

## 1. Consolidated operating results

(1) Results and Forecasts for Major Financial Indicators

(Billions of yen)

	2005.02		2006.02		2007.02		2008.02 (Forecast)	
		YOY		YOY		YOY		YOY
Total Net Sales	1,329.0	103.2%	1,361.7	102.5%	1,386.6	101.8%	1,454.0	104.9%
Operating Revenues	254.3	103.6%	268.0	105.4%	283.0	105.6%	309.0	109.2%
Operating Profit	42.9	112.7%	43.8	102.2%	44.5	101.5%	45.9	103.1%
Recurring Profit	42.3	115.8%	43.9	103.8%	44.6	101.6%	46.3	103.7%
Net Profit	20.4	110.0%	22.0	107.8%	20.9	95.3%	22.2	105.8%
Net Profit Per Share	¥198.47		¥215.50		¥201.50		¥212.61	
Net assets	160.2		175.1		199.4			
Total Assets	356.3		375.1		398.2			
Payout Ratio	35.3%		41.8%		49.6%			
Net Assets per share	¥1,568.66		¥1,712.68		¥1,868.91			
ROA	12.1%		12.0%		11.5%			
ROE	13.0%		13.1%		11.3%			
Current Ratio	93.2%		91.9%		103.8%			
Fixed Ratio	142.1%		140.0%		127.4%			
Capital adequacy Ratio	45.0%		46.7%		49.0%			

Number of stores	8,077	8,366	8,564	8,734
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Note1: The operating revenues includes total sales of company-owned stores and royalties from franchised stores.

Note2: With regards to the figures for previous fiscal term (2005.2 and 2006.2), the original "shareholders' equity" is described in the "net assets" column, the original "ratio of shareholders' equity to total assets" in the "capital adequacy ratio" column, original "shareholders' equity per share" in the "net assets per share" column, ROE and fixed ratio are calculated using the method of previous years.

(2) Number of stores

	2005.02	2006.02	2007.02	2008.02 (Forecast)
Opening (+)	711	717	700	560
Closure (-)	276	266	346	390
Re-location (-)	179	162	156	-
Subtotal	455	428	502	390
Total Number Of Stores	8,077	8,366	8,564	8,734
Net Increase	256	289	198	170

## (3) Number of stores by region and prefecture

(billions of yen)

(store)

Region	Prefecture	05/2	06/2	07/2	Net Increase
Hokkaido	Hokkaido	494	500	500	0
	Aomori	123	139	151	12
	Iwate	159	171	172	1
	Miyagi	159	162	157	(5)
	Akita	127	131	136	5
	Yamagata	54	55	57	2
	Fukushima	99	97	97	0
Tohoku		721	755	770	15
	Ibaraki	107	107	105	(2)
	Tochigi	99	105	103	(2)
	Gunma	65	68	69	1
	Saitama	303	323	333	10
	Chiba	276	287	287	0
	Tokyo	789	843	895	52
	Kanagawa	475	485	494	9
	Kanto		2,114	2,218	2,286
	Niigata	108	106	108	2
	Yamanashi	62	62	61	(1)
	Nagano	138	136	139	3
Koshinetsu		308	304	308	4
	Toyama	95	102	99	(3)
	Ishikawa	68	73	72	(1)
	Fukui	73	74	85	11
	Hokuriku		236	249	256
	Shizuoka	155	151	148	(3)
	Aichi	336	340	329	(11)
	Gifu	84	91	104	13
	Mie	72	80	84	4
	Tokai		647	662	665

Region	Prefecture	05/2	06/2	07/2	Net Increase
	Shiga	114	118	125	7
	Kyoto	178	181	193	12
	Osaka	818	837	835	(2)
	Hyogo	458	471	482	11
	Nara	95	100	104	4
	Wakayama	111	111	116	5
	Kinki		1,774	1,818	1,855
	Tottori	65	71	82	11
	Shimane	60	65	74	9
	Okayama	114	114	119	5
	Hiroshima	115	122	124	2
	Yamaguchi	109	110	110	0
	Chugoku		463	482	509
	Tokushima	102	103	108	5
	Kagawa	95	96	97	1
	Ehime	138	152	163	11
	Kouchi	52	56	61	5
Shikoku		387	407	429	22
	Fukuoka	292	311	316	5
	Saga	57	58	60	2
	Nagasaki	83	83	79	(4)
	Kumamoto	86	89	91	2
	Oita	106	113	119	6
	Miyazaki	81	80	84	4
	Kagoshima	108	110	107	(3)
	Okinawa	120	127	130	3
Kyusyu		933	971	986	15
Total		8,077	8,366	8,564	198

Note: The above table shows the total number of stores of LAWSON, NATURAL LAWSON and LAWSON STORE100.

## (4) Store opening status of NATURAL LAWSON, inc., VALUE LAWSON, Inc and SHANGHAI HUALIAN LAWSON CO., LTD. by region.

## NATURAL LAWSON, inc. (NATURAL LAWSON)

	05/2	06/2	07/2	Net Increase
Kanto	28	48	84	36
Kinki	-	3	16	13
Total	28	51	100	49

Note: NATURAL LAWSON has opened stores since July, 2001

## VALUE LAWSON, Inc (LAWSON STORE100)

	05/2	06/2	07/2	Net Increase
Kanto	-	35	80	45
Total	-	35	80	45

Note: LAWSON STORE100 has opened stores since May, 2005

## SHANGHAI HUALIAN LAWSON CO., LTD.

	04/12	05/12	06/12	Net Increase
Shanghai	210	283	291	8
Total	210	283	291	8

## (5) Number of Stores by Store Type (Consolidated)

		End of Feb.05		End of Feb.06		End of Feb.07		Net Increase
		Share	Share	Share	Share			
Franchised Store	TypeB	1,836	22.7%	1,674	20.0%	1,512	17.7%	(162)
	TypeG	2,335	28.9%	2,272	27.2%	2,209	25.8%	(63)
	TypeC	3,560	44.1%	4,011	47.9%	4,367	51.0%	356
	TypeC(NATURAL LAWSON)	0	0.0%	1	0.0%	5	0.1%	4
	Subtotal	7,731	95.7%	7,958	95.1%	8,093	94.6%	135
Company-Owned Store	LAWSON	318	3.9%	323	3.9%	296	3.5%	(27)
	NATURAL LAWSON	28	0.3%	50	0.6%	95	1.1%	45
	LAWSON STORE100	-	0.0%	35	0.4%	80	0.9%	45
	Subtotal	346	4.3%	408	4.9%	471	5.5%	63
Total	8,077	100.0%	8,366	100.0%	8,564	100.0%	198	

## (6) Consolidated Statement of Income

(Millions of yen)

	Previous fiscal period	Current fiscal period	Increase (Decrease)
	( From March 1,2005 to February 28,2006 )	( From March 1,2006 to February 28,2007 )	
Operating revenues	201,412	207,195	5,783
Franchise commissions from franchised stores	170,784	174,324	3,540
(Net sales reported by franchised stores)	1,295,704	1,311,479	15,775
Total net sales of LAWSON stores including franchised stores	1,361,731	1,386,630	24,899
Other	30,628	32,870	2,242
Net sales	66,645	75,858	9,213
Total operating revenues	268,058	283,053	14,995
Cost of goods sold	48,296	55,370	7,074
Gross profit on sales	( 18,348 )	( 20,487 )	( 2,139 )
Operating gross profit	219,761	227,682	7,921
Selling, general and administrative expenses	175,894	183,168	7,274
Operating income	43,867	44,513	646
Non-operating income	1,626	1,679	53
1. Interest received	396	650	254
2. Compensation received for damage	163	172	9
3. Compensation received for removal	254	403	149
4. Equity in gains of affiliated companies	285	102	(183)
5. Other	524	350	(174)
Non-operating expense	1,553	1,546	(7)
1. Interest expense	10	22	12
2. Loss on cancellation of lease contract	1,290	1,206	(84)
3. Other	252	317	65
Ordinary profit	43,940	44,646	706
Special gains	1,308	1,288	(20)
1. Gain on sales of fixed assets	24	746	722
2. Gain on sales of investments in securities	988	—	(988)
3. Reversal of allowance for doubtful accounts	263	311	48
4. Other	32	230	198
Special losses	6,525	9,086	2,561
1. Loss on disposal of fixed assets	3,013	4,638	1,625
2. Loss on sales of fixed assets	409	90	(319)
3. Loss on impairment of long-lived assets	2,708	1,810	(898)
4. Loss on replacement of computer system	—	2,202	2,202
5. Other	394	344	(50)
Income before income taxes and minority interests	38,722	36,848	(1,874)
Income taxes-current	17,823	12,377	(5,446)
Deferred income taxes	(1,606)	3,011	4,617
Minority interest in earnings of consolidated subsidiaries	480	476	(4)
Net income	22,025	20,983	(1,042)

## (7) Selling, general and administrative expenses

(Millions of yen)

	Previous interim period	Current interim period	Increase (Decrease)
	( From March 1,2005 to February 28,2006 )	( From March 1,2006 to February 28,2007 )	
Account item			
Rent	51,236	55,318	4,082
Personnel Expenses	35,450	37,888	2,438
Equipment Lease	16,734	17,475	741
Depreciation	15,859	16,185	326
Promotions Expense	9,177	9,693	516
Other	47,436	46,607	(829)
Total	175,894	183,168	7,274

Note: With effect from current interim period, expenses for temporary staff has been reclassified from "Other" to "Personnel Expenses."  
At the current interim period, the amount of expenses for temporary staff that included in "Personnel Expenses" is ¥ 1,375 million.  
At the previous interim period, the amount of expenses for temporary staff that included in "Other" was ¥ 750 million.

(Millions of yen)

Account item	Fiscal period	Previous fiscal period	Current fiscal period	Increase (Decrease)
		(As of February 28,2006)	(As of February 28,2007)	
	Amounts	Amounts	Amounts	Amounts
<b>(Assets)</b>				
<b>Current assets</b>		129,841	149,022	19,181
Cash and bank deposits		60,940	71,950	11,010
Accounts receivable - due from franchised stores		10,762	11,710	948
Marketable securities		19,651	19,592	(59)
Merchandise inventories		1,573	1,788	215
Prepaid expenses		5,116	5,458	342
Short-term loans receivable		6,250	8,850	2,600
Accounts receivable - other		21,578	26,002	4,424
Deferred tax assets		3,188	2,795	(393)
Other		861	989	128
Allowance for doubtful accounts		(81)	(115)	(34)
<b>Fixed assets</b>		245,265	249,235	3,970
Property and store equipment		99,271	104,255	4,984
Buildings and structures		74,593	82,403	7,810
Furniture, fixtures and equipment		18,271	15,548	(2,723)
Land		5,236	4,708	(528)
Other		1,169	1,594	425
Intangible fixed assets		17,272	15,890	(1,382)
Investments and other		128,720	129,089	369
Investments in securities		2,538	2,569	31
Long-term loans receivable		20,630	24,379	3,749
Long-term prepaid expense		3,125	3,822	697
Lease deposits		89,928	87,903	(2,025)
Deferred tax assets		11,046	11,551	505
Deferred tax assets for land revaluation		3,330	467	(2,863)
Other		2,583	2,412	(171)
Allowance for doubtful accounts		(4,462)	(4,018)	444
<b>Total Assets</b>		<b>375,106</b>	<b>398,258</b>	<b>23,152</b>
Accumulated depreciation for property and store equipment		96,483	103,849	7,366

Account item	Fiscal period	Previous fiscal period	Current fiscal period	Increase (Decrease)
		(As of February 28,2006)	(As of February 28,2007)	
	Amounts	Amounts	Amounts	Amounts
<b>(Liabilities)</b>				
<b>Current liabilities</b>		141,241	143,513	2,272
Accounts payable-trade for Company - operated stores		3,374	4,182	808
Accounts payable-trade for franchised stores		59,795	60,817	1,022
Accounts payable-due to franchised stores		3,416	2,757	(659)
Accounts payable-other		13,415	16,017	2,602
Income taxes payable		10,323	4,754	(5,569)
Consumption taxes payable		927	593	(334)
Accrued expenses		2,304	2,395	91
Deposits received		44,614	48,754	4,140
Accrued employees' bonuses		2,544	2,626	82
Provision for use of points of LAWSON PASS and MY LAWSON POINT		364	500	136
Other		159	113	(46)
<b>Long-term liabilities</b>		54,858	55,250	392
Allowance for employees' retirement benefits		2,816	3,526	710
Allowance for retirement benefits to executive officers and corporate auditors		317	249	(68)
Deposits received from franchisees and lessees		51,336	49,325	(2,011)
Allowance for impairment loss on leased property		140	95	(45)
Other		247	2,053	1,806
<b>Total Liabilities</b>		<b>196,099</b>	<b>198,764</b>	<b>2,665</b>
<b>(Minority Interest)</b>				
Minority Interest		3,822	-	-
<b>(Shareholders' Equity)</b>				
Common stock		58,506	-	-
Capital surplus		41,520	-	-
Retained earnings		88,355	-	-
Land revaluation difference		(4,854)	-	-
Net unrealized gain on available-for-sale securities		695	-	-
Foreign currency transaction adjustments		105	-	-
Treasury stock-at cost		(9,144)	-	-
<b>Total Shareholders' Equity</b>		<b>175,184</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities, Minority Interest and Shareholders' Equity</b>		<b>375,106</b>	<b>-</b>	<b>-</b>
<b>(Net assets)</b>				
<b>Owners' equity</b>		-	195,366	-
Common stock		-	58,506	-
Capital surplus		-	42,253	-
Retained earnings		-	95,344	-
Treasury stock-at cost		-	(738)	-
<b>Valuation and translation adjustments</b>		-	(227)	-
Net unrealized gain on available-for-sale securities		-	319	-
Land revaluation difference		-	(682)	-
Foreign currency transaction adjustments		-	134	-
Stock options		-	78	-
Minority Interests		-	4,276	-
<b>Total net assets</b>		<b>-</b>	<b>199,493</b>	<b>-</b>
<b>Total Liabilities, net assets</b>		<b>-</b>	<b>398,258</b>	<b>-</b>

## (9) Consolidated Statement of Change in Net Assets

(From March 1, 2006 to February 28, 2007)

(Millions of yen)

	Owners' Equity					Valuation and Translation Adjustments				Stock options	Minority Interests	Total Net Assets
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Owners' Equity	Net Unrealized Gain on Available-for-Sale Securities	Land Revaluation Difference	Foreign Currency Transaction Adjustments	Total Valuation and Translation Adjustments			
Balance at the end of previous period	58,506	41,520	88,355	(9,144)	179,237	695	(4,854)	105	(4,053)	—	3,822	179,006
Change of items during the fiscal period												
Dividends from surplus			(9,822)		(9,822)							(9,822)
Net income			20,983		20,983							20,983
Purchase of treasury stock - at cost				(0)	(0)							(0)
Sales of treasury stock - at cost		753		8,267	9,020							9,020
Reversal of land revaluation difference			(4,172)		(4,172)							(4,172)
Exercise of stock options		(19)		139	119							119
Net changes of items other than owner's equity - net						(375)	4,172	29	3,825	78	454	4,358
Total change of items during the fiscal period	—	733	6,988	8,405	16,128	(375)	4,172	29	3,825	78	454	20,486
Balance at the end of the fiscal period	58,506	42,253	95,344	(738)	195,366	319	(682)	134	(227)	78	4,276	199,493

## (10)Capital Expenditure(Consolidated)

	2005.02	2006.02	2007.02	(Millions of yen) 2008.02(Plan)
New Store	21,695	26,047	23,444	14,200
Existing Store	8,175	6,592	5,887	9,700
IT	2,765	9,084	4,662	16,300
Other	4,186	1,615	(1,395)	2,300
Subtotal	36,821	43,338	32,598	42,500
Investments & Loan	(1,000)	1,250	3,013	5,800
Lease	11,052	9,829	14,211	17,700
Total	46,873	54,417	49,822	66,000
Depreciation of property and store equipment	15,059	15,859	16,185	17,000
Depreciation of intangible fixed assets	4,574	5,034	5,163	6,000
Depreciation	19,633	20,893	21,348	23,000

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

## (11) Consolidated Statement of Cash Flows

(Millions of yen)

	Previous fiscal period	Current fiscal period	Increase (Decrease)
	( From March 1,2005 to February 28,2006 )	( From March 1,2006 to February 28,2007 )	
<b>I .Operating activities</b>			
Income before income taxes	38,722	36,848	(1,874)
Depreciation of property and store equipment	15,859	16,185	326
Loss from disposal of property and store equipment	1,845	2,880	1,035
Loss on impairment of long-lived assets	2,708	1,810	(898)
Depreciation of intangible fixed assets	5,034	5,163	129
Loss from disposal of intangible fixed assets	910	254	(656)
Increase in provision for allowance for retirement benefits to employees	1,009	710	(299)
Increase(decrease) in allowance for doubtful accounts	324	(409)	(733)
Interest received	(396)	(650)	(254)
Interest expense	10	22	12
Equity in gains of affiliated companies	(285)	(102)	183
Loss on sales of property and store equipment	409	90	(319)
Gain on sales of fixed assets	(24)	(746)	(722)
Gain on sales of investments in securities	(988)	—	988
Loss on replacement of computer system	—	2,202	2,202
Other - net	287	876	589
Increase in accounts receivable due from franchised stores	(430)	(947)	(517)
Increase in merchandise inventories	(196)	(215)	(19)
Increase in accounts receivable-other	(2,477)	(4,397)	(1,920)
Increase in accounts payable-trade and due to franchised stores	49	1,170	1,121
Increase (decrease) in accounts payable-other	394	2,602	2,208
Increase in deposits received	4,344	4,140	(204)
Decrease in lease deposits from franchisee and lessees	(998)	(2,010)	(1,012)
Other - net	(343)	(557)	(214)
Subtotal	65,768	64,919	(849)
Interest and dividend income received	392	646	254
Interest expenses paid	(10)	(22)	(12)
Income taxes paid	(19,217)	(17,947)	1,270
Net cash provided by operating activities	46,932	47,596	664
<b>II .Investing activities</b>			
Payment for purchases of marketable securities	(44,709)	(57,193)	(12,484)
Proceeds from redemption of marketable securities	33,075	61,850	28,775
Increase in advances to associated company	—	(335)	(335)
Proceeds from sales of investments in securities	1,705	—	(1,705)
Increase in short-term loans receivable	(1,250)	(2,600)	(1,350)
Payment for acquisition of property and store equipment	(28,630)	(28,759)	(129)
Payment for acquisition of intangible fixed assets	(9,257)	(4,450)	4,807
Decrease in lease deposits - net	36	2,024	1,988
Increase in long - term loans receivable-net	(3,821)	(3,749)	72
Increase in long-term prepaid expenses	(1,072)	(1,131)	(59)
Other - net	(1,359)	2,590	3,949
Net cash used in investing activities	(55,282)	(31,754)	23,528
<b>III .Financing activities</b>			
Proceeds from issuance of share upon exercise of stock options	395	119	(276)
Proceeds from sales of treasury stock	—	9,020	9,020
Cash dividends paid	(8,187)	(9,822)	(1,635)
Payment for acquisition of treasury stock - at cost	—	(54)	(54)
Other - net	(1)	(0)	1
Net cash used in financing activities	(7,794)	(736)	7,058
<b>IV .Net decrease(increase) in cash and cash equivalents</b>	<b>(16,143)</b>	<b>15,106</b>	<b>31,249</b>
<b>V .Cash and cash equivalents, beginning of year</b>	<b>76,584</b>	<b>60,440</b>	<b>(16,144)</b>
<b>VI .Cash and cash equivalents, end of year</b>	<b>60,440</b>	<b>75,547</b>	<b>15,107</b>

## (12) Subsidiaries and Affiliate

	LAWSON TICKET, INC.	i-Convenience, Inc	LAWSON ATM Networks, Inc																														
Date of Establishment	July-92	October-00	May-01																														
Fiscal Year End	February	February	February																														
Lawson's Share	50.8%	51.0%	58.0%																														
Composition of Shareholders	<table border="1"> <tr><td>Rakuten, Inc.</td><td>17.8%</td></tr> <tr><td>Mitsubishi Corporation</td><td>4.2%</td></tr> <tr><td>RBC DEXIA INVESTOR SERVICES TRUST LONDON-CLIENTS ACCOUNT</td><td>3.1%</td></tr> <tr><td>UBS AG LONDON ASIA EQUITES</td><td>1.6%</td></tr> <tr><td>G/I/P</td><td>1.5%</td></tr> <tr><td>Big Ear Ants Inc.</td><td>1.2%</td></tr> <tr><td>Trust &amp; Custody Services Bank Ltd. (Securities Investment Trust Company)</td><td>1.0%</td></tr> <tr><td>Dai Nippon Printing CO., Ltd</td><td>0.9%</td></tr> <tr><td>WESS Inc.</td><td>0.8%</td></tr> </table>	Rakuten, Inc.	17.8%	Mitsubishi Corporation	4.2%	RBC DEXIA INVESTOR SERVICES TRUST LONDON-CLIENTS ACCOUNT	3.1%	UBS AG LONDON ASIA EQUITES	1.6%	G/I/P	1.5%	Big Ear Ants Inc.	1.2%	Trust & Custody Services Bank Ltd. (Securities Investment Trust Company)	1.0%	Dai Nippon Printing CO., Ltd	0.9%	WESS Inc.	0.8%	<table border="1"> <tr><td>Mitsubishi Corporation</td><td>49.0%</td></tr> </table>	Mitsubishi Corporation	49.0%	<table border="1"> <tr><td>Mitsubishi Corporation</td><td>5.0%</td></tr> <tr><td>Bank (19 companies)</td><td>31.0%</td></tr> <tr><td>Oki Electric Industry Co., Ltd</td><td>2.5%</td></tr> <tr><td>SECOM Co., Ltd</td><td>2.5%</td></tr> <tr><td>NIPPON EXPRES CO., LTD</td><td>1.0%</td></tr> </table>	Mitsubishi Corporation	5.0%	Bank (19 companies)	31.0%	Oki Electric Industry Co., Ltd	2.5%	SECOM Co., Ltd	2.5%	NIPPON EXPRES CO., LTD	1.0%
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Mitsubishi Corporation	5.0%																																
Bank (19 companies)	31.0%																																
Oki Electric Industry Co., Ltd	2.5%																																
SECOM Co., Ltd	2.5%																																
NIPPON EXPRES CO., LTD	1.0%																																

(Millions of yen)

	2005.02	2006.02	2007.02	2005.02	2006.02	2007.02	2005.02	2006.02	2007.02
Operating income	719	821	836	(113)	(64)	45	143	653	866
Ordinary profit	700	842	870	(118)	(67)	44	144	654	870
Net income	412	487	506	(115)	(137)	43	265	675	509

	NATURAL LAWSON, inc.	BestPractice Inc.	VALUE LAWSON, Inc
Date of Establishment	May-00	March-04	April-05
Fiscal Year End	February	February	February
Lawson's Share	100.0%	100.0%	100.0%

	2005.02	2006.02	2007.02	2005.02	2006.02	2007.02	2005.02	2006.02	2007.02
Operating income	19	(690)	(873)	(2)	61	81	-	(622)	(979)
Ordinary profit	19	(703)	(885)	(2)	61	81	-	(657)	(1,068)
Net income	18	(723)	(891)	(2)	34	44	-	(709)	(1,310)

	SHANGHAI HUALIAN LAWSON CO.,LTD.	Lawson CS Card, INC.	natural Beat co , Ltd.						
Date of Establishment	February-96	February-02	March-04						
Fiscal Year End	December	February	March						
Lawson's Share	49.0%	50.0%	33.4%						
Composition of Shareholders	<table border="1"> <tr><td>Brilliance Group Co., Ltd.</td><td>51.0%</td></tr> </table>	Brilliance Group Co., Ltd.	51.0%	<table border="1"> <tr><td>Credit Saison Co., Ltd</td><td>30.0%</td></tr> <tr><td>Mitsubishi Corporation</td><td>20.0%</td></tr> </table>	Credit Saison Co., Ltd	30.0%	Mitsubishi Corporation	20.0%	
Brilliance Group Co., Ltd.	51.0%								
Credit Saison Co., Ltd	30.0%								
Mitsubishi Corporation	20.0%								

## 2. Non-consolidated operating results

(1) Results and Forecasts for Major Financial Indicators

(Billions of yen)

	2005.02		2006.02		2007.02		2007.02 (Forecast)	
		YOY		YOY		YOY		YOY
Total Net Sales	1329.0	103.4%	1360.4	102.4%	1377.8	101.3%	1440.0	104.5%
Operating Revenues	239.5	103.6%	248.0	103.6%	256.0	103.2%	276.0	107.8%
Operating Profit	42.2	111.0%	43.8	103.8%	44.3	101.3%	45.2	101.9%
Recurring Profit	42.2	112.2%	43.6	103.3%	44.5	102.0%	45.4	102.0%
Net Profit	20.5	108.2%	22.7	110.3%	21.7	95.7%	22.3	102.6%
Cash Dividends Per share	¥70.00		¥90.00		¥100.00		¥110.00	
Net Profit Per Share	¥199.93		¥222.18		¥208.70		¥213.57	
Net Assets	163.9		179.5		200.2			
Total Assets	350.1		368.2		389.1			
Payout Ratio	35.0%		40.5%		47.9%			
Net Assets per share	¥1,604.97		¥1,754.94		¥1,917.18			
ROA	12.1%		12.2%		11.7%			
ROE	12.8%		13.2%		11.5%			
Current Ratio	87.9%		87.2%		101.2%			
Fixed Ratio	142.9%		139.9%		126.6%			
Capital adequacy Ratio	46.8%		48.7%		51.4%			

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

2: With regards to the figures for previous fiscal term (2005.8 and 2006.2), the original "shareholders' equity" is described in the "net assets" column, the original "ratio of shareholders' equity to total assets" in the "capital adequacy ratio" column, original "shareholders' equity per share" in the "net assets per share" column, ROE and fixed ratio are calculated using the method of previous years.

(2) Number of Employee

	2005.02		2006.02		2007.02	
		Change		Change		Change
Employees	3,095	(53)	3,120	25	3,131	11
The average age	36.4	0.1	37.1	0.7	37.1	0.0
Employees (Part-time)	3,366	(158)	3,363	(3)	3,596	233

Note1: The average number of part-time employees is calculated on the assumption of an 8-hour working day.

Note2: The average number of part-time employees subsequent to 2006 includes the average number of employees on contract from temporary staff (manpower) agencies.

## (3) Non-consolidated Statement of Income

(Millions of yen)

	Previous fiscal period (As of February 28, 2006)	Current fiscal period (As of February 28, 2007)	Increase (Decrease)
Operating revenues	185,766	190,674	4,908
Franchise commissions from franchised stores	170,812	174,335	3,523
(Net sales reported by franchised stores )	1,298,221	1,312,493	14,272
(Total net sales of LAWSON stores including franchised stores )	1,360,495	1,377,842	17,347
Other	14,954	16,338	1,384
Net sales	62,274	65,349	3,075
Total operating revenues	248,041	256,023	7,982
Cost of goods sold	44,933	46,998	2,065
Gross profit on sales	( 17,341 )	( 18,350 )	( 1,009 )
Operating gross profit	203,108	209,025	5,917
Selling, general and administrative expenses	159,303	164,652	5,349
Operating income	43,804	44,373	569
Non-operating income	1,341	1,617	276
1. Interest received	379	552	173
2. Compensation received for damage	163	172	9
3. Compensation received for removal	254	403	149
4. Other	543	488	(55)
Non-operating expense	1,507	1,463	(44)
1. Loss on cancellation of lease contract	1,257	1,143	(114)
2. Other	249	320	71
Ordinary profit	43,639	44,526	887
Special gains	1,308	1,270	(38)
1. Gain on sales of fixed assets	24	745	721
2. Gain on sales of investments in securities	988	—	(988)
3. Reversal of allowance for doubtful accounts	263	311	48
4. Other	32	214	182
Special losses	6,364	8,834	2,470
1. Loss on disposal of fixed assets	2,967	4,395	1,428
2. Loss on sales of fixed assets	409	90	(319)
3. Loss on impairment of long-lived assets	2,640	1,810	(830)
4. Loss on replacement of computer system	—	2,202	2,202
5. Other	347	335	(12)
Income before income taxes	38,582	36,963	(1,619)
Income taxes-current	17,426	11,733	(5,693)
Deferred income taxes	(1,551)	3,496	5,047
Net income	22,707	21,733	(974)

## (4) Selling, general and administrative expenses

(Millions of yen)

Account item	Previous fiscal period (As of February 28, 2006)	Current fiscal period (As of February 28, 2007)	Increase (Decrease)
Rent	50,872	54,735	3,863
Personnel Expenses	32,478	33,739	1,261
Equipment Lease	14,369	15,167	798
Depreciation	15,799	16,071	272
Promotions Expense	9,117	9,748	631
Other	36,665	35,189	(1,476)
Total	159,303	164,652	5,349

Note: With effect from current interim period, expenses for temporary staff has been reclassified from "Other" to "Personnel Expenses".  
At the current interim period, the amount of expenses for temporary staff that included in "Personnel Expenses" is ¥ 1,112million.  
At the previous interim period, the amount of expenses for temporary staff that included in "Other" was ¥ 655million.

(Millions of yen)

Account item	Fiscal period	Previous fiscal period	Current fiscal period	Increase (Decrease)
		(As of February 28, 2006)	(As of February 28, 2007)	
	Amounts	Amounts	Amounts	Amounts
<b>(Assets)</b>				
Current assets		117,096	135,696	18,600
Cash and bank deposits		53,093	61,536	8,443
Accounts receivable - due from franchised stores		10,783	11,711	928
Marketable securities		16,011	15,994	(17)
Merchandise inventories		1,382	1,491	109
Prepaid expenses		5,062	5,376	314
Short-term loans receivable		6,640	11,940	5,300
Accounts receivable - other		20,439	23,905	3,466
Deferred tax assets		2,929	2,696	(233)
Other		834	1,159	325
Allowance for doubtful accounts		(80)	(114)	(34)
Fixed assets		251,180	253,412	2,232
Property and store equipment		99,019	103,736	4,717
Buildings		62,014	68,276	6,262
Structures		12,425	13,673	1,248
Furniture, fixtures and equipment		18,173	15,483	(2,690)
Land		5,236	4,708	(528)
Other		1,169	1,594	425
Intangible fixed assets		16,740	15,364	(1,376)
Investments and other		135,419	134,310	(1,109)
Investments in securities		1,464	762	(702)
Investments in securities and affiliated company		7,519	7,824	305
Investments in affiliated limited private company		438	438	0
Long-term loans receivable		20,630	24,379	3,749
Long-term prepaid expenses		3,104	3,578	474
Lease deposits		89,754	87,583	(2,171)
Deferred tax assets		11,566	11,424	(142)
Deferred tax assets for land revaluation		3,330	467	(2,863)
Other		2,072	1,868	(204)
Allowance for doubtful accounts		(4,462)	(4,018)	444
<b>Total Assets</b>		<b>368,276</b>	<b>389,109</b>	<b>20,833</b>
Accumulated depreciation for property and store equipment		96,483	103,556	7,073

Account item	Fiscal period	Previous fiscal period	Current fiscal period	Increase (Decrease)
		(As of February 28, 2006)	(As of February 28, 2007)	
	Amounts	Amounts	Amounts	Amounts
<b>(Liabilities)</b>				
Current liabilities		134,240	134,150	(90)
Accounts payable-trade for Company - operated stores		3,148	3,491	343
Accounts payable-trade for franchised stores		59,795	60,817	1,022
Accounts payable-due to franchised stores		3,416	2,757	(659)
Accounts payable-other		11,971	14,421	2,450
Accounts payable-due to franchised stores		244	212	(32)
Income taxes payable		10,059	4,285	(5,774)
Consumption taxes payable		863	547	(316)
Accrued expenses		1,996	2,113	117
Deposits received		39,909	42,474	2,565
Accrued employees' bonuses		2,328	2,448	120
Provision for use of points of LAWSON PASS and MY LAWSON POINT		361	494	133
Other		144	87	(57)
Long-term liabilities		54,530	54,701	171
Allowance for employees' retirement benefits		2,775	3,472	697
Allowance for retirement benefits to directors and corporate auditors		285	190	(95)
Deposits received from franchisees and lessees		51,329	49,319	(2,010)
Allowance for impairment loss on leased property		140	95	(45)
Other		-	1,623	1,623
<b>Total Liabilities</b>		<b>188,770</b>	<b>188,851</b>	<b>81</b>
<b>(Shareholders' Equity)</b>				
Common stock		58,506	-	-
Total capital surplus		41,520	-	-
Total retained earnings		92,781	-	-
Land revaluation difference		(4,854)	-	-
Net unrealized gain on available-for-sale securities		697	-	-
Treasury stock-at cost		(9,144)	-	-
<b>Total Shareholders' Equity</b>		<b>179,505</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>368,276</b>	<b>-</b>	<b>-</b>
<b>(Net assets)</b>				
Owners' equity		-	200,541	-
Common stock		-	58,506	-
Capital surplus		-	42,253	-
Retained earnings		-	100,519	-
Treasury stock-at cost		-	(738)	-
Valuation and translation adjustments		-	(362)	-
Net unrealized gain on available-for-sale securities		-	319	-
Land revaluation difference		-	(682)	-
Stock options		-	78	-
<b>Total net assets</b>		<b>-</b>	<b>200,257</b>	<b>-</b>
<b>Total Liabilities, net assets</b>		<b>-</b>	<b>389,109</b>	<b>-</b>

## (6) Non - consolidated Statement of Changes in Net Assets

(From March 1, 2006 to February 28, 2007)

(Millions of yen)

	Owners' Equity										Valuation and Translation Adjustments			Stock options	Total Net Assets
	Common Stock	Capital Surplus			Legal Reserve	Retained Earnings			Treasury Stock	Total Owners' Equity	Net Unrealized Gain on Available-for-Sale Securities	Land Revaluation Difference	Total Valuation and Transaction Adjustments		
		Additional Paid - in Capital	Other Capital Surplus	Total Capital Surplus		Other Lrgal Reserve		Total Retained Earnings							
						General Reserve	Earned Surplus Brought Forward								
Balance at the end of previous period	58,506	41,520	-	41,520	727	50,000	42,053	92,781	(9,144)	183,663	697	(4,854)	(4,157)	-	179,505
Change of items during the fiscal period															
Dividends from surplus							(9,822)	(9,822)		(9,822)					(9,822)
Net income							21,733	21,733		21,733					21,733
Purchase of treasury stock - at cost									△0	△0					△0
Sales of treasury stock - at cost			753	753					8,267	9,020					9,020
Reversal of land revaluation difference							(4,172)	(4,172)		(4,172)					(4,172)
Exercise of stock options			(19)	(19)					139	119					119
Net changes of items other than owners' equity - net											(377)	4,172	3,794	78	3,873
Total change of items during the fiscal period	-	-	733	733	-	-	7,738	7,738	8,405	16,878	(377)	4,172	3,794	78	20,751
Balance at the end of the fiscal period	58,506	41,520	733	42,253	727	50,000	49,792	100,519	(738)	200,541	319	(682)	(362)	78	200,257

## (7)Capital Expenditure (non-consolidated)

	2005.02	2006.02	2007.02	(Millions of yen) 2008.02(Plan)
New Store	21,695	25,747	22,905	14,500
Existing Store	8,175	6,592	5,749	9,600
IT	2,580	8,912	4,106	14,600
Other	4,173	1,558	(1,477)	2,300
<b>Subtotal</b>	<b>36,623</b>	<b>42,809</b>	<b>31,283</b>	<b>41,000</b>
Investments & Loan	(990)	1,889	5,713	5,800
Lease	9,142	8,935	12,191	15,200
<b>Total</b>	<b>44,775</b>	<b>53,633</b>	<b>49,187</b>	<b>62,000</b>
Depreciation of property and store equipment	14,997	15,799	16,071	16,700
Depreciation of intangible fixed assets	4,223	4,646	4,835	5,500
<b>Depreciation</b>	<b>19,220</b>	<b>20,445</b>	<b>20,906</b>	<b>22,200</b>

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

### 3. Sales and Products (Non-consolidated)

(1)YOY Rate on Existing Store

	2005.02	2006.02	2007.02
YOY Rate of Sales on Existing Stores	99.7%	97.5%	98.2%

(2)Average Daily Sales per store

(Thousands of Yen)

	2005.02	2006.02	2007.02
Total Stores	488	480	477
New Stores	448	426	429

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

(Persons,yen)

	2005.02	2006.02	2007.02
Number of Customers	816	820	813
Spend per Customers	597	585	585

(4)Inventory Turnover in Days(Based on All Stores, Inventory per a Store)

(Thousands of Yen)

	2005.02		2006.02		2007.02	
		YOY		YOY		YOY
Inventory	5,200	102.2%	5,270	101.4%	5,360	101.7%
Inventory Turnover in Days	11.2	100.0%	11.5	102.6%	11.9	102.9%

(5)Area of Floor

(㎡)

	2005.02		2006.02		2007.02	
		YOY		YOY		YOY
Area of Floor	852,342	103.6%	885,434	103.9%	915,365	103.4%

Note:term average

(6)Liquor-Licensed,Cigarette-Licensed,24-hour Operating&Parking Lots Equipped Stores

(Store)

	2005.02		2006.02		2007.02	
		Share		Share		Share
Liquor-Licensed	7,103	87.9%	7,285	87.4%	7,976	94.0%
Cigarette-Licensed	6,544	81.0%	6,926	83.1%	7,153	84.3%
24-hour operating	7,952	98.5%	8,197	98.4%	8,329	98.2%
with Parking Lots	5,744	71.1%	6,027	72.3%	6,206	73.2%
Total	8,077	—	8,331	-	8,484	—

## (7)Gross Profit Margin at Store Level

	2005.02	2006.02	2007.02
Fast Foods	36.4%	36.8%	36.5%
Fresh Foods	33.3%	33.6%	33.8%
Processed Foods	26.7%	26.7%	26.4%
Non-Food Products	34.0%	35.8%	38.0%
Total	30.8%	31.2%	31.3%

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

Note2:Processed Foods includes cigarettes.

## (8)Sales by Merchandise Category in Total Stores

(Billions of Yen)

	2005.02		2006.02		2007.02	
		Share		Share		Share
Fast Foods	2,973	22.4%	3,121	22.9%	3,240	23.5%
Fresh Foods	1,481	11.1%	1,505	11.1%	1,528	11.1%
Processed Foods	6,656	50.1%	6,814	50.1%	7,008	50.9%
Non-Food Products	2,178	16.4%	2,164	15.9%	2,001	14.5%
Total	13,290	100.0%	13,604	100.0%	13,778	100.0%

## (9)Third Party Bill Settlement Service

(Millions of Yen, Million)

	2005.02		2006.02		2007.02	
		YOY		YOY		YOY
Transaction Volume	1,035,936	112.7%	1,165,255	112.5%	1,204,004	103.3%
No.of Settlement	118.9	109.7%	130.6	109.9%	140.9	107.9%
No.of Companies	309	109.2%	349	112.9%	396	113.5%
Commission Revenues	6,768	106.3%	7,507	110.9%	8,141	108.5%

## (10)Number of ATM

(Number)

	2005.02	2006.02	2007.02
ATM	3,570	3,812	4,245

#### 4. Shareholders Information(Non-consolidated)

##### (1)Distribution of Shareholders by Type

	End of Feb.07		
	(person)	(share)	(ratio)
Financial Institutions	141	25,894,300	24.8%
Securities Companies	28	1,384,061	1.3%
Other Domestic Entities	526	41,954,510	40.1%
Foreign Entities	374	24,566,930	23.5%
Individuals,Others	39,833	10,607,681	10.1%
JASDEC	1	5,600	0.0%
Treasury Stock	1	186,918	0.2%
Shares Issued and Outstanding	—	104,600,000	100.0%
Shareholders	40,904	—	—

##### (2)Principal Shareholders

	End of Feb.07	
	Shareholdings(Shares)	Shareholdings
Mitsubishi Corporation	32,089,300	30.7%
Japan Trustee Services Bank, Ltd.(Trust Account)	7,769,000	7.4%
Marubeni Foods Investment Co.,Ltd.	5,939,500	5.7%
The Master Trust Bank of Japan,Ltd.(Trust Account)	5,910,300	5.7%
Trust & Custody Services Bank,Ltd. (Securities Investment Trust Company)	2,610,800	2.5%
NTT DoCoMo,Inc.	2,092,000	2.0%
MELLON BANK,N.A.AS AGENT FOR ITS CLIENT MELLON OMNIBUS US PENSION	1,401,868	1.3%
Nomura Securities Company, Ltd.(Trust Account)	1,194,900	1.1%
State Street Bank and Trust Company	1,126,896	1.1%
The Sumitomo Trust & Banking Co., Ltd. (Trust Account B)	1,093,300	1.0%
Total number of voting share	104,403,500	100.0%