Japan’s Retail Industry Market Environment

Sales trends of retail industry in Japan

Decline in number of people per household
Average number of people per household expected to decline from 3.2 in 1980 to 2.3 in 2030

Changes in number of households

Increase in number of working women
Number of women working outside the home increased from 51.5% in 1980 to 60.1% in 2011

Declining birthrate and aging population
People 65 and older to account for 29.1% of population in 2020

Changes in population of those aged over 65

Decline in number of retail stores
1982: 1.72 million → 2007: 1.13 million

Trend in number of stores by stratum of number of employees

Source: Current Survey of Commerce (Ministry of Economy, Trade and Industry)
Source: National Institute of Population and Social Security Research
Source: Labour Force Survey (Ministry of Internal Affairs and Communications)
Source: The Census of Commerce (Ministry of Economy, Trade and Industry)
Source: Statistical Handbook of the World (Ministry of Internal Affairs and Communications)
Market Presence

Domestic Market
Market shares of the Group’s core operating companies in Japan

Seven-Eleven Japan
No. 1

Ito-Yokado
No. 2

Sogo & Seibu
No. 2

Seven-Eleven Japan

Ito-Yokado

York-Benimaru

Seven-Eleven Japan

Ito-Yokado

York Mart

Notes:
1. Total store sales of Lawson and Circle K Sunkus represent the simplified sum of their subsidiaries of domestic convenience store operations.
2. Net sales of Isetan Mitsukoshi, J. Front Retailing, and Takashimaya represent the simplified sum of their subsidiaries of domestic department stores.
Sources:
2. Public information from each company

Global Market
Sales ranking by retailers worldwide in Fiscal 2011

Total Group sales: $95,534 million*
Net sales: $57,055 million

Notes:
1. Total Group sales includes the sales of Seven-Eleven Japan and 7-Eleven, Inc. franchisees
Source: STORES Magazine, January 2012

Ranking by market capitalization of retailers worldwide

<table>
<thead>
<tr>
<th>Company</th>
<th>Market capitalization ($ million)</th>
<th>ROE (%)</th>
<th>EPS ($)</th>
<th>PER (Times)</th>
<th>PBR (Times)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Wal-Mart Stores</td>
<td>200,742</td>
<td>22.5</td>
<td>4.52</td>
<td>13.1</td>
<td>2.8</td>
</tr>
<tr>
<td>2 Amazon.com</td>
<td>102,196</td>
<td>8.6</td>
<td>1.37</td>
<td>165.6</td>
<td>13.3</td>
</tr>
<tr>
<td>3 Home Depot</td>
<td>79,218</td>
<td>21.8</td>
<td>2.47</td>
<td>21.0</td>
<td>4.5</td>
</tr>
<tr>
<td>4 CVS Caremark</td>
<td>58,639</td>
<td>9.1</td>
<td>2.57</td>
<td>17.5</td>
<td>1.5</td>
</tr>
<tr>
<td>5 Inditex</td>
<td>56,485</td>
<td>28.0</td>
<td>4.11</td>
<td>22.1</td>
<td>5.7</td>
</tr>
<tr>
<td>6 Wal-Mart De Mexico</td>
<td>51,870</td>
<td>17.7</td>
<td>0.10</td>
<td>30.4</td>
<td>5.1</td>
</tr>
<tr>
<td>7 Hennes &amp; Mauritz</td>
<td>50,166</td>
<td>6.2</td>
<td>1.42</td>
<td>24.1</td>
<td>8.7</td>
</tr>
<tr>
<td>8 Tesco</td>
<td>41,594</td>
<td>16.4</td>
<td>0.57</td>
<td>9.1</td>
<td>1.4</td>
</tr>
<tr>
<td>9 Target</td>
<td>38,946</td>
<td>18.7</td>
<td>4.28</td>
<td>13.6</td>
<td>2.5</td>
</tr>
<tr>
<td>10 Costco Wholesale</td>
<td>38,489</td>
<td>12.8</td>
<td>3.30</td>
<td>26.9</td>
<td>3.2</td>
</tr>
<tr>
<td>16 Seven &amp; i Holdings</td>
<td>26,695</td>
<td>7.5</td>
<td>1.83</td>
<td>16.5</td>
<td>1.2</td>
</tr>
</tbody>
</table>

Note: Exchange rate: US$1=¥80.46 (as of April 27, 2012)
Source: Thomson Reuters

Note: Exchange rate: US$1=¥79
*Total Group sales includes the sales of Seven-Eleven Japan and 7-Eleven, Inc. franchisees
Source: STORES Magazine, January 2012