

## 1. Consolidated operating results

(1)Results and Forecasts for Major Financial Indicators

(Billions of yen)

	2004.11		2005.2		2005.11		2006.2(Forecast)	
	Nine months ended Nov.30		Fiscal team		Nine months ended Nov.30		Fiscal team	
		YOY		YOY		YOY		YOY
Total Net Sales	1,006.3	103.3%	1,329.0	103.2%	1,038.4	103.2%	1,391.0	104.7%
Operating Revenues	191.2	102.4%	254.3	103.6%	203.1	106.2%	269.0	105.7%
Operating Profit	34.4	112.4%	42.9	112.7%	36.1	104.8%	43.7	101.8%
Recurring Profit	33.7	115.1%	42.3	115.8%	35.9	106.7%	43.5	102.8%
Net Profit	17.2	113.1%	20.4	110.0%	18.3	106.2%	22.0	107.7%
EPS	¥167.04		¥198.47		¥179.17		¥215.31	
Shareholder's Equity	157.0		160.2		171.1			
Total Assets	356.9		356.3		375.7			
Shareholder's Equity Per Share	¥1,537.14		¥1,568.66		¥1,674.41			
ROA	9.7%		12.1%		9.9%			
ROE	11.1%		13.0%		11.0%			
Current Ratio	93.8%		93.2%		94.6%			
Fixed Ratio	142.5%		142.1%		139.0%			
Shareholder's Equity Ratio	44.0%		45.0%		45.6%			
Number of Stores	7,952		8,077		8,272		8,387	

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

Note2:The results for 'Nov.04' and 'Feb.05' include the figures for NATURAL LAWSON .

Note3:The results for 'Nov.05' include the figures for NATURAL LAWSON and LAWSON STORE 100 .

(2)Number of stores

	2004.11				2005.11				2006.2 (Forecast)
	Sep	Oct	Nov	Mar - Nov	Sep	Oct	Nov	Mar - Nov	
Opening ( + )	28	56	72	514	31	55	58	519	730
Closure (-)	29	29	21	233	21	13	13	188	-
Re-location (-)	12	12	10	150	11	13	19	136	-
Subtotal	41	41	31	383	32	26	32	324	420
Total Number Of Stores	7,896	7,911	7,952	7,952	8,217	8,246	8,272	8,272	8,387
Net Increase	-13	15	41	131	-1	29	26	195	310

Note1:The results for the 3rd quarter (from March to November) of 2004 include the figures for NATURAL LAWSON .

Note2:The results for the 3rd quarter (from March to November) of 2005 include the figures for NATURAL LAWSON and LAWSON STORE100.

(3) Number of stores by region and prefecture

(store)

Region	Prefecture	04/11	05/2	05/11	Net Increase
Hokkaido	Hokkaido	493	494	500	6
Tohoku	Aomori	123	123	136	13
	Iwate	130	159	169	10
	Miyagi	159	159	159	0
	Akita	117	127	132	5
	Yamagata	55	54	54	0
	Fukushima	100	99	97	-2
			684	721	747
Kanto	Ibaraki	105	107	108	1
	Tochigi	97	99	103	4
	Gunma	65	65	69	4
	Saitama	297	303	326	23
	Chiba	267	276	286	10
	Tokyo	776	789	818	29
	Kanagawa	471	475	479	4
			2,078	2,114	2,189
Koshinetsu	Niigata	107	108	106	-2
	Yamanashi	61	62	63	1
	Nagano	136	138	137	-1
		304	308	306	-2
Hokuriku	Toyama	95	95	101	6
	Ishikawa	66	68	71	3
	Fukui	73	73	74	1
		234	236	246	10
Tokai	Shizuoka	156	155	151	-4
	Aichi	334	336	341	5
	Gifu	83	84	88	4
	Mie	72	72	76	4
			645	647	656

Region	Prefecture	04/11	05/2	05/11	Net Increase
Kinki	Shiga	110	114	116	2
	Kyoto	176	178	178	0
	Osaka	813	818	830	12
	Hyogo	459	458	471	13
	Nara	96	95	96	1
	Wakayama	110	111	109	-2
			1,764	1,774	1,800
Chugoku	Tottori	63	65	70	5
	Shimane	59	60	62	2
	Okayama	114	114	114	0
	Hiroshima	113	115	119	4
	Yamaguchi	109	109	110	1
		458	463	475	12
Shikoku	Tokushima	101	102	102	0
	Kagawa	91	95	96	1
	Ehime	135	138	148	10
	Kouchi	51	52	54	2
		378	387	400	13
Kysyu	Fukuoka	284	292	302	10
	Saga	56	57	57	0
	Nagasaki	83	83	81	-2
	Kumamoto	83	86	87	1
	Oita	105	106	110	4
	Miyazaki	81	81	81	0
	Kagoshima	108	108	110	2
	Okinawa	114	120	125	5
		914	933	953	20
Total		7,952	8,077	8,272	195
*Shanghai		186	210	263	53

Note: For SHANGHAI HUALIAN LAWSON CO., LTD., an affiliate accounted for by the equity method, the number of stores as of the 3Q closing date (Sep 30, 2005) is reported.

Number of NATURAL LAWSON and LAWSON STORE100 stores by prefecture.

NATURAL LAWSON

	04/11	05/2	05/11	Net Increase
Kanto	20	28	31	3
Kinki	-	-	3	3
Total	20	28	34	6

Note1: NATURAL LAWSON has opened stores since July, 2001

LAWSON STORE 100

	04/11	05/2	05/11	Net Increase
Kanto	-	-	15	15
Total	-	-	15	15

Note1: STORE100 has opened stores since May, 2005

(4) Number of Stores by Store Type

(Store)

	End of Nov.04		End of Feb.05		End of Nov.05		Net Increase
	Share	Share	Share	Share	Share	Share	
Type B	1,845	23.2%	1,836	22.7%	1,716	20.8%	-120
Type G	2,345	29.5%	2,335	28.9%	2,288	27.7%	-47
Type C	3,421	43.0%	3,560	44.1%	3,900	47.1%	340
Franchised Stores	7,611	95.7%	7,731	95.7%	7,904	95.6%	173
Company-Owned Stores	341	4.3%	346	4.3%	368	4.4%	22
Total	7,952	100.0%	8,077	100.0%	8,272	100.0%	195

Note1: The results for 'End of Nov.04' and 'End of Feb.05' include the figures for NATURAL LAWSON.

Note2: The results for 'End of Nov.05' include the figures for NATURAL LAWSON and LAWSON STORE100.

## (5) Consolidated Statement of Income

(Millions of yen)

	Previous 3rd Quarter ( From March 1,2004 to Nov 30,2004 )	Current 3rd Quarter ( From March 1,2005 to Nov 30,2005 )	Increase (Decrease)
Operating revenues	142,277	152,870	10,593
(Net sales reported by franchised stores)	957,835	988,549	30,714
(Total net sales of Lawson stores including franchised stores)	1,006,369	1,038,448	32,079
Net sales	48,979	50,302	1,323
Total operating revenues	191,256	203,173	11,917
Cost of goods sold	35,463	36,350	887
Gross profit on sales	( 13,515 )	( 13,952 )	437
Operating gross profit	155,792	166,823	11,031
Selling, general and administrative expenses	121,331	130,965	9,634
Operating income	34,461	36,127	1,666
Non-operating income	1,040	1,071	31
Non-operating expense	1,778	1,210	(568)
Ordinary profit	33,723	35,987	2,264
Special gains	352	1,039	687
Special losses	3,243	4,738	1,495
Income before income taxes	30,832	32,289	1,457
Income taxes	13,374	13,459	85
Minority interest in earnings of consolidated subsidiaries	215	521	306
Net income	17,242	18,307	1,065

## (6) Consolidated Balance Sheet

(Millions of yen)

Account item	Fiscal period	Previous fiscal term	Current 3rd Quarter	Increase
		(As of February 28,2005)	(As of November 30,2005)	(Decrease)
	Amounts	Amounts	Amounts	Amounts
<b>(Assets)</b>				
<b>Current assets</b>		<b>128,592</b>	<b>137,882</b>	<b>9,290</b>
Cash and bank deposits		71,585	69,347	(2,238)
Accounts receivable - due from franchised stores		10,332	11,753	1,421
Marketable securities		13,021	23,467	10,446
Merchandise inventories		1,376	1,693	317
Accounts receivable - other		18,725	16,761	(1,964)
Deferred tax assets		3,240	3,380	140
Other		10,393	11,559	1,166
Allowance for doubtful accounts		(81)	(81)	0
<b>Fixed assets</b>		<b>227,716</b>	<b>237,868</b>	<b>10,152</b>
Property and store equipment-at net book value		92,165	96,104	3,939
Buildings and structures		67,042	71,819	4,777
Furniture, fixtures and equipment		18,810	18,039	(771)
Land		5,643	5,188	(455)
Other		668	1,057	389
Intangible fixed assets		14,010	15,673	1,663
Investments and other		121,541	126,090	4,549
Investments in securities		1,464	2,539	1,075
Lease deposits		89,964	90,067	103
Deferred tax assets		8,291	9,192	901
Deferred tax assets for land revaluation		4,828	3,330	(1,498)
Other		21,129	25,597	4,468
Allowance for doubtful accounts		(4,137)	(4,636)	(499)
<b>Total Assets</b>		<b>356,309</b>	<b>375,751</b>	<b>19,442</b>

accumulated depreciation of property and store equipment	86,867	93,990	7,123
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Account item	Fiscal period	Previous fiscal term	Current 3rd Quarter	Increase
		(As of February 28,2005)	(As of November 30,2005)	(Decrease)
	Amounts	Amounts	Amounts	Amounts
<b>(Liabilities)</b>				
<b>Current liabilities</b>		<b>137,931</b>	<b>145,816</b>	<b>7,885</b>
Accounts payable-trade		62,554	72,046	9,492
Accounts payable-due to franchised stores		3,982	2,955	(1,027)
Accounts payable-other		13,021	10,485	(2,536)
Income taxes payable		11,717	5,761	(5,956)
Deposits received		40,269	47,702	7,433
Accrued employees' bonuses		2,788	1,594	(1,194)
Provision for use of LAWSON PASS points		409	662	253
Other		3,187	4,610	1,423
<b>Long-term liabilities</b>		<b>54,606</b>	<b>54,894</b>	<b>288</b>
Allowance for employees' retirement benefits		1,807	2,568	761
Allowance for retirement benefits to directors and corporate auditors		304	255	(49)
Deposits received from franchisees and lessees		52,334	51,664	(670)
Allowance for impairment loss on leased property		-	112	112
Other		159	294	135
<b>Total Liabilities</b>		<b>192,537</b>	<b>200,711</b>	<b>8,174</b>
<b>(Minority Interest)</b>				
<b>Minority Interest</b>		<b>3,490</b>	<b>3,863</b>	<b>373</b>
<b>(Shareholders' Equity)</b>				
<b>Common stock</b>		<b>58,506</b>	<b>58,506</b>	<b>0</b>
Capital surplus		41,523	41,520	(3)
Retained earnings		76,721	84,656	7,935
Land revaluation difference		(7,037)	(4,854)	2,183
Net unrealized gain on available-for-sale securities		110	628	518
Foreign currency transaction adjustments		33	82	49
Treasury stock-at cost		(9,574)	(9,362)	212
<b>Total Shareholders' Equity</b>		<b>160,282</b>	<b>171,176</b>	<b>10,894</b>
<b>Total Liabilities, Minority Interest and Shareholders' Equity</b>		<b>356,309</b>	<b>375,751</b>	<b>19,442</b>

(7)Capital Expenditure (Consolidated)

	2004.11	2005.11	2006.2(Plan)	(Millions of yen) 2005.2(Actual results)
New Store	11,641	15,133	17,500	15,789
Existing Store	4,875	4,334	7,000	8,175
IT	2,289	5,587	7,500	2,765
Other	2,139	1,335	2,000	4,820
<b>Subtotal</b>	20,944	26,389	34,000	31,549
Investments & Loan	0	150	2,000	(1,000)
Lease	7,569	7,132	11,000	11,052
<b>Total</b>	28,513	33,671	47,000	41,601
Depreciation	14,113	15,159	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 3rd Quarter ( From March 1, 2004 to Nov 30, 2004 )	Current 3rd Quarter ( From March 1, 2005 to Nov 30, 2005 )	Increase (Decrease)
.Operating activities			
Income before income taxes	30,832	32,289	1,457
Depreciation of fixed assets	14,113	15,159	1,046
Increase in provision for allowance for retirement benefits to employees	431	760	329
Loss from disposal of fixed assets	1,967	2,000	33
Loss on impairment of long-lived assets	-	1,876	1,876
Interest received	(262)	(287)	(25)
Other - net	(31)	(329)	(298)
Decrease (increase) in accounts receivable due from franchised stores	6,934	(1,421)	(8,355)
Decrease in accounts receivable - other	3,274	2,337	(937)
Increase in accounts payable-trade and due to franchised stores	10,436	8,463	(1,973)
Decrease in accounts payable - other	(7,877)	(2,751)	5,126
Increase (decrease) in deposits received	(404)	7,432	7,836
Decrease in lease deposits from franchisee and lessees	(943)	(670)	273
Other - net	(1,510)	(1)	1,509
Subtotal	56,960	64,856	7,896
Interest and dividend income received	262	285	23
Interest expenses paid	(10)	(7)	3
Income taxes paid	(15,606)	(19,315)	(3,709)
<b>Net cash provided by operating activities</b>	<b>41,606</b>	<b>45,819</b>	<b>4,213</b>
.Investing activities			
Payment for purchases of marketable securities	(26,287)	(40,513)	(14,226)
Proceeds from redemption of marketable securities	20,525	25,060	4,535
Sales of a subsidiary's stock - net	(585)	-	585
Payment for acquisition of property and store equipment	(18,312)	(20,401)	(2,089)
Payment for acquisition intangible fixed assets	(2,204)	(5,853)	(3,649)
Other - net	(2,917)	(4,072)	(1,155)
<b>Net cash used in investing activities</b>	<b>(29,780)</b>	<b>(45,779)</b>	<b>(15,999)</b>
.Financing activities			
Purchase of treasury stock	(8,797)	(1)	8,796
Cash dividends paid	(5,775)	(7,971)	(2,196)
Other	736	195	(541)
<b>Net cash used in financing activities</b>	<b>(13,836)</b>	<b>(7,777)</b>	<b>6,059</b>
.Net decrease in cash and cash equivalents	(2,010)	(7,736)	(5,726)
.Cash and cash equivalents, beginning of year	76,389	76,584	195
.Cash and cash equivalents, end of the 3rd Quarter	74,379	68,847	(5,532)

## 2. Non-consolidated operating results

(1)Results and Forecasts for Major Financial Indicators

(Billions of yen)

	2004.11		2005.2		2005.11		2006.2(Forecast)	
	Nine months ended Nov.30		Fiscal team		Nine months ended Nov.30		Fiscal team	
		YOY		YOY		YOY		YOY
Total Net Sales	1,006.3	103.6%	1,329.0	103.4%	1,037.8	103.1%	1,389.0	104.5%
Operating Revenues	180.2	102.7%	239.5	103.6%	188.4	104.6%	248.0	103.5%
Operating Profit	33.6	110.1%	42.2	111.0%	35.7	106.2%	43.7	103.5%
Recurring Profit	33.4	111.5%	42.2	112.2%	35.5	106.1%	43.4	102.8%
Net Profit	17.3	107.7%	20.5	108.2%	18.7	107.9%	22.6	109.8%
EPS	¥167.96		¥199.93		¥183.11		¥221.18	
Shareholder's Equity	160.6		163.9		175.2			
Total Assets	351.2		350.1		368.3			
Shareholder's Equity Per Share	¥1,572.71		¥1,604.97		¥1,714.16			
ROA	9.6%		12.1%		9.9%			
ROE	10.9%		12.8%		11.0%			
Current Ratio	88.8%		87.9%		89.8%			
Fixed Ratio	143.3%		142.9%		139.1%			
Shareholder's Equity Ratio	45.8%		46.8%		47.6%			

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

Note2:The results for 'Nov.04', 'Feb.05', 'Nov.05' and 'Feb.06' include the figures for NATURAL LAWSON.

## (2) Non-consolidated Statement of Income

(Millions of yen)

	Previous 3rd Quarter ( From March 1,2004 to Nov 30,2004 )	Current 3rd Quarter ( From March 1,2005 to Nov 30,2005 )	Increase (Decrease)
Operating revenues	131,686	140,888	9,202
(Net sales reported by franchised stores )	957,835	990,313	32,478
(Total net sales of Lawson stores including franchised stores )	1,006,369	1,037,860	31,491
Net sales	48,533	47,547	(986)
Total operating revenues	180,220	188,436	8,216
Cost of goods sold	35,066	34,241	(825)
Gross profit on sales	( 13,466 )	( 13,306 )	( 160 )
Operating gross profit	145,153	154,194	9,041
Selling, general and administrative expenses	111,503	118,457	6,954
Operating income	33,650	35,736	2,086
Non-operating income	1,036	989	(47)
Non-operating expense	1,191	1,182	(9)
Ordinary profit	33,494	35,543	2,049
Special gains	154	1,039	885
Special losses	3,234	4,653	1,419
Income before income taxes	30,415	31,930	1,515
Income taxes	13,078	13,219	141
Net income	17,337	18,711	1,374
Unappropriated retained earnings-carried forward	23,445	26,160	2,715
Reversal of land revaluation difference	5	2,182	2,177
Disposal loss of treasury stock	-	15	15
Retirement of treasury stock	10,703	-	(10,703)
Interim cash dividends	3,585	4,597	1,012
Unappropriated retained earnings - at end of the 3rd Quarter	26,488	38,075	11,587

## (3) Non-consolidated Balance Sheet

(Millions of yen)

Fiscal period Account item	Previous fiscal term	Current 3rd Quarter	Increase (Decrease)
	(As of February 28,2005)	(As of November 30,2005)	
	Amounts	Amounts	Amounts
<b>(Assets)</b>			
<b>Current assets</b>	<b>115,875</b>	<b>124,547</b>	<b>8,672</b>
Cash and bank deposits	60,574	61,832	1,258
Accounts receivable - due from franchised stores	10,332	11,798	1,466
Marketable securities	13,021	19,025	6,004
Merchandise inventories	1,371	1,538	167
Deferred tax assets	2,997	3,055	58
Other	27,658	27,377	(281)
Allowance for doubtful accounts	(80)	(80)	0
<b>Fixed assets</b>	<b>234,304</b>	<b>243,840</b>	<b>9,536</b>
Property and store equipment-at net book value	92,022	95,857	3,835
Buildings	56,408	59,893	3,485
Furniture, fixtures and equipment	18,683	17,943	(740)
Land	5,643	5,188	(455)
Other	11,286	12,832	1,546
Intangible fixed assets	13,270	15,216	1,946
Investments and other	129,011	132,765	3,754
Investments in securities	8,443	8,863	420
Long term loans receivable	16,809	19,962	3,153
Lease deposits	89,907	89,932	25
Deferred tax assets	8,851	9,735	884
Deferred tax assets for land revaluation	4,828	3,330	(1,498)
Other	4,309	5,577	1,268
Allowance for doubtful accounts	(4,137)	(4,636)	(499)
<b>Total Assets</b>	<b>350,180</b>	<b>368,387</b>	<b>18,207</b>
accumulated depreciation of property and store equipment	86,698	93,774	7,076

Fiscal period Account item	Previous fiscal term	Current 3rd Quarter	Increase (Decrease)
	(As of February 28,2005)	(As of November 30,2005)	
	Amounts	Amounts	Amounts
<b>(Liabilities)</b>			
<b>Current liabilities</b>	<b>131,810</b>	<b>138,632</b>	<b>6,822</b>
Accounts payable-trade	62,554	71,907	9,353
Accounts payable-due to franchised stores	3,982	2,955	(1,027)
Short-term borrowings	200	-	(200)
Accounts payable-other	12,116	9,361	(2,755)
Income taxes payable	11,462	5,562	(5,900)
Deposits received	35,514	42,640	7,126
Accrued employees' bonuses	2,636	1,326	(1,310)
Provision for use of LAWSON PASS points	407	659	252
Other	2,936	4,220	1,284
<b>Long-term liabilities</b>	<b>54,377</b>	<b>54,514</b>	<b>137</b>
Allowance for employees' retirement benefits	1,772	2,529	757
Allowance for retirement benefits to directors and corporate auditors	285	227	(58)
Deposits received from franchisees and lessees	52,318	51,646	(672)
Allowance for impairment loss on leased property	-	112	112
<b>Total Liabilities</b>	<b>186,188</b>	<b>193,146</b>	<b>6,958</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>41,520</b>	<b>(3)</b>
Additional paid-in capital	41,520	41,520	0
Other capital surplus			
Gain on disposal of treasury stock	3	-	(3)
<b>Retained earnings</b>	<b>80,463</b>	<b>88,802</b>	<b>8,339</b>
Legal reserve	727	727	0
General reserve	50,000	50,000	0
Unappropriated retained earnings	29,736	38,075	8,339
Land revaluation difference	(7,037)	(4,854)	2,183
Net unrealized gain on available-for-sale securities	110	628	518
Treasury stock-at cost	(9,574)	(9,362)	212
<b>Total Shareholders' Equity</b>	<b>163,991</b>	<b>175,240</b>	<b>11,249</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>350,180</b>	<b>368,387</b>	<b>18,207</b>

(4)Capital Expenditure

(Millions of yen)

	2004.11	2005.11	2006.2(Plan)	2005.2(Actual results)
New Store	11,641	14,908	17,000	15,789
Existing Store	4,875	4,334	7,000	8,175
IT	2,187	5,553	7,000	2,580
Other	2,135	1,295	2,000	4,807
<b>Subtotal</b>	<b>20,838</b>	<b>26,090</b>	<b>33,000</b>	<b>31,351</b>
Investments & Loan	10	509	3,000	(990)
Lease	6,814	6,717	10,000	9,142
<b>Total</b>	<b>27,662</b>	<b>33,316</b>	<b>46,000</b>	<b>39,503</b>
Depreciation	13,827	14,838	21,000	19,220

Note: 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

	2004.11	2005.2	2005.11
YOY Rate of Sales on Existing Stores	99.8%	99.7%	98.0%

(2)Average Daily Sales per store

(Thousands of Yen)

	2004.11	2005.2	2005.11
Total Stores	493	488	485
New Stores	456	448	436

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

(Persons,yen)

	2004.11	2005.2	2005.11
Number of Customers	831	816	836
Spend per Customers	592	597	582

(4)Gross Profit Margin at Store Level

	2004.11	2005.2	2005.11
Fast Foods	36.2%	36.4%	36.6%
Fresh Foods	33.6%	33.3%	33.8%
Processed Foods	26.9%	26.7%	26.8%
Non-Food Products	33.9%	34.0%	35.4%
Total	30.9%	30.8%	31.2%

Note:Processed Foods includes cigarettes.

(5)Sales by Merchandise Category in Total Stores

(Billions of Yen)

	2004.11		2005.2		2005.11	
		Share		Share		Share
Fast Foods	225.3	22.4%	297.3	22.4%	237.6	22.9%
Fresh Foods	113.9	11.3%	148.1	11.1%	116.7	11.2%
Processed Foods	505.6	50.3%	665.6	50.1%	519.7	50.1%
Non-Food Products	161.3	16.0%	217.8	16.4%	163.7	15.8%
Total	1,006.3	100.0%	1,329.0	100.0%	1,037.8	100.0%