Summary of Results for FY2010
LAWSON, INC.

April 15, 2011

Financial Results for FY2010

Yoshiyuki Yahagi
Chief Financial Officer

FY2010 Earning Summary

LAWSON

(Consolidated : Billions of yen)	FY2008 Actual	FY2009 Actual	FY2010 Actual	FY2010 YoY	FY2010 vs. Plan
Net sales of all stores	1,558.7	1,666.1	**1,682.8**	101.0%	99.9%
Operating profit	49.1	50.2	**55.5**	110.5%	104.8%
Operating profit ratio	3.2%	3.0%	**3.3%**	0.3%P	0.2%P
Recurring profit	48.7	49.4	**54.5**	110.4%	105.8%
Net profit	23.8	12.5	**25.3**	202.1%	109.4%
ROE	12.5%	6.5%	**12.8%**	6.3%P	-
EPS (Yen)	240.10	126.67	**254.61**	201.0%	109.6%
Dividend payout ratio	66.6%	126.3%	**66.8%**	▲59.5%	-
Projected dividend per share(Yen)	160	160	**170**	10	-
Total no. of stores in Japan	9,527	9,761	**9,994**	233	23

Notes: Net profit and EPS for FY2009 have been corrected because of prior-year'sfinancial adjustments of LAWSON ENTERMEDIA.
Results for FY2009 include the results of Ninety-nine Plus Inc. for the period from January 2009 to February 2010.
Percentages against plan are based on the results for 3Q of FY2010.

■ Consolidated operating profit : Double digits growth (Best record in company's history)

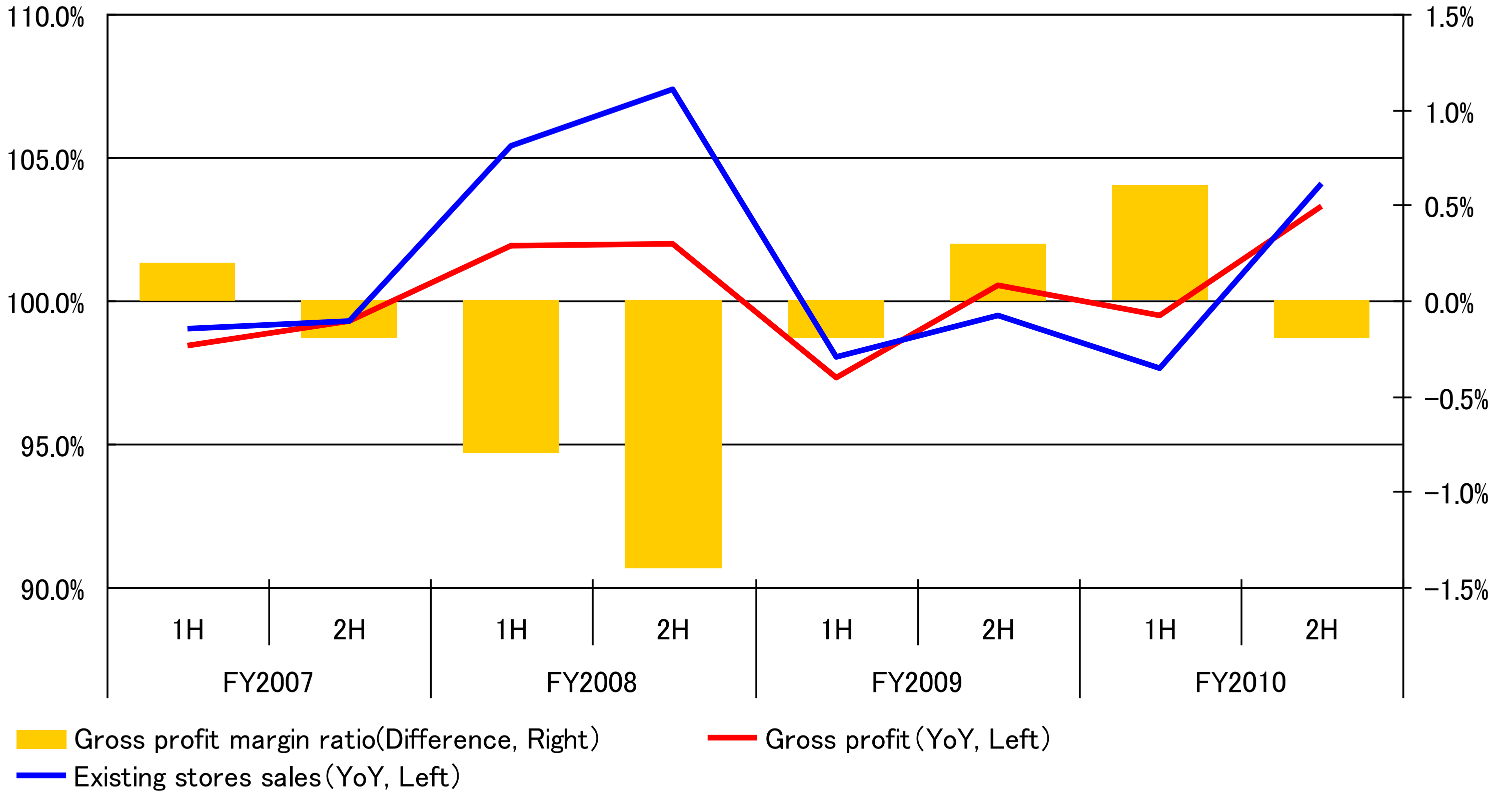
Existing store sales YOY exceeded the initial plan thanks to big hits in desserts categories.
Efforts in reducing SG&A continued and OP exceeded the plan (modified at announcement of FY2010-3Q).

■ Consolidated net profit: Significant increase (Best record in company's history)

Regardless of extraordinary loss on disposal of training facility, IT systems at Ninety-nine Plus Inc. ,
repercussion of last year's LEM misconduct-related loss of 13 billion yen led to significant increase in NP.

Existing Stores（Non-Consolidated）

LAWSON

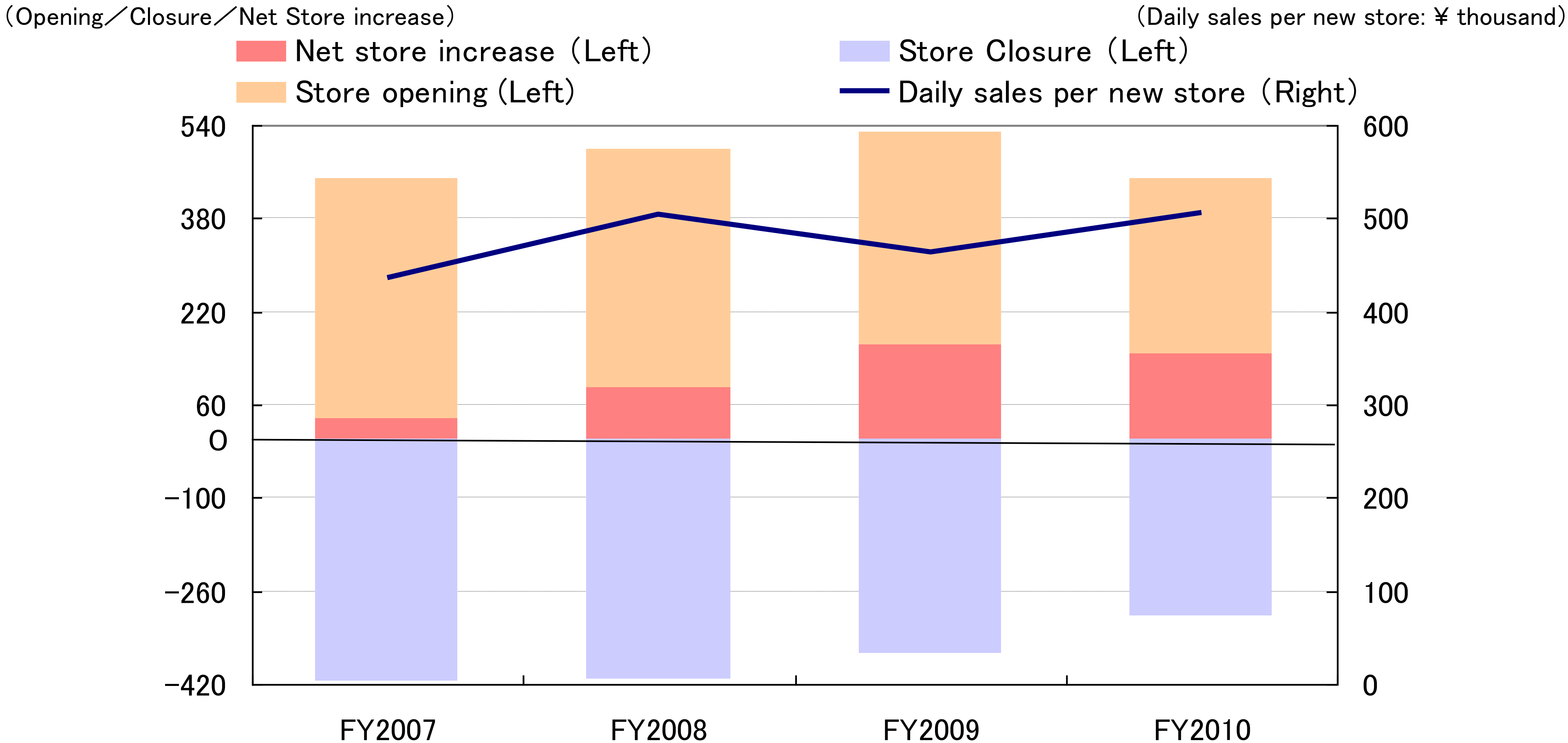


Reference

FY2010
Existing stores YOY
✓Gross profit: 101.4%
✓Sales: 100.8%
✓No. of customers: 100.4%
✓Amount spent per customer: 100.4%

- Gross profit margin excl. cigarette improved 0.5% point yoy because of efforts in obtaining better value-added raw materials and projection ordering system.
- Amount spent per customer increased by the effects of cigarette tax hike; number of customers also increased by the small repercussion of the cigarette tax hike.
- Existing store sales and gross profit yoy attained the plan applying results from analyzing purchasing data of Ponta card holders to new product development.

Store Opening（Non-Consolidated）



- As a consequence of more openings and 18 less closures than the planned, net store increase exceeded the plan, resulted in 147 stores.
- Seamless unification of store development and operation contributed to increase in daily sales at new store to 506 thousand yen (42 thousand yen more than the level of FY2009).

Key Components of SG&A Expenses

(Billions of yen)		FY2009 Actual	FY2010 Actual	FY2010 YoY	FY2011 Forecast
Non-conso-lidated	Selling, general and administrative expenses	179.4	179.9	0.4	Slight increase
	＜Major Strategic Expenses＞				
	Personnel costs	36.9	35.7	▲ 1.2	Down approx. 5%
	IT-related costs	13.6	14.7	1.0	Up approx. 5%
	(Hardware leasing, software amortzation, maintenance, etc.)				
		11.2	9.0	▲ 2.1	Up approx. 10%
Consolidated SG&A expenses		243.1	242.6	▲ 0.5	Up approx. 5%

Differences from FY2009

Non-consolidated

- Personnel costs
  Store crew expenses declined by reduction in number of company-operated stores.
- IT-related costs
  Increase from the amortization of PRiSM-related software installation of the previous year
- Advertising and promotional expenses
  Selective promotion based on ROI and efficient shopping points programs

Consoli-dated

- Ninety-nine Plus
  Decreased due to repercussion from 14 months results for FY2009 which aggregated the results of the period from January 2009 to February 2010.

Differences from the Plan

Non-consolidated

Minus 0.8 billion yen

- IT-related costs
  Minus 0.5 billion yen due to reduction in PRiSM-related renovation costs
- Advertising and promotional expenses
  Minus 0.7 billion yen as a result of unused promotion because of unexpected sales increase

Consoli-dated

Minus 0.8 billion yen

- Same as the above reasons for the non-consolidated basis

Earnings of Major Subsidiaries and Affiliates

(Billions of yen)

<Operating Profit of Major Subsidiaries>	Fiscal Year End	LAWSON's Shares	FY2010 Actual	FY2010 YoY	FY2011 Forecast
Ninety-nine Plus Inc.	Feb.	100.0%	1.77	▲0.39 *	2.80
LAWSON ENTERMEDIA, INC.	Feb.	100.0%	1.11	0.01	0.60
HMV JAPAN K.K.	Apr.	100.0%	0.19	-	▲0.20
LAWSON ATM Networks, Inc.	Feb.	44.0%	3.15	0.71	3.00
Cross Ocean Media, Inc.	Feb.	42.0%	▲ 0.36	-	▲ 0.10

<Operating Profit of Equity-method Affiliates>			FY2010	
LAWSON Okinawa, Inc.	Feb.	49.0%	0.60	0.49
SHANGHAI HUALIAN LAWSON	Dec.	49.0%	0.01	0.01

* Compared with the operating profit from January 2009 to February 2010, which was included in LAWSON's consolidated results for that fiscal year.

Ninety-nine Plus Inc.	Delayed new store openings and unsuccessful existing store sales, resulted in OP reduction and lower earnings than the planned.
LAWSON ENTERMEDIA, INC.	OP increased slightly above the planned by efforts in reduction of IT-related SG&A.
HMV Japan K.K.	As a result of closing unprofitable stores, OP keeps positive for three months of the period from November 2010 to January 2011.
LAWSON ATM Networks, Inc.	OP increased by growing number of ATM installation and efforts in SG&A reduction

FY2010 Balance Sheet and Cash Flows (Consolidated)

LAWSON

（Billions of yen）

	End of Feb. 2011	YoY
Total current assets	145.0	12.8
（Cash and deposits）	74.8	10.7
（Marketable securities）	2.9	0.4
（Accounts receivable）	29.2	2.8
Total noncurrent assets	331.0	15.0
Property, plant and equipment	158.8	13.5
Intangible assets	36.0	1.6
Investments and other assets	136.0	▲ 0.1
（Long-terms loans receivable）	31.8	2.1
（Guatantee deposits）	81.6	▲ 1.5
Total Assets	476.0	27.9

	End of Feb. 2011	YoY
Total current liabilities	192.5	8.0
（Accounts payable-trade）	81.3	8.2
（Deposits payable）	62.3	▲ 3.5
Total noncurrent liabilities	74.9	9.4
(Long-term guarantee deposits）	37.1	▲ 1.5
Net Assets	208.4	10.3
（Common stock）	58.5	―
（Retained earnings）	99.6	5.4
Liabilities, and net assets	476.0	27.9

Impact of new lease accounting standard
Fixed assets: +13 billion yen
Current/long-term liabilities: +12.1billion yen

（Billions of yen）

	FY2008	FY2009	FY2010
Cash flows from operating activities	51.7	40.6	72.2
Cash flows from investing activities	▲ 15.6	▲ 42.5	▲ 30.5
Free cash flows	36.0	▲ 1.9	41.6
Cash flows from financing activities	▲ 14.9	▲ 27.2	▲ 28.7
(Reference) Cash and deposits	82.4	64.0	74.8

FY2011 Forecast (Consolidated)

(Billions of yen)	FY2010	FY2011 Forecast (a) Before Quake	(b) After Quake	(b) －(a)	YoY
Net sales of all stores	1,682.8	1,790.0	1,768.0	▲ 22.0	105.1%
Operating profit	55.5	61.0	57.5	▲ 3.5	103.5%
Operating profit ratio	3.3%	3.4%	3.3%	▲ 0.1%	0.0%P
Recurring profit	54.5	58.9	55.4	▲ 3.5	101.5%
Net profit	25.3	25.3	19.8	▲ 5.5	78.0%
ROE	12.8%	-	9.7%	-	▲3.1%P
EPS (Yen)	254.61	253.33	198.26	▲ 55.07	77.9%
Dividend payout ratio	66.8%	-	88.3%	-	21.5%P
Project dividend per share (Yen)	170	-	175	-	5
Total no. of stores in Japan	9,994	10,324	10,324	0	330

(Non-Consolidated)

Gross profit at existing stores (YoY)	101.4%	102.5%	101.8%	▲ 0.7%P	0.4%P
Net sales at existing stores (YoY)	100.8%	103.5%	102.5%	▲ 1.0%P	1.7%P
Gross profit margin ratio	30.6%	30.3%	30.4%	0.1%P	▲0.2%P

- Aim to OP increase by product development and penetration of PRiSM-based orders
- Increase number of customers by better merchandise assortments matched to each location
- Improve gross profit margin (except cigarettes) by 0.3% point (after offsetting 0.5% point negative impact of cigarettes category)

Our Response to Quake Damages

		Right After the Quake	As of April 14, 2011
Stores	Tohoku	Closed/under recovery: 358 stores	Under recovery: 32 stores Closed: 20 stores ※
	Ibaraki	Closed/under recovery: 29 stores	Under recovery: 1 store ※
Manufacture & Supply Chain	Tohoku	Vendor factories: 5 suspended operation Distribution centers : 11 suspended operation	Vendor factories: 4 recovered Distribution centers : 10 recovered
	Kanto	Vendor factories: 1 suspended operation Distribution centers : 2 damaged	Vendor factories: all recovered Distribution centers : all recovered
Other Initiatives		✓ Headquarters dispatched emergency rescue team to support early recovery of store operation ✓ Delivered relief supplies (Since March 13) ✓ Efficient use of electricity	

※ In addition, three stores in Chiba and Tokyo are temporarily closed.
※ In addition, one store in Tohoku and another store in Ibaraki of Ninety-nine Plus Inc. are under recovery.
※ 25 stores of the total number of closed and under recovery stores are in the middle of restoration for reopening in May and June.

Impact of Earthquake and Other Remarks

(Billions of yen)

<Impact of East Japan Earthquake>

Accounts	Impact of earthquake: Consolidated	Impact of earthquake: Non-Consolidated
Total operating revenues	▲ 4.5	▲ 2.5
Operating profit	▲ 3.5	▲ 2.0
Extraordinary loss	5.0	4.5
Loss on damages of stores, raw materials, etc.	2.0	2.0
Subsidy for recovery of stores and franchisee	2.5	2.5
Subsidiary company-related loss	0.5	
Net profit	▲ 5.5	▲ 3.8
Net sales of all stores	▲ 22.0	▲ 22.0
Net sales of existing stores (YoY)	▲1.0%	▲1.0%

<Other Remarks>

Asset retirement obligations (Estimate)	8.0	7.0
Projected dividend per share (Yen)	175(5 yen increase)	

LAWSON's Management Strategy

Takeshi Niinami
President & CEO

Reassured Our Corporate Philosophy

LAWSON's Corporate Philosophy

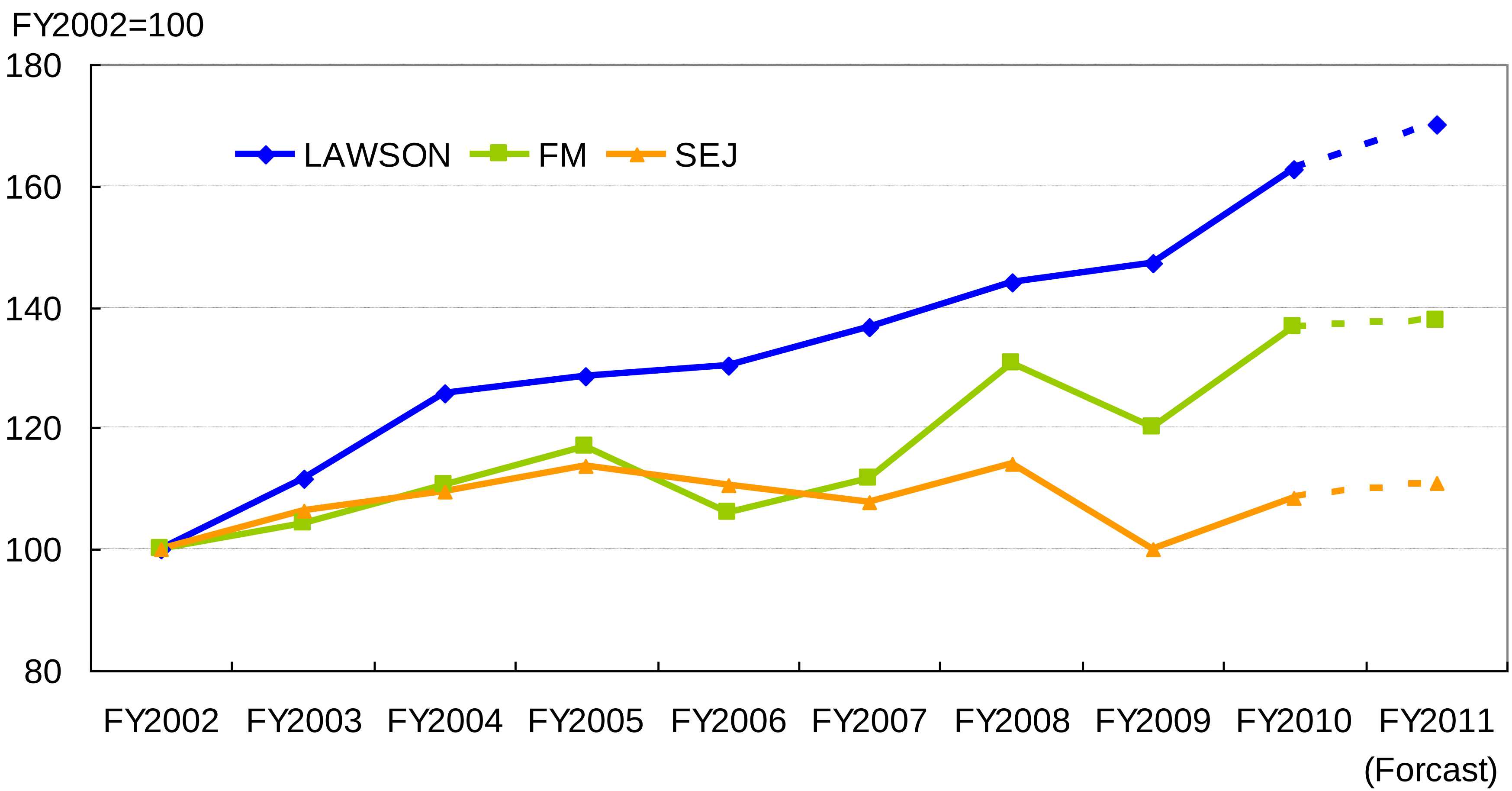
Happiness and Harmony in Our Community

- Lifeline of Our Community
- Significance in Small Format
- Values of Nationwide CVS Chain

Our Mission:

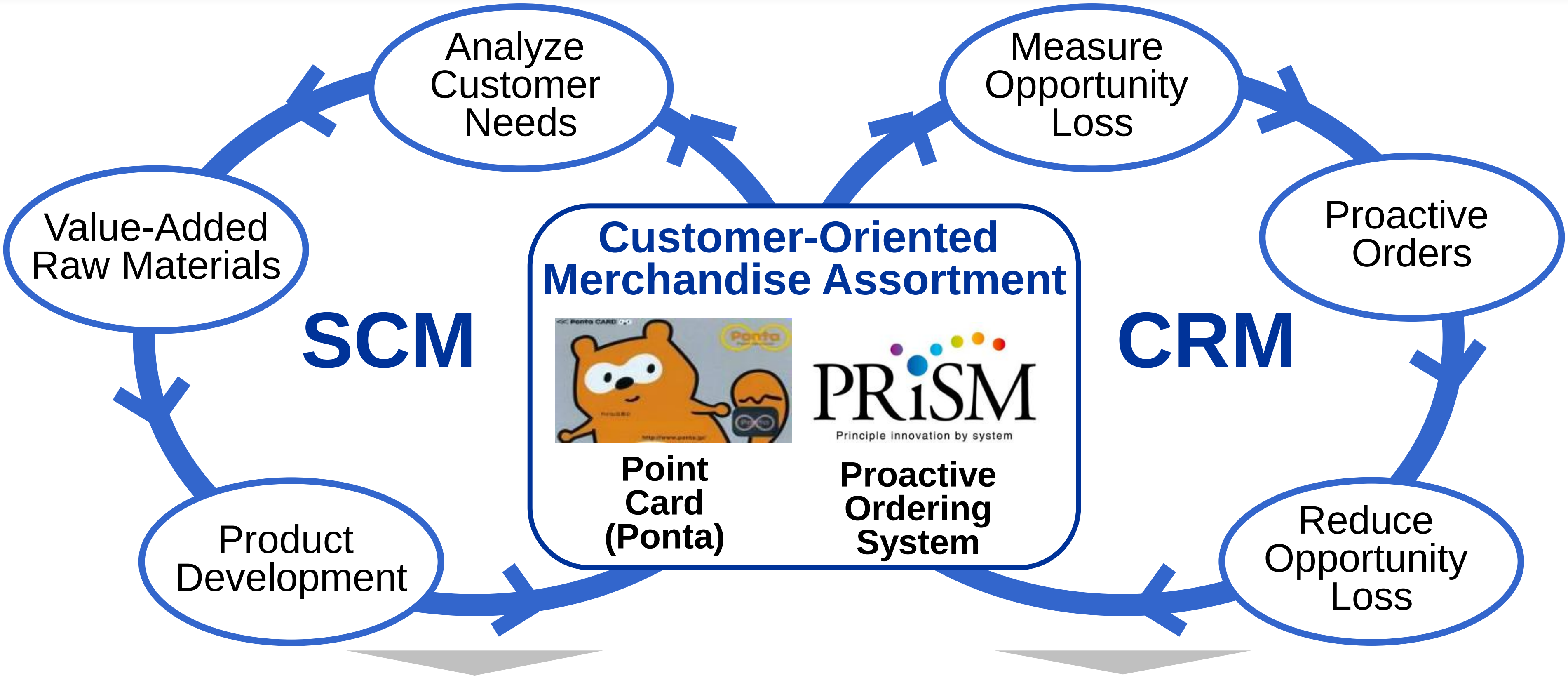
Whatever you want, Whenever and Wherever you need

OP Growth in Comparison



Aim at stainable growth by upfront investment

Integrated SCM and CRM



Gross Profit Margin

Sales Growth

Utilize 30 million Ponta point card holders' profile and PRiSM (proactive ordering system)

Increase shopping frequency and enhance customer loyalty

SPA Model Value Chain

LAWSON

Conventional CVS Model

Outsource to Partners

OP Ratio: 3%

R&D → Procure-ment → Manufacturing → Distri-bution → Sales

POS Data Analysis | Wholesaler | Factories / Venders | Distribution Center | Franchise Owners

SPA-Type Retailer

Integrate as Internal Value Chain

OP Ratio: 5% and above

R&D → Procure-ment → Manufacturing → Distri-bution → Sales

Ponta card data analysis

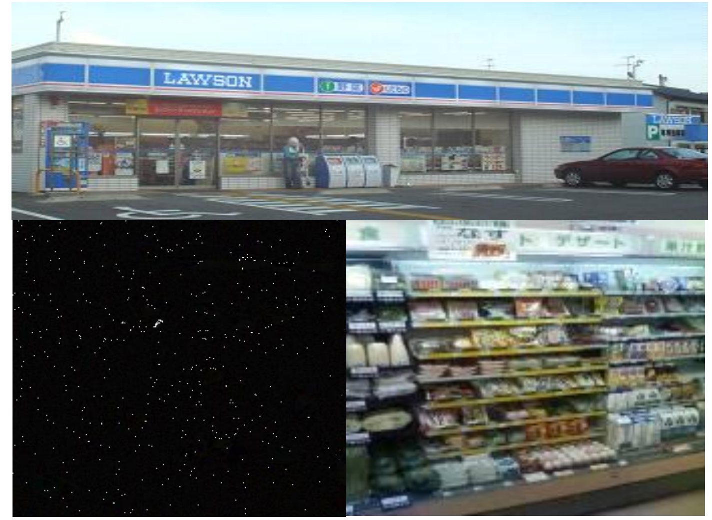
Cooperation of Mitsubishi Corp. / Procurement team with expertise in commodity market

OP Ratio Target: 5% and above in medium to long term

Customer Base Expansion by Fresh Food

LAWSON STORE 100

Hybrid Regular LAWSON



Metropolitan city format
FY2010 : 1,000 stores
FY2011 : +200 stores

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Nationwide format
FY2010: 1,200 stores
FY2011: +800 stores

Establish 3000 fresh food products oriented stores by FY2011 (esp. in residential area)

Development in Asia

Export Japanese CVS model and its soft skills we developed

- Established Overseas Operations Group
- Communication with local partners
- Hire foreign employees

For Recovery of Shanghai LAWSON's Ownership

LAWSON

Reinstall knowledge of Japanese CVS to Shanghai stores

Store Management Reforms

Better match to customers in each store location

- Redefine QSC standard
- Create principles of new store openings
- Relocate and/or close unprofitable stores

Remodeling of Franchisee Structure

Recover chain's reliability among franchisee

- Improve supervisors' roles
- Use MS evaluation and improve quality of franchisee owners
- Provide selected franchisees with opportunities to run plural stores

Medium- to Long-Term Goals for 2020

Lawson aims world's top small format retailer as SPA

ROE target: 15-20%

Consolidated operating profit in excess of 100 billion yen

Sales growth

- Japan: Expand customer base (Grow senior base)
  - ･Fresh foods, healthcare
  - ･In-store kitchens, etc.
- Overseas development

Profitability improvement

Operating profit ratio target: 5%

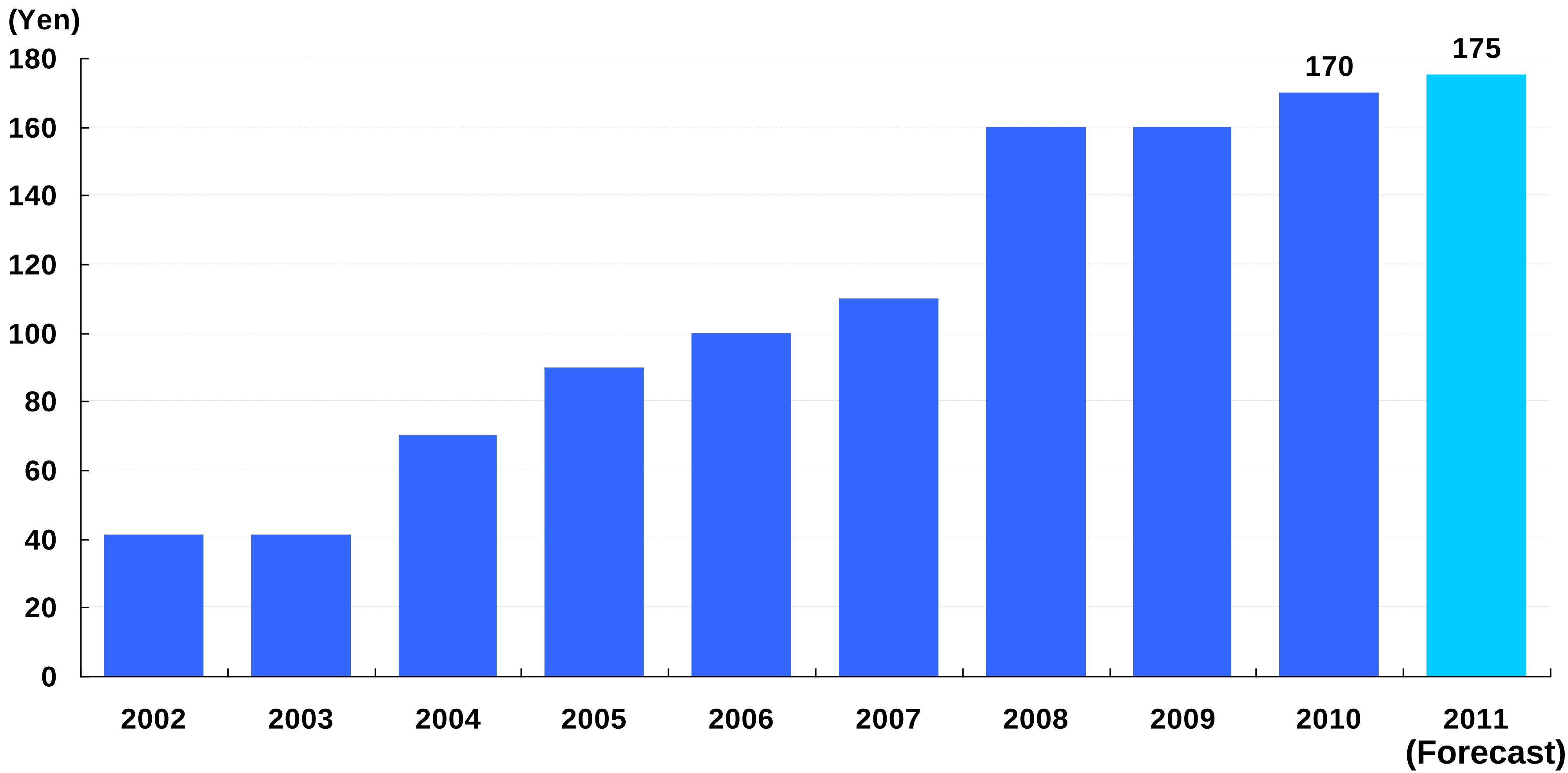
- Structural improvements in raw materials and distribution
- Store structural improvements
  - ･ PRiSM
  - - Multi-partners shopping point cards
  - - MS evaluations
- Head Office Structural improvements

Capital policy

- Continuous dividend growth
- Share buybacks and cancellations

R&D, Training Program, M&A, Alliance

Sustainable Dividend Growth



Sustain financial stability and investment for long-term growth
Continue to improve capital efficiency targeting ROE of 15% to 20%

Reference

Half Years Breakdown of FY2011 Forecasts

	FY2011 (Forecast)		
(Consolidated：Billions of yen)	1H	2H	FY
Net sales of all stores	884.0	884.0	1,768.0
Operating profit	28.5	29.0	57.5
Operating profit ratio	3.2%	3.3%	3.3%
Recurring profit	27.6	27.8	55.4
Net profit	5.3	14.5	19.8
(Non-Consolidated)			
Gross profit at existing stores (YoY)	102.0%	101.5%	101.8%
Net sales of existing stores (YoY)	103.5%	101.5%	102.5%
Gross profit margin ratio	30.5%	30.3%	30.4%

Except Cigarettes (Non-Consolidated)			
Gross profit at existing stores (YoY)	101.0%	101.0%	101.0%
Net sales at existing stores (YoY)	100.0%	100.0%	100.0%
Gross profit margin ratio	0.3%P	0.3%P	0.3%P

Capital Expenditure

(Consolidated：Billions of yen)	FY2008 Actual	FY2009 Actual	FY2010 Actual	FY2011 Forecast
New store	15.6	19.8	13.6	19.0
Existing store	6.7	8.1	8.9	10.0
IT-related	12.0	9.4	7.4	8.5
Other	3.8	0.6	1.0	1.0
Total	38.3	38.0	31.0	38.5
Total depreciation and amortization	20.8	27.4	33.0	37.3

1) Depreciation of property and store equipment includes depreciation for leased property treated as a sale-and-purchase transaction due to the application of new lease accounting standards in Japan.
2）Depreciation for FY2009, FY2010 and FY2011 includes amortization.
3)The amount of repayments of lease obligations (consolidated) of FY2010 is 8.7 billions of yen.

- **Allocate new store investment based on store openings plan of each group**
- **Investment of existing store are focused on renovation into fresh-food type (hybrid regular LAWSON)**

Reference
Impact of consolidating Ninety-nine Plus Inc. (FY2010)
Capital Expenditure:
Approx. 2.5 billion yen

Cautionary Statement

This presentation contains forward-looking statements and forecasts regarding the future plans, strategies and performances of LAWSON and its subsidiaries and affiliates. These statements and forecasts are not historical fact. They are expectations based on assumptions and beliefs derived from information currently available to the Company and are subject to risks and uncertainties including, but not limited to, economic trends, heightened competition in the domestic convenience store sector, personal consumption, market demand, the tax system and other legislation. As such, actual results may differ materially from estimates.

In September 2008, Ninety-nine Plus Inc. and its subsidiaries became consolidated subsidiaries of LAWSON. Because Ninety-nine Plus had a March 31 fiscal year-end, the fourth-quarter of fiscal 2008 and fiscal 2009 results (11-month fiscal year due to a fiscal year-end change) of the Ninety-nine Plus Group have been consolidated in LAWSON’s fiscal 2009 results.

Figures in this presentation have been rounded down.

LAWSON’s fiscal year-end is the end of February.