

1. Consolidated operating results

(1)Results and Forecasts for Major Financial Indicators

(Billions of yen)

	FY2003(Actual results)				FY2004(Actual results)		FY2004(Forecast)	
	Nine months ended Nov.30		Fiscal term		Nine months ended Nov.30		Fiscal term	
		YOY		YOY		YOY		YOY
Total Net Sales	974.0	99.0%	1,288.3	99.6%	1,006.3	103.3%	1,348.0	104.6%
Total Transaction	1,010.2	99.6%	1,335.0	99.9%	1,044.7	103.4%	1,396.0	104.6%
Operating Revenues	186.7	97.8%	245.6	98.1%	191.2	102.4%	256.0	104.2%
Operating Profit	30.7	99.1%	38.1	111.7%	34.4	112.4%	42.1	110.5%
Recurring Profit	29.3	103.9%	36.6	119.3%	33.7	115.1%	40.5	110.8%
Net Profit	15.2	163.2%	18.6	209.6%	17.2	113.1%	20.0	107.7%
Net Profit Per Share	¥143.85		¥175.78		¥167.04		¥195.25	
Shareholder's Equity	155.2		154.3		157.0			
Total Assets	361.1		354.8		356.9			
Shareholder's Equity Ratio	¥1,475.25		¥1,479.31		¥1,537.14			
ROA	8.7%		10.9%		9.7%			
ROE	9.9%		12.1%		11.1%			
Current Ratio	97.8%		96.5%		93.8%			
Fixed Ratio	138.8%		140.7%		142.5%			
Net Income Per Share	43.0%		43.5%		44.0%			
Number of Stores	7,859		7,967		7,952		8,081	

Note1:The operating revenues includes total sales of company-owned stores and royalties from franchised stores.

Note2:Effective from current period, amounts of less than point one billions of yen in the consolidated financial statements have been truncated instead of the previous method of rounding them off.

Note3:For the previous 3Qperiod, operating results by Shanghai Huiian Lawson Co.,Ltd.,are included in the figures above.

(2) Consolidated Statement of Income

(Millions of yen)

	Previous 3rd Quarter (From March 1,2003 to November 30,2003)	Current 3rd Quarter (From March 1,2004 to November 30,2004)	Increase (Decrease)
Operating revenues	134,773	142,277	7,504
(Net sales reported by franchised stores)	922,911	957,835	34,924
(Total net sales of Lawson stores including franchised stores)	974,050	1,006,369	32,319
Net sales	51,918	48,979	(2,939)
Total operating revenues	186,691	191,256	4,565
Cost of goods sold	37,945	35,463	(2,482)
Gross profit on sales	(13,973)	(13,515)	(458)
Operating gross profit	148,746	155,792	7,046
Selling, general and administrative expenses	118,087	121,331	3,244
Operating income	30,659	34,461	3,802
Non-operating income	753	1,040	287
Non-operating expense	2,114	1,778	(336)
Ordinary profit	29,298	33,723	4,425
Special gains	971	352	(619)
Special losses	3,546	3,243	(303)
Income before income taxes	26,723	30,832	4,109
Income taxes	11,769	13,374	1,605
Minority interest in earnings (losses) of consolidated subsidiaries	(290)	215	505
Net income	15,244	17,242	1,998

Note: Effective from current period, amounts of less than one million yen in the consolidated financial statements have been truncated instead of the previous method of rounding them off.

(3) Consolidated Balance Sheet

(Millions of yen)

Account item	Fiscal period	Previous fiscal term	Current 3rd Quarter	Increase (Decrease)
		(As of February 29, 2004)	(As of November 30, 2004)	
	Amounts	Amounts	Amounts	Amounts
(Assets)				
Current assets		137,662	133,222	(4,440)
Cash and bank deposits		76,393	70,382	(6,011)
Accounts receivable - due from franchised stores		18,628	11,521	(7,107)
Marketable securities		9,244	19,006	9,762
Merchandise inventories		1,497	1,658	161
Accounts receivable - other		18,028	14,700	(3,328)
Deferred tax assets		2,818	2,842	24
Other		11,186	13,204	2,018
Allowance for doubtful accounts		(132)	(93)	39
Fixed assets		217,169	223,774	6,605
Property and store equipment-at net book value		83,272	88,475	5,203
Building and structures		57,317	62,657	5,340
Furniture, fixtures and equipment		20,517	18,826	(1,691)
Land		4,938	5,643	705
Other		500	1,347	847
Intangible fixed assets		14,872	13,694	(1,178)
Investments and other		119,025	121,604	2,579
Investments in securities		1,715	947	(768)
Lease deposits		90,496	90,026	(470)
Deferred tax assets		6,804	6,788	(16)
Deferred tax assets for land revaluation		4,808	4,828	20
Other		16,953	20,869	3,916
Allowance for doubtful accounts		(1,751)	(1,856)	(105)
Total Assets		354,831	356,997	2,166
accumulated depreciation of property and store equipment		78,915	84,239	5,324

Account item	Fiscal period	Previous fiscal term	Current 3rd Quarter	Increase (Decrease)
		(As of February 29, 2004)	(As of November 30, 2004)	
	Amounts	Amounts	Amounts	Amounts
(Liabilities)				
Current liabilities		142,598	141,997	(601)
Accounts payable-trade		63,322	71,800	8,478
Accounts payable-due to franchised stores		1,402	3,075	1,673
Accounts payable-other		18,204	10,063	(8,141)
Income taxes payable		10,009	7,791	(2,218)
Deposits received		43,745	43,341	(404)
Accrued employees' bonuses		2,689	1,409	(1,280)
Provision for use of LAWSON PASS points		-	438	438
Other		3,227	4,076	849
Long-term liabilities		55,024	54,458	(566)
Allowance for employees' retirement benefits		1,144	1,575	431
Allowance for retirement benefits to directors and corporate auditors		218	273	55
Deposits received from franchisees and lessees		53,373	52,425	(948)
Other		289	184	(105)
Total Liabilities		197,622	196,456	(1,166)
(Minority Interest)				
Minority Interest		2,892	3,480	588
(Shareholders' Equity)				
Common stock		58,507	58,506	(1)
Capital surplus		41,521	41,523	2
Retained earnings		72,769	73,528	759
Land revaluation difference		(7,067)	(7,037)	30
Net unrealized gain on available-for-sale securities		53	61	8
Foreign currency transaction adjustments		68	53	(15)
Tresury stock-at cost		(11,534)	(9,574)	1,960
Total Shareholders' Equity		154,317	157,060	2,743
Total Liabilities, Minority Interest and Shareholders' Equity		354,831	356,997	2,166

Note: Effective from current period, amounts of less than one million yen in the consolidated financial statements have been truncated instead of the previous method of rounding them off.

(4)Capital Expenditure

Note: 3Q=Nine months ended November. 30

(Millions of yen)

	FY2003 3Q	FY2003	FY2004 3Q
New Store	9,497	14,296	11,641
Existing Store	7,128	10,432	4,875
IT	1,936	2,191	2,289
Other	578	799	2,139
Subtotal	19,139	27,718	20,944
Investments & Loan	4,000	6,250	0
Lease	7,113	9,439	7,569
Total	30,252	43,407	28,513
Depreciation	13,464	18,499	14,113

(5) Consolidated Statement of Cash Flows

(Millions of yen)

	Previous 3rd Quarter	Current 3rd Quarter	Increase (Decrease)
	(From March 1, 2003 to November 30, 2003)	(From March 1, 2004 to November 30, 2004)	
. Operating activities			
Income before income taxes	26,723	30,832	4,109
Depreciation of property and store equipment	13,464	14,113	649
Increase(decrease)in provision for allowance for retirement benefits to employees	(2,766)	431	3,197
Increase in provision for use of LAWSON PASS points	-	438	438
Loss from disposal of fixed assets	2,346	1,967	(379)
Interest received	(217)	(262)	(45)
Other - net	1,342	(469)	(1,811)
Decrease(increase)in accounts receivable due from franchised stores	(11,677)	6,934	18,611
Decrease(increase)in accounts receivable - other	1,050	3,274	2,224
Increase(decrease)in accounts payable-trade and due to franchised stores	3,449	10,436	6,987
Increase(decrease)in accounts payable -other	324	(7,877)	(8,201)
Increase(decrease) in deposits received	10,317	(404)	(10,721)
Decrease in deposits from franchisee and lessees	(1,588)	(943)	645
Other - net	(1,008)	(1,510)	(502)
Subtotal	41,759	56,960	15,201
Interest and dividend income received	216	262	46
Interest expense paid	(12)	(10)	2
Income taxes paid	(10,538)	(15,606)	(5,068)
Net cash provided by operating activities	31,425	41,606	10,181
. Investing activities			
Payment for purchases of marketable securities	(43,749)	(26,287)	17,462
Proceeds from redemption of marketable securities	31,948	20,525	(11,423)
Sales of a subsidiary's stock - net	-	(585)	(585)
Payment for acquisition of property and store equipment	(15,851)	(18,312)	(2,461)
Increase in intangible fixed assets	(1,913)	(2,204)	(291)
Other - net	(7,036)	(2,917)	4,119
Net cash used in investing activities	(36,601)	(29,780)	6,821
. Financing activities			
Purchase of treasury stock	(7,376)	(8,797)	(1,421)
Cash dividends paid	(4,380)	(5,775)	(1,395)
Other	500	736	236
Net cash used in financing activities	(11,256)	(13,836)	(2,580)
. Effects of exchange rate changes on cash and cash equivalents	(30)	-	30
Net decrease in cash and cash equivalents	(16,462)	(2,010)	14,452
. Cash and cash equivalents, beginning of year	93,994	76,389	(17,605)
. Cash and cash equivalents, end of the 3rd Quarter	77,532	74,379	(3,153)

2. Non-consolidated operating results

(1)Results and Forecasts for Major Financial Indicators

(Billions of yen)

	FY2003(Actual results)				FY2004(Actual results)		FY2004(Forecast)	
	Nine months ended Nov.30		Fiscal term		Nine months ended Nov.30		Fiscal term	
		YOY		YOY		YOY		YOY
Total Net Sales	971.5	99.0%	1,285.0	99.5%	1,006.3	103.6%	1,348.0	104.9%
Total Transaction	1,007.7	99.6%	1,331.7	99.9%	1,044.7	103.7%	1,396.0	104.8%
Operating Revenues	175.5	95.9%	231.0	96.6%	180.2	102.7%	242.0	104.7%
Operating Profit	30.5	98.3%	38.0	110.2%	33.6	110.1%	42.0	110.4%
Recurring Profit	30.0	99.8%	37.6	113.3%	33.4	111.5%	41.0	109.0%
Net Profit	16.0	144.6%	19.0	185.3%	17.3	107.7%	20.7	108.8%
Net Profit Per Share	¥151.89		¥180.01		¥167.96		¥195.25	
Shareholder's Equity	159.0		157.8		160.6			
Total Assets	356.4		349.3		351.2			
Shareholder's Equity Ratio	¥1,512.36		¥1,513.12		¥1,572.71			
ROA	8.8%		11.1%		9.6%			
ROE	10.3%		12.2%		10.9%			
Current Ratio	94.6%		92.1%		88.8%			
Fixed Ratio	139.2%		141.5%		143.3%			
Net Income Per Share	44.6%		45.2%		45.8%			
Number of Stores	7,730		7,821		7,952		8,081	

Note1:The operating revenues includes total sales of company-owned stores and royalties from franchised stores.

(2)Number of stores

	2003 3Q(Actual results)				2004 3Q(Actual results)			
	Sep	Oct	Nov	Mar - Nov	Sep	Oct	Nov	Mar - Nov
Opening (+)	27	50	51	449	28	56	72	514
Closure (-)	23	17	23	176	29	29	21	233
Re-location (-)	15	18	13	168	12	12	10	150
Subtotal	38	35	36	344	41	41	31	383
Total Number Of Stores	7,700	7,715	7,730	7,730	7,896	7,911	7,952	7,952
Net Increase	-11	15	15	105	-13	15	41	131

(3) Non-consolidated Statement of Income

(Millions of yen)

	Previous 3rd Quarter (From March 1,2003 to November 30,2003)	Current 3rd Quarter (From March 1,2004 to November 30,2004)	Increase (Decrease)
Operating revenues	125,783	131,686	5,903
(Net sales reported by franchised stores)	921,817	957,835	36,018
(Total net sales of Lawson stores including franchised stores)	971,583	1,006,369	34,786
Net sales	49,766	48,533	(1,233)
Total operating revenues	175,550	180,220	4,670
Cost of goods sold	36,111	35,066	(1,045)
Gross profit on sales	(13,655)	(13,466)	(189)
Operating gross profit	139,439	145,153	5,714
Selling, general and administrative expenses	108,881	111,503	2,622
Operating income	30,557	33,650	3,093
Non-operating income	719	1,036	317
Non-operating expense	1,232	1,191	(41)
Ordinary profit	30,044	33,494	3,450
Special gains	946	154	(792)
Special losses	3,241	3,234	(7)
Income before income taxes	27,749	30,415	2,666
Income taxes	11,653	13,078	1,425
Net income	16,095	17,337	1,242
Unappropriated retained earnings-carried forward	28,767	23,445	(5,322)
Reversal of land revaluation difference	13	5	(8)
Retirement of treasury stock	-	10,703	10,703
Interim cash dividends	2,120	3,585	1,465
Unappropriated retained earnings - at end of the 3rd Quarter	42,729	26,488	(16,241)

(4) Non-consolidated Balance Sheet

(Millions of yen)

Fiscal period Account item	Previous fiscal term	Current 3rd Quarter	Increase (Decrease)
	(As of February 29, 2004)	(As of November 30, 2004)	
	Amount	Amounts	Amounts
(Assets)			
Current assets	125,977	121,008	(4,969)
Cash and bank deposits	66,280	59,506	(6,774)
Accounts receivable - due from franchised stores	18,455	11,521	(6,934)
Marketable securities	9,244	19,006	9,762
Merchandise inventories	1,376	1,658	282
Deferred tax assets	2,755	2,771	16
Other	27,989	26,637	(1,352)
Allowance for doubtful accounts	(123)	(92)	31
Fixed assets	223,350	230,230	6,880
Property and store equipment	82,830	88,310	5,480
Buildings	47,963	52,536	4,573
Furniture, fixtures and equipment	20,118	18,694	(1,424)
Land	4,937	5,643	706
Other	9,811	11,435	1,624
Intangible fixed assets	13,886	12,904	(982)
Investments and other	126,633	129,015	2,382
Investments in securities	8,850	8,306	(544)
Lease deposits	90,400	89,966	(434)
Deferred tax assets	7,391	7,368	(23)
Deferred tax assets for land revaluation	4,808	4,828	20
Other	16,934	20,401	3,467
Allowance for doubtful accounts	(1,751)	(1,856)	(105)
Total Assets	349,328	351,238	1,910
accumulated depreciation of property and store equipment	78,328	84,088	5,760

Fiscal period Account item	Previous fiscal term	Current 3rd Quarter	Increase (Decrease)
	(As of February 29, 2004)	(As of November 30, 2004)	
	Amount	Amounts	Amounts
(Liabilities)			
Current liabilities	136,779	136,332	(447)
Accounts payable-trade	63,152	71,800	8,648
Accounts payable-due to franchised stores	1,385	3,075	1,690
Short-term borrowings	-	200	200
Accounts payable-other	17,350	9,478	(7,872)
Income taxes payable	9,922	7,603	(2,319)
Deposits received	39,203	38,570	(633)
Accrued employees' bonuses	2,630	1,303	(1,327)
Provision for use of LAWSON PASS points	-	438	438
Other	3,135	3,862	727
Long-term liabilities	54,704	54,210	(494)
Allowance for employees' retirement benefits	1,114	1,539	425
Allowance for retirement benefits to directors and corporate auditors	212	256	44
Deposits received from franchisees and lessees	53,378	52,413	(965)
Total Liabilities	191,484	190,543	(941)
(Shareholders' Equity)			
Common stock	58,506	58,506	0
Capital surplus	41,521	41,523	2
Additional paid-in capital	41,520	41,520	0
Other capital surplus	-	-	-
Gain on disposal of treasury stock	1	3	2
Retained earnings	76,363	77,215	852
Legal reserve	727	727	0
General reserve	30,000	50,000	20,000
Unappropriated retained earnings	45,636	26,488	(19,148)
Land revaluation difference	(7,066)	(7,037)	29
Net unrealized gain on available-for-sale securities	53	61	8
Treasury stock-at cost	(11,534)	(9,574)	1,960
Total Shareholders' Equity	157,843	160,695	2,852
Total Liabilities and Shareholders' Equity	349,328	351,238	1,910

(5)Capital Expenditure

Note: 3Q=Nine months ended November. 30

(Millions of yen)

	FY2003 3Q	FY2003	FY2004 3Q
New Store	9,405	14,162	11,641
Existing Store	7,128	10,432	4,875
IT	1,707	1,868	2,187
Other	559	783	2,135
Subtotal	18,799	27,245	20,838
Investments & Loan	4,000	6,250	10
Lease	6,421	8,449	6,814
Total	29,220	41,944	27,662
Depreciation	12,852	17,762	13,827

4 . Sales and Products

Note: 3Q=Nine months ended November. 30

(1)YOY Rate on Existing Store

	FY2003 3Q	FY2004 3Q	FY2003
YOY Rate of Sales on Existing Stores	97.8%	99.8%	97.5%
(Excluding highway card)	99.1%	-	99.2%
YOY Rate of Transaction on Existing Stores	-	100.1%	-

(2)Average Daily Sales per store

(Thousands of Yen)

	FY2003 3Q		FY2004 3Q		FY2003	
		YOY		YOY		YOY
Total Stores	487	-3	493	6	484	-5
New Stores	442	-13	456	14	436	-21

(3)Average Number of Customers and Average Purchase Value per Customer in Existing Stores

(Persons,yen)

	FY2003 3Q		FY2004 3Q		FY2003	
		YOY		YOY		YOY
Number of Customers	809	-10	831	22	803	-3
Spend per Customers	595	-8	592	-3	598	-11

(4)Gross Profit Margin at Store Level

	FY2003 3Q	FY2004 3Q	FY2003
Fast Foods	35.6%	36.2%	35.6%
Fresh Foods	32.7%	33.6%	32.5%
Processed Foods	27.0%	26.9%	26.9%
Non-Food Products	33.4%	33.9%	33.4%
Total	30.8%	30.9%	30.7%

Note1:Gross profit of non-food products include service commissions.

Note2:Processed Foods includes cigarettes.

(5)Sales by Merchandise Category in Total Stores

(Billions of Yen)

	FY2003 3Q		FY2004 3Q		FY2003	
		Share		Share		Share
Fast Foods	230.7	22.9%	225.3	21.6%	302.3	22.7%
Fresh Foods	106.8	10.6%	113.9	10.9%	139.3	10.5%
Processed Foods	470.0	46.6%	505.6	48.4%	622.9	46.8%
Non-Food Products	129.7	12.9%	128.1	12.3%	172.3	12.9%
Services	70.4	7.0%	71.6	6.9%	94.9	7.1%
Total	1,007.7	100.0%	1,044.7	100.0%	1,331.7	100.0%