

## Flash Report on the Consolidated Result

For the 3rd Quarter (from March 1, 2011, to November 30, 2011) of the Fiscal Year Ending February 29, 2012  
January 10, 2012

Listed Company Name: LAWSON, INC.

Code No.: 2651

(URL <http://www.lawson.co.jp/company/ir/index.html>)

Company Representative: Takeshi Niinami, Representative Director, President & CEO

Contact: Tomoki Takanishi, Financial & Accounting Office General Manager Tel.: (03) 5435-2773

Scheduled date for submission of quarterly earnings report: January 13, 2012

Supplementary Documents quarterly results: Yes

Presentation of quarterly results: No

1. Consolidated Performance for the 3rd Quarter of the Current Period (from March 1, 2011, to November 30, 2011)

(1) Consolidated operating results

Note: Amounts below one million yen are truncated.

	Total operating revenues		Operating profit		Recurring profit	
	¥ Million	%	¥ Million	%	¥ Million	%
Current 3rd Quarter	360,865	9.0	49,772	8.4	49,763	9.9
Previous 3rd Quarter	331,141	(2.5)	45,920	4.4	45,287	4.3

	Net profit		Net income per share	Fully diluted income per share
	¥ Million	%	¥	¥
Current 3rd Quarter	20,614	(0.8)	206.41	206.16
Previous 3rd Quarter	20,789	5.0	208.62	208.40

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	¥ Million	¥ Million	%	¥
At November 30, 2011	519,908	209,907	39.7	2,068.48
At February 28, 2011	476,036	208,466	42.7	2,037.50

Notes: Equity Capital November, 2011 ¥206,595 million February, 2011 203,479 million

2. Dividends status

	Annual dividends per share				
	1Q	2Q	3Q	Year-end dividend	Total
	¥	¥	¥	¥	¥
2010 fiscal year	—	85.00	—	85.00	170.00
2011 fiscal year		87.00			
2011 fiscal year (Forecast)			—	93.00	180.00

Notes: Revision of forecast for dividends in the third quarter: None

3. Forecast Consolidated Performance for 2011 fiscal year (from March 1, 2011, to February 29, 2012)

	Total operating revenues		Operating profit		Recurring profit		Net profit	
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%
2011 fiscal year	473,000	7.2	61,500	10.7	60,400	10.6	23,500	(7.4)

Reference: Forecast net profit per share for the 2011 fiscal year: 235.28yen

Note: Revision of forecasts for consolidated performance during the third quarter: None

4. Other

(1) Change in important subsidiaries during the period (Changes in certain specified subsidiaries resulting in revised scope of consolidation): None

(Note) This indicates any changes in specified subsidiaries during the second quarter resulting from a revision of the scope of consolidation.

(2) Adoptions of simplified accounting methods or special accounting methods in presentation of quarterly financial statements: Yes

(Note) This indicates whether any simplified accounting methods or special accounting methods were adopted in preparation of the quarterly financial statements.

(3) Changes in accounting principles, procedures, presentation methods, etc., pertaining to preparation of consolidated financial statements (Those to be stated as significant accounting policies)

1. Changes associated with revision in accounting standards: Yes

2. Other changes: None

(Note) This indicates whether there were any changes in the accounting principles, procedures, presentation methods, etc. pertaining to the preparation of the consolidated financial statements as stated under Changes in Significant Accounting Policies for the Presentation of the Quarterly Financial Statements.

(4) Number of issued shares:

i) The number of the stocks issued in the end of term

November, 2011: 100,300,000                      February, 2011: 100,300,000

ii) The number of treasury shares in the end of term

November, 2011: 422,134                      February, 2011: 433,040

iii) Average number of shares during the term

November, 2011: 99,868,413                      November, 2010: 99,652,292

Note: Disclosure of progress of quarterly review procedures

At the time of disclosure of this quarterly flash report, review procedures for quarterly earnings reports based on the Financial Instruments and Exchange Act had not been completed.

Note: The above-mentioned forecast is based on the information, which is able to get hand at present, and including a potential risk and uncertainty. Therefore, actual achievements may differ from these forecasts due to many factors.

## **1. Review of Operations**

### **(1) Overview of Consolidated Operating Results**

During the first nine months of fiscal 2011, the period from March 1, 2011 to November 30, 2011, the Japanese economy picked up gradually despite lasting impact from the Great East Japan Earthquake in March, with robust sales recorded in the convenience store industry.

In this business environment, the LAWSON Group (the “Company”) focused on achieving a speedy recovery of stores and the product supply chain in the disaster-affected areas with the aim of realizing the Group’s corporate philosophy of “Happiness and Harmony in Our Community.” With these efforts, we were appreciated by customers as a convenience store chain with a nationwide network as well as social infrastructure that provides essential items at the local level.

Consolidated financial results for the first nine months of fiscal 2011 were as follows: Total operating revenues were ¥360,865 million (up 9.0% year on year) and operating profit was ¥49,772 million (up 8.4% year on year). Recurring profit totaled ¥49,763 million (up 9.9% year on year).

Net profit decreased ¥175 million compared to the corresponding period of the previous fiscal year to ¥20,614 million (down 0.8% year on year).

### **(Convenience Store Operations and Overseas Businesses)**

On the merchandise front, the “Company” developed menus catering to customer needs by leveraging customer purchase data acquired through the multi-partner loyalty program, Ponta, which the Company joined in March 2010.

In the rice category, our chilled lunch boxes, named “Lawson-Tei,” continued to enjoy popularity. “Lawson-Tei” incorporates the color, taste and texture preferences of female customers, who have traditionally proven reluctant to purchase convenience store lunch boxes.

Our private brand, “Lawson select,” which is mainly comprised of prepared foods, processed foods, and daily necessities, was renewed in October 2011 and recorded robust sales. Our fresh food type LAWSON stores (hybrid stores), which are basically regular existing LAWSON stores but with a stronger assortment of fresh foods and daily delivered foods, continued to promote strategies to expand customer base by appealing to housewives and elderly people. The number of fresh food type LAWSON stores totaled 3,441 as of November 30, 2011. Some of these stores sell fresh vegetables produced at LAWSON Farms in Japan, which the Company partially funded.

Sales by product group throughout all Lawson Group stores

Fiscal period Product group	Previous 3rd Quarter March 1, 2010 to November 30, 2010		Current 3rd Quarter March 1, 2011 to November 30, 2011	
	Sales (Millions of yen)	Percentage of Total (%)	Sales (Millions of yen)	Percentage of Total (%)
Processed foods	676,491	53.4	775,300	56.2
Fast foods	243,984	19.2	261,198	18.8
Daily delivered foods	199,644	15.8	200,659	14.6
Nonfood products	146,952	11.6	143,291	10.4
Total	1,267,073	100.0	1,380,450	100.0

Regarding sales promotions, the Company executed the HAPPY 10,000 Campaign in celebration of reaching the 10,000 store milestone in Japan, as well as the Autumn Rilakkuma Fair.

Regarding services, total Ponta members reached 36.96 million as of November 30, 2011, including members joining through other participating companies. LAWSON provided loyalty points appealing to Ponta members while expanding its membership base.

To improve store operations, we promoted merchandise assortments that matched customer needs specific to each store by utilizing our backbone IT system, PRiSM, to analyze sales data collected from Ponta card members and to use the analyzed data in store-based order placements. In addition, we have strived to make more use of PRiSM at each store with the goal of enhancing accuracy in order placement in order to reduce opportunity loss. Through these measures, we will continue to work toward creating stores that fully satisfy the desires of customers to purchase “whatever you want, whenever and wherever you need it.”

Regarding new store openings, the Company worked to develop new stores, emphasizing profitability by rigorously adhering to proprietary group standards required for opening stores.

[Change in Total Number of Domestic Stores]

(Stores)

	LAWSON	NATURAL LAWSON	LAWSON STORE100	Total
Total stores as of February 28, 2011	8,686	90	1,077	9,853
Change during fiscal year	283	6	82	371
Total stores as of November 30, 2011	8,969	96	1,159	10,224

(Note) The total number of LAWSON stores as of November 30, 2011 includes 72 stores operated by LAWSON TOYAMA, INC. the Company’s consolidated subsidiary.

*Number of Domestic stores by prefecture (As of November 30, 2011)*

Prefecture	Number of stores	Prefecture	Number of stores	Prefecture	Number of stores	Prefecture	Number of stores	Prefecture	Number of stores
Hokkaido	556	Saitama	414	Gifu	125	Tottori	94	Saga	63
Aomori	171	Chiba	363	Shizuoka	186	Shimane	91	Nagasaki	90
Iwate	156	Tokyo	1,358	Aichi	489	Okayama	124	Kumamoto	99
Miyagi	187	Kanagawa	727	Mie	98	Hiroshima	148	Oita	142
Akita	157	Niigata	106	Shiga	129	Yamaguchi	111	Miyazaki	84
Yamagata	63	Toyama	183	Kyoto	264	Tokushima	102	Kagoshima	108
Fukushima	94	Ishikawa	91	Osaka	984	Kagawa	97	Total	10,224
Ibaraki	112	Fukui	99	Hyogo	568	Ehime	159		
Tochigi	110	Yamanashi	78	Nara	98	Kochi	60		
Gunma	69	Nagano	135	Wakayama	113	Fukuoka	369		

The number of fresh food convenience stores, LAWSON STORE100, operated by the Company's consolidated subsidiary Ninety-nine Plus Inc., reached 1,159 as of November 30, 2011. The subsidiary continues to promote franchise expansion. Some of these stores also sell vegetables produced at LAWSON Farms.

LAWSON OKINAWA, INC. the Company's equity-method affiliate, was operating 145 stores in Okinawa Prefecture as of November 30, 2011.

Regarding our overseas businesses, the Company made additional investments in its Chinese equity-method affiliate, SHANGHAI HUALIAN LAWSON CO., LTD., in September 2011 and converted it into a consolidated subsidiary. The number of LAWSON stores in Shanghai in the People's Republic of China (hereafter referred to as China) totaled 308 as of November 30, 2011.

CHONGQING LAWSON CO., LTD., also a consolidated subsidiary of the Company, was operating 30 LAWSON stores in Chongqing, China, as of November 30, 2011.

Additionally, the Company established DALIAN LAWSON CO., LTD in Dalian, China, in September 2011 as its consolidated subsidiary, which opened its first store in Dalian in November 2011.

In regions outside of China, the Company established LAWSON ASIA PACIFIC HOLDINGS PTE. LTD. (LAP) in May 2011 in the Republic of Singapore as its consolidated subsidiary, in order to control the Company's subsidiaries and affiliates that operate convenience stores outside Japan (excluding China). Also, the Company entered into a licensing agreement in June 2011 with PT MIDI UTAMA INDONESIA Tbk (MIDI), a member of the Alfa Group, which operates a large-scale retail business in the Republic of Indonesia. Furthermore, LAP acquired a 30% equity stake in MIDI in July 2011. As of November 30, 2011, MIDI operates 466 stores of their own brand and one LAWSON store in Jakarta, Indonesia.

### **(Other Businesses)**

In addition to convenience store operations, the Company is involved in entertainment/e-commerce, financial services, and other businesses.

The Company's consolidated subsidiaries LAWSON ENTERMEDIA, INC. and HMV Japan K.K., which operate entertainment/e-commerce-related businesses, merged as of September 1, 2011 to become LAWSON HMV ENTERTAINMENT, INC. The Company's entertainment/e-commerce-related business led by the merged company has shown steady recovery at a pace exceeding our original expectations despite the negative impact of the Great East Japan Earthquake which resulted in voluntary cancellation and postponement of some concerts and in the voluntary delay of new CD/DVD releases.

The Company opened its comprehensive online entertainment mall, LAWSON HOT STATION Lpaca, and its online shopping mall, Loppi, in August and September 2011, respectively. Loppi has expanded merchandise offering since November 2011 with particular emphasis on daily necessities and foods, and Lpaca has increased the number of books. The Company will continue working to make online shopping even more convenient for users in their everyday lives.

In addition, we are promoting collaboration between Yahoo! JAPAN's network service and LAWSON stores, leveraging the alliance with Yahoo JAPAN Corporation which commenced in June 2011. Furthermore, we will focus on reinforcing the e-commerce business by providing price comparison and product search functions offered by Venture Republic Inc., with which the Company entered into a capital and business alliance in January 2011.

LAWSON ATM NETWORKS, INC., which operates a financial services-related business, has worked to increase the number of transactions in response to the increased number of ATMs installed nationwide in LAWSON stores. As of November 30, 2011, the number of ATMs installed nationwide totaled 8,902.

## **2. Qualitative Information Regarding Changes in Other Consolidated Financial Indicators**

### **(1) Financial Position at the 3rd Quarter end**

Total Assets, Total Liabilities and Net Assets at the 3rd Quarter End

At November 30, 2011, total assets stood at ¥519,908 million, an increase of ¥43,871 million from February 28, 2011. This mainly reflected a ¥4,400 million increase in account receivable-due from franchised stores and a ¥20,615 million increase in net property and store equipment.

Total liabilities increased ¥42,431 million from February 28, 2011 to ¥310,001 million at November 30, 2011. This mainly reflected a ¥ 14,618 million increase in accounts payable-trade and a ¥15,037 million increase in asset retirement obligations.

Net assets stood at ¥209,907 million, increased ¥1,440 million from February 28, 2011. This is primarily due to the increase of retained earnings by ¥3,369 million, although decrease of ¥1,626 million in minority interests.

## (2) Cash Flows During the 3rd Quarter

Cash and cash equivalents at November 30, 2011 were ¥67,876 million, increased ¥164 million compared with February 28, 2011.

Operating activities provided net cash of ¥63,293 million, an increase of ¥5,498 million from the corresponding period of the previous 3rd Quarter, mainly due to increase in account payable-other and deposits received.

Investing activities used net cash of ¥38,956 million, an increase of ¥12,487 million from the corresponding period of the previous 3rd Quarter, mainly due to an increase in purchase of stocks of subsidiaries and affiliates.

Financing activities used net cash of ¥24,174 million, a decrease of ¥2,354 million over the corresponding period of the previous 3rd Quarter, mainly due to a decrease in purchase of treasury stock.

## 3. Other

(1) Change in important subsidiaries during the period (Changes in certain specified subsidiaries resulting in revised scope of consolidation): None

(2) Adoptions of simplified accounting methods and accounting methods particular to presentation of quarterly financial statements:

① Adoption of simplified accounting methods: Yes

Regarding property and store equipment to which the declining-balance method is applied, the amount of depreciation is calculated by apportioning depreciation equally during the period.

② Accounting methods particular to presentation of quarterly financial statements: None

### 3. Consolidated Financial Statements etc.

(1) Consolidated Balance Sheets (Unaudited)

As of November 30, 2011 and February 28, 2011

(Millions of yen)

	November 30, 2011	February 28, 2011
<b>Current assets:</b>		
Cash and bank deposits	73,481	74,816
Accounts receivable—due from franchised stores	20,559	16,159
Marketable securities	4,999	2,999
Merchandise inventories	8,661	7,011
Accounts receivable—other	31,004	29,285
Deferred tax assets	4,061	4,943
Other	11,710	9,891
Allowance for doubtful accounts	(173)	(97)
<b>Total</b>	<b>154,304</b>	<b>145,009</b>
<b>Fixed assets:</b>		
Property and store equipment		
Buildings and structures	214,938	192,865
Accumulated depreciation	(109,496)	(96,463)
Buildings and structures-net	105,441	96,401
Vehicles, tools, furniture and fixtures	63,762	61,156
Accumulated depreciation	(50,286)	(47,914)
Vehicles, tools, furniture and fixtures-net	13,476	13,241
Lease assets	68,366	-
Accumulated depreciation	(15,854)	-
Lease assets-net	52,512	-
Other	8,018	58,311
Accumulated depreciation	-	(9,120)
Lease assets-net	8,018	49,190
<b>Subtotal</b>	<b>179,449</b>	<b>158,833</b>
<b>Intangible fixed assets;</b>		
Software	27,551	27,901
Goodwill	11,329	7,717
Other	541	477
<b>Subtotal</b>	<b>39,422</b>	<b>36,096</b>
<b>Investments and Other;</b>		
Long-term loans receivable	31,923	31,825
Lease deposits	83,251	81,654
Deferred tax assets	17,937	13,253
Claims provable in bankruptcy, claims provable in rehabilitation and other	15,185	15,372
Other	14,372	10,037
Allowance for doubtful accounts	(15,937)	(16,047)
<b>Subtotal</b>	<b>146,732</b>	<b>136,096</b>
<b>Total</b>	<b>365,604</b>	<b>331,026</b>
<b>Total assets</b>	<b>519,908</b>	<b>476,036</b>



(Millions of yen)

	November 30, 2011	February 28, 2011
<b>Current liabilities:</b>		
Accounts payable — trade	96,017	81,398
Accounts payable— due to franchised stores	1,311	1,179
Lease obligations	10,571	-
Income taxes payable	9,180	10,673
Deposits received	70,321	62,340
Accrued employees' bonuses	1,662	3,768
Provision for use of points granted	789	1,287
Other	22,025	31,947
<b>Total</b>	<b>211,880</b>	<b>192,595</b>
<b>Long-term Liabilities;</b>		
Lease obligations	36,923	-
Allowance for employees' retirement benefits	8,451	7,529
Allowance for retirement benefits to executive officers and corporate auditors	284	234
Deposits received from franchisees and lessees	36,085	37,139
Asset retirement obligations	14,876	-
Other	1,499	30,070
<b>Total</b>	<b>98,121</b>	<b>74,974</b>
<b>Total Liabilities</b>	<b>310,001</b>	<b>267,570</b>
<b>Shareholders' equity;</b>		
Common stock	58,506	58,506
Capital surplus	47,705	47,696
Retained earnings	102,977	99,608
Treasury stock	(1,651)	(1,693)
<b>Total Shareholders' equity</b>	<b>207,538</b>	<b>204,117</b>
<b>Valuation and translation adjustments;</b>		
Net unrealized gain on available-for-sale securities	(39)	(4)
Land revaluation difference	(567)	(634)
Foreign currency translation adjustments	(335)	1
<b>Valuation and translation adjustments</b>	<b>(942)</b>	<b>(638)</b>
<b>Stock acquisition rights</b>	<b>356</b>	<b>405</b>
<b>Minority interests</b>	<b>2,955</b>	<b>4,581</b>
<b>Total net assets</b>	<b>209,907</b>	<b>208,466</b>
<b>Total Liabilities and net assets</b>	<b>519,908</b>	<b>476,036</b>

## (2) Consolidated Statements of Income (Unaudited)

For the 3rd quarter of the fiscal year (From March 1, 2010 to November 30, 2010) (From March 1, 2011 to November 30, 2011)

(Millions of yen)

	November 30, 2010	November 30, 2011
<b>Total operating revenues</b>	<b>331,141</b>	<b>360,865</b>
<b>Net sales</b>	<b>142,942</b>	<b>156,929</b>
Cost of goods sold	105,980	117,822
<b>Gross Profit</b>	<b>36,962</b>	<b>39,106</b>
Franchise commission from franchised stores	149,651	163,755
Other	38,546	40,180
<b>Operating revenues</b>	<b>188,198</b>	<b>203,936</b>
<b>Operating gross profit</b>	<b>225,161</b>	<b>243,043</b>
Selling, general and administrative expenses	179,240	193,270
<b>Operating profit</b>	<b>45,920</b>	<b>49,772</b>
<b>Non – operating income and expenses;</b>		
<b>Non – operating income;</b>	<b>1,301</b>	<b>1,618</b>
Interest received	493	494
Equity in earnings of affiliates	228	155
Compensation income	196	-
Other	383	968
<b>Non – operating expenses;</b>	<b>1,934</b>	<b>1,628</b>
Interest expense	706	829
Loss on cancellation of store lease	959	370
Other	268	428
<b>Recurring profit</b>	<b>45,287</b>	<b>49,763</b>
<b>Extraordinary income and losses;</b>		
<b>Extraordinary income;</b>	<b>1</b>	<b>2,042</b>
Gain on sales of investment securities	1	-
Gain on step acquisitions	-	1,570
Gain on negative goodwill	-	273
Other	-	198
<b>Extraordinary losses;</b>	<b>8,363</b>	<b>16,107</b>
Loss on retirement of noncurrent assets	2,229	1,531
Loss on sales of noncurrent assets	1,284	-
Impairment loss	4,311	2,716
Loss on disaster	-	3,421
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	8,292
Other	537	145
<b>Income before income taxes and minority interests</b>	<b>36,925</b>	<b>35,699</b>
<b>Income taxes;</b>	<b>15,489</b>	<b>14,452</b>
Income taxes - current	11,497	17,144
Deferred income taxes	3,991	(2,692)
<b>Income before minority interests</b>	<b>-</b>	<b>21,246</b>
<b>Minority interests in net income</b>	<b>646</b>	<b>632</b>
<b>Net profit</b>	<b>20,789</b>	<b>20,614</b>

## (3) Consolidated Statements of Cash Flows (Unaudited)

For the 3rd quarter of the fiscal year (From March 1, 2010 to November 30, 2010) (From March 1, 2011 to November 30, 2011)

(Millions of yen)

	November 30, 2010	November 30, 2011
<b>Operating activities;</b>		
Income before income taxes	36,925	35,699
Depreciation of fixed assets	24,148	27,620
Increase in provision for allowance for retirement benefits to employees	755	922
Interest received	(493)	(497)
Interest expense	706	829
Impairment loss	4,311	2,716
Loss on retirement of noncurrent assets	1,379	1,531
Loss on disaster	-	3,421
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	8,292
Loss on step acquisitions	-	(1,570)
Other-net	(619)	(2,103)
Decrease in accounts receivable due from franchised stores	1,578	(2,399)
Increase in accounts receivable-other	(416)	192
Increase in accounts payable—trade and due to franchised stores	12,357	10,756
Increase in accounts payable—other	(7,019)	(1,824)
Increase in deposits received	(910)	7,972
Decrease in lease deposits from franchisee and lessees	(788)	(1,245)
Other-net	2,167	(4,871)
<b>Subtotal</b>	<b>74,082</b>	<b>85,442</b>
Interest income received	496	502
Interest expenses paid	(706)	(829)
Income taxes paid	(16,078)	(18,492)
Payments for loss on disaster	-	(3,329)
<b>Net cash flows provided by operating activities</b>	<b>57,794</b>	<b>63,293</b>
<b>Investing activities;</b>		
Payments into time deposits	(23,000)	(20,100)
Proceeds from withdrawal of time deposits	15,500	19,600
Proceeds from redemption of marketable securities	2,500	-
Payment for acquisition of property and store equipment	(15,845)	(19,965)
Purchase of intangible assets	(5,280)	(5,637)
Purchase of stocks of subsidiaries and affiliates	-	(6,044)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-	(982)
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	455	13
Payments for transfer of business	-	(3,415)
Other – net	(798)	(2,424)
<b>Net cash used in investing activities</b>	<b>(26,468)</b>	<b>(38,956)</b>

(Millions of yen)

	November 30, 2010	November 30, 2011
Financing activities;		
Repayments of lease obligations	(6,543)	(6,950)
Cash dividends paid	(16,422)	(17,177)
Purchase of treasury stock	(3,507)	-
Other	(55)	(46)
<b>Net cash used in financing activities</b>	<b>(26,528)</b>	<b>(24,174)</b>
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>(12)</b>	<b>(47)</b>
<b>Net increase in cash and cash equivalents</b>	<b>4,784</b>	<b>114</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>54,843</b>	<b>67,712</b>
<b>Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation</b>	<b>-</b>	<b>49</b>
<b>Cash and cash equivalents at end of period</b>	<b>59,627</b>	<b>67,876</b>

(4) Notes to Going Concern

Not Applicable.

(5) Segment Information

[Business segment information]

(From March 1, 2010 to November 30, 2010)

The Company operates mainly the franchised store business and total operating revenue, operating income and total assets of the franchised store business account for more than 90% of the respective consolidated totals at all segments for current 3rd quarter, therefore information by industry segment is omitted.

[Geographic segment information]

(From March 1, 2010 to November 30, 2010)

Because net sales in Japan account for more than 90% of total net sales, LAWSON has omitted geographical segment information.

[Overseas sales]

(From March 1, 2010 to November 30, 2010)

Overseas sales account for less than 10% of consolidated sales at all segments for current 3rd quarter, therefore overseas sales information is omitted.

[Segment Information]

i) Outline of reporting segments

The Company's financial information is provided separately by reporting segment and is subject to regular review by the board of directors with regard to the allocation of managerial resources and performance evaluation.

The Group's primary business is the operation of convenience stores, which is undertaken by the incorporation of related businesses.

Therefore, the Group has made the convenience store unit its main reporting segment, based on consideration of financial characteristics and the nature of the services provided.

LAWSON, 99plus and LAWSON Toyama running the LAWSON, NATURAL LAWSON, LAWSON STORE 100 and other chains, the convenience store unit operates a franchise system as well as undertaking the direct management of stores in Japan.

ii) Information related to the amount of sales, profit and loss by segment

Consolidated performance for the current 3rd quarter period (from March 1, 2011, to November 30, 2011)

(Millions of yen)

	Convenience store business	Others (Note 1)	Total	Adjusted amount	Amount posted on the quarterly consolidated profit and loss statement (Note 2)
Total operating revenues					
Sales to external customers	313,764	47,101	360,865	-	360,865
Internal sales or transfers between segments	1,467	1,613	3,080	(3,080)	-
Total	315,232	48,714	363,946	(3,080)	360,865
Segment profit	46,211	3,561	49,772	-	49,772

(Note) 1. The "others" category refers to business segments that do not fall under the main reporting segment and includes the entertainment/e-commerce segment and overseas segment.

2. The segment profit is adjusted against the operating profits of the quarterly consolidated profit and loss statement.

iii) Information related to impairment loss or goodwill of fixed assets by reporting segment

Consolidated performance for the current 3rd quarter period (from March 1, 2011, to November 30, 2011)

(Significant impairment losses related to fixed assets)

The Group defines a store as the primary basic unit and the smallest unit that generates cash flow. For asset groups that have continuously generated losses from their sales activities, their book value has been reduced to a recoverable amount and such amount has been posted as impairment loss under extraordinary losses.

The amount posted for the convenience store segment is 2,715 million yen.

(Significant change in the amount of goodwill)

In the convenience store segment, the amount of goodwill for this 3rd quarter consolidated fiscal period increased by 1,704 million yen because of transfer of business.

(Additional Information)

Effective from this 1st quarter consolidated fiscal period, the "Accounting Standards for Disclosure of Segment Information, Etc." (ASBJ Statement No. 17, March 27, 2009) and the "Guidance for Application of the Accounting Standards for Disclosure of Segment Information, Etc." (ASBJ Guidance No. 20, March 21, 2008) shall apply hereto.

(6) Notes to Significant Changes in Shareholders' Equity

Not Applicable