Use
  - Reducing Disposable Chopstick Use through "Bring Your Own" Program
  - "LAWSON Green Fund"
  - Twenty years with customers
  - Support Activities to Protect Coral Reefs in a Campaign Commemorating the Anniversary of the 35th Year in Business

- 47 ▼ **Boosting Reducing Waste**
  - Helping to Build a Recycling Society

- 53 ▶ **Group Company Environmental Initiatives**
  - LAWSON Okinawa, Inc. / Ninety-nine Plus Inc.
  - LAWSON ATM Networks Inc. / LAWSON ENTERMEDIA INC.

## Enriching the Community

## Motivating People

## About LAWSON

## Helping to Build a Recycling Society

### 100% Uniform Recycling

The LAWSON uniforms can be chemically recycled, which means that they can be broken down and converted to other usable materials at the molecular level, such as material for plastic products and energy, with almost no waste products. Our use of an anaerobic process with no CO<sub>2</sub> emissions also reduces the environmental impact of the recycling.



▲ Uniform made of recycled fibers (from plastic bottles)

### Making Purchase Records and Store Schedules Electronically Available

We have sequentially made purchase records electronically available since February 2009 to change the procedures for the transmission and receiving of purchase data. Moreover, we have also established a system of confirming store operation manuals, except the essential minimum, on the store computer.

Since June 2010, we have fully shifted from the page-a-day calendar describing the store schedule to the calendar on the store computer, which has achieved a successful annual reduction of about 3 million sheets of printed materials. The shift from the paper-based system will help reduce the cost of making, delivering, and managing slips and printed materials as well as increasing the accuracy of information by eliminating the time lag.



◀ A store computer



- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

## Caring for Our Planet

- 30 ▶ Reducing CO<sub>2</sub> Emissions
  - Building Energy-Efficient Stores
  - Improve Logistics Efficiency
  - Eco-Friendly Packaging
- 36 ▶ Working with customers for the environment
  - CO<sub>2</sub> Offset Program
  - "Bring Your Own" Program to Reduce Plastic Shopping Bag Use
  - Reducing Disposable Chopstick Use through "Bring Your Own" Program
  - "LAWSON Green Fund"
  - Twenty years with customers
  - Support Activities to Protect Coral Reefs in a Campaign Commemorating the Anniversary of the 35th Year in Business
- 47 ▶ Boosting Reducing Waste
  - Helping to Build a Recycling Society
- 53 ▼ Group Company Environmental Initiatives
  - LAWSON Okinawa, Inc. / Ninety-nine Plus Inc.
  - LAWSON ATM Networks Inc. / LAWSON ENTERMEDIA INC.

## Enriching the Community

## Motivating People

## About LAWSON

## LAWSON Okinawa, Inc.

### ■ Introducing Electric Vehicles for Use as Company Cars

LAWSON Okinawa, Inc. is an area franchiser managing LAWSON stores in Okinawa (141 stores as of February 28, 2011). The company introduced 2 electric vehicles for use as company cars on January 21, 2011, as a first in the Okinawa retail industry, and has used them for sales activities. Moreover, LAWSON Okinawa has also been installing LED lighting and other energy-saving devices in order to reduce CO<sub>2</sub> emissions from the use of electricity in stores.



▲ Introduction of i-MiEV, an electric vehicle model manufactured by Mitsubishi Motors Corporation

## Ninety-nine Plus Inc.

### ■ Addressing Fund-raising and Resource Saving in All Stores

Ninety-nine Plus Inc. operates 1,077 LAWSON STORE100 outlets (as of February 28, 2011), which sell fresh foods, delicatessen items and other daily use food products in small portions mostly priced at 105 yen.

The company posts announcements requesting customers' cooperation in resource saving and makes a point of asking customers at the register whether they need a plastic shopping bag and/or disposable chopsticks or not. Moreover, the company hands out original eco bags when opening of a new store. Thus, Ninety-nine Plus is positive in addressing resource saving. A donation box has been set up by the side of the register in all stores to make donations to the "LAWSON Green Fund" and "Support Dreams Fund" in collaboration with LAWSON, INC. Furthermore, the introduction of LED lighting is promoted in all stores in Japan.



▲ Ninety-nine Plus original eco bags



▲ At the register (A cash register screen requesting cooperation in resource saving; a donation box set up by the side)



- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

**Caring for Our Planet**

- 30 ▶ **Reducing CO<sub>2</sub> Emissions**
  - Building Energy-Efficient Stores
  - Improve Logistics Efficiency
  - Eco-Friendly Packaging
- 36 ▶ **Working with customers for the environment**
  - CO<sub>2</sub> Offset Program
  - "Bring Your Own" Program to Reduce Plastic Shopping Bag Use
  - Reducing Disposable Chopstick Use through "Bring Your Own" Program
  - "LAWSON Green Fund"
  - Twenty years with customers
  - Support Activities to Protect Coral Reefs in a Campaign Commemorating the Anniversary of the 35th Year in Business
- 47 ▶ **Boosting Reducing Waste**
  - Helping to Build a Recycling Society
- 53 ▼ **Group Company Environmental Initiatives**
  - LAWSON Okinawa, Inc. / Ninety-nine Plus Inc.
  - LAWSON ATM Networks Inc. / LAWSON ENTERMEDIA INC.

**Enriching the Community**

**Motivating People**

**About LAWSON**

## LAWSON ATM Networks, Inc.

### ■ Introduction of LED-lit ATM signs

LAWSON ATM Networks, Inc. is engaged in the installation, management and operation of joint ATMs at LAWSON stores and other locations. The company was operating 8,614 ATMs in 46 prefectures as of May 31, 2011.

In fiscal 2010, 1,522 units of energy-saving LED stand signs (reducing electricity consumption by around 75% compared to conventional models) were introduced, exceeding the original target of 800 units. Wall-mounted LED signs have also been installed since fiscal 2011. Saving electricity by using LED lighting and shifting from the separate type to the wall-mount type will help these efforts further.



▲ Auto on/off wall-mount sign

## LAWSON ENTERMEDIA, INC.

■ Supporting the Tokyo International Film Festival in collaboration with the LAWSON Green Fund  
LAWSON ENTERMEDIA, INC., sells concert, sports, film and other tickets primarily via Loppi multimedia information terminals inside LAWSON stores. Supporting the "Tokyo International Film Festival"\*, as an event that raises environmental awareness, this year again like last. LAWSON ENTERMEDIA advertised the film festival with printed announcements attached to LAWSON Green Fund donation boxes at LAWSON stores, and solicited donations to the LAWSON Green Fund (see p.43 for details) through the Green Carpet Club's "Green Charity".

\* The Tokyo International Film Festival has adopted green electricity, green carpets, etc. with the theme of environmental friendliness and sends out ecological messages to the world.



◀ Tokyo International Film Festival Announcement (Tokyo, Kanagawa Pref., Chiba Pref., Saitama Pref.)

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

Caring for Our Planet

Enriching the Community

- 55 **LAWSON Group Initiatives for the Community**
  - Stores that Enrich the Community
    - Enriching the Community by Collaborating with Local Authorities
  - 61 **Serving as One of Society's Lifelines**
    - In order to protect the community from large-scale natural disasters
  - 63 **Aiming to Become a Vital Part of Neighborhood Life**
    - Delivering Convenience and Comfort Every Day
  - 67 **Bringing Ties with the Local Community**
    - Together with the Local Community
  - 70 **For the Next Generation**
    - Supporting Social Education
  - 72 **Supporting Citizenship Activities/ Overseas Assistance**
    - Building Social Contribution Infrastructure

Motivating People

About LAWSON

## Stores that Enrich the Community

As society and lifestyles evolve, customer needs are diversifying. To keep abreast of these changing needs, the LAWSON Group is implementing various reforms that try to take convenience stores to the next level.



Store Style and Product Selection Suited to Customers' needs



- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

### Caring for Our Planet

### Enriching the Community

#### ▼ LAWSON Group Initiatives for the Community

##### Stores that Enrich the Community

Enriching the Community by Collaborating with Local Authorities

##### ▶ Serving as One of Society's Lifelines

In order to protect the community from large-scale natural disasters

##### ▶ Aiming to Become a Vital Part of Neighborhood Life

Delivering Convenience and Comfort Every Day

##### ▶ Bringing Ties with the Local Community

Together with the Local Community

##### ▶ For the Next Generation

Supporting Social Education

##### ▶ Supporting Citizenship Activities/ Overseas Assistance

Building Social Contribution Infrastructure

### Motivating People

### About LAWSON

## Stores that Enrich the Community

### Enriched Freshness Hybrid LAWSON Store

~LAWSON also sells reasonably priced fresh food~

Hybrid LAWSON stores sell a selection of reasonably priced fresh vegetables, fruits, tofu, eggs, and other daily-use food products as well as seasonings. These products are popular especially among working female and elderly customers, as they prefer the “Lawson in their close neighborhood where they can find anything they need” to the large supermarket far from their house.



▲ Hybrid Store

### In-store Cooking Kitchen Business

~Hot from the kitchen, right out of the kitchen in Lawson~

Some of the LAWSON Stores provide that freshly made restaurant taste — anytime, anywhere, conveniently. The food is made available by combining two services: at the “sell-by-weight” corner and as “Dekitate Bento,” a boxed lunch freshly and properly cooked in the store. We provide meals for all kinds of situations, including lunches at school and work, and meals for housewives and seniors.



▲ Sell-by-weight corner in the kitchen business

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

**Caring for Our Planet**

**Enriching the Community**

**55 ▼LAWSON Group Initiatives for the Community**

**Stores that Enrich the Community**  
Enriching the Community by Collaborating with Local Authorities

**61 ▶Serving as One of Society's Lifelines**  
In order to protect the community from large-scale natural disasters

**63 ▶Aiming to Become a Vital Part of Neighborhood Life**  
Delivering Convenience and Comfort Every Day

**67 ▶Bringing Ties with the Local Community**  
Together with the Local Community

**70 ▶For the Next Generation**  
Supporting Social Education

**72 ▶Supporting Citizenship Activities/ Overseas Assistance**  
Building Social Contribution Infrastructure

**Motivating People**

**About LAWSON**

### Stores that Enrich the Community

#### NATURAL LAWSON

~Support for Your "Healthy, Beautiful and Comfortable" Lifestyle by Your Side~

NATURAL LAWSON stores, with the catch phrase "Daily and surely," are located in business districts of large cities to cater to the large number of working women. They offer healthy, low-calorie delicatessen items and boxed lunches, sweets made from select ingredients, detergents and cosmetics made from natural materials, and other products that can be used with peace of mind. NATURAL LAWSON stores have won a following among health-conscious men as well as women. (90 stores as of Feb. 2011)



▲NATURAL LAWSON

#### Healthcare - Store with Dispensing Pharmacy

~Support Your Healthy and Comfortable Life~

Some Natural LAWSON stores have a dispensing pharmacy and provide highly professional services, including acceptance of prescriptions issued by medical institutions, provision of health consultation services by pharmacists, and sales of OTC medicines\*.

\* OTC medicines: Medicines that can be bought in pharmacies without a prescription issued by a medical institution. They are self-medication products.



▲Healthcare - NATURAL LAWSON with Dispensing Pharmacy

#### LAWSON STORE100

~Support Your Daily Life with a Wide Range of Products, Convenience, and Single Price~

These stores sell fresh foods, delicatessen items and other foods delivered daily in small portions and mostly priced at 105 yen, which meets the needs of housewives, the elderly and small households. We sell only the freshest and best quality fresh foods, putting priority on selling seasonal vegetables and fruits. (1,077 stores as of Feb. 2011)



▲LAWSON STORE100

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

### Caring for Our Planet

### Enriching the Community

#### ▼ LAWSON Group Initiatives for the Community

- 55 Stores that Enrich the Community
  - Enriching the Community by Collaborating with Local Authorities
- 61 ► Serving as One of Society's Lifelines
  - In order to protect the community from large-scale natural disasters
- 63 ► Aiming to Become a Vital Part of Neighborhood Life
  - Delivering Convenience and Comfort Every Day
- 67 ► Bringing Ties with the Local Community
  - Together with the Local Community
- 70 ► For the Next Generation
  - Supporting Social Education
- 72 ► Supporting Citizenship Activities/Overseas Assistance
  - Building Social Contribution Infrastructure

### Motivating People

### About LAWSON

## Enriching the Community by Collaborating with Local Authorities

LAWSON has made comprehensive agreements with local authorities and government-decreed cities in an effort to participate in local cooperation activities, and been involved in a variety of efforts to enrich the community and to improve the satisfaction of the residents.

### Collaboration with Communities through Comprehensive Agreements with Local Authorities

LAWSON aims to be the "Hot Station in the Neighborhood" through store management rooted in the local community and activities that contribute to the local community. As part of these efforts, we partner with local authorities on joint projects to improve neighborhoods and promote local development. By the end of May 2011, we had entered into comprehensive agreements with 39 local authorities, and are involved in a wide variety of efforts.



#### ● Major Activities in the Comprehensive Agreement with Local Authorities

##### Tourism promotion/PR

Stocking and making available prefectural magazines and tourist information leaflets, etc.

##### Promotion of prefectural products and cooking ingredients

Developing products in the category of "local production for local consumption," using local produce and cooking ingredients and promoting "local production for nationwide consumption" (Refer to p.59~60.)

##### Welfare/Support for child-raising

Offering hot water to make baby formula and selling products manufactured in vocational training centers, etc. (Reference information on p.69)



▲ Concluded a comprehensive agreement with Chiba Prefecture in May 2010

##### Contributions to a better environment

Activities to reduce the use of plastic shopping bags and participation in greening activities, etc. (Relevant information on p.39, 68, and 69)

##### Crime prevention; Youth development

Supporting the healthy growth of children through the promotion of sports activities, etc. (Reference information on p.67 and 71)

##### Disaster Assistance Agreements

Entering into agreements on goods procurement and provision of support to people facing difficulties in returning home (Refer to p.61.)

### Enriching the Community by Collaborating with Local Authorities

~Product Development by using local products~ local production for local consumption\*1

\*1 the development of products that use local produce for local consumption

**4 Fukuji Prefecture**  
**Fluffy Hand-rolled Rice Triangle with Fukuji-produced Pickled Plum Paste**



Fukuji-produced pickled plums are carefully made into paste and mixed with cut beefsteak plant leaves.

**5 Hyogo Prefecture**  
**Milk-flavored Danish Bread (contains Awajishima island milk)**



Flakey Danish bread made with Awajishima-produced milk is stick-shaped to make it easy to eat.

**1 Sapporo City**  
**Boxed Lunch made by a Female University Student in Sapporo**



A healthy lunch developed in cooperation with the Sapporo City Public Health Office and based on the idea of a female university student learning nutrition science in Sapporo

**6 Okayama Prefecture**  
**Shrimp Rice & Sweet and Peppery Kibi Kogen Chicken on a Plate**



Ebimeshi shrimp rice, local food in Okayama, is stir-fried at a high temperature, using specially prepared seasonings. Chicken produced in Kibi Kogen highland and cooked sweet and peppery is placed on top.

**7 Fukuoka City**  
**Hakata Genji Jirushi Bento (Hakata healthy boxed lunch)**



The lunch was created with a nutritionist who is a school lunch expert. Locally produced bamboo shoots, seaweed, "Hakata Jidori chicken," and "Hakata Mentaiko (marinated pollock roe)" are used as ingredients.

**2 Yamagata Prefecture**  
**Bean Cake Bread**

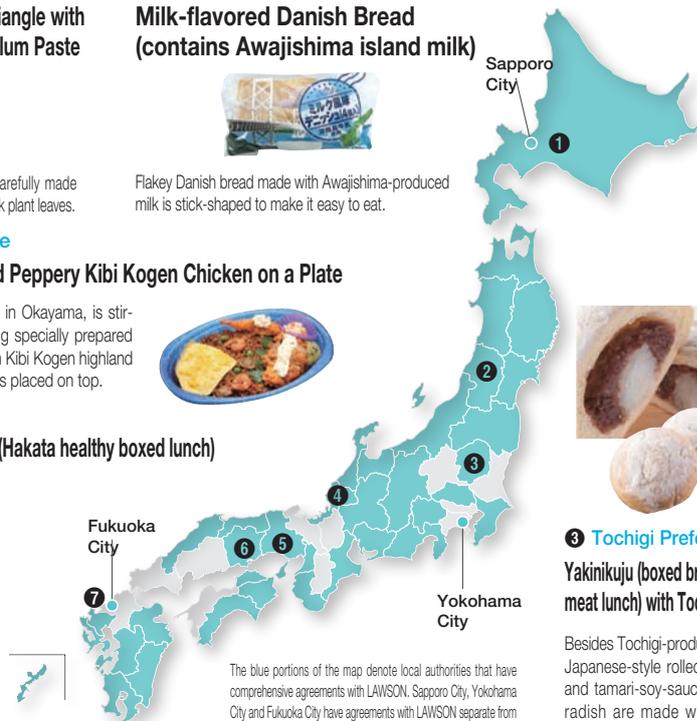


Sweet boiled new-brand rice, Tsuyahime, produced in Yamagata, and azuki beans, produced in Hokkaido, are wrapped in baked bread.

**3 Tochigi Prefecture**  
**Yakinikuju (boxed broiled meat lunch) with Tochigi Pork**



Besides Tochigi-produced pork, Japanese-style rolled omelette and tamari-soy-sauce- pickled radish are made with locally produced cooking ingredients.



The blue portions of the map denote local authorities that have comprehensive agreements with LAWSON. Sapporo City, Yokohama City and Fukuoka City have agreements with LAWSON separate from those of their prefectures. These are only part of our products

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

#### Caring for Our Planet

#### Enriching the Community

- 55 **▼LAWSON Group Initiatives for the Community**
  - Stores that Enrich the Community
  - Enriching the Community by Collaborating with Local Authorities
- 61 **▶Serving as One of Society's Lifelines**
  - In order to protect the community from large-scale natural disasters
- 63 **▶Aiming to Become a Vital Part of Neighborhood Life**
  - Delivering Convenience and Comfort Every Day
- 67 **▶Bringing Ties with the Local Community**
  - Together with the Local Community
- 70 **▶For the Next Generation**
  - Supporting Social Education
- 72 **▶Supporting Citizenship Activities/ Overseas Assistance**
  - Building Social Contribution Infrastructure

#### Motivating People

#### About LAWSON

### Enriching the Community by Collaborating with Local Authorities

#### ~LAWSON Opens In-Store Prefecture Promotion Shops~ local production for nationwide consumption\*2

LAWSON has opened Prefecture Promotion Shops inside its stores to promote individual prefectures with which it has comprehensive agreements by providing tourism information and selling goods from the prefectures concerned. The 7 Prefecture Promotion Shops operating as of July 31, 2011 sell between 70 and 300 recommended products from their respective prefectures

\*2 the development of products that use local produce for nationwide consumption.

#### ●List of the In-Store Prefecture Promotion Shops (As of July 31, 2011)

Opening day / Prefecture Name	Installation Location
March 2009 Tokushima Pref.	Toranomon Tomoe-cho Store in Tokyo
November 2009 Saitama Pref.	NATURAL LAWSON Shinjuku Station West Store in Tokyo
April 2010 Nagano Pref.	NATURAL LAWSON Tsukiji East Theatre Bldg. Store in Tokyo
May 2010 Okinawa Pref.	Meieki Minamihirokoji Store in Nagoya City
July 2010 Chiba Pref.	Yokohama Sumiyoshi-cho 4-chome Store in Yokohama City
October 2010 Kumamoto Pref.	Azuchi-machi 2-chome Store in Osaka City
July 2011 Nagano Pref. (2nd Store)	MIDLAND STATION Store in Nagoya City

From the Frontline: Employee

### We would like to provide help concerning “love for one’s home town” and “local revitalization.”

The antenna shop located in the Natural LAWSON Tsukiji East Theatre Bldg. Store, which opened in April 2010, sells local specialties of Nagano Prefecture. Nagano Prefecture especially wanted female customers to pick up its local products and looked for a suitable store. The prefecture is satisfied to have successfully started the operation in an area that has many female customers. As many as 120 items produced in the prefecture are sold. Particularly popular among customers is “Oyaki (dumplings).” Some customers buy many dumplings at a time. I understand that local people really love their home town. We would like to keep making efforts to make them happier and help revitalize their local communities.



New Business Initiative Division  
**Tetsuya Oguchi**



◀ Local Specialties Corner A full array of carefully selected local specialties at a corner in the store



▶ NATURAL LAWSON  
Tsukiji East Theatre  
Bldg. Store

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

#### Caring for Our Planet

#### Enriching the Community

##### ▼LAWSON Group Initiatives for the Community

- 55 Stores that Enrich the Community
  - Enriching the Community by Collaborating with Local Authorities
- 61 ▶ Serving as One of Society's Lifelines
  - In order to protect the community from large-scale natural disasters
- 63 ▶ Aiming to Become a Vital Part of Neighborhood Life
  - Delivering Convenience and Comfort Every Day
- 67 ▶ Bringing Ties with the Local Community
  - Together with the Local Community
- 70 ▶ For the Next Generation
  - Supporting Social Education
- 72 ▶ Supporting Citizenship Activities/ Overseas Assistance
  - Building Social Contribution Infrastructure

#### Motivating People

#### About LAWSON

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

**Caring for Our Planet**

**Enriching the Community**

- 55 ▶ **LAWSON Group Initiatives for the Community**  
Stores that Enrich the Community  
Enriching the Community by Collaborating with Local Authorities
- 61 ▼ **Serving as One of Society's Lifelines**  
In order to protect the community from large-scale natural disasters
- 63 ▶ **Aiming to Become a Vital Part of Neighborhood Life**  
Delivering Convenience and Comfort Every Day
- 67 ▶ **Bringing Ties with the Local Community**  
Together with the Local Community
- 70 ▶ **For the Next Generation**  
Supporting Social Education
- 72 ▶ **Supporting Citizenship Activities/Overseas Assistance**  
Building Social Contribution Infrastructure

**Motivating People**

**About LAWSON**

## In order to Protect the Community from Large-scale Natural Disasters

The LAWSON Group provides various supports and works to maintain store operations in disaster-stricken areas in order to serve as part of the lifeline to protect the community from large-scale natural disasters.

### Disaster Assistance Agreements

LAWSON stores strive to become a part of the lifeline in the event of large-scale natural disasters by continuing to operate without interruption in disaster-stricken areas. As of May 31, 2011, we had concluded Provision Procurement Agreements with 62 local authorities and other public organizations to supply as many essential provisions as possible to evacuation centers.

As of May 31, 2011, we had also concluded Displaced People Assistance Agreements with 41 local authorities, promising to do our utmost to lend toilet facilities and provide tap water, information updates and so forth to disaster victims forced to travel on foot due to the collapse of roads and means of transport in disaster-stricken areas.

#### ● Provision Procurement Agreements Concluded Since Fiscal 2010 (As of May 31, 2011)

Agreement Date	Agreement Partner
September 7, 2010	Okinawa Pref.
September 10, 2010	Gunma Pref.
January 21, 2011	NARITA INTERNATIONAL AIRPORT CORPORATION
March 29, 2011	Kawasaki City
April 22, 2011	Fukuoka City

#### ● Displaced People Assistance Agreements Concluded Since Fiscal 2010 (As of May 31, 2011)

Agreement Date	Agreement Partner
May 12, 2010	Miyazaki Pref.
September 1, 2010	Kagoshima Pref.
September 2, 2010	Ishikawa Pref.
January 17, 2011	Okinawa Pref.
February 3, 2011	Fukushima Pref.

List of Partners



Website

Japanese only

In order to protect the community from large-scale natural disasters

## Disaster Relief Fundraising

LAWSON provides help to areas stricken by large-scale disasters by replacing its LAWSON Green Fund collection boxes with a special disaster fund appeal for a limited period. (See p.43)

In 2010, we contributed funding for five disaster relief efforts as outlined on the right, delivering donations of people from across the country to the victims of disasters. We sincerely thank our customers for their generous donations.

Click here for the results of the past disaster relief fundraising

[Website](#)

Japanese only

## Support to Disaster-stricken Areas in Case of a Disaster

When a large-scale disaster occurs, the LAWSON Group establishes a Disaster Response Office and promptly implements disaster countermeasures to ensure continuation of the supply lifeline to the disaster area, and provides aid to the affected municipalities in the form of provisions.

Click here for the support provided to the areas affected by the 2011 Great East Japan Earthquake.

[Featured Page](#)

### Disaster Relief Funds Collected in Fiscal 2010

Fund	Area	Period	Total donations
Chile Earthquake Relief Fund	All LAWSON Stores 8,765 Stores	March 3 to March 16, 2010	¥22,345,608
China Qinghai Province Earthquake Relief Fund	All LAWSON Stores 8,765 Stores	April 17 to April 30, 2010	¥18,596,816
Miyazaki Foot-and-Mouth Disease Relief Fund	All LAWSON Stores 8,803 Stores	May 21 to July 31, 2010	¥27,075,471
Amami Heavy Rain Disaster Relief Fund	LAWSON Stores in Okinawa and Kyusyu Area 1,066 Stores	October 24 to November 6, 2010	¥3,279,560
Shinmoedake Volcanic Eruption Disaster Relief Fund	All LAWSON Stores 8,917 Stores	February 19 to March 11, 2011	¥23,019,038

### Results of the disaster relief goods provision in fiscal 2010

Disaster	Item	Number
Amami Heavy Rain Disaster	500ml bottles of water	1,200
	Cup noodle	1,000

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

### Caring for Our Planet

### Enriching the Community

- 55 ▶ **LAWSON Group Initiatives for the Community**  
Stores that Enrich the Community  
Enriching the Community by Collaborating with Local Authorities
- 61 ▼ **Serving as One of Society's Lifelines**  
In order to protect the community from large-scale natural disasters
- 63 ▶ **Aiming to Become a Vital Part of Neighborhood Life**  
Delivering Convenience and Comfort Every Day
- 67 ▶ **Bringing Ties with the Local Community**  
Together with the Local Community
- 70 ▶ **For the Next Generation**  
Supporting Social Education
- 72 ▶ **Supporting Citizenship Activities/Overseas Assistance**  
Building Social Contribution Infrastructure

### Motivating People

### About LAWSON

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

## Caring for Our Planet

## Enriching the Community

- 55 ▶ **LAWSON Group Initiatives for the Community**  
Stores that Enrich the Community  
Enriching the Community by Collaborating with Local Authorities
- 61 ▶ **Serving as One of Society's Lifelines**  
In order to protect the community from large-scale natural disasters
- 63 ▼ **Aiming to Become a Vital Part of Neighborhood Life**  
Delivering Convenience and Comfort Every Day
- 67 ▶ **Bringing Ties with the Local Community**  
Together with the Local Community
- 70 ▶ **For the Next Generation**  
Supporting Social Education
- 72 ▶ **Supporting Citizenship Activities/ Overseas Assistance**  
Building Social Contribution Infrastructure

## Motivating People

## About LAWSON

## Delivering Convenience and Comfort Every Day

Leveraging its nationwide network of stores, we seek to offer convenience in the form of essential services. We are also in the process of making our stores reliable and accessible to all customers.

## Providing a Wide Range of Services

### ■ Ponta Multi-Partner Loyalty Program

The Ponta multi-partner loyalty program was launched in March 2010, enabling customers to collect points at other Ponta partner outlets as well as ours when they shop. As well as one point being able to be used as 1 yen, a variety of special advantages will be offered in LAWSON stores. Ponta provides us with a platform both for providing customers with greater convenience and for implementing joint sales promotions with other Ponta partners.



▲ Ponta Card  
(As of June 1, 2011, participating 36 companies and available at 13,843 stores)

### ■ E-Payment Services

To enable a wider variety of payment methods and shorten checkout payment time, we have introduced e-payment services to almost all of our stores nationwide. In addition to iD<sup>TM1</sup>, QUICPay<sup>TM2</sup>, Edy<sup>A3</sup> and Visa Touch (Smartplus)<sup>A4</sup>, all of which can be used nationwide, JR East Suica<sup>A5</sup> and other major transport e-payment systems can be used in all regions except Shikoku.



▲ E-Payment Terminals

\*1. iD is a trademark of NTT DOCOMO, INC.  
 \*2. QUICPay is a system endorsed by the Mobile Payment Promotion Association (MOPPA).  
 \*3. Edy is a prepaid e-money service operated by bitWallet, Inc.  
 \*4. Visa Touch and Smartplus are non-contact e-payment services offered respectively by Visa International Inc. and Mitsubishi UFJ NICOS Co., Ltd.  
 \*5. Suica is a registered trademark of East Japan Railway Company.



## Delivering Convenience and Comfort Every Day

### ■ Providing ATM Services

LAWSON provides ATM services for cash withdrawals and balance inquires using the cash cards of Japan's city banks, some regional banks and credit unions, and Japan Post Bank cards, as well as credit card company cash loans. As of May 31, 2011, LAWSON operated 8,614 ATMs in 46 prefectures and had partnerships with 46 banks including all of Japan's city banks, regional and Internet-only banks.



### ■ Providing a Wide Range of Services with "Loppi" Multimedia Terminals

LAWSON stores are equipped with Loppi multimedia terminals that can be used for the reservation and purchase of concert and other event tickets handled by a consolidated subsidiary, LAWSON ENTERMEDIA, INC., "toto" sports promotion lottery tickets and various transport tickets including highway bus. Also, advanced purchase of DVDs and gift items, and applications for certification tests are available.

### ■ Comprehensive Alliance with Japan Post Holdings Co., Ltd.

Under its comprehensive alliance with Japan Post Holdings Co., Ltd., LAWSON is leveraging its nationwide network of stores to improve the convenience of postal services—an important component of social infrastructure—by equipping all of its stores with mailboxes, opening stores in post offices and post offices in some LAWSON stores, cooperative opening of stores and other innovations.



▲ "Tokyo Dome City Post Office" and "LAWSON Tokyo Dome City Store" opened in cooperation with Japan Post Holdings Co., Ltd.

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

## Caring for Our Planet

## Enriching the Community

- 55 ▶ **LAWSON Group Initiatives for the Community**  
Stores that Enrich the Community  
Enriching the Community by Collaborating with Local Authorities
- 61 ▶ **Serving as One of Society's Lifelines**  
In order to protect the community from large-scale natural disasters
- 63 ▼ **Aiming to Become a Vital Part of Neighborhood Life**  
Delivering Convenience and Comfort Every Day
- 67 ▶ **Bringing Ties with the Local Community**  
Together with the Local Community
- 70 ▶ **For the Next Generation**  
Supporting Social Education
- 72 ▶ **Supporting Citizenship Activities/ Overseas Assistance**  
Building Social Contribution Infrastructure

## Motivating People

## About LAWSON



## Delivering Convenience and Comfort Every Day

### We introduced self-checkout machines to ease the congestion

Self-checkout machines that help to reduce congestion during peak times in the morning and lunch time were introduced in June 2010, and as of the end of July 2011, 74 machines have been introduced to 46 LAWSON stores. It is the first convenience store to accept a wide variety of cards for payment, such as credit card, electronic money and Ponta points.



▶ Self-checkout machine

### Stores More Comfortable and More Accessible to All Customers

We are striving to make our stores completely barrier-free and accessible to all customers. All new stores have wheelchair-accessible entrances, and stores with car parks have a dedicated space for wheelchair users. Also, store toilets are Western-style with handrails, and access has been improved with the removal of raised entrance thresholds. Guide dogs, service dogs, hearing dogs and other assistance dogs are welcome at all our stores.



▲ Barrier-free Bathroom

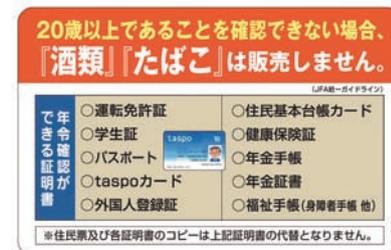


▲ Working Dog Welcome

We have also introduced shopping carts and large-print price tags at designated LAWSON stores in an effort to make our stores user-friendly for elderly people.

### Deterring Underage Drinking and Smoking

To prevent underage consumption of alcohol and tobacco, we use recorded voice guidance or other means at checkout counters to demand proof of age from all customers except for those who are clearly over the legal threshold. In addition to educating employees on a regular basis, we also display posters and make in-store announcements to heighten customers' awareness of this issue.



▲ Notices of various kinds displayed in stores

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

## Caring for Our Planet

## Enriching the Community

- 55 ▶ **LAWSON Group Initiatives for the Community**  
Stores that Enrich the Community  
Enriching the Community by Collaborating with Local Authorities
- 61 ▶ **Serving as One of Society's Lifelines**  
In order to protect the community from large-scale natural disasters
- 63 ▼ **Aiming to Become a Vital Part of Neighborhood Life**  
Delivering Convenience and Comfort Every Day
- 67 ▶ **Bringing Ties with the Local Community**  
Together with the Local Community
- 70 ▶ **For the Next Generation**  
Supporting Social Education
- 72 ▶ **Supporting Citizenship Activities/ Overseas Assistance**  
Building Social Contribution Infrastructure

## Motivating People

## About LAWSON

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

**Caring for Our Planet**

**Enriching the Community**

- 55 ▶ **LAWSON Group Initiatives for the Community**  
Stores that Enrich the Community  
Enriching the Community by Collaborating with Local Authorities
- 61 ▶ **Serving as One of Society's Lifelines**  
In order to protect the community from large-scale natural disasters
- 63 ▼ **Aiming to Become a Vital Part of Neighborhood Life**  
Delivering Convenience and Comfort Every Day
- 67 ▶ **Bringing Ties with the Local Community**  
Together with the Local Community
- 70 ▶ **For the Next Generation**  
Supporting Social Education
- 72 ▶ **Supporting Citizenship Activities/ Overseas Assistance**  
Building Social Contribution Infrastructure

**Motivating People**

**About LAWSON**

## Delivering Convenience and Comfort Every Day

### Encouraging Good Smoking Manners

The LAWSON has established standards for the placement of storefront ashtrays. Where bylaws prohibit smoking on sidewalks, we have as a rule removed ashtrays, and in other locations, we have repositioned ashtrays away from store entrances. We also take various measures, including the display of smoking etiquette stickers on ashtrays in cooperation with Japan Tobacco Inc., to raise awareness of the importance of observing good smoking.



◀ Smoking Etiquette Sticker on Ashtray

### Display of Organ Donor Cards

To help promote organ transplants, since January 1999 we have displayed organ donor cards in all of our stores. We will continue to help promote organ transplants by using our neighborhood stores to raise awareness and prompt our customers to think about donating organs.



◀ Organ Donor Cards

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

## Caring for Our Planet

## Enriching the Community

- 55 ▶ **LAWSON Group Initiatives for the Community**  
Stores that Enrich the Community  
Enriching the Community by Collaborating with Local Authorities
- 61 ▶ **Serving as One of Society's Lifelines**  
In order to protect the community from large-scale natural disasters
- 63 ▶ **Aiming to Become a Vital Part of Neighborhood Life**  
Delivering Convenience and Comfort Every Day
- 67 ▼ **Bringing Ties with the Local Community**  
Together with the Local Community
- 70 ▶ **For the Next Generation**  
Supporting Social Education
- 72 ▶ **Supporting Citizenship Activities/ Overseas Assistance**  
Building Social Contribution Infrastructure

## Motivating People

## About LAWSON

## Together with the Local Community

LAWSON supports a wide range of sports activities and participates in neighborhood cleanup activities to foster close relations with local communities.

### Support for Sports Activities

■ **Supporting the 65th National Sports Festival in Chiba Prefecture**  
LAWSON supports the annual National Sports Festival of Japan, which is held at different locations each year, as part of our cooperation programs through comprehensive agreements with local authorities. In fiscal 2010, we supported the 65th National Sports Festival, held in Chiba Prefecture, by distributing a Chiba National Sports Festival Support Map with discount coupons at tournament sites and other locations. We also distributed 100 original Chi-Ba Kun eco bags for customers who bought "Karaage-Kun" at stores in Chiba Prefecture.

LAWSON now looks forward to supporting the 66th National Sports Festival to be held in Yamaguchi Prefecture in fiscal 2011 through Japan Sports Association.

### ■ LAWSON Cup Mothers' Volleyball Tournament

LAWSON supports Mothers' Volleyball, a homegrown Japanese lifelong sport. The 6th LAWSON Cup All Japan Mothers' Volleyball Tournament Finals were held from July, 2010. After preliminary regional rounds that attracted 3,000 teams, approximately 50,000 participants went on to battle each other.

\*The Finals in Hiroshima Prefecture for winning teams representing their respective prefectures were canceled because of the Great East Japan Earthquake.



▲ Opening ceremony of the 65th National Sports Festival in Chiba Prefecture



▲ Original eco bag and Chiba National Sports Festival Support Map with discount coupons



▲ Preliminary rounds awards ceremony for Lawson Cup All Japan Mothers' Volleyball



- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

### Caring for Our Planet

### Enriching the Community

- 55 ▶ **LAWSON Group Initiatives for the Community**  
Stores that Enrich the Community  
Enriching the Community by Collaborating with Local Authorities
- 61 ▶ **Serving as One of Society's Lifelines**  
In order to protect the community from large-scale natural disasters
- 63 ▶ **Aiming to Become a Vital Part of Neighborhood Life**  
Delivering Convenience and Comfort Every Day
- 67 ▼ **Bringing Ties with the Local Community**
  - Together with the Local Community
  - 70 ▶ **For the Next Generation**  
Supporting Social Education
  - 72 ▶ **Supporting Citizenship Activities/ Overseas Assistance**  
Building Social Contribution Infrastructure

### Motivating People

### About LAWSON

## Together with the Local Community

■ **Supporting the J.League's ALBIREX NIIGATA — LAWSON Thanks Day**  
The Japan Professional Football League (J. League) has a strong regional element, and LAWSON has supported ALBIREX NIIGATA as an official sponsor since 2003. One game each year is named LAWSON Thanks Day, with 15 minutes before the start of the game devoted as the Time for LAWSON Thanks Day to a “Heart and Soul Support Declaration” that unites LAWSON family and ALBIREX-team supporters.



▲LAWSON Thanks Day

©ALBIREX NIIGATA

## Neighborhood Cleanup Efforts

LAWSON helps to keep neighborhoods tidy by participating in cleanup activities.

■ **Fukuoka Love Earth Cleanup**  
LAWSON participated in Fukuoka Love Earth Cleanup held in Ohori Park in Fukuoka City in June 2010. This was LAWSON's 17th year of participation in the event, which is organized by the non-profit organization Clean Fukuoka Association. Of the 1,700 participants, 86 were from LAWSON-related people, and they collected about 300 bags of litter.



▲Fukuoka Love Earth Cleanup

■ **Kyoto Citizen Mass Cleanup Action**  
About 70 LAWSON-related people participated in the Kyoto Citizen Mass Cleanup Action event held in Kyoto City in November 2010. A total of 3,500 Kyoto residents and company workers participated in this mass effort to clean up shopping districts and tourist spots.



▲The Kyoto Citizen Mass Cleanup Action

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

### Caring for Our Planet

### Enriching the Community

- 55 ▶ **LAWSON Group Initiatives for the Community**  
Stores that Enrich the Community  
Enriching the Community by Collaborating with Local Authorities
- 61 ▶ **Serving as One of Society's Lifelines**  
In order to protect the community from large-scale natural disasters
- 63 ▶ **Aiming to Become a Vital Part of Neighborhood Life**  
Delivering Convenience and Comfort Every Day
- 67 ▼ **Bringing Ties with the Local Community**  
Together with the Local Community
- 70 ▶ **For the Next Generation**  
Supporting Social Education
- 72 ▶ **Supporting Citizenship Activities/ Overseas Assistance**  
Building Social Contribution Infrastructure

### Motivating People

### About LAWSON

## Together with the Local Community

### ■ Arakawa Clean Aid

In November 2010, LAWSON organized Arakawa Clean Aid 2010 with the participation of 110 LAWSON Group employees and their families, and gathered 62 bags of litter and 30 large-sized waste items. This was our 16th annual cleanup of the banks of the Arakawa River in Tokyo since we started this initiative in 1994.



▲ Arakawa Clean Aid

### Attending the seminar on supporting dementia Chugoku & Shikoku offices

Dementia has been one of the social problems in recent years, so at the Chugoku & Shikoku offices, employees started to attend the seminar for dementia sufferer supporters from 2010, as a part of its comprehensive agreement with local authorities. 69 employees from Tottori, Kochi, and Okayama Prefecture have attended the seminar.

We learn how to serve a customer with dementia and how to deal with dementia patients wandering around the store, and apply the lessons learned to our services.



▲ The Seminar on Supporting Dementia

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

Caring for Our Planet

Enriching the Community

- 55 ▶ **LAWSON Group Initiatives for the Community**  
Stores that Enrich the Community  
Enriching the Community by Collaborating with Local Authorities
- 61 ▶ **Serving as One of Society's Lifelines**  
In order to protect the community from large-scale natural disasters
- 63 ▶ **Aiming to Become a Vital Part of Neighborhood Life**  
Delivering Convenience and Comfort Every Day
- 67 ▶ **Bringing Ties with the Local Community**  
Together with the Local Community
- 70 ▼ **For the Next Generation**  
Supporting Social Education
- 72 ▶ **Supporting Citizenship Activities/ Overseas Assistance**  
Building Social Contribution Infrastructure

Motivating People

About LAWSON

## Supporting Social Education

The LAWSON Group works as one with local communities to help create an ideal environment for children to grow up.

### For Families with Children HAPPY LAWSON Stores

The idea arose from the theme of the prizewinning entry in a contest held in 2005 to commemorate our 30th anniversary that solicited ideas on *The Convenience Store of the Future*. With the idea of winning entry proposing convenience stores that support childrearing, the HAPPY LAWSON Yamashita park store that we opened in Yokohama City marked its 4th anniversary in July 2011.

For example, we made the aisles wide enough to accommodate a baby carriage and added a play area for kids and a space for caregivers to relax, chat, and enjoy various events. We also bolstered our product lineup with disposable diapers, baby food, picture books, toys and other products that families raising small children have frequent need of.

See the link for the latest information about "Happy LAWSON."

▶ Website

Japanese only

▼HAPPY LAWSON Yamashita Park store



Illustrations Dick Bruna © copyright Mercis bv, 1953-2011 www.miffy.com



▶ The Store Provides Family-friendly Products

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

**Caring for Our Planet**

**Enriching the Community**

- 55 ▶ **LAWSON Group Initiatives for the Community**  
Stores that Enrich the Community  
Enriching the Community by Collaborating with Local Authorities
- 61 ▶ **Serving as One of Society's Lifelines**  
In order to protect the community from large-scale natural disasters
- 63 ▶ **Aiming to Become a Vital Part of Neighborhood Life**  
Delivering Convenience and Comfort Every Day
- 67 ▶ **Bringing Ties with the Local Community**  
Together with the Local Community
- 70 ▼ **For the Next Generation**  
Supporting Social Education
- 72 ▶ **Supporting Citizenship Activities/ Overseas Assistance**  
Building Social Contribution Infrastructure

**Motivating People**

**About LAWSON**

**Supporting Social Education**

## Fifth Grader Work Experience in Kyoto Student City

In January 2007, LAWSON opened a store in Kyoto Student City\* designed to give children a taste of what work in a convenience store entails. As well as a LAWSON store, Kyoto Student City's little town boasts a ward office, bank, newspaper publisher, traditional pickle purveyor and other work experience facilities created through the cooperation of 12 companies and other organizations. After being taught about society and employment-related mechanisms, children engage in hands-on activities. From 2007 to the end of March 2011, 41,864 fifth-graders from 674 schools have learned how to communicate courteously with customers and operate cash registers. Though shy at first, the children soon learn to greet customers cheerfully, and appear to gain a great deal from their experiences in the store.



▲Work experience

\*Kyoto Student City: Established by Kyoto City, Kyoto City Board of Education and Junior Achievement Japan, the brunch of the world's biggest economic educational organization. As part of their school curriculums, fifth-graders in Kyoto City participate in work experience programs.

## Chugoku & Shikoku Office Supports Shimane Children's Fitness Program

As part of its comprehensive agreement with Shimane Prefecture, Chugoku & Shikoku offices supports the Shimanekko Cheer Up Carnival, an event aimed at promoting the Shimanekko Cheer Up Program to improve the fitness of Shimane's children since 2009. The program offers ten activities including skipping, unicycling, and ball games, and each elementary school selects a number of these activities for participation by their students.

The Carnival was held at 18 schools in fiscal 2010, with Chugoku & Shikoku office donating dodgebees, kids rugbyballs and other exercise equipments to the schools, and mini towels to the children. We will continuously support the program in FY 2011.

For more information on the Shimanekko Genki Up Carnival

▶ **Official Website Shimane Pref.**

Japanese only



▲Shimanekko Cheer Up Carnival

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

### Caring for Our Planet

### Enriching the Community

- 55 ▶ **LAWSON Group Initiatives for the Community**  
Stores that Enrich the Community  
Enriching the Community by Collaborating with Local Authorities
- 61 ▶ **Serving as One of Society's Lifelines**  
In order to protect the community from large-scale natural disasters
- 63 ▶ **Aiming to Become a Vital Part of Neighborhood Life**  
Delivering Convenience and Comfort Every Day
- 67 ▶ **Bringing Ties with the Local Community**  
Together with the Local Community
- 70 ▶ **For the Next Generation**  
Supporting Social Education
- 72 ▼ **Supporting Citizenship Activities/Overseas Assistance**  
Building Social Contribution Infrastructure

### Motivating People

### About LAWSON

## Building Social Contribution Infrastructure

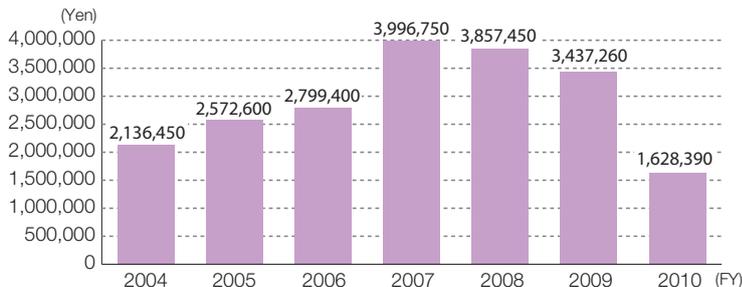
The LAWSON Group supports citizenship activities being carried out by its customers and also provides them with opportunities to contribute to society through shopping at its stores.

### Ponta Environment and Social Contribution Course

We offer an Environment and Social Contribution course in the Ponta multi-partner loyalty program (See p.63). Under this course, which we have continually offered with the previous loyalty card system since 2002, customers can donate units of 10 points, equivalent to 10 yen, to organizations that serve society.

In fiscal 2010, a total of 1,628,390 yen was donated through this course to six organizations.

#### ●Ponta Environment and Social Contribution Course: Result (Except CO<sub>2</sub> Offset)



Application for the benefits available in the Ponta Multi-Partner loyalty Program is accepted at the Loppi multimedia terminal in LAWSON stores and on the LAWSON website.

▶ [http://lawson.jp/lawson\\_ponta/tokuten/index.html](http://lawson.jp/lawson_ponta/tokuten/index.html)

Japanese only



▲ Ponta Card



- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

### Caring for Our Planet

### Enriching the Community

- 55 ▶ **LAWSON Group Initiatives for the Community**  
Stores that Enrich the Community  
Enriching the Community by Collaborating with Local Authorities
- 61 ▶ **Serving as One of Society's Lifelines**  
In order to protect the community from large-scale natural disasters
- 63 ▶ **Aiming to Become a Vital Part of Neighborhood Life**  
Delivering Convenience and Comfort Every Day
- 67 ▶ **Bringing Ties with the Local Community**  
Together with the Local Community
- 70 ▶ **For the Next Generation**  
Supporting Social Education
- 72 ▼ **Supporting Citizenship Activities/Overseas Assistance**  
Building Social Contribution Infrastructure

### Motivating People

### About LAWSON

## Building Social Contribution Infrastructure

List of Donation Recipients in the Ponta Environment and Social Contribution Course

### Caring for Young Refugees (CYR) \*NPO

CYR supports the training of teachers, provision of lunches and creation of safe and stable environments for the education of needy children in Cambodia.



### Japan Guide Dog Association

This association trains guide dogs for the visually impaired so as to enable them to move about safely in society.



### Education Sponsorship in Asia (ESA) \*NPO

ESA supports the provision of a basic level of education for children in Bangladesh and India based on the concept that education helps preserve human dignity and makes a major contribution to overcoming poverty and discrimination.



### Ecology Café \*NPO

This NPO provides learning opportunities to children based on local ecosystem conservation activities that help them learn about the natural environment and the importance of protecting it.



### Bridge Asia Japan (BAJ) \*NPO

BAJ provides vocational training for women and refugees who face difficulties, and helps them translate acquired skills into income



### National Land Afforestation Promotion Organization (LAWSON Green Fund)

This organization supports forest management activities in Japan and overseas as well as school greening initiatives.



For more information

▶ "LAWSON Green Fund" Twenty years with customers

## Scholarships for Vietnamese Students

In fiscal 2009, the LAWSON Group established a scholarship program for Vietnamese students wishing to study in Japan. This program emerged from our procurement of ingredients grown in Vietnam for our products. Vietnamese students are very diligent, and since many want to study in Japan, we established the program to provide the opportunity to some of them, granting scholarships for study in Japanese colleges and universities for up to six years. As of April 2011, nine such students (seven honors scholarships and two ordinary scholarships) have enrolled in Japanese universities and Japanese language schools. We hope that this initiative will contribute to Vietnam's development and the building of even friendlier ties between Vietnam and Japan.

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

**Caring for Our Planet**

**Enriching the Community**

**Motivating People**

- 74 **Keeping Customers Satisfied**
  - Efforts to Ensure Customer Satisfaction
  - 77 **Providing Safe, Secure and Healthy Products**  
Ensuring Customer Safety and Health
  - 85 **Together with Franchise Owners and Store Crews**  
Supporting Owners and Crews
  - 91 **Nurturing Employee Enthusiasm**  
Becoming an Easy Place to Work
  - 97 **Together with Our Business Partners and Shareholders**  
Maintaining Fair Relations with Our Business Partners  
In Order to Properly Disclose Information to Shareholders

**About LAWSON**

## Efforts to Ensure Customer Satisfaction

To enhance customer satisfaction, LAWSON always focuses on these key priorities – “implementation of the Three Challenge Practices”, “the provision of quality products” and “operation in convenient locations”

### The Three Challenge Practices + Quality Products + Convenient Locations

#### ■ The Three Challenge Practices

Our Three Challenge Practices of store operation are: (1) ensuring merchandise assortments are matched to individual store locations; (2) serving customers courteously; and (3) keeping stores and surrounding areas clean.

We work to build stores where many repeat customers enjoy shopping by properly understanding the customers of each store in respective retail trading zones and offering an array of products that satisfy these particular customers instead of a uniform product line nationwide, and at the same time, by keeping the stores and surrounding areas clean and serving customers courteously.

#### ■ Quality Products

Our headquarters works hand-in-hand with our stores to constantly improve operations and ensure that the products that reach customers are safe, trustworthy, healthy and delicious.

#### ■ Convenient Locations

We actively seek to open new shops in locations such as schools, hospitals, post offices, subway and train stations, airports and expressway parking areas, tailoring stores to the nature of the location to best meet customer needs.

●LAWSON's Approach to Customer Satisfaction



- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

Caring for Our Planet

Enriching the Community

Motivating People

- 74 ▶ Keeping Customers Satisfied
  - Efforts to Ensure Customer Satisfaction
- 77 ▶ Providing Safe, Secure and Healthy Products
  - Ensuring Customer Safety and Health
- 85 ▶ Together with Franchise Owners and Store Crews
  - Supporting Owners and Crews
- 91 ▶ Nurturing Employee Enthusiasm
  - Becoming an Easy Place to Work
- 97 ▶ Together with Our Business Partners and Shareholders
  - Maintaining Fair Relations with Our Business Partners
  - In Order to Properly Disclose Information to Shareholders

About LAWSON

## Efforts to Ensure Customer Satisfaction

### Courteous Customer Service Promotional Campaign



We started the "Courteous Customer Service Promotional Campaign" as a 3-year plan from fiscal 2011 to become the No. 1 chain in the retail industry in terms of service. We have established the "definition" of Courteous Customer Service and the "service standard" to support the same. Customer service is evaluated on a scale of 7 and training sessions are held for all SVs and franchise owners.

To motivate store staff, customer service contests are held in every branch and excellent stores are awarded. Outstanding crew members practicing "Courteous Customer Service" will be recognized as "Service Masters."

#### ●Definition and Service Standard of "Courteous Customer Service"

##### Definition of the "Courteous Customer Service"

To offer "happiness" to every customer through service that exceeds the expectations of each and every customer based on feelings of appreciation and understanding

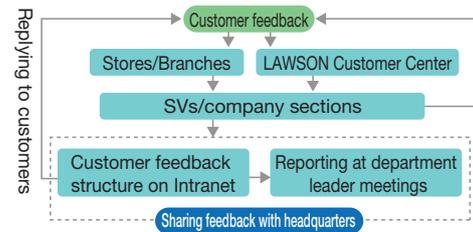
##### Service Standard

1. We greet each customer in a manner that conveys warm feelings.
2. We strive to be interested in and understand each customer.
3. We try to serve each customer to exceed his/her expectations.
4. We listen to customer feedback with sincerity and properly respond to it.
5. We value teamwork among staff to make the store comfortable for customers.
6. We try to be creative and work positively to offer happiness to customers.

### Customer Feedback Structure

The LAWSON Customer Center is dedicated to channeling customer comments and inquiries to appropriate sections for prompt response, and to sharing any issues with all employees through the company intranet and other means to make any necessary improvements. Feedback is used to improve customer satisfaction through developing store quality, new products, and new services.

#### ●Customer Feedback Structure



Replying to customers

Explanation of improvements, etc.

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

Caring for Our Planet

Enriching the Community

Motivating People

74 ▼ Keeping Customers Satisfied

Efforts to Ensure Customer Satisfaction

77 ► Providing Safe, Secure and Healthy Products

Ensuring Customer Safety and Health

85 ► Together with Franchise Owners and Store Crews

Supporting Owners and Crews

91 ► Nurturing Employee Enthusiasm

Becoming an Easy Place to Work

97 ► Together with Our Business Partners and Shareholders

Maintaining Fair Relations with Our Business Partners

In Order to Properly Disclose Information to Shareholders

About LAWSON

## Efforts to Ensure Customer Satisfaction

### Feedback Received by the LAWSON Customer Center

“Comments and inquiries” are on the increase and accounted for more than half the feedback for the first time in fiscal 2010. This was mainly due to the good response to store campaigns and the many contents that concern eco points. As in the usual years, many pointed out contents related to “store operations,” accounting for 43.5%. Moreover, inquiries via email have been increasing in recent years. Many offered comments on the environment. In particular, requests for improvement are increasing each year regarding smoke from cigarette smokers near the ashtray made available on the storefront.

Customer feedback changes daily and hourly due to the introduction of new services, changes in social situations, etc. We will promote improvement measures to address such issues as they emerge and share the information between departments and divisions in order to properly prepare for the introduction of a new service.

### Making Improvements Based on Customer Feedback

The Uchi Café SWEETS Premium Roll Cake is the best-selling product in the history of LAWSON's desserts. There were many customers who made a request on the blog or over the phone, saying “I want to give them as a gift,” which prompted us to stop putting the price sticker on the package, from September 2010. In May 2011, we started selling the “Uchi Café Original Cooler Bag” usable as a gift bag (¥240, including tax), which has proved popular among customers.

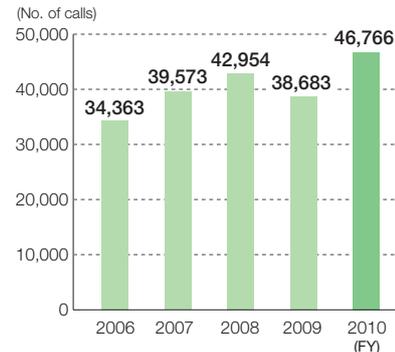


▲ Premium Roll Cake

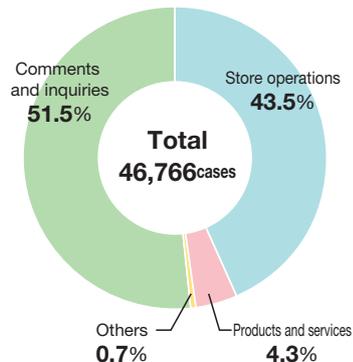


▲ Uchi Café Original Cooler Bag

### Customer Feedback Numbers



### Fiscal 2010 Customer Feedback Breakdown





- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

### Caring for Our Planet

### Enriching the Community

### Motivating People

- 74 ▶ **Keeping Customers Satisfied**  
Efforts to Ensure Customer Satisfaction
- 77 ▼ **Providing Safe, Secure and Healthy Products**  
Ensuring Customer Safety and Health
- 85 ▶ **Together with Franchise Owners and Store Crews**  
Supporting Owners and Crews
- 91 ▶ **Nurturing Employee Enthusiasm**  
Becoming an Easy Place to Work
- 97 ▶ **Together with Our Business Partners and Shareholders**  
Maintaining Fair Relations with Our Business Partners  
In Order to Properly Disclose Information to Shareholders

### About LAWSON

## Ensuring Customer Safety and Health

**Our headquarters works hand-in-hand with stores to ensure that all of our food products are safe, secure, healthy and delicious.**

### Safety and Health Initiatives

#### ■ Offering Safe and Secure Products

LAWSON's products are subjected to thorough quality control procedures in compliance with environmental and hygiene regulations at all stages of development, production, and sales in the original LAWSON products\*. We are doing our utmost to minimize food additives, and use no artificial colorings and preservatives.

In addition to mandatory information such as product name, use-by date, ingredients and allergy warnings, we voluntarily display calories per serving and other nutritional data on original LAWSON product labels. We prepare specifications for each product, and take accurate records of suppliers, preparation methods and any food additives included for each ingredient, reflecting this information in the ingredients section of the label. Our Quality Control Dept. also carries out stringent checks on the content of product labels, and further checks are carried by external specialists and at the production stage, ensuring that product labels have been double- or triple-checked for accuracy before reaching the consumer.

\*The original LAWSON products: Boxed lunches, rice balls, sushi, bread snacks, delicatessen items, salads, readymade noodles, pasta which has LAWSON's trademark on the price tag. Fast foods cooked within each store are excluded.

#### ■ Offering products focused on health

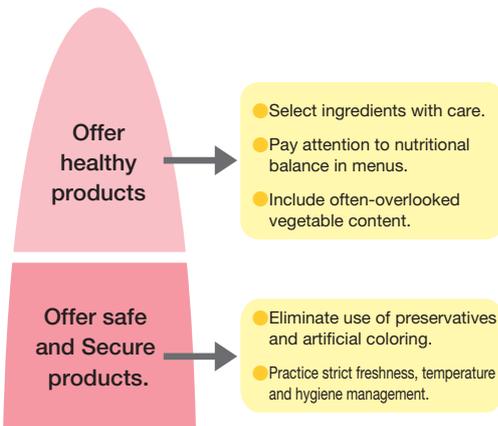
LAWSON pays attention to ingredient quality, nutritional balance and the inclusion of often overlooked vegetable content when developing products, focusing on the functionality of foods. In particular, to address growing customer interest in health, we are expanding our health-conscious product lineup for NATURAL LAWSON stores.





### Ensuring Customer Safety and Health

#### LAWSON's Approach to Safety and Health



#### ● Main Items Displayed on Product Labels

##### Use-By Date

The period in which the product may be eaten with confidence

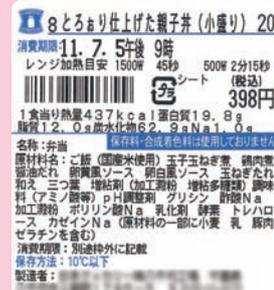
##### Ingredients

Ingredients displayed in the order of highest content by weight

##### Food Additives

Displayed as prescribed by the Food Sanitation Act

Starting July 1, 2011, we changed the description to "communicate the information on the place/country of origin" of rice and rice products in order to comply with the Rice Traceability Law.



##### Packaging Information

Packaging material information to facilitate sorting for recycling and disposal (such as plastic)

##### Nutritional Information

Calories, protein, fat, carbohydrates and sodium content per serving

##### Allergens

Seven items required by law and 18 items displayed voluntarily

### Launch of the "TANITA Company Cafeteria"-supervised Boxed Lunches

LAWSON and TANITA Corporation, a leading health measurement device manufacturer, jointly developed boxed lunches, delicatessen items and other products in our wish to help customers conveniently follow healthy diets as part of daily lifestyles. We started selling products eliminating excess oil and salt and with the total calorie count of 500 kcal or less under the supervision of Ms. Nanako Ogino, the nutritionist, who was involved in the publication of the popular cook book, "Company Cafeteria of TANITA, a body fat scale manufacturer."



▲ Products rich in vegetables and low in oil and salt  
The product shown is "Boxed boiled pork lunch with flavored sauce." (This product is no longer available.)

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

#### Caring for Our Planet

#### Enriching the Community

#### Motivating People

- 74 ▶ Keeping Customers Satisfied  
Efforts to Ensure Customer Satisfaction
- 77 ▼ Providing Safe, Secure and Healthy Products  
Ensuring Customer Safety and Health
- 85 ▶ Together with Franchise Owners and Store Crews  
Supporting Owners and Crews
- 91 ▶ Nurturing Employee Enthusiasm  
Becoming an Easy Place to Work
- 97 ▶ Together with Our Business Partners and Shareholders  
Maintaining Fair Relations with Our Business Partners  
In Order to Properly Disclose Information to Shareholders

#### About LAWSON

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

Caring for Our Planet

Enriching the Community

Motivating People

- 74 ▶ Keeping Customers Satisfied  
Efforts to Ensure Customer Satisfaction
- 77 ▼ Providing Safe, Secure and Healthy Products  
Ensuring Customer Safety and Health
- 85 ▶ Together with Franchise Owners and Store Crews  
Supporting Owners and Crews
- 91 ▶ Nurturing Employee Enthusiasm  
Becoming an Easy Place to Work
- 97 ▶ Together with Our Business Partners and Shareholders  
Maintaining Fair Relations with Our Business Partners  
In Order to Properly Disclose Information to Shareholders

About LAWSON

## Ensuring Customer Safety and Health

### Quality control of chilled boxed lunch, "LAWSON-tei"

The "LAWSON-tei" series products, popular among female customers, were first launched in March 2011. These products are a new type of boxed lunch, optimally exploiting the inherent taste of ingredients as well as crispy texture and bright colors of vegetables. The products are kept chilled (at a temperature of around 5°C) in order to offer products with triple features of high-quality taste, texture, and color.

Temperature control is especially important for chilled boxed lunches. The LAWSON Group maintains safety, hygiene and quality control in various ways in its factories and stores to enable customers to enjoy our products without any safety concerns.





## Ensuring Customer Safety and Health

■ The process of cooking “Oyakodon (chicken and egg rice bowl), in a small serving, cooked to a melty-finish with rich egg yolks and whites”

### Selecting Ingredients

We have established a special section responsible for procuring and checking ingredients. Checks are conducted not only on new suppliers, but also periodically on existing suppliers.

The chicken is baked overseas to seal in the good taste and then delivered to Japan.



### Product Development

We do a document review when the product specification has been fixed, and then check safety by doing trial production runs using actual production lines.

#### <Original recipe for chilled boxed lunches>

We have developed a new rice cooking technology for chilled boxed lunches. Deterioration is suppressed during the process of cooking the rice, using a unique method, to make the rice light, soft, sticky and chewy.

### Product Manufacture

For chilled boxed lunches, the temperature is more thoroughly controlled, in addition to the hygiene control activities for ordinary products.

→ See the next page.



### Product Delivery

Product sorting, packing and other loading tasks are carried out efficiently according to fixed procedures to comply with designated temperatures and times. Delivery trucks are equipped with thermometers, and storage conditions are monitored constantly.



### Sale at Stores

Chilled boxed lunches (stored at a temperature of around 5°C) are sold in a different place from the ordinary boxed lunch counter, as the temperature zone for boxed lunches (stored at a temperature of around 5°C) differs from that for ordinary boxed lunches (stored at a temperature of around 20°C). In stores, the staff check the temperature of the product display case four times daily to prevent quality deterioration. Moreover, SVs regularly conduct hygiene checks.

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

## Caring for Our Planet

## Enriching the Community

## Motivating People

- 74 ▶ Keeping Customers Satisfied  
Efforts to Ensure Customer Satisfaction
- 77 ▼ Providing Safe, Secure and Healthy Products  
Ensuring Customer Safety and Health
- 85 ▶ Together with Franchise Owners and Store Crews  
Supporting Owners and Crews
- 91 ▶ Nurturing Employee Enthusiasm  
Becoming an Easy Place to Work
- 97 ▶ Together with Our Business Partners and Shareholders  
Maintaining Fair Relations with Our Business Partners  
In Order to Properly Disclose Information to Shareholders

## About LAWSON



### Ensuring Customer Safety and Health

#### Quality control in the process of manufacture of the products

##### 1 Hygiene management

Employees use lint rollers and air shower to remove loose hair and lint, and also scrub and disinfect their hands thoroughly prior to entering plants.



##### 2 Cook rice

Rice is cooked using a unique method, so that the cooked rice remains light and soft, even when cold.



##### 3-2 Check temperatures

During cooking, it is confirmed each time that the specified temperature has been reached.

Pans and utensils are washed each time after cooking.



##### 3-1 Prepare the ingredients

The ingredients are prepared, while confirming the cooking temperature, time and other small details specified in the manual each time to achieve uniform quality.



Continued on the next page

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

#### Caring for Our Planet

#### Enriching the Community

#### Motivating People

- 74 ▶ Keeping Customers Satisfied  
Efforts to Ensure Customer Satisfaction
- 77 ▼ Providing Safe, Secure and Healthy Products  
Ensuring Customer Safety and Health
- 85 ▶ Together with Franchise Owners and Store Crews  
Supporting Owners and Crews
- 91 ▶ Nurturing Employee Enthusiasm  
Becoming an Easy Place to Work
- 97 ▶ Together with Our Business Partners and Shareholders  
Maintaining Fair Relations with Our Business Partners  
In Order to Properly Disclose Information to Shareholders

#### About LAWSON



## Ensuring Customer Safety and Health

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

### Caring for Our Planet

### Enriching the Community

### Motivating People

- 74 ▶ Keeping Customers Satisfied  
Efforts to Ensure Customer Satisfaction
- 77 ▼ Providing Safe, Secure and Healthy Products  
Ensuring Customer Safety and Health
- 85 ▶ Together with Franchise Owners and Store Crews  
Supporting Owners and Crews
- 91 ▶ Nurturing Employee Enthusiasm  
Becoming an Easy Place to Work
- 97 ▶ Together with Our Business Partners and Shareholders  
Maintaining Fair Relations with Our Business Partners  
In Order to Properly Disclose Information to Shareholders

### About LAWSON

## 4 Cool

After cooking, the food ingredients are cooled down immediately. The information on the cooler display is confirmed and the core temperature of the ingredients is always taken and confirmed.



## 5 Store

The cooked ingredients are stored in the ingredient cooler until right before setting.



## 6 Set in the box

Setting activities are conducted promptly in order to minimize any rise in temperature

In order to create the "rich melty texture of the egg," which is the secret behind the good taste of oyakodonburi, the egg yolk and white are made into a specially-prepared sauce before serving.



## 7 Check with a metal detector

A metal detector is used to detect any metal mixed in the product.



## 8 Cool in the cooler

After cooling the products to a specified temperature zone for chilled products, they are delivered to the respective stores.





### Ensuring Customer Safety and Health

From the Frontline: Business Partner

## We ensure products are kept cool to maintain good taste and stable quality.

The key when manufacturing chilled boxed lunches is temperature control. The food ingredients are kept in the refrigerator until right before cooking and cooled down in a cooler right after cooking and stored at a specified temperature. We keep the food ingredients under thorough temperature control to maintain good taste and stable quality.

Another crucial factor is to prevent contamination by foreign matter. When we enter the product manufacturing plant, we go through several checkpoints for confirmation. Moreover, we keep the rule of washing hands for 30 seconds. After washing, we disinfect fingers or we are not allowed to go inside. During the manufacturing process, the products are checked visually and with a metal detector to prevent any contamination by foreign matter.



NIPPON COOKERY CO., LTD.  
Atsugi Plant Manager  
**Kiyoshi Minato**

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON'S Environmental Management
- 25 LAWSON Environmental Activities Report

#### Caring for Our Planet

#### Enriching the Community

#### Motivating People

- 74 ▶ Keeping Customers Satisfied  
Efforts to Ensure Customer Satisfaction
- 77 ▼ Providing Safe, Secure and Healthy Products  
Ensuring Customer Safety and Health
- 85 ▶ Together with Franchise Owners and Store Crews  
Supporting Owners and Crews
- 91 ▶ Nurturing Employee Enthusiasm  
Becoming an Easy Place to Work
- 97 ▶ Together with Our Business Partners and Shareholders  
Maintaining Fair Relations with Our Business Partners  
In Order to Properly Disclose Information to Shareholders

#### About LAWSON



### Ensuring Customer Safety and Health

#### Won the 2011 'Monde Selection' Gold Medal

The "Uchi Café SWEETS" series have been popular among many female customers as sweets you can enjoy the taste of specialty store at home. In the 2011 Monde Selection, an international food and beverage competition held in Europe, three models of the "Uchi Café SWEETS" series, LAWSON's original desserts, won the Gold Medal in the Chocolate, Confectionery and Biscuits category. The "Premium Roll Cake" won awards for two consecutive years, a first among Western confectioneries sold in convenience stores, while "Premium Tiramisu" and "Premium Pure Cream Chocolate" won Gold Awards despite participating in the competition for the first time.

\*"Monde Selection": Monde Selection is an international authoritative contest that has tested and evaluated excellent consumer goods from all over the world since its foundation in 1961. A group of independent experts evaluates the quality, taste, etc. from an objective standpoint.



▲ Premium Roll Cake



▲ Premium Tiramisu



▲ Premium Pure Cream Chocolate

#### LAWSON Farm, an agricultural production corporation, for the "stable supply of safe and secure" vegetables

"LAWSON Farm" is an agricultural production corporation founded to stably supply vegetables to stores in the LAWSON Group. There are three LAWSON Farms in Japan as of June 2011.

Komatsuna (Japanese mustard spinach) and daikon (Japanese radish), etc. produced in the "LAWSON Farm Chiba" have been sold in LAWSON STORE100 (about 600 stores) and some of the LAWSON stores that sell vegetables (about 600 stores) in the Kanto region since September 2010. It is possible for "LAWSON Farm" to stably supply agricultural products, as the products are systematically produced all year round. The company records the production history of the vegetables and POPs (Point of purchase advertising) showing information on the producer are posted inside the store in order to offer "safety and security" to customers.



#### <List of LAWSON Farms>

- Founded in June 2010  
[LAWSON Farm Chiba, Inc.] (Katori City, Chiba Pref.)
- Founded in April 2011  
[LAWSON Farm Kagoshima, Inc.] (Kushira-cho, Kagoshima Pref.)
- Founded in June 2011  
[LAWSON Farm Tokachi, Inc.] (Makubetsu-cho, Hokkaido Pref.)

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

#### Caring for Our Planet

#### Enriching the Community

#### Motivating People

- 74 ▶ Keeping Customers Satisfied  
Efforts to Ensure Customer Satisfaction
- 77 ▼ Providing Safe, Secure and Healthy Products  
Ensuring Customer Safety and Health
- 85 ▶ Together with Franchise Owners and Store Crews  
Supporting Owners and Crews
- 91 ▶ Nurturing Employee Enthusiasm  
Becoming an Easy Place to Work
- 97 ▶ Together with Our Business Partners and Shareholders  
Maintaining Fair Relations with Our Business Partners  
In Order to Properly Disclose Information to Shareholders

#### About LAWSON



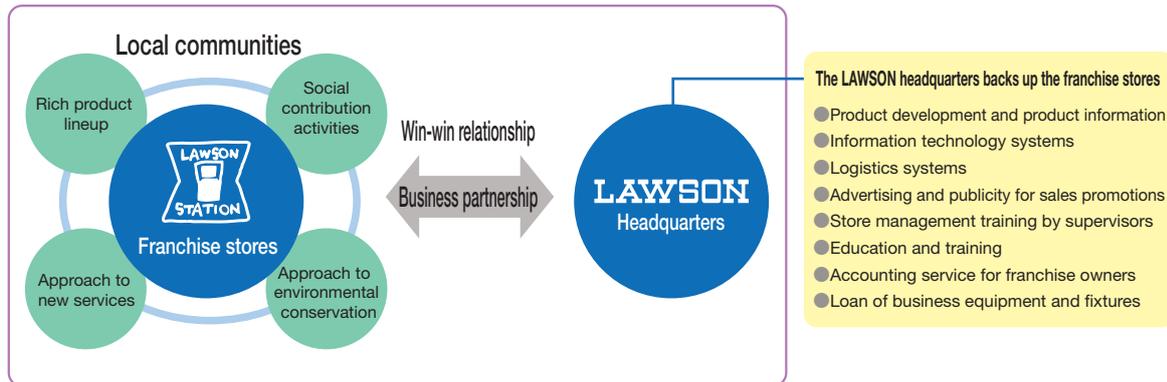
## Supporting Owners and Crew\* members

We support store operation by franchise owners in various ways, and put a lot of weight on exchanging views with those owners, store managers and store crew members in our ongoing efforts to improve our products and services.

\*crews: part-time and temporary workers

### LAWSON and its franchise stores are partners on an equal footing, striving for a win-win relationship

LAWSON's franchise system is a system of "joint operations," whereby the headquarters and the franchise owner jointly manage the store. The headquarters not only allows the use of LAWSON services and trademarks and provides management knowhow but also continuously guides and backs up the management of the franchise store. The franchise store, in return, pays franchise and royalty fees and works to maximize store profit as an independent business owner and good partner.



01 CONTENTS

02 Corporate Philosophy and Editorial Policy

03 Top Commitment

05 Value of the Existence of the LAWSON Group Revealed by the Earthquake

20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities

21 LAWSON's Environmental Management

25 LAWSON Environmental Activities Report

#### Caring for Our Planet

#### Enriching the Community

#### Motivating People

74 ▶ Keeping Customers Satisfied  
Efforts to Ensure Customer Satisfaction

77 ▶ Providing Safe, Secure and Healthy Products  
Ensuring Customer Safety and Health

85 ▼ Together with Franchise Owners and Store Crews  
Supporting Owners and Crews

91 ▶ Nurturing Employee Enthusiasm  
Becoming an Easy Place to Work

97 ▶ Together with Our Business Partners and Shareholders  
Maintaining Fair Relations with Our Business Partners  
In Order to Properly Disclose Information to Shareholders

#### About LAWSON



### Supporting Owners and Crew members

#### Sharing Corporate Philosophy and Goals

The daily management of the store is supported by an SV, or a supervisor/store management instructor, serving as the bridge between the franchise owner and the headquarters from a customer perspective. The SV provides various kinds of information, including the latest product trends and changes in the external environment, analyzes sales and customer data, conducts market surveys in the store neighborhood, and advises on profits.

Moreover, in fiscal 2010, “LAWSON Seminars” were held in 8 locations in Japan, mainly to explain LAWSON’s management policy, and “Franchise Owner Meetings” in 16 locations in Japan, to discuss ongoing issues and problems with franchise owners.

Furthermore, “Town Meetings” were organized in 16 locations in Japan in fiscal 2010 as small-scale dialog meetings between franchise owners and the LAWSON management.

\* SV:Supervisor



▲ At a Lawson Owners’ meeting



▲ Town Meeting

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON’s Environmental Management
- 25 LAWSON Environmental Activities Report

#### Caring for Our Planet

#### Enriching the Community

#### Motivating People

- 74 ▶ Keeping Customers Satisfied  
Efforts to Ensure Customer Satisfaction
- 77 ▶ Providing Safe, Secure and Healthy Products  
Ensuring Customer Safety and Health
- 85 ▼ Together with Franchise Owners and Store Crews  
Supporting Owners and Crews
- 91 ▶ Nurturing Employee Enthusiasm  
Becoming an Easy Place to Work
- 97 ▶ Together with Our Business Partners and Shareholders  
Maintaining Fair Relations with Our Business Partners  
In Order to Properly Disclose Information to Shareholders

#### About LAWSON



### Supporting Owners and Crew members

#### Direct Line to the CEO

Franchise owners, store managers and crew members can use our Direct Line to the CEO to express their opinions and ideas directly to the CEO, who personally checks and responds to each message. In fiscal 2010, the Direct Line to the CEO received 315 messages offering ideas for improving products and services and suggestions for sales promotions.



▲“Direct Line to the CEO” from franchise owners, store managers, and crew members

#### Mystery Shopper Program

To improve store operations, we have implemented a Mystery Shopper program that uses third party undercover researchers to inspect stores from a customer’s perspective and objectively evaluate them on the quality of their merchandise assortments, service and cleanliness. Feedback is provided via supervisors to franchise owners who use it to strengthen their store operating capabilities. Through a series of gradual improvements since its introduction, the program is producing noticeable results.

#### Franchise Owner Welfare Association

We want our franchise owners to be happy in their work, and have created a Franchise Owner Welfare Association to expand and improve welfare for franchise owners and their families, store managers and crew members. Aimed at providing quality time, health and peace of mind, the Welfare Association offers a wide variety of benefits, including assistance in covering obligatory congratulatory and condolence payments, sports club membership, travel expenses, distance learning, health management and voluntary insurance plans to protect them and their families.



◀ Franchise Owners Welfare Association booklet

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON’s Environmental Management
- 25 LAWSON Environmental Activities Report

### Caring for Our Planet

### Enriching the Community

### Motivating People

- 74 ▶ **Keeping Customers Satisfied**  
Efforts to Ensure Customer Satisfaction
- 77 ▶ **Providing Safe, Secure and Healthy Products**  
Ensuring Customer Safety and Health
- 85 ▼ **Together with Franchise Owners and Store Crews**  
Supporting Owners and Crews
- 91 ▶ **Nurturing Employee Enthusiasm**  
Becoming an Easy Place to Work
- 97 ▶ **Together with Our Business Partners and Shareholders**  
Maintaining Fair Relations with Our Business Partners  
In Order to Properly Disclose Information to Shareholders

### About LAWSON



### Supporting Owners and Crew members

#### Training and Support Programs for Trouble-free Store Management

LAWSON headquarters has established training and support programs to achieve trouble-free store management.

We hold a Basic Management Course (BMC) to provide prospective owners with basic knowledge in store management prior to opening their stores. After opening, we provide further training of various kinds at our training centers.

Other support includes a Franchise Owner Support program for sending headquarters employees to fill in for franchise owners when they take a holiday, and a Store Support Desk that fields questions from stores about store operation 24 hours a day.

We also provide regular information on store management in the form of Pal, our monthly in-house communication magazine, and Making Your Store Buzz, a monthly publication packed with information on sales and operation strategies.



▲ Training Seminar at a LAWSON Training Center

#### Supporting Crew Recruitment and Loyalty

LAWSON operates an original crew recruitment website to match crew\* applicants and stores in order to respond to the rapidly changing employment situation. Crew applicants can search and quickly identify the best store in which to work by inputting the area and working conditions, while stores needing to recruit and hire new crew can provide recruitment information to attract applicants with photos showing the store atmosphere.

After hiring, the crew members' work attitudes are evaluated in the "Leader Crew System" and the "Crew Rank Up System" to motivate them to work while striving for improvement, to help them stay in the job. Moreover, the "LAWSON Family Independence Support System" is made available for leader crew members wishing to have their own store in future.

\* Crew members: Part-time workers and temporary employees



▲ Crew Recruitment Website

Click here for information on part-time and non-regular jobs.



Japanese only



▲ Leader Crew Badge

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

#### Caring for Our Planet

#### Enriching the Community

#### Motivating People

- 74 ▶ Keeping Customers Satisfied  
Efforts to Ensure Customer Satisfaction
- 77 ▶ Providing Safe, Secure and Healthy Products  
Ensuring Customer Safety and Health
- 85 ▼ Together with Franchise Owners and Store Crews  
Supporting Owners and Crews
- 91 ▶ Nurturing Employee Enthusiasm  
Becoming an Easy Place to Work
- 97 ▶ Together with Our Business Partners and Shareholders  
Maintaining Fair Relations with Our Business Partners  
In Order to Properly Disclose Information to Shareholders

#### About LAWSON



**Supporting Owners and Crew members**

**Support to Franchise Owners Who Intend to Manage Multiple Stores as a Business Entrepreneur**

LAWSON started the full-scale operation of the “Management Owner (MO) System” in fiscal 2010 to provide support to the franchise owners intending to operate multiple stores as business entrepreneurs. Under the MO System, the headquarters’ leadership has been changed from the ‘SV System,’ in which SVs give guidance and help to individual stores concerning sales activities, to the ‘MC System,’ in which MCs give guidance to MOs concerning the management of multiple stores.

From the management of one or two stores as a “family business” to that of multiple stores as a “full-scale business operation”: It is a system to help franchise owners further expand the business and manage higher-quality multiple stores, based on a “new relationship” with the LAWSON headquarters.



- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON’s Environmental Management
- 25 LAWSON Environmental Activities Report

**Caring for Our Planet**

**Enriching the Community**

**Motivating People**

- 74 ▶ **Keeping Customers Satisfied**  
Efforts to Ensure Customer Satisfaction
- 77 ▶ **Providing Safe, Secure and Healthy Products**  
Ensuring Customer Safety and Health
- 85 ▼ **Together with Franchise Owners and Store Crews**  
Supporting Owners and Crews
- 91 ▶ **Nurturing Employee Enthusiasm**  
Becoming an Easy Place to Work
- 97 ▶ **Together with Our Business Partners and Shareholders**  
Maintaining Fair Relations with Our Business Partners  
In Order to Properly Disclose Information to Shareholders

**About LAWSON**



### Supporting Owners and Crew members



▶ Participating in the “LAWSON Green Fund” greening event

work to realize the corporate philosophy of S.P, namely, “We work to provide dreams, pride, and love to those involved in our organization,” as much as possible. I want every crew member to leave the company after having an experience of which he/she can be proud and thinking that he/she was lucky to have worked in this company.

From the Frontline: Headquarters employee

#### Management Consultant (MC) Yoshiaki Takeya

Right after I became the MC in charge, I attended the awards ceremony for employees of Mr. Takayanagi’s company, which impressed me so much, I was almost moved to tears in sympathy. I have since found out that he truly values human connections and takes sufficient time to make the ceremony a full-hearted event. That is why the crew retention rate is so high and they leave the store, feeling satisfied.

As an MC, I try to carefully explain each measure, specifying the reason behind it in each case, so that the MO and crew implement it with full understanding. I would like to keep working and growing together with MOs.

From the Frontline: Franchise Owner

I want to enliven Kyushu by making stores that will be recognized as exemplary.



Takeya MC (left) Mr. Hidenori Takayanagi, MO (right)

#### Mr. Hidenori Takayanagi, President and CEO, S.P Co., Ltd.

As a management owner (MO), Mr. Takayanagi manages a total of 4 stores, including the Tosu Station front Store.

Ever since I became the owner of a LAWSON store, I have always wanted to expand my business. I planned to manage 5 stores in 5 years, but after 5 years, I was managing just one store. I was really frustrated. The start of the MO System, however, brightened my prospects for business expansion. The MC who has replaced the SV in charge has helped me solve problems from operations to store management, which has improved communication. As the MO System is something new, naturally, failures will be made by us and by the headquarters. However, I will keep striving, as I think I am making the stores together with the headquarters.

As an MO, first and foremost, I work to make stores that will be recognized as exemplary. Moreover, I would like to enliven LAWSON stores in Kyushu. Furthermore, I will

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON’s Environmental Management
- 25 LAWSON Environmental Activities Report

Caring for Our Planet

Enriching the Community

Motivating People

- 74 ▶ Keeping Customers Satisfied  
Efforts to Ensure Customer Satisfaction
- 77 ▶ Providing Safe, Secure and Healthy Products  
Ensuring Customer Safety and Health
- 85 ▼ Together with Franchise Owners and Store Crews  
Supporting Owners and Crews
- 91 ▶ Nurturing Employee Enthusiasm  
Becoming an Easy Place to Work
- 97 ▶ Together with Our Business Partners and Shareholders  
Maintaining Fair Relations with Our Business Partners  
In Order to Properly Disclose Information to Shareholders

About LAWSON

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

Caring for Our Planet

Enriching the Community

Motivating People

- 74 ▶ **Keeping Customers Satisfied**  
Efforts to Ensure Customer Satisfaction
- 77 ▶ **Providing Safe, Secure and Healthy Products**  
Ensuring Customer Safety and Health
- 85 ▶ **Together with Franchise Owners and Store Crews**  
Supporting Owners and Crews
- 91 ▼ **Nurturing Employee Enthusiasm**  
Becoming an Easy Place to Work
- 97 ▶ **Together with Our Business Partners and Shareholders**  
Maintaining Fair Relations with Our Business Partners  
In Order to Properly Disclose Information to Shareholders

About LAWSON

## Becoming an Easy Place to Work

Through the enhancement of educational programs, workplace environments and internal communications, LAWSON aims to nurture a corporate culture in which all employees can realize their full potential and feel free to voice candid opinions.

### Activate internal communication with Get a Lift with LAWSON! Project

#### ■ System to Experience other LAWSON Business Units

To enhance mutual understanding between headquarters and the front line, LAWSON instituted a system for employees to experience what goes on at other business units from fiscal 2008 as part of our Get a Lift with LAWSON! Project.\* In FY 2010, for employees in branch offices where SVs are stationed, a “Desert development activity” was provided to enrich their understanding of sales and product development, while for employees in the head office, “Store experience in operating Akita’s festive events” was provided to feel the origin of business. All activities were well received, with all participants indicating that the event had been “completely satisfactory” or “satisfactory” in a follow-up questionnaire.

#### ■ Making Good Use of the Company Intranet

In fiscal 2009, LAWSON launched a portal site for employees that is being used by the Get a Lift with LAWSON! Project to enhance communications and improve work efficiency by centralizing information. In addition to presenting the latest information in the form of the President’s message, blog entries, in-house magazine, and banners, the site hosts a range of communities from forums for discussing work to hobby circles and groups of employees hired in the same year.

\* This is a project to drive implementation of the LAWSON Genki Plan, initiated in fiscal 2008 to breathe new life into local communities in these difficult times. The Get a Lift with LAWSON! Project activities are primarily aimed at boosting employee motivation.



▲ Attending “Desert development activity”



▲ Company Intranet

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

**Caring for Our Planet**

**Enriching the Community**

**Motivating People**

- 74 ▶ **Keeping Customers Satisfied**  
Efforts to Ensure Customer Satisfaction
- 77 ▶ **Providing Safe, Secure and Healthy Products**  
Ensuring Customer Safety and Health
- 85 ▶ **Together with Franchise Owners and Store Crews**  
Supporting Owners and Crews
- 91 ▼ **Nurturing Employee Enthusiasm**  
Becoming an Easy Place to Work
- 97 ▶ **Together with Our Business Partners and Shareholders**  
Maintaining Fair Relations with Our Business Partners  
In Order to Properly Disclose Information to Shareholders

**About LAWSON**

## Becoming an Easy Place to Work

### ■ Sports and Recreation

Since FY 2008, in an effort to create an environment for employees to understand each other, LAWSON has held softball tournaments, in which employees from the group companies also participate. Such activities help to promote smooth operations by enabling participants to see different aspects of each other outside the workplace, and to mix with employees from other business units whom they normally do not meet.

In a survey conducted after the tournament, 99 percent of the respondents signaled that they welcome communications through sports, responding that they would like to see further such initiatives.



▲ National Softball Tournament at Kyocera Dome in Osaka

### Club Activity Support Campaign

LAWSON has provided support to activities outside the scope of work, in which employees gather together to enjoy hobbies and sports, crossing organizational boundaries, since fiscal 2010. “Clubs” having met the requirements, including that the club consists of 5 members (employees) or more with the same purpose, keeps doing the activity a specified number of times or more, and reports details of the activity in a web community accessible to every employee, are entitled to subsidies for facilities, supplies, and transportation. As of July 2011, there were 39 active clubs.



#### Case example of the club activity Run-run Goraku Club

**The Club meets once a month with the goal of participating in a marathon event 5 times a year or more.**

The founding members had been active and ran as a hobby, before establishing the club. We decided to register and act as a club, because we thought we had better take advantage of the support provided by our company. After registration, the “circle of people” has rapidly widened. I was asked by people from whom I had never expected such questions, for example: “Are you engaged in club activities?” and “You are running, are you?” And there are others who want to join our club. Thanks to the club, I am happy with both my private life and my work!



▲ Marathon Cup at Lake Saiko, Saitama Prefecture

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

**Caring for Our Planet**

**Enriching the Community**

**Motivating People**

- 74 ▶ **Keeping Customers Satisfied**  
Efforts to Ensure Customer Satisfaction
- 77 ▶ **Providing Safe, Secure and Healthy Products**  
Ensuring Customer Safety and Health
- 85 ▶ **Together with Franchise Owners and Store Crews**  
Supporting Owners and Crews
- 91 ▼ **Nurturing Employee Enthusiasm**  
Becoming an Easy Place to Work
- 97 ▶ **Together with Our Business Partners and Shareholders**  
Maintaining Fair Relations with Our Business Partners  
In Order to Properly Disclose Information to Shareholders

**About LAWSON**

## Becoming an Easy Place to Work

### Annual Employee Attitude Surveys

The results of the annual employee attitude surveys have generally shown an increase in the company-wide average. The 2010 figures have become somewhat lower, however, when compared to those for fiscal 2009, concerning responses to questions to ascertain the general degree of satisfaction with work, workplaces, superiors, and the company.

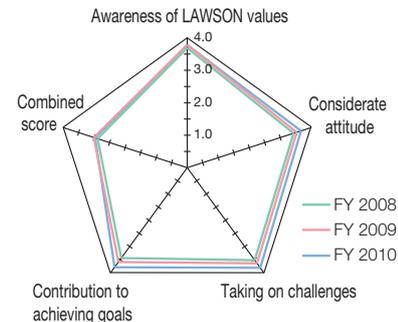
Items concerning the bottom-up and top-down approach such as “The frontline information is properly communicated to the CEO and directors,” and “The background and process of important decision-making by the company are communicated to employees,” which were found to require some improvements during the last fiscal year, have improved significantly; an increase which was identified with the job category of SV and others, who are active mainly in the field. The improvement was particularly attributable to the fact that directors’ comments were positively placed on the company Intranet and published in the company magazine.

On the other hand, the slight decrease in the “degree of satisfaction of family members” can be highlighted as an issue that needs to be addressed. Concerning the long work hours, which is one of the reasons for the above, there are many who request review of the reporting activities in general.

### Supporting an ideal balance between work and family life

We earned the Kurumin mark from the Tokyo Labor Bureau in recognition of our efforts to support childrearing as a company that upholds both work and family life, based on the Law for Measures to Support the Development of the Next Generation. We will continue with our efforts to enable our employees to achieve an ideal balance between work and family life.

● Results of the annual employee attitude survey



4.0 is the best score.



Next-Generation Certification Mark "Kurumin"

### ● Childcare Support Policy Menu

- Reduced working hours for childcare\*, shorter working weeks\*, leave system\*, telecommuting\*, product development manager work location choice\*, babysitting service support, loan of PCs to employees on childcare leave, transfer to accompany spouse

Note: Until the child finishes third grade

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

**Caring for Our Planet**

**Enriching the Community**

**Motivating People**

- 74 ▶ **Keeping Customers Satisfied**  
Efforts to Ensure Customer Satisfaction
- 77 ▶ **Providing Safe, Secure and Healthy Products**  
Ensuring Customer Safety and Health
- 85 ▶ **Together with Franchise Owners and Store Crews**  
Supporting Owners and Crews
- 91 ▼ **Nurturing Employee Enthusiasm**  
Becoming an Easy Place to Work
- 97 ▶ **Together with Our Business Partners and Shareholders**  
Maintaining Fair Relations with Our Business Partners  
In Order to Properly Disclose Information to Shareholders

**About LAWSON**

## Becoming an Easy Place to Work

### Employee Health Management on the Web

Workplace stress is an important issue in employee health management that LAWSON addressed in fiscal 2009 with the introduction of a Web-based mental health stress check that employees can use for self-evaluation. We urge employees to use the check by sending e-mail twice each year to monitor and manage their mental health and take preventive measures against depression and other conditions.

### Hiring Foreign Students

We consider our employees to be our greatest asset, and seek to create an organization that makes the most of their individuality and enables them to realize their full potential. In fiscal 2011, we hired 19 foreign students as new employees, bringing the total number employed to 68 as of May 2011. We will continue to breathe new life into our workplaces through multicultural hiring.

#### ●Employee Composition

	FY 2008	FY 2009	FY 2010		FY 2008	FY 2009	FY 2010
Employees (consolidated)	5,186	5,236	5,703	Employees working reduced hours for childcare	18	18	32
Male/female	4,517/669	4,493/743	4,725/978				
Employees (non-consolidated)	3,459	3,452	3,340	Employees taking leave as caregivers	2	2	1
Male/female	3,083/376	3,061/391	2,920/420				
Women in managerial positions (%)	1.95	2.32	2.78	Average age	37.8	38.3	38.9
Employees with disabilities (%)	1.7	1.8	1.7	Average length of employment (years)	10.9	11.4	12.2
Employees on maternity leave	10	18	16	Employee turnover (%)	6.6	4.0	7.2
Employees taking childcare leave	25	24	28	Workplace accidents	67	66	57

\* The figures below the double line are non-consolidated, for LAWSON, INC. only.

## Becoming an Easy Place to Work

### From the Frontline: Employee

#### Keep Taking on New Challenges

I wanted to use my capabilities while working as an SV, because I felt that the work of an SV who analyzes sales and provides guidance to stores is extensive and profound. This is why I decided to join LAWSON. During my days as a store manager, I worked to ensure good communications with crew members. While I respected the work of experienced crew members, I kept searching for better methods.

However, I got depressed on many occasions. I sometimes had difficulties in communicating with customers because of differences in language and mindsets, while other times, crew applicants left before the job interview because they found out that the store manager was a foreigner.

However, I began to feel the pleasure of “achieving something together with others,” as I cooperated with crew members to make creative POPs and successfully achieved sales targets. I kept striving because I liked that feeling of achievement.

Currently, I am in charge of planning store promotion items and campaigns related to fast foods at the counter. I always want to tackle the next challenge, even when I find it difficult. My short-term goal is to develop a commercial film with a storyline, which is not found in the commercials of other convenience stores. In future, I would like to take on the further challenge of establishing Japanese-style convenience stores overseas.



Advertising Sales Promotion Planning Department  
**Ju-jing Shin**

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

### Caring for Our Planet

### Enriching the Community

### Motivating People

- 74 ▶ Keeping Customers Satisfied  
Efforts to Ensure Customer Satisfaction
- 77 ▶ Providing Safe, Secure and Healthy Products  
Ensuring Customer Safety and Health
- 85 ▶ Together with Franchise Owners and Store Crews  
Supporting Owners and Crews
- 91 ▼ Nurturing Employee Enthusiasm  
Becoming an Easy Place to Work
- 97 ▶ Together with Our Business Partners and Shareholders  
Maintaining Fair Relations with Our Business Partners  
In Order to Properly Disclose Information to Shareholders

### About LAWSON

## Becoming an Easy Place to Work

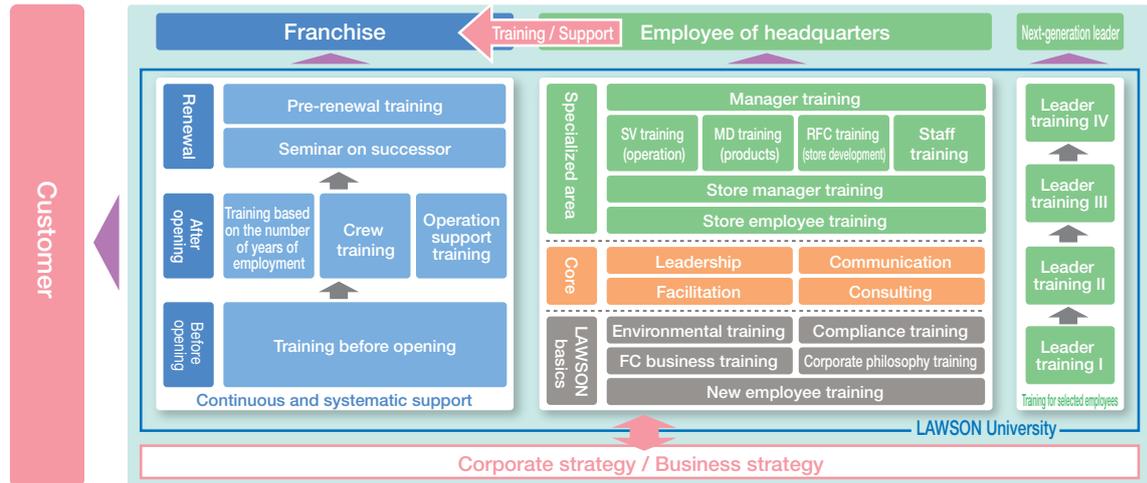
### “LAWSON University” Training Program

LAWSON works to establish a system where “anyone who needs to” can learn “the required contents” “at the required time” from the education of new employees to the development of executives, naming its own education and training program, “LAWSON University.”

LAWSON systematically provides support to franchise stores in terms of education and training and enhances the headquarters functions (educating employees) to further strengthen the function of “education and development,” which is at the core of the franchise business, and become the “Hot Station in the Neighborhood.” The

“LAWSON Learning Center (LLC),” a training facility, has been built on premises adjacent to the head office, where various programs are implemented. The “e-Learning System,” in which training is given through PCs and Smartphones, enables each person to individually receive the necessary training. The employee education of the headquarters aims to establish “an organization for learning” to develop “human resources that think” independently for various career stages and timing from the education of new employees to the development of executives.

#### ●LAWSON University Structure



- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

**Caring for Our Planet**

**Enriching the Community**

**Motivating People**

- 74 ▶ **Keeping Customers Satisfied**  
Efforts to Ensure Customer Satisfaction
- 77 ▶ **Providing Safe, Secure and Healthy Products**  
Ensuring Customer Safety and Health
- 85 ▶ **Together with Franchise Owners and Store Crews**  
Supporting Owners and Crews
- 91 ▼ **Nurturing Employee Enthusiasm**  
Becoming an Easy Place to Work
- 97 ▶ **Together with Our Business Partners and Shareholders**  
Maintaining Fair Relations with Our Business Partners  
In Order to Properly Disclose Information to Shareholders

**About LAWSON**



- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

### Caring for Our Planet

### Enriching the Community

### Motivating People

- 74 ▶ **Keeping Customers Satisfied**  
Efforts to Ensure Customer Satisfaction
- 77 ▶ **Providing Safe, Secure and Healthy Products**  
Ensuring Customer Safety and Health
- 85 ▶ **Together with Franchise Owners and Store Crews**  
Supporting Owners and Crews
- 91 ▶ **Nurturing Employee Enthusiasm**  
Becoming an Easy Place to Work
- 97 ▼ **Together with Our Business Partners and Shareholders**  
Maintaining Fair Relations with Our Business Partners  
In Order to Properly Disclose Information to Shareholders

### About LAWSON

## Maintaining Fair Relations with Our Business Partners

The LAWSON Group has developed the “LAWSON Code of Ethics” to build trustful relations with business partners and the “LAWSON Group Purchasing Policy” to further improve customer satisfaction.

### Promoting Fair Transactions

To establish trust with business partners, the “LAWSON Business Behavior Charter” and the “LAWSON Code of Ethics” (see p. 100) call for fair and transparent transactions conducted in good faith. We educate our merchandising personnel on the importance of not taking advantage of superior negotiating positions through e-learning for all employees and training sessions when employees are promoted to assistant merchandising developer and store development assistant positions.

### Business Partner Questionnaire Survey

We annually conduct a questionnaire survey with business partners, who supply merchandise, construct stores, etc., as subjects. The 17th questionnaire survey, conducted in July 2010, was the first for the partners of the planning and management department and those of the merchandise department of Group companies. The results showed an overall favorable evaluation, but also included some acid comments concerning the mode of transaction of specific departments in the planning and management department. We identify problem areas and issues based on the results of each survey and provide feedback in plenary meetings and department-specific training sessions as well as to the business partners involved in the questionnaire.

We take the opinions of our business partners seriously, and use them to gain a broad perspective from which to revise and enhance our compliance structure.

● **Results of the business partner questionnaire survey**  
(On a scale of +3.0 to -3.0)

	FY 2008	FY 2009	FY 2010
Store staff response	2.03	2.10	2.17
No extortion and forcing in business dealings	2.79	2.62	2.50
No activities prohibited under the guidelines concerning large-scale retail stores	2.96	2.77	2.89

\* “3.0” being the best.



### Maintaining Fair Relations with Our Business Partners

#### LAWSON Group Purchasing Policy

Reinforcement of the compliance and risk management system for the entire supply chain is required due to the higher consumer awareness of the product “background” and globalization of the procurement of raw materials. Cooperation of business partners is essential to meet the above corporate social responsibilities. Accordingly, LAWSON developed the “LAWSON Group Trade Policy” in September 2010. We have promoted transactions with partners who agree with the policy.

Moreover, we request our partners to cooperate in the activities of the LAWSON Group through “Business Partner Questionnaire Survey” (see p. 97). We work to establish a solid partnership with our business partners to better meet customer needs that require “safe and secure products and services developed in a proper environment.”



- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

### Caring for Our Planet

### Enriching the Community

### Motivating People

- 74 ▶ **Keeping Customers Satisfied**  
Efforts to Ensure Customer Satisfaction
- 77 ▶ **Providing Safe, Secure and Healthy Products**  
Ensuring Customer Safety and Health
- 85 ▶ **Together with Franchise Owners and Store Crews**  
Supporting Owners and Crews
- 91 ▶ **Nurturing Employee Enthusiasm**  
Becoming an Easy Place to Work
- 97 ▼ **Together with Our Business Partners and Shareholders**  
Maintaining Fair Relations with Our Business Partners  
In Order to Properly Disclose Information to Shareholders

### About LAWSON



### In order to properly disclose information to shareholders

The LAWSON Group has developed the “Basic Principles of Information Disclosure,” based on the “Basic Rules of Information Disclosure,” and works to disclose information in a fair, timely and appropriate manner.

### The First Place in the Category of Retailing/Supermarkets of the Awards for Excellence in Corporate Disclosure for 5 consecutive Years

LAWSON won the first place for the fifth consecutive year in the category of Retailing/Supermarkets in the 2010 Awards for Excellence in Corporate Disclosure held by the Securities Analysts Association of Japan, while the positive attitudes of the management and fair information disclosure in Investors Relations (IR) activities, which are public relations activities toward investors, were also highly evaluated.

We will continue to actively provide investors with accurate and impartial IR disclosures so as to be properly judged by the stock market.



▲ 2010 Awards for Excellence in Corporate Disclosure Awarding Ceremony

#### Reasons for LAWSON’s Best IR Award

- The top management positively engages in investor relations, such as the CEO stating corporate strategies clearly and simply.
- The IR department is easily accessible, sufficient information is accumulated, and useful discussion is possible.
- Corporate philosophy and a mid-term vision are clearly set.
- Explanations, questions and answers at the meeting on financial results are fully satisfactory and disclosure of explanatory materials is sufficient.
- Disclosure of information is conducted fairly.
- The capital policy and measures for shareholder return are fully explained.

Click here for the latest IR information (for investors and shareholders)

[Website](#)

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON’s Environmental Management
- 25 LAWSON Environmental Activities Report

**Caring for Our Planet**

**Enriching the Community**

**Motivating People**

- 74 ▶ Keeping Customers Satisfied  
Efforts to Ensure Customer Satisfaction
- 77 ▶ Providing Safe, Secure and Healthy Products  
Ensuring Customer Safety and Health
- 85 ▶ Together with Franchise Owners and Store Crews  
Supporting Owners and Crews
- 91 ▶ Nurturing Employee Enthusiasm  
Becoming an Easy Place to Work
- 97 ▼ Together with Our Business Partners and Shareholders  
Maintaining Fair Relations with Our Business Partners  
In Order to Properly Disclose Information to Shareholders

**About LAWSON**

## LAWSON Group Corporate Conduct Charter

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report
- Caring for Our Planet**
- Enriching the Community**
- Motivating People**
- About LAWSON**
- 100 **LAWSON's Organization**
- LAWSON Group Corporate Conduct Charter
- Corporate Governance and Internal Control
- Initiatives to Promote Compliance
- Improvement of the Risk Control System for a Speedier Response
- 109 **Corporate Data / Store Information / Subsidiaries and Affiliates**
- Corporate Data
- Store Information
- Subsidiaries and Affiliates
- 112 **Comments of third parties**
- 116 **History of the LAWSON Group**

### 1. Basic Declaration

We\*<sup>1</sup> believe that fulfilling our corporate social responsibilities while responding to the requests of LAWSON Group\*<sup>2</sup> stakeholders will lead to the enhanced corporate value of the LAWSON Group. With a solid understanding of the Charter's contents, we pledge to always act sincerely and considerately with a high sense of corporate ethics while adhering to all laws.

\*1. "We" refers to all directors, officers, regular employees, temporary employees and dispatched employees of the LAWSON Group (hereafter regular employees, temporary employees and dispatched employees are collectively referred to as "employees.").

\*2. "The LAWSON Group" refers to LAWSON, INC. and companies within the scope of consolidation.

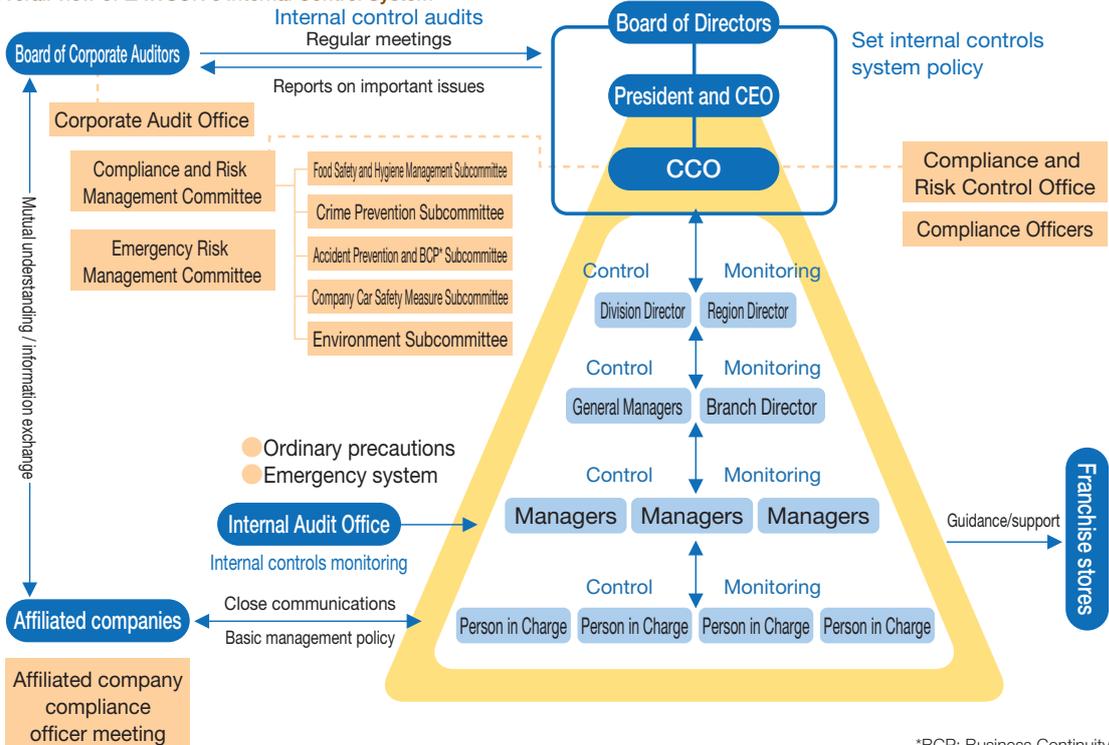
### 2. Basic Stance

1. We shall act with consideration toward all customers.
2. We shall support LAWSON franchise stores, which represent our largest partner.
3. We shall conduct fair and transparent business transactions with every business partner.
4. We shall create a friendly workplace environment for all employees.
5. We shall disclose necessary information to all shareholders and investors.
6. We shall take an active approach to environmental protection and proactively carry out social contribution activities as a member of the local community.
7. We shall maintain no ties with anti-social organizations and maintain healthy and proper relations with elected officials and public employees.
8. We shall adhere to internal regulations and various rules while undertaking our daily work to ensure that we do not lose any valuable assets of the LAWSON Group.

## Corporate Governance and Internal Control

LAWSON strives to enhance Corporate Governance by improving the soundness and transparency of management, through ensuring compliance and affirmative disclosure.

### Overall view of LAWSON's Internal Control System



\*BCP: Business Continuity Plan

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report
- Caring for Our Planet**
- Enriching the Community**
- Motivating People**
- About LAWSON**
- 100 **LAWSON's Organization**
  - LAWSON Group Corporate Conduct Charter
  - Corporate Governance and Internal Control**
  - Initiatives to Promote Compliance
  - Improvement of the Risk Control System for a Speedier Response
- 109 **Corporate Data / Store Information / Subsidiaries and Affiliates**
  - Corporate Data
  - Store Information
  - Subsidiaries and Affiliates
- 112 **Comments of third parties**
- 116 **History of the LAWSON Group**

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report
- Caring for Our Planet**
- Enriching the Community**
- Motivating People**
- About LAWSON**
- 100 ▼ **LAWSON's Organization**
  - LAWSON Group Corporate Conduct Charter
  - Corporate Governance and Internal Control**
  - Initiatives to Promote Compliance
  - Improvement of the Risk Control System for a Speedier Response
  - 109 ► **Corporate Data / Store Information / Subsidiaries and Affiliates**
    - Corporate Data
    - Store Information
    - Subsidiaries and Affiliates
  - 112 ► **Comments of third parties**
  - 116 ► **History of the LAWSON Group**

## Corporate Governance and Internal Control

### Board of Directors & Executive Officer System

The Board of Directors intentionally has few members, 7 directors including 3 outside directors, to facilitate swift management decisions. This system enables us to make fair decisions on important matters about company affairs including the formulation of business strategy, based on a wide range of perceptions and knowledge by having the same authority as general stockholders. The executive officer system enables us to accelerate business execution through the delegation of authority.

### Audit System

LAWSON's Board of Corporate Auditors has 4 members, including 3 outside auditors. The Board of Corporate Auditors monitors and verifies the execution of duties by directors by attending Board of Directors and other important meetings, providing opinions, and reviewing important documents.

LAWSON has established the Internal Audit Office as an independent internal auditing unit to strengthen auditing functions from the viewpoints of compliance with laws and regulations and social responsibility. This office monitors the propriety of our business operations on an ongoing basis, including risk management and legal compliance.

### Designation of Independent Directors

Based on the partial revision of the Securities Listing Regulations, the Enforcement Rules for Securities Listing Regulations, and the Guidelines concerning Listing Examination, etc. of the Tokyo Stock Exchange (enacted on December 30, 2009), a listed company must secure at least one independent director and make the relevant information available to public inspection, etc. LAWSON has high independence, to which none of the requirements stipulated in the "Enforcement Rules for Securities Listing Regulations Article 211, Paragraph 6, Item 5," etc. is applicable. A total of four, consisting of two outside directors and two outside auditors, has been designated at the meeting of the Board of Directors as independent directors who supervise corporate management from an independent standpoint and are unlikely to cause conflicts of interest with general shareholders.

#### ●Matters Relating to Directors

Number of Directors specified in the Articles of Incorporation:	11
Term of office of Directors specified in the Articles of Incorporation:	2 years
Chairman of the Board of Directors:	Outside Director
Number of Directors:	7
Number of Outside Directors:	3
Number of Independent Officers designated among the Outside Directors:	2

#### ●Matters Relating to Auditors

Number of Auditors specified in the Articles of Incorporation:	4
Number of Auditors:	4
Number of Outside Auditors:	3
Number of Independent Officers designated among the Outside Auditors:	2

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

**Caring for Our Planet**

**Enriching the Community**

**Motivating People**

**About LAWSON**

- 100 ▼ **LAWSON's Organization**
  - LAWSON Group Corporate Conduct Charter
  - Corporate Governance and Internal Control**
  - Initiatives to Promote Compliance
  - Improvement of the Risk Control System for a Speedier Response
- 109 ► **Corporate Data / Store Information / Subsidiaries and Affiliates**
  - Corporate Data
  - Store Information
  - Subsidiaries and Affiliates
- 112 ► **Comments of third parties**
- 116 ► **History of the LAWSON Group**

## Corporate Governance and Internal Control

### Compensation System

The Compensation Committee, led by an outside director, met twice in fiscal 2010 to discuss topics such as how to determine director and executive officer compensation, and reported the conclusions of these meetings to the Board of Directors. LAWSON also introduced a half-year salary system for employees in managerial positions above a certain rank from fiscal 2010 to establish stronger linkage between work results and corporate performance.

### Internal Control System

LAWSON faces wide-ranging risks as a company involved in many different business areas centered on convenience stores, with stores providing diverse products and services in every prefecture of Japan. We believe that the establishment and operation of a system of internal controls is of operating vital importance for ensuring sound and sustained corporate development. We review our basic policy each year in accordance with updating requirements and changes in management environment to maintain an effective and rational internal control system.

#### “The Fiscal 2011 Basic Policy for Maintaining the Internal Control System”

In fiscal 2011, in order to identify at an early stage any violation of law or any fact with a threat thereof in the entire LAWSON chain, setting up a consultation service available to the employees of franchise stores and business partners, working to make the “LAWSON Group Corporate Conduct Charter” known to all affiliated companies, and assigning a person in charge of promoting compliance and risk management in major affiliated companies have been added to the policy, which was determined at the meeting of the Board of Directors in February 2011.

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

Caring for Our Planet

Enriching the Community

Motivating People

About LAWSON

100 ▼ LAWSON's Organization

LAWSON Group Corporate Conduct Charter  
Corporate Governance and Internal Control

Initiatives to Promote Compliance

Improvement of the Risk Control System for a Speedier Response

109 ► Corporate Data / Store Information / Subsidiaries and Affiliates

Corporate Data  
Store Information  
Subsidiaries and Affiliates

112 ► Comments of third parties

116 ► History of the LAWSON Group

## Initiatives to Promote Compliance

We promote a better company structure to raise awareness of compliance.

### Company Structures for Raising Awareness of Compliance

LAWSON has appointed a Chief Compliance Officer (CCO), who has overall responsibility for the promotion of compliance and management of risks. The CCO leads the Compliance and Risk Control Office, which has its own full-time staff. Compliance officers are also appointed in each headquarters division and at the seven region offices in Japan.

With the aim of ensuring compliance with laws and regulations and effective risk management measures, the CCO convenes meetings of the Compliance and Risk Management Committee, comprised of all Compliances Officers, once a month to identify current problems and to preempt misconduct and other problematic incidents.

Compliance officers promote compliance and risk management in their own sections, provide related education, and propose improvements. Compliance and risk management officers are also appointed at affiliated companies, and meetings of affiliated company compliance officers are held to share information and knowledge throughout the LAWSON Group.



▲ Compliance and Risk Management Committee



▲ Affiliated company compliance officer meeting



- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

**Caring for Our Planet**

**Enriching the Community**

**Motivating People**

**About LAWSON**

**100 ▼ LAWSON's Organization**

LAWSON Group Corporate Conduct Charter  
Corporate Governance and Internal Control

**Initiatives to Promote Compliance**

Improvement of the Risk Control System for a Speedier Response

**109 ► Corporate Data / Store Information / Subsidiaries and Affiliates**

Corporate Data  
Store Information  
Subsidiaries and Affiliates

**112 ► Comments of third parties**

**116 ► History of the LAWSON Group**

### Initiatives to Promote Compliance

#### For the maintenance and enhancement of the compliance system

We have developed compliance-related rules and conducts regular compliance training, including e-learning and group training by job type, to ensure that we fulfill our corporate responsibility to comply with laws and regulations and respect social standards and morals. Based on the LAWSON Group Corporate Conduct Charter and the LAWSON Code of Ethics, we have periodically revised the LAWSON Group C&R Handbook, which summarizes these standards of conduct so that we can maintain and enhance employee awareness of compliance and risk management through work.

In addition to conducting attitude surveys covering all employees (see P.93), as well as surveys for business partners (see P.97), we have set up hotlines both inside and outside the company (at a law firm) as our internal reporting system, to facilitate the early identification of internal problems and the swift implementation of necessary remedies.



▲LAWSON Group C&R Handbook

#### Compliance Survey

To figure out the penetrance of the compliance system, we perform compliance surveys covering all company personnel once a year. Based on the result, we provide further improvement.

##### <Findings of the 7th (fiscal 2010) compliance questionnaire survey and measures to the results>

We have conducted a questionnaire survey covering the entire LAWSON Group for the first time. Figures were slightly lower compared to fiscal 2009 for the overall LAWSON Group and the tendency was more apparent especially among store employees and operating lines. It is presumed that this is because the corporate awareness of the activities and the system has been enhanced, but as the words and actions of superiors and the workplace atmosphere cannot keep up with this, an increasing number of people are of the opinion that these words and actions are for tatemae (public position) only, i.e., for external display only. The results were lower in many Group companies than in LAWSON, which shows that the "understanding of compliance" has not been successfully promoted.

Based on the result, we will further promote compliance in the entire Group by setting up the "Store Crew Relief Hotline" to improve the consultation service and by revising the "LAWSON Group C&R Handbook" in fiscal 2011.

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report
- Caring for Our Planet**
- Enriching the Community**
- Motivating People**
- About LAWSON**
- 100 ▼ **LAWSON's Organization**
  - LAWSON Group Corporate Conduct Charter
  - Corporate Governance and Internal Control
  - Initiatives to Promote Compliance
  - Improvement of the Risk Control System for a Speedier Response**
- 109 ▶ **Corporate Data / Store Information / Subsidiaries and Affiliates**
  - Corporate Data
  - Store Information
  - Subsidiaries and Affiliates
- 112 ▶ **Comments of third parties**
- 116 ▶ **History of the LAWSON Group**

## Improvement of the Risk Control System for a Speedier Response

In order to prevent the occurrence of misconduct and other problematic incidents, we will improve the risk management system and further share risk information.

### Enhancing Structure to Address New Risks

LAWSON focuses on three major risk areas from the corporate ethics perspective: product quality and hygiene management (see P.77-83 regarding quality management), information security, and disaster response. We have a system in place for the swift resolution of problems in the event of an emergency, and the Compliance and Risk Management Committee and five subcommittees convene in normal times to prevent the emergence of risks.

In the event of a serious risk emerging, we set up an emergency risk management committee to contain the risk and minimize damage. After resolution of the situation, we analyze causes to ensure restoration of trust and prevent recurrence, and seek to further improve our risk management capabilities by providing feedback on our findings to employees through training. We have also prepared a Business Continuity Plan (BCP) and are working to improve our business continuity management (BCM) system to minimize business interruptions and other damages that we are likely to suffer in the event of a large-scale natural disaster or pandemic.



▲BCP guidelines

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

Caring for Our Planet

Enriching the Community

Motivating People

About LAWSON

100 ▼ LAWSON's Organization

LAWSON Group Corporate Conduct Charter  
Corporate Governance and Internal Control  
Initiatives to Promote Compliance

Improvement of the Risk Control System for a Speedier Response

109 ► Corporate Data / Store Information / Subsidiaries and Affiliates

Corporate Data  
Store Information  
Subsidiaries and Affiliates

112 ► Comments of third parties

116 ► History of the LAWSON Group

## Improvement of the Risk Control System for a Speedier Response

### Maintaining Lifeline Functions during Major Disasters

In the case of large-scale disasters, the LAWSON Group strives to ensure the ongoing operation of stores in affected areas and the rapid restoration of service in stores struck by disaster. We have compiled basic and organization-specific (branch office, region office, and headquarters) disaster response manuals and distributed these to each branch and department of headquarter office. We have also included relevant parts in store manuals. In the event of a large-scale disaster, we have systems in place to establish Disaster Response Offices and ensure quick response to disasters.

We also conduct disaster response training programs twice a year\* to ensure that all employees are fully aware of the actions expected of them in times of disaster. We review the disaster response manuals in light of problems or questions that may have arisen during response training or actual disasters.

\*In light of the Great East Japan Earthquake, disaster response training programs will be conducted three times from FY2012.

Click here to find out about the support for the area affected by the Great East Japan Earthquake.



### Improving Information Security

We have established the LAWSON Group Personal Information Protection Policy that is also reflected in store manuals to ensure that it is understood and put into practice. To raise awareness, we use internal newsletters and other communication tools to describe common errors and complaints at stores and ways to resolve them. The LAWSON Office Security Rules are set up for headquarters employees.

We strive to improve our information security on all fronts through measures such as regular checking of our information management system using self-testing and internal auditing processes, rigorous observation of rules for the use, storage and disposal of personal information, and information security training.

#### LAWSON Group Personal Information Protection Policy

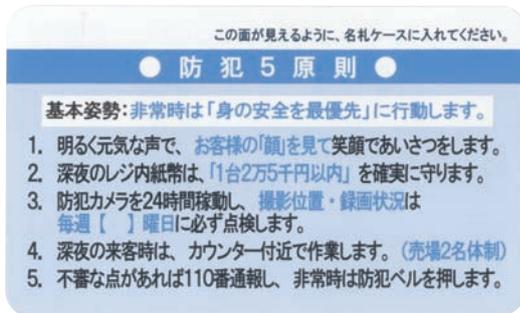
1. We acquire, use, provide, or entrust personal information in an appropriate manner.
2. We implement measures for the security of personal information.
3. We comply with laws and other regulations.
4. We continuously improve the compliance program for the protection of personal information.

## Improvement of the Risk Control System for a Speedier Response

### Crime Prevention Measures in Stores

To prevent crime at stores, we have conducted various activities including promotion of the installation of CCTV surveillance systems and deployment of anti-crime paint balls, dispatch of headquarters staff to make late-night rounds of stores, participation with local police departments in mock robbery exercises, and adherence to the "Five Principles of the Crime Prevention." In spite of the above efforts, however, a robbery and murder occurred in November 2010.

LAWSON has set up a "Crime Prevention Committee" to review crime prevention measures in order to prevent the recurrence of such a tragedy. As a result, LAWSON headquarters have taken the measures specified on the right, newly encouraged the stores to put top priority on personal safety and to ensure the implementation of preventive measures, and distributed the Five Principles of the Crime Prevention Card in August 2011. Moreover, LAWSON will urge the National Police Agency and the Japan Franchise Association to implement crime prevention measures jointly for the entire convenience store industry.



▲Five Principles of the Crime Prevention Card

### Details of the crime prevention measures

#### 1. Promotion of the installation of security cameras outside the store

By installing security cameras outside the store, the preventive effects on the occurrence of crime will be enhanced. And in the case of a crime, we will provide cooperation in the investigation for the arrest of the criminal by offering the recorded images of the store's parking area and the storefront street.

#### 2. Improvement of security camera functions

By replacing all the security camera systems with digital systems, the number of cameras will be increased, the image quality will be enhanced, the video recording capability will be improved, and replacement of video tapes will be unnecessary.

#### 3. Improvement of the environment for crew education

The number of alerts on crime prevention for distribution to POS registers and store computers has been increased and tools and manuals for use in crew education, including the self checklist for crime prevention, have been developed.

#### 4. Strengthening of crime prevention rounds

We will strengthen the guidance on making the rounds of the store specifically for crime prevention in order to enhance the awareness of franchise stores.

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report
- Caring for Our Planet
- Enriching the Community
- Motivating People
- About LAWSON
- 100 ▼LAWSON's Organization
  - LAWSON Group Corporate Conduct Charter
  - Corporate Governance and Internal Control
  - Initiatives to Promote Compliance
- 109 ▶Improvement of the Risk Control System for a Speedier Response
- ▶Corporate Data / Store Information / Subsidiaries and Affiliates
  - Corporate Data
  - Store Information
  - Subsidiaries and Affiliates
- 112 ▶Comments of third parties
- 116 ▶History of the LAWSON Group

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON'S Environmental Management
- 25 LAWSON Environmental Activities Report

Caring for Our Planet

Enriching the Community

Motivating People

About LAWSON

100 ▶ LAWSON's Organization

LAWSON Group Corporate Conduct Charter  
Corporate Governance and Internal Control

Initiatives to Promote Compliance

Improvement of the Risk Control System for a Speedier Response

109 ▼ Corporate Data / Store Information / Subsidiaries and Affiliates

Corporate Data

Store Information

Subsidiaries and Affiliates

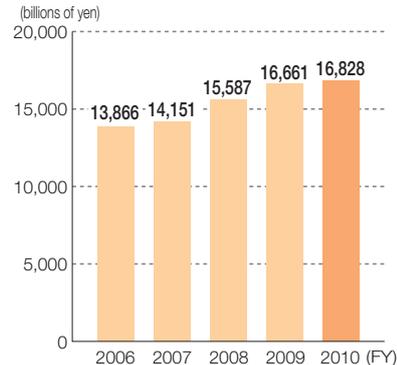
112 ▶ Comments of third parties

116 ▶ History of the LAWSON Group

## Corporate Data (As of February 28, 2011)

Company Name	LAWSON, INC.
Address	East Tower, Gate City Ohsaki, 11-2, Osaki 1-chome, Shinagawa-ku, Tokyo 141-8643, Japan
President and CEO	Takeshi Niinami
Established	April 15, 1975
Capital	58,506,644,000 yen
Number of Employees	5,703 (Consolidated)
Business Activities	Development of LAWSON, LAWSON STORE100 and NATURAL LAWSON franchise chains, etc.

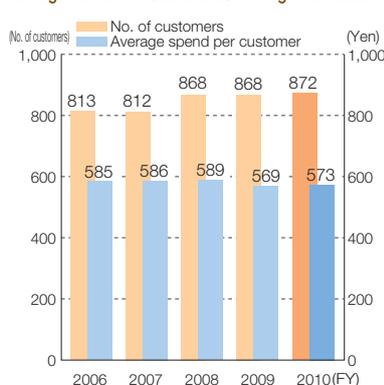
### Consolidated Net Sales of All Stores



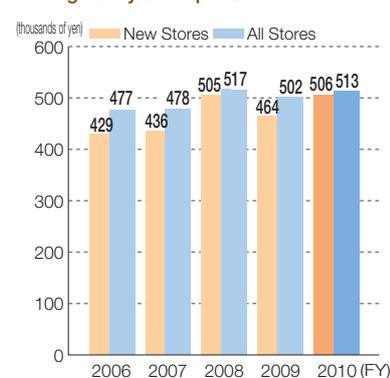
### Number of Stores<sup>\*1</sup>



### Average Number of Customers / Average Purchases



### Average Daily Sales per Store



\*1 Includes total of all LAWSON, NATURAL LAWSON, LAWSON STORE100 and SHOP99 stores from FY 2008

\*2 FY 2009 and later includes stores operated by LAWSON Okinawa, Inc.

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

Caring for Our Planet

Enriching the Community

Motivating People

About LAWSON

100 ▶ LAWSON's Organization

- LAWSON Group Corporate Conduct Charter
- Corporate Governance and Internal Control
- Initiatives to Promote Compliance
- Improvement of the Risk Control System for a Speedier Response

109 ▼ Corporate Data / Store Information / Subsidiaries and Affiliates

- Corporate Data
- Store Information

- Subsidiaries and Affiliates

112 ▶ Comments of third parties

116 ▶ History of the LAWSON Group

## Store Information 9,994 (1,077) stores in Japan\*1

(As of February 28, 2011)

Figures in brackets represent totals for LAWSON STORE100 and SHOP99 stores only

\*1 Includes 141 stores operated by LAWSON Okinawa, Inc.

### Chubu Region 1,474 (150)

Niigata	102	Yamanashi	73	Shizuoka	180 (15)
Toyama	112	Nagano	132	Aichi	473 (126)
Ishikawa	87	Gifu	122 (9)	Mie	94
Fukui	99				

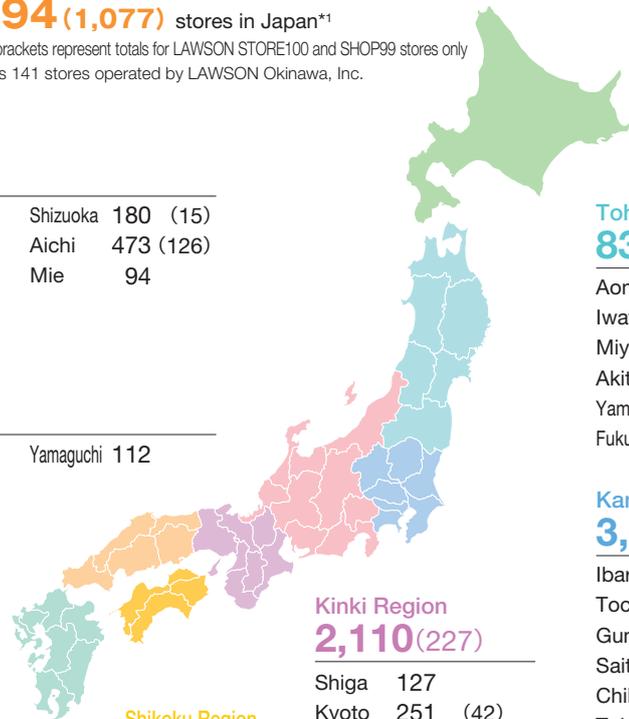
### Chugoku Region 556

Tottori	89	Okayama	122	Yamaguchi	112
Shimane	90	Hiroshima	143		

### Kyusyu Region 1,061 (13)

Fukuoka	357 (13)
Saga	61
Nagasaki	87
Kumamoto	92
Oita	139
Miyazaki	79
Kagoshima	105
Okinawa	141 *2

\*2 No. of stores operated by LAWSON Okinawa, Inc.



### Hokkaido Region 532

### Tohoku Region 835 (34)

Aomori	169
Iwate	160
Miyagi	193 (29)
Akita	153
Yamagata	61
Fukushima	99 (5)

### Kanto Region 3,013 (653)

Ibaraki	109 (5)
Tochigi	107
Gunma	68
Saitama	389 (49)
Chiba	355 (61)
Tokyo	1,288 (365)
Kanagawa	697 (173)

### Kinki Region 2,110 (227)

Shiga	127
Kyoto	251 (42)
Osaka	969 (144)
Hyogo	554 (38)
Nara	99 (3)
Wakayama	110

### Shikoku Region 413

Tokushima	103
Kagawa	98
Ehime	155
Kochi	57

### Overseas

SHANGHAI HUALIAN LAWSON CO., LTD.: 315  
CHONGQING LAWSON CO., LTD.: 4

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

Caring for Our Planet

Enriching the Community

Motivating People

About LAWSON

100 ▶ LAWSON's Organization

- LAWSON Group Corporate Conduct Charter
- Corporate Governance and Internal Control
- Initiatives to Promote Compliance

109 ▼ Corporate Data / Store Information / Subsidiaries and Affiliates

- Corporate Data
- Store Information

Subsidiaries and Affiliates

112 ▶ Comments of third parties

116 ▶ History of the LAWSON Group

## Subsidiaries and Affiliates

### Consolidated Subsidiaries (As of February 28, 2011)

#### Ninety-nine Plus Inc.

Direct operation and franchise chain management of single price store including LAWSON STORE100



#### LAWSON ENTERMEDIA, INC.\*

Sale of tickets for concerts, movies, sporting and other events, mainly through Loppi multimedia terminals located inside LAWSON stores



\*LAWSON ENTERMEDIA, INC. and HMV Japan K.K. have merged in September 2011, and operate as LAWSON HMV Entertainment, Inc.

#### LAWSON ATM Networks, Inc.

Installation, operation and management of ATMs in LAWSON stores and deposits/withdrawals, transfers and related financial services via ATMs outsourced from partner financial institutions



### Affiliated Companies

#### SHANGHAI HUALIAN LAWSON CO., LTD.

Development of LAWSON store chain in Shanghai, PRC, through a joint venture with Shanghai Bailian Group Co., Ltd.



#### Cross Ocean Media, Inc.

Perform all activities related to electronic advertisements



#### CHONGQING LAWSON CO., LTD.

Development of LAWSON stores in Chongqing, China. (Established April 29, 2010)

#### HMV Japan K.K.\*

Sale of music and video software through stores and internet



#### BestPractice Inc.

All activities related to conducting convenience store surveys and proposals for improving LAWSON stores



#### LAWSON Okinawa, Inc.

Development of LAWSON store chain in Okinawa Prefecture through a joint venture with SAN-A CO., LTD.



- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

Caring for Our Planet

Enriching the Community

Motivating People

About LAWSON

100 ▶ LAWSON's Organization

LAWSON Group Corporate Conduct Charter  
Corporate Governance and Internal Control

Initiatives to Promote Compliance

Improvement of the Risk Control System for a Speedier Response

109 ▶ Corporate Data / Store Information / Subsidiaries and Affiliates

Corporate Data

Store Information

Subsidiaries and Affiliates

112 ▼ Comments of third parties

116 ▶ History of the LAWSON Group

We invited comments on LAWSON's environment conservation/social contribution activities from a third party's viewpoint from members of organizations engaged in the launch of the "Support Dreams Fund" (a scholarship program for students affected by the Great East Japan Earthquake). We are taking these comments seriously for the improvement and development of our future initiatives.

## Help push the psychological button for the "motivation to support."

Ms. Kina Yachi, Representative Director

Charity Platform, specified nonprofit organization

<http://www.charity-platform.com/>

Japanese only

"Charity Platform" is an intermediary support organization that connects the motivation to conduct charity activities with NPOs and NGOs that are engaged in charity activities. Charity Platform currently serves as the Secretariat of the "Support Dreams Fund" and its members have been engaged in practical work such as the recruitment of scholarship students and payment of scholarship grant ever since the launch of the fund.



We believe the idea of this "Support Dreams Fund" is significant, as it is an activity where members of the LAWSON Group that has many bases throughout Japan jointly collect donations, thus enabling the provision of support to a number of students.

However, some time has now passed since the massive earthquake and we are at a time when our "motivation to support the people in the affected area," which was prevalent immediately after the disaster, is becoming increasingly lost in our daily lives. An important point for continuous support by many is to let people know how their donations have been used. For example, if a person donates money for 10 onigiri (rice balls) and learns that 10 people ate them and were satisfied, then the donor becomes motivated to donate further. On the other hand, if the contact for donations does not make efforts to

let donors know how helpful the support they provided was, then, donors and supporters simply become donation fatigued. In that sense, we feel that we are now at a crucial stage. We would be happy if LAWSON stores that are visited by many people continue to provide information that the affected area is still facing a tough reality and needs help and support in order to help push the psychological button for the "motivation to support."

Moreover, we would like you to work to provide non-financial support as well. For example, we think that we will be able to determine essential needs if a mechanism is built to invite the opinions of disaster victims extensively with the stores in the affected area serving as the contact point. We would appreciate it if the support was provided by the entire Group, including the franchise store owners and employees.

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

Caring for Our Planet

Enriching the Community

Motivating People

About LAWSON

100 ▶ LAWSON's Organization

LAWSON Group Corporate Conduct Charter  
Corporate Governance and Internal Control

Initiatives to Promote Compliance

Improvement of the Risk Control System for a Speedier Response

109 ▶ Corporate Data / Store Information / Subsidiaries and Affiliates

Corporate Data

Store Information

Subsidiaries and Affiliates

112 ▼ Comments of third parties

116 ▶ History of the LAWSON Group

## Listen to the voice of disaster victims and provide information correctly

**Ms. Keiko Hayashi**, Representative

Bridge for Smile, specified nonprofit organization

▶ <http://www.b4s.jp/en/index.html>



“Bridge for Smile” is an organization that supports children from orphanages to enter into society.

The organization has come forward to offer cooperation through “Charity Platform” at the launch of the “Support Dreams Fund.”

Immediately after the massive earthquake when everyone was at a loss regarding what action should be taken, the LAWSON Group placed the highest priority on the affected area under the leadership of its president and speedily provided support. We considered this a perfect opportunity to put the idea of the “Hot Station in the Neighborhood” into practice.

We would like to ask the LAWSON Group to listen carefully to the voice of disaster victims and provide information correctly. NPO members are working hard in the affected area, but there is no designated location for conveying messages to those affected. Because the LAWSON Group has bases all over Japan, we would be grateful if the Group could provide a location for conveying such messages in order to successfully connect the people in the affected area with those who wish to provide support for them. In

this situation, careful attention is of vital importance. If information is organized and the activities are widely announced, taking a stance to properly understand the thoughts and ideas of the people in the affected area and stand by their side, greater power to solve problems will be harnessed.

Moreover, it is very important to encourage general consumers to donate to the “Support Dreams Fund.” To build the mechanism for the above is, we believe, an opportunity to show the capability of the LAWSON Group that has extensive knowledge of consumer psychology. Everybody will be happy if there is a system where supporters also can have some fun or be rewarded, no matter how small, if they continue to donate. We therefore request that you build a system that will create excitement among people such that they become “willing to support children’s dreams.”

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

Caring for Our Planet

Enriching the Community

Motivating People

About LAWSON

- 100 ▶ **LAWSON's Organization**
  - LAWSON Group Corporate Conduct Charter
  - Corporate Governance and Internal Control
  - Initiatives to Promote Compliance
  - Improvement of the Risk Control System for a Speedier Response
- 109 ▶ **Corporate Data / Store Information / Subsidiaries and Affiliates**
  - Corporate Data
  - Store Information
  - Subsidiaries and Affiliates
- 112 ▼ **Comments of third parties**
- 116 ▶ **History of the LAWSON Group**

## Make social contributions, leveraging the strengths of core business

### Mr. Hidemi Oyama, Editor

The Education Newspaper <http://www.kyobun.co.jp/> Japanese only



The Education Newspaper is a company that publishes the Education Newspaper, etc. in order to play a part in education, which is the basis of human resources development, through news reporting. The company has come forward to offer cooperation through "Charity Platform" at the launch of the "Support Dreams Fund."

When a company engages in social contribution activities, they should be conducted in a manner that creates values (social contribution) in its core business, taking advantage of its business skills and resources, which is an initiative that is becoming widespread. With the occurrence of the massive earthquake disaster, we think that there is a possibility that turning core business, as it is, into values will become popular, providing a method of working and thinking that differs from the conventional one, and thus enable profound changes in Japan over the next several years.

As for the LAWSON Group, its strength in terms of core business is the fact that the Group has locations for face-to-face service all over Japan. We would like the Group to make good use of the above strength and take a further leap forward in conducting social contribution activities. Convenience stores, fast food stores, and post offices collectively should be able to cover the entire country. We would like the above entities to make available a common pamphlet showing volunteer activities and

NPOs in respective areas to those who wish to engage in volunteer work. We would also like companies to cooperatively engage in social contribution activities for Japan in the future, instead of competing against each other in terms of CSR.

We believe that this "Support Dreams Fund" is a remarkable organization, as it promotes solicitous activities for students, making it possible to concurrently receive other scholarship money and is managed collaboratively with NPOs, including Charity Platform. Moreover, we would like you to inspire students by making good use of LAWSON Group connections. Students are greatly affected by the words of celebrities. There are students who study to enter the University of Tokyo, because a high profile person visited their high school from Tokyo and talked to them. It would be nice if you could provide students with the opportunity to meet LAWSON's president, Mr. Niinami and other celebrities to listen to their words and advice.

# History of the LAWSON Group

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

Caring for Our Planet

Enriching the Community

Motivating People

About LAWSON

100 ▶ LAWSON's Organization

LAWSON Group Corporate Conduct Charter  
Corporate Governance and Internal Control  
Initiatives to Promote Compliance  
Improvement of the Risk Control System for a Speedier Response

109 ▶ Corporate Data / Store Information / Subsidiaries and Affiliates

Corporate Data  
Store Information  
Subsidiaries and Affiliates

112 ▶ Comments of third parties

116 ▼ History of the LAWSON Group

- 1975 April** Established Daiiei LAWSON Co., Ltd.
- June** Opened first store in Sakurazuka (Osaka). 
- 1976 Oct.** Established T.V.B. Sun Chain Co., Ltd.
- 1977 April** Inaugurated system for joint delivery of milk and other daily use products.
- Nov.** Created specialized plant to make boxed lunches, and began supplying freshly made boxed lunches.
- 1978 Jan.** Installed first-generation IT system
- 1980 Sept.** Concluded business tie-up between LAWSON and Sun Chain
- 1982 March** Began accepting home delivery service orders.
- 1986 April** Began sales of Kara-age Kun fried chicken nuggets. 
- 1988 May** Began employing a new three-delivery system.
- Sept.** Began using point-of-sale tracking system
- 1989 March** Merged with Sun Chain Corporation, to form Daiiei Convenience Systems Co., Ltd.
- Oct.** Began bill settlement services to accept electricity and gas bill payments.
- 1991 Feb.** Began employing the slogan the "Hot Station in the Neighborhood" in internal and external communications.
- 1992 Sept.** Started collecting donations for charities working to protect the global environment (the present LAWSON Green Fund).
- 1993 April** Commenced Clean Aid activities.
- 1995 Jan.** Conducted recovery and relief activities following the Great Hanshin-Awaji Earthquake 
- 1996 March** Began handling sales of stamps, post cards and revenue stamps.
- April** Initiated LAWSON Ticket sales. 
- June** Changed company name to LAWSON, INC.
- July** Opened first LAWSON store in Shanghai, People's Republic of China.

- 1997 March** Started "Every Store Can Contribute" initiative.
- July** Commenced operations in Okinawa, marking the Company's extension of operations to all 47 Japanese prefectures.
- 1998 Feb.** Installed Loppi multimedia terminals at all stores. 
- May** Opened the Katsushima 1-chome (Tokyo) experimental environmental action store.
- Nov.** Established the LAWSON Code of Ethics.
- Dec.** Received ISO14001 certification (international environmental management system standard)
- 1999 Jan.** Started providing organ donor cards at all stores.
- Nov.** Stopped providing chopsticks, spoons and forks with boxed lunches (except on request)
- 2000 Feb.** Opened 2nd environmental action store, the Numata Interchange Store, in Gunma Prefecture.
- June** Began Mt. Fuji LAWSON Forest Project.
- July** Shares listed on the First Sections of the Tokyo Stock Exchange and Osaka Securities Exchange.
- Oct.** Established i-Convenience, Inc.
- 2001 March** Adopted new uniforms made from recycled PET bottle materials.
- May** Established LAWSON ATM Networks, Inc.
- July** Opened the first NATURAL LAWSON store. 
- 2002 June** Introduced the LAWSON PASS membership card.
- Nov.** Established the Compliance Promotion Committee
- 2003 Jan.** Established post office counters at all stores. 
- May** Began staged removal of preservatives and artificial colorings from LAWSON original products sold in the Tokyo metropolitan and Kinki regions.
- August** Signed an agreement with Wakayama Prefecture on local cooperation activities.

\*The photos show the events denoted in a different color.

- 01 CONTENTS
- 02 Corporate Philosophy and Editorial Policy
- 03 Top Commitment
- 05 Value of the Existence of the LAWSON Group Revealed by the Earthquake
- 20 LAWSON Stores: Environmental Protection and Corporate Citizenship Activities
- 21 LAWSON's Environmental Management
- 25 LAWSON Environmental Activities Report

**Caring for Our Planet**

**Enriching the Community**

**Motivating People**

**About LAWSON**

**100 ▶ LAWSON's Organization**

LAWSON Group Corporate Conduct Charter  
Corporate Governance and Internal Control  
Initiatives to Promote Compliance  
Improvement of the Risk Control System for a Specified Response

**109 ▶ Corporate Data / Store Information / Subsidiaries and Affiliates**

Corporate Data  
Store Information  
Subsidiaries and Affiliates

**112 ▶ Comments of third parties**

**116 ▼ History of the LAWSON Group**

- 2004 June** Appointed Compliance Officers.
- July** Began installation of energy-efficient combined refrigeration and air conditioning systems. 
- 2005 March** Announced Personal Information Protection Policy.
- May** Opened the first LAWSON STORE100.
- June** Created new corporate philosophy to mark the 30th anniversary of LAWSON's founding.
- 2006 Jan.** Officially started waste oil recycling
- April** Launched full-scale feed and compost recycling.
- Sept.** Became first private company to sign an agreement with Japan's Ministry of the Environment
- 2007 March** Employed environmentally friendly PLA for salad containers.
- March** Started Bring Your Own program. 
- July** Opened HAPPY LAWSON Yamashita Park store (Yokohama City) to support families with children.
- 2008 Feb.** Formed comprehensive alliance with Japan Post Holdings Co., Ltd.
- April** Developed Lawson Genki Plan to breathe new life into local communities.
- April** Launched CO<sub>2</sub> Offset program.
- April** Equipped two stores in Nagano Prefecture with solar panels, in partnership with a citizen fund. 
- June** Started CO<sub>2</sub> emission reduction verification tests under joint research with the Yashiro Laboratory in the University of Tokyo's Institute of Industrial Science.
- Sept.** Opened a sub-post office in a LAWSON store in Sakaki, Nagano Prefecture
- Oct.** Opened eco-intensive Kure Hiro Koen Store (Hiroshima Prefecture)
- Dec.** Opened an elementary school in Laos, built through the sale of products with attached donations

- 2009 Jan.** Started electric vehicle working trial
- Feb.** Tokushima Prefecture Promotion Shop established inside the LAWSON Toranomon Tomoe-cho Store, Tokyo. 
- March** LAWSON TICKET INC. merged with i-Convenience, Inc. (to form LAWSON ENTERMEDIA, INC.).
- March** Established scholarship system for Vietnamese exchange students.
- May** Ninety-nine Plus Inc. merged with VALUE LAWSON INC.
- June** Began introducing LEDs for signage and interior lighting at new stores. 
- August** Began introducing electric vehicles and charging facilities. 
- Dec.** Established LAWSON Okinawa, Inc.
- Dec.** CO<sub>2</sub> Offset program given Minister of the Environment Prize for activities to prevent global warming
- 2010 March** Established Cross Ocean Media, Inc. as a joint venture.
- April** Won the 2010 Monde Selection Gold Medal for the "Premium Roll Cake."
- April** Established CHONGQING LAWSON, Co., Ltd.
- June** Established "LAWSON Group Environmental Policy."
- June** Established "LAWSON Farm Chiba, Inc.," an agricultural production corporation. 
- June** Awarded "LAWSON Green Fund Award" to two citizen groups at "the first Contest of Activities for Biodiversity Conservation."
- July** Opened convenience stores jointly operated by "MatsumotoKyorshi" and "LAWSON STORE100."
- August** Opened convenience stores that have a drug-dispensing pharmacy in partnership with Oai Co., Ltd.
- Sept.** Established "the LAWSON Group Purchasing Policy."
- Sept.** Established "LAWSON Group Personal Information Protection Policy."
- Dec.** Made HMV Japan K.K. into a consolidated subsidiary.

# LAWSON

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