

## 1. Consolidated operating results

(1)Results and Forecasts for Major Financial Indicators

(Billions of yen)

	2004.5		2005.5		2005.8(Forecast)		2006.2(Forecast)	
		YOY		YOY		YOY		YOY
Total Net Sales	325.1	102.9%	339.4	104.4%	713.0	105.6%	1,412.0	106.2%
Operating Revenues	62.0	102.4%	66.6	107.4%	137.0	106.7%	270.0	106.1%
Operating Profit	10.5	109.7%	12.6	120.2%	23.7	102.0%	43.7	101.8%
Recurring Profit	10.4	113.2%	12.5	120.3%	23.4	103.9%	43.5	102.8%
Net Profit	4.9	105.4%	6.1	123.5%	11.3	100.1%	21.5	105.2%
Net Profit Per Share	¥47.97		¥60.24		¥110.59		¥210.41	
Shareholder's Equity	155.1		162.7					
Total Assets	345.6		374.6					
Shareholder's Equity Per Share	¥1,494.56		¥1,592.97					
ROA	3.0%		3.5%					
ROE	3.2%		3.8%					
Current Ratio	96.3%		94.8%					
Fixed Ratio	140.4%		140.8%					
Shareholder's Equity Ratio	43.8%		43.4%					
Number of Stores	7,806		8,103		8,197		8,377	

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

Note2:The results for the 1st quarter (from March to May) of 2004 include the figures for the NATURAL LAWSON chain.

Note3:The results for the 1st quarter (from March to May) of 2005 include the figures for the NATURAL LAWSON and STORE100.

(2)Number of stores

	2004.5				2005.5				2006.2 (Forecast)
	Mar	Apr	May	Mar - May	Mar	Apr	May	Mar - May	
Opening ( + )	32	54	50	136	53	58	45	156	700
Closure (-)	33	44	17	94	39	36	12	87	-
Re-location (-)	17	23	17	57	20	10	13	43	-
Subtotal	50	67	34	151	59	46	25	130	400
Total Number Of Stores	7,803	7,790	7,806	7,806	8,071	8,083	8,103	8,103	8,377
Net Increase	-18	-13	16	-15	-6	12	20	26	300

Note1:The results for the 1st quarter (from March to May) of 2004 include the figures for the NATURAL LAWSON chain.

Note2:The results for the 1st quarter (from March to May) of 2005 include the figures for the NATURAL LAWSON and STORE100.



## (5) Consolidated Statement of Income

(Millions of yen)

	Previous 1st Quarter ( From March 1,2004 to May 31,2004 )	Current 1st Quarter ( From March 1,2005 to May 31,2005 )	Increase (Decrease)
Operating revenues	46,042	50,430	4,388
(Net sales reported by franchised stores)	309,326	323,372	14,046
(Total net sales of Lawson stores including franchised stores)	325,176	339,432	14,256
Net sales	15,999	16,172	173
Total operating revenues	62,042	66,603	4,561
Cost of goods sold	11,565	11,654	89
Gross profit on sales	( 4,434 )	( 4,518 )	84
Operating gross profit	50,477	54,949	4,472
Selling, general and administrative expenses	39,945	42,292	2,347
Operating income	10,531	12,656	2,125
Non-operating income	380	359	(21)
Non-operating expense	490	474	(16)
Ordinary profit	10,421	12,541	2,120
Special gains	62	199	137
Special losses	1,491	1,938	447
Income before income taxes	8,992	10,803	1,811
Income taxes	3,903	4,438	535
Minority interest in earnings of consolidated subsidiaries	107	209	102
Net income	4,982	6,155	1,173

## (6) Consolidated Balance Sheet

(Millions of yen)

Account item	Fiscal period	Previous fiscal term	Current 1st Quarter	Increase (Decrease)
		(As of February 28, 2005)	(As of May 31, 2005)	
	Amounts	Amounts	Amounts	Amounts
<b>(Assets)</b>				
<b>Current assets</b>		<b>128,592</b>	<b>145,589</b>	<b>16,997</b>
Cash and bank deposits		71,585	87,580	15,995
Accounts receivable - due from franchised stores		10,332	9,690	(642)
Marketable securities		13,021	17,035	4,014
Merchandise inventories		1,376	1,475	99
Accounts receivable - other		18,725	15,611	(3,114)
Deferred tax assets		3,240	3,230	(10)
Other		10,393	11,035	642
Allowance for doubtful accounts		(81)	(70)	11
<b>Fixed assets</b>		<b>227,716</b>	<b>229,110</b>	<b>1,394</b>
Property and store equipment-at net book value		92,165	92,117	(48)
Building and structures		67,042	67,217	175
Furniture, fixtures and equipment		18,810	18,218	(592)
Land		5,643	5,773	130
Other		668	907	239
Intangible fixed assets		14,010	13,949	(61)
Investments and other		121,541	123,043	1,502
Investments in securities		1,464	1,331	(133)
Lease deposits		89,964	90,056	92
Deferred tax assets		8,291	8,375	84
Deferred tax assets for land revaluation		4,828	4,828	0
Other		21,129	22,865	1,736
Allowance for doubtful accounts		(4,137)	(4,413)	(276)
<b>Total Assets</b>		<b>356,309</b>	<b>374,699</b>	<b>18,390</b>
accumulated depreciation of property and store equipment		86,867	90,082	3,215

Account item	Fiscal period	Previous fiscal term	Current 1st Quarter	Increase (Decrease)
		(As of February 28, 2005)	(As of May 31, 2005)	
	Amounts	Amounts	Amounts	Amounts
<b>(Liabilities)</b>				
<b>Current liabilities</b>		<b>137,931</b>	<b>153,538</b>	<b>15,607</b>
Accounts payable-trade		62,554	71,949	9,395
Accounts payable-due to franchised stores		3,982	4,081	99
Accounts payable-other		13,021	9,193	(3,828)
Income taxes payable		11,717	5,299	(6,418)
Deposits received		40,269	56,787	16,518
Accrued employees' bonuses		2,788	1,454	(1,334)
Provision for use of LAWSON PASS points		409	510	101
Other		3,187	4,262	1,075
<b>Long-term liabilities</b>		<b>54,606</b>	<b>54,696</b>	<b>90</b>
Allowance for employees' retirement benefits		1,807	2,043	236
Allowance for retirement benefits to directors and corporate auditors		304	206	(98)
Deposits received from franchisees and lessees		52,334	52,172	(162)
Other		159	273	114
<b>Total Liabilities</b>		<b>192,537</b>	<b>208,234</b>	<b>15,697</b>
<b>(Minority Interest)</b>				
<b>Minority Interest</b>		<b>3,490</b>	<b>3,700</b>	<b>210</b>
<b>(Shareholders' Equity)</b>				
<b>Common stock</b>		<b>58,506</b>	<b>58,506</b>	<b>0</b>
<b>Capital surplus</b>		<b>41,523</b>	<b>41,523</b>	<b>0</b>
<b>Retained earnings</b>		<b>76,721</b>	<b>79,299</b>	<b>2,578</b>
<b>Land revaluation difference</b>		<b>(7,037)</b>	<b>(7,037)</b>	<b>0</b>
<b>Net unrealized gain on available-for-sale securities</b>		<b>110</b>	<b>(2)</b>	<b>(112)</b>
<b>Foreign currency transaction adjustments</b>		<b>33</b>	<b>50</b>	<b>17</b>
<b>Tresury stock-at cost</b>		<b>(9,574)</b>	<b>(9,575)</b>	<b>(1)</b>
<b>Total Shareholders' Equity</b>		<b>160,282</b>	<b>162,764</b>	<b>2,482</b>
<b>Total Liabilities, Minority Interest and Shareholders' Equity</b>		<b>356,309</b>	<b>374,699</b>	<b>18,390</b>

(7)Capital Expenditure (Consolidated)

	2004.5	2005.5	2006.2(Plan)	(Millions of yen) 2005.2(Actual results)
New Store	2,284	3,446	17,000	15,789
Existing Store	1,869	1,337	9,000	8,175
IT	806	1,296	4,000	2,765
Other	519	929	4,000	4,820
<b>Subtotal</b>	<b>5,478</b>	<b>7,008</b>	<b>34,000</b>	<b>31,549</b>
Investments & Loan	0	0	2,000	-1,000
Lease	2,984	2,429	11,000	11,052
<b>Total</b>	<b>8,462</b>	<b>9,437</b>	<b>47,000</b>	<b>41,601</b>
Depreciation	4,460	4,736	21,800	19,633

Note1: Depreciation is the total of depreciation of property and store equipment ,and amortization of intangible fixed assets.

## (8) Consolidated Statement of Cash Flows

(Millions of yen)

	Previous 1st Quarter ( From March 1, 2004 to May 31, 2004 )	Current 1st Quarter ( From March 1, 2005 to May 31, 2005 )	Increase (Decrease)
.Operating activities			
Income before income taxes	8,992	10,803	1,811
Depreciation of fixed assets	4,460	4,736	276
Increase in provision for allowance for retirement benefits to employees	148	236	88
Loss from disposal of fixed assets	829	951	122
Loss on impairment of long-lived assets	-	1,208	1,208
Interest received	0	(92)	(92)
Other - net	(1,001)	(974)	27
Decrease in accounts receivable due from franchised stores	10,017	641	(9,376)
Decrease in accounts receivable - other	4,548	3,114	(1,434)
Increase in accounts payable-trade and due to franchised stores	10,038	9,493	(545)
Decrease in accounts payable - other	(8,355)	(3,827)	4,528
Increase in deposits received	3,943	16,517	12,574
Decrease in deposits received from franchisee and lessees	(605)	(162)	443
Other - net	107	216	109
Subtotal	33,121	42,862	9,741
Interest and dividend income received	0	92	92
Interest expenses paid	0	0	0
Income taxes paid	(9,149)	(10,854)	(1,705)
<b>Net cash provided by operating activities</b>	<b>23,972</b>	<b>32,099</b>	<b>8,127</b>
.Investing activities			
Payment for purchases of marketable securities	(4,225)	(17,043)	(12,818)
Proceeds from redemption of marketable securities	6,245	8,026	1,781
Sales of a subsidiary's stock - net	(585)	-	585
Payment for acquisition of property and store equipment	(4,622)	(5,086)	(464)
Increase in intangible fixed assets	(770)	(1,584)	(814)
Other - net	(735)	(1,840)	(1,105)
<b>Net cash used in investing activities</b>	<b>(4,692)</b>	<b>(17,528)</b>	<b>(12,836)</b>
.Financing activities			
Purchase of treasury stock	(1,960)	0	1,960
Cash dividends paid	(2,190)	(3,576)	(1,386)
Other - net	0	-	0
<b>Net cash used in financing activities</b>	<b>(4,150)</b>	<b>(3,576)</b>	<b>574</b>
.Net decrease in cash and cash equivalents	15,130	10,994	(4,136)
.Cash and cash equivalents, beginning of year	76,389	76,584	195
.Cash and cash equivalents, end of the 1st Quarter	91,519	87,578	(3,941)

## 2. Non-consolidated operating results

(1)Results and Forecasts for Major Financial Indicators

(Billions of yen)

	2004.5		2005.5		2005.8(Forecast)		2006.2(Forecast)	
		YOY		YOY		YOY		YOY
Total Net Sales	325.1	103.1%	339.4	104.4%	711.0	105.3%	1,405.0	105.7%
Operating Revenues	58.4	102.5%	62.3	106.7%	127.0	104.9%	248.0	103.5%
Operating Profit	10.1	107.7%	12.2	119.8%	23.4	103.3%	43.7	103.5%
Recurring Profit	10.2	109.1%	12.1	118.5%	23.2	103.9%	43.4	102.8%
Net Profit	5.0	100.0%	6.1	121.8%	11.5	100.5%	22.1	107.4%
Net Profit Per Share	¥48.27		¥59.79		¥112.54		¥216.29	
Shareholder's Equity	158.7		166.4					
Total Assets	347.9		367.2					
Shareholder's Equity Per Share	¥1,529.09		¥1,628.66					
ROA	2.9%		3.4%					
ROE	3.2%		3.7%					
Current Ratio	91.9%		90.3%					
Fixed Ratio	141.1%		141.2%					
Shareholder's Equity Ratio	45.6%		45.3%					

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

## (2) Non-consolidated Statement of Income

(Millions of yen)

	Previous 1st Quarter ( From March 1,2004 to May 31,2004 )	Current 1st Quarter ( From March 1,2005 to May 31,2005 )	Increase (Decrease)
Operating revenues	42,549	46,478	3,929
(Net sales reported by franchised stores)	309,326	323,593	14,267
(Total net sales of Lawson stores including franchised stores)	325,176	339,425	14,249
Net sales	15,850	15,832	(18)
Total operating revenues	58,400	62,310	3,910
Cost of goods sold	11,429	11,393	(36)
Gross profit on sales	( 4,420 )	( 4,439 )	19
Operating gross profit	46,970	50,917	3,947
Selling, general and administrative expenses	36,771	38,701	1,930
Operating income	10,198	12,216	2,018
Non-operating income	365	358	(7)
Non-operating expense	303	413	110
Ordinary profit	10,260	12,161	1,901
Special gains	19	199	180
Special losses	1,482	1,937	455
Income before income taxes	8,797	10,423	1,626
Income taxes	3,783	4,314	531
Net income	5,014	6,109	1,095
Unappropriated retained earnings-carried forward	23,445	26,160	2,715
Reversal of land revaluation difference	6	-	(6)
Unappropriated retained earnings - at end of the 1st Quarter	28,454	32,269	3,815

## (3) Non-consolidated Balance Sheet

(Millions of yen)

Fiscal period Account item	Previous fiscal term	Current 1st Quarter	Increase (Decrease)
	(As of February 28,2005)	(As of May 31,2005)	
	Amount	Amounts	Amounts
<b>(Assets)</b>			
<b>Current assets</b>	<b>115,875</b>	<b>132,209</b>	<b>16,334</b>
Cash and bank deposits	60,574	79,417	18,843
Accounts receivable - due from franchised stores	10,332	9,686	(646)
Marketable securities	13,021	14,030	1,009
Merchandise inventories	1,371	1,421	50
Deferred tax assets	2,997	2,997	0
Other	27,658	24,726	(2,932)
Allowance for doubtful accounts	(80)	(70)	10
<b>Fixed assets</b>	<b>234,304</b>	<b>235,050</b>	<b>746</b>
Property and store equipment	92,022	91,978	(44)
Buildings	56,408	56,523	115
Furniture, fixtures and equipment	18,683	18,094	(589)
Land	5,643	5,773	130
Other	11,286	11,586	300
Intangible fixed assets	13,270	13,252	(18)
Investments and other	129,011	129,819	808
Investments in securities	8,443	7,659	(784)
Lease deposits	89,907	89,973	66
Deferred tax assets	8,851	8,928	77
Deferred tax assets for land revaluation	4,828	4,828	0
Other	21,119	22,842	1,723
Allowance for doubtful accounts	(4,137)	(4,413)	(276)
<b>Total Assets</b>	<b>350,180</b>	<b>367,260</b>	<b>17,080</b>
accumulated depreciation of property and store equipment	79,845	89,903	10,058

Fiscal period Account item	Previous fiscal term	Current 1st Quarter	Increase (Decrease)
	(As of February 28,2005)	(As of May 31,2005)	
	Amount	Amounts	Amounts
<b>(Liabilities)</b>			
<b>Current liabilities</b>	<b>131,810</b>	<b>146,370</b>	<b>14,560</b>
Accounts payable-trade	62,554	71,934	9,380
Accounts payable-due to franchised stores	3,982	4,081	99
Short-term borrowings	200	-	-
Accounts payable-other	12,116	8,325	(3,791)
Income taxes payable	11,462	5,170	(6,292)
Deposits received	35,514	51,086	15,572
Accrued employees' bonuses	2,636	1,310	(1,326)
Provision for use of LAWSON PASS points	407	508	101
Other	2,936	3,953	1,017
<b>Long-term liabilities</b>	<b>54,377</b>	<b>54,477</b>	<b>100</b>
Allowance for employees' retirement benefits	1,772	2,005	233
Allowance for retirement benefits to directors and corporate auditors	285	182	(103)
Deposits received from franchisees and lessees	52,318	52,156	(162)
Other	-	133	133
<b>Total Liabilities</b>	<b>186,188</b>	<b>200,848</b>	<b>14,660</b>
<b>(Shareholders' Equity)</b>			
<b>Common stock</b>	<b>58,506</b>	<b>58,506</b>	<b>0</b>
<b>Capital surplus</b>	<b>41,523</b>	<b>41,523</b>	<b>0</b>
Additional paid-in capital	41,520	41,520	0
Other capital surplus			
Gain on disposal of treasury stock	3	3	0
<b>Retained earnings</b>	<b>80,463</b>	<b>82,996</b>	<b>2,533</b>
Legal reserve	727	727	0
General reserve	50,000	50,000	0
Unappropriated retained earnings	29,736	32,269	2,533
Land revaluation difference	(7,037)	(7,037)	0
Net unrealized gain on available-for-sale securities	110	(2)	(112)
Tresury stock-at cost	(9,574)	(9,575)	(1)
<b>Total Shareholders' Equity</b>	<b>163,991</b>	<b>166,411</b>	<b>2,420</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>350,180</b>	<b>367,260</b>	<b>17,080</b>

(4)Capital Expenditure

	2004.5	2005.5	2006.2(Plan)	(Millions of yen) 2005.2(Actual results)
New Store	2,284	3,446	15,000	15,789
Existing Store	1,869	1,337	9,000	8,175
IT	804	1,246	3,000	2,580
Other	514	893	4,000	4,807
<b>Subtotal</b>	<b>5,471</b>	<b>6,922</b>	<b>31,000</b>	<b>31,351</b>
Investments & Loan	10	99	4,000	-990
Lease	2,979	2,386	10,000	9,142
<b>Total</b>	<b>8,460</b>	<b>9,407</b>	<b>45,000</b>	<b>39,503</b>
Depreciation	4,365	4,630	21,000	19,220

Note1: Depreciation is the total of depreciation of property and store equipment ,and amortization of intangible fixed assets.

### 3 . Sales and Products

#### (1)YOY Rate on Existing Store

	2004.5	2005.5	2005.2
YOY Rate of Sales on Existing Stores	99.1%	99.2%	99.7%

#### (2)Average Daily Sales per store

(Thousands of Yen)

	2004.5		2005.5		2005.2	
		YOY		YOY		YOY
Total Stores	477	4	479	2	488	4
New Stores	446	0	432	-14	448	12

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

(Persons,yen)

	2004.5		2005.5		2005.2	
		YOY		YOY		YOY
Number of Customers	796	-4	808	12	816	13
Spend per Customers	598	-1	591	-7	597	-1

#### (4)Gross Profit Margin at Store Level

	2004.5	2005.5	2005.2
Fast Foods	36.1%	36.4%	36.4%
Fresh Foods	32.9%	33.3%	33.3%
Processed Foods	26.9%	26.9%	26.7%
Non-Food Products	33.3%	35.0%	34.0%
Total	30.6%	31.0%	30.8%

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)

	2004.5		2005.5		2005.2	
		Share		Share		Share
Fast Foods	71.7	21.3%	75.8	21.6%	297.3	21.6%
Fresh Foods	36.6	10.9%	38.9	11.1%	148.1	10.7%
Processed Foods	163.9	48.6%	170.0	48.4%	665.6	48.3%
Non-Food Products	41.9	12.4%	43.8	12.5%	170.8	12.4%
Services	22.8	6.8%	22.8	6.5%	96.5	7.0%
Total	337.1	100.0%	351.4	100.0%	1,378.5	100.0%