

## 1. Consolidated operating results

(1) Results and Forecasts for Major Financial Indicators

(Billions of yen)

	2005.08		2006.02		2006.05		2006.08		2007.02 (Forecast)	
		YOY		YOY		YOY		YOY		YOY
Total Net Sales	701.1	103.8%	1,361.7	102.5%	337.9	99.6%	706.2	100.7%	1,410.0	103.5%
Operating Revenues	136.8	106.5%	268.0	105.4%	68.9	103.6%	143.3	104.8%	286.0	106.7%
Operating Profit	25.3	109.0%	43.8	102.2%	10.6	84.4%	24.1	95.5%	45.3	103.3%
Recurring Profit	25.0	111.2%	43.9	103.8%	10.9	87.1%	24.3	97.2%	45.3	103.1%
Net Profit	12.8	114.1%	22.0	107.8%	5.0	82.0%	11.9	92.5%	22.9	104.0%
Net Profit Per Share	¥126.07		¥215.50		¥48.80		¥114.72		¥219.37	
Net assets	170.2		175.1		188.5		195.5			
Total Assets	394.6		375.1		408.6		420.3			
Net Assets per share	¥1,666.47		¥1,712.68		¥1,806.04		¥1,873.79			
ROA	—		12.0%		—		—			
ROE	—		13.1%		—		—			
Current Ratio	96.2%		91.9%		99.4%		101.5%			
Fixed Ratio	138.2%		140.0%		132.4%		129.5%			
Capital adequacy Ratio	43.1%		46.7%		45.2%		45.5%			
Number of stores	8,218		8,366		8,350		8,455			

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 (2005.8 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 stores

	2005.08	2006.02	2006.05	2006.08	2007.02 (Forecast)
Opening (+)	375	717	142	370	730
Closure (-)	141	266	106	182	500
Re-location (-)	93	162	52	99	-
Subtotal	234	428	158	281	500
Total Number Of Stores	8,218	8,366	8,350	8,455	8,596
Net Increase	141	289	-16	89	230

(3) Number of stores by region and prefecture

(store)

Region	Prefecture	05/8	06/2	06/8	Net Increase
Hokkaido	Hokkaido	504	500	501	1
	Aomori	135	139	146	7
	Iwate	169	171	172	1
	Miyagi	157	162	161	-1
	Akita	130	131	135	4
	Yamagata	54	55	57	2
	Fukushima	99	97	97	0
Tohoku		744	755	768	13
	Ibaraki	107	107	103	-4
	Tochigi	103	105	105	0
	Gunma	67	68	71	3
	Saitama	322	323	333	10
	Chiba	286	287	287	0
	Tokyo	809	843	870	27
	Kanagawa	478	485	480	-5
Kanto		2,172	2,218	2,249	31
	Niigata	105	106	110	4
	Yamanashi	63	62	61	-1
	Nagano	137	136	139	3
Koshinetsu		305	304	310	6
	Toyama	99	102	101	-1
	Ishikawa	70	73	72	-1
	Fukui	75	74	79	5
Hokuriku		244	249	252	3
	Shizuoka	149	151	152	1
	Aichi	337	340	334	-6
	Gifu	87	91	97	6
	Mie	73	80	78	-2
Tokai		646	662	661	-1

Region	Prefecture	05/8	06/2	06/8	Net Increase
	Shiga	116	118	120	2
	Kyoto	176	181	187	6
	Osaka	826	837	835	-2
	Hyogo	468	471	473	2
	Nara	95	100	101	1
	Wakayama	107	111	115	4
	Kinki		1,788	1,818	1,831
	Tottori	67	71	75	4
	Shimane	62	65	69	4
	Okayama	113	114	119	5
	Hiroshima	116	122	121	-1
	Yamaguchi	109	110	109	-1
	Chugoku		467	482	493
	Tokushima	101	103	104	1
	Kagawa	95	96	96	0
	Ehime	146	152	158	6
	Kouchi	53	56	58	2
Shikoku		395	407	416	9
	Fukuoka	303	311	312	1
	Saga	57	58	59	1
	Nagasaki	81	83	78	-5
	Kumamoto	88	89	89	0
	Oita	108	113	117	4
	Miyazaki	81	80	82	2
	Kagoshima	110	110	110	0
Okinawa	125	127	127	0	
Kyusyu		953	971	974	3
Total		8,218	8,366	8,455	89

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) (store)

	05/8	06/2	06/8	Net Increase
Kanto	29	48	61	13
Kinki	3	3	6	3
Total	32	51	67	16

Note: NATURAL LAWSON has opened stores since July, 2001

VALUE LAWSON, Inc (LAWSON STORE100) (store)

	05/8	06/2	06/8	Net Increase
Kanto	8	35	61	26
Total	8	35	61	26

Note: LAWSON STORE100 has opened stores since May, 2005

SHANGHAI HUALIAN LAWSON CO.,LTD. (store)

	05/6	05/12	06/6	Net Increase
Shanghai	237	283	285	2
Total	237	283	285	2

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

(store)

		End of Aug.05		End of Feb.06		End of Aug.06		Net Increase
		Share	Share	Share	Share			
	Type B	1,750	21.3%	1,674	20.0%	1,579	18.7%	-95
	Type G	2,305	28.0%	2,272	27.2%	2,239	26.5%	-33
	Type C	3,806	46.3%	4,012	48.0%	4,222	49.9%	210
	Franchised Stores	7,861	95.7%	7,958	95.1%	8,040	95.1%	82
	Company-Owned Stores	357	4.3%	408	4.9%	415	4.9%	7
Total		8,218	100.0%	8,366	100.0%	8,455	100.0%	89

Note1: As of August 31, 2005, the number of company-owned stores included 32 stores in the NATURAL LAWSON format and 8 stores in the LAWSON STORE100 format

Note2: As of February 28, 2006, the number of company-owned stores included 50 stores in the NATURAL LAWSON format and 35 stores in the LAWSON STORE100 format

Note3: As of August 31, 2006, the number of company-owned stores included 62 stores in the NATURAL LAWSON format and 61 stores in the LAWSON STORE100 format

## (6) Consolidated Statement of Income

(Millions of yen)

	Previous interim period	Current interim period	Last Fiscal year
	( From March 1, 2005 to August 31, 2005 )	( From March 1, 2006 to August 31, 2006 )	( From March 1, 2005 to February 28, 2006 )
Operating revenues	103,262	105,825	201,412
Franchise commissions from franchised stores	88,325	90,052	170,784
(Net sales reported by franchised stores )	667,868	668,990	1,295,704
(Total net sales of LAWSON stores including franchised stores )	701,168	706,291	1,361,731
Other	14,936	15,773	30,628
Net sales	33,566	37,531	66,645
Total operating revenues	136,828	143,356	268,058
Cost of goods sold	24,247	27,250	48,296
Gross profit on sales	( 9,318 )	( 10,280 )	( 18,348 )
Operating gross profit	112,580	116,106	219,761
Selling, general and administrative expenses	87,253	91,915	175,894
Operating income	25,327	24,191	43,867
Non-operating income	653	805	1,626
1. Interest received	192	285	396
2. Compensation received for damage	79	97	163
3. Compensation received for removal	100	221	254
4. Other	280	201	811
Non-operating expense	942	648	1,553
1. Interest expense	4	14	10
2. Loss on cancellation of lease contract	772	343	1,290
3. Loss on cancellation of lease contract for company housing	—	66	—
4. Other	166	223	252
Ordinary profit	25,038	24,348	43,940
Special gains	1,039	295	1,308
1. Gain on sales of fixed assets	23	293	24
2. Gain on sales of investments in securities	988	—	988
3. Other	27	1	295
Special losses	3,558	3,959	6,525
1. Loss from disposal of fixed assets	1,599	2,214	3,013
2. Loss on sales of fixed assets	372	65	409
3. Loss on impairment of long-lived assets	1,302	1,569	2,708
4. Other	284	109	394
Income before income taxes and minority interests	22,519	20,683	38,722
Income taxes-current	9,166	7,902	17,823
Deferred income taxes	115	498	(1,606)
Minority interest in earnings of consolidated subsidiaries	354	364	480
Net income	12,881	11,917	22,025

## (7) Selling, general and administrative expenses

(Millions of yen)

Account Item	Previous interim period	Current interim period	Last Fiscal year
	( From March 1, 2005 to August 31, 2005 )	( From March 1, 2006 to August 31, 2006 )	( From March 1, 2005 to February 28, 2006 )
Rent	25,045	27,114	51,236
Personnel Expenses	17,826	18,752	35,450
Equipment Lease	8,328	8,550	16,734
Depreciation	7,433	7,625	15,859
Promotions Expense	4,586	5,765	9,177
Other	24,033	24,106	47,436
Total	87,253	91,915	175,894

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 ¥ 572 million.

At the previous interim period, the amount of expenses for temporary staff that included in "Other" was ¥ 324 million.

## (8) Consolidated Balance Sheet

(Millions of yen)

Account item	Fiscal period	Previous interim period	Current interim period	Last fiscal year
		(As of August 31,2005)	(As of August 31,2006)	(As of February 28,2006)
		Amounts	Amounts	Amounts
<b>(Assets)</b>				
Current assets		159,426	172,476	129,841
Cash and bank deposits		106,593	89,382	60,940
Accounts receivable - due from franchised stores		7,777	9,221	10,762
Marketable securities		9,391	35,188	19,651
Merchandise inventories		1,442	1,685	1,573
Accounts receivable - other		20,049	21,118	21,578
Deferred tax assets		3,371	3,276	3,188
Other		10,878	12,682	12,227
Allowance for doubtful accounts		(78)	(78)	(81)
Fixed assets		235,250	247,878	245,265
Property and store equipment-at net book value		94,925	102,225	99,271
Buildings and structures		70,593	78,144	74,593
Furniture, fixtures and equipment		18,424	16,948	18,271
Land		4,989	5,666	5,236
Construction in progress		917	1,465	1,169
Intangible fixed assets		15,561	16,385	17,272
Investments and other		124,763	129,268	128,720
Investments in securities		2,690	2,544	2,538
Long-terms loans receivable		—	22,879	20,630
Lease deposits		89,747	88,798	89,928
Deferred tax assets		8,671	10,540	11,046
Deferred tax assets for land revaluation		3,747	3,330	3,330
Other		24,475	5,886	5,708
Allowance for doubtful accounts		(4,568)	(4,714)	(4,462)
<b>Total Assets</b>		<b>394,676</b>	<b>420,354</b>	<b>375,106</b>
Accumulated depreciation for property and store equipmen		91,104	99,199	96,483

Account item	Fiscal period	Previous interim period	Current interim period	Last fiscal year
		(As of August 31,2005)	(As of August 31,2006)	(As of February 28,2006)
		Amounts	Amounts	Amounts
<b>(Liabilities)</b>				
Current liabilities		165,785	169,983	141,241
Accounts payable-trade for Company - operated stores		3,880	4,803	3,374
Accounts payable-trade for franchised stores		75,297	77,638	59,795
Accounts payable-due to franchised stores		5,066	4,186	3,416
Accounts payable-other		13,543	13,180	13,415
Income taxes payable		10,064	9,063	10,323
Deposits received		50,759	54,194	44,614
Accrued employees' bonuses		2,997	2,643	2,544
Provision for use of LAWSON PASS points		594	509	364
Other		3,581	3,761	3,391
Long-term liabilities		54,770	54,774	54,858
Allowance for employees' retirement benefits		2,290	3,317	2,816
Allowance for retirement benefits to executive officers and corporate auditors		229	200	317
Deposits received from franchisee and lessees		51,916	50,675	51,336
Allowance for impairment loss on leased property		119	126	140
Other		214	454	247
<b>Total Liabilities</b>		<b>220,555</b>	<b>224,757</b>	<b>196,099</b>
(Minority Interest)				
Minority Interest		3,845	—	3,822
(Shareholders' Equity)				
Common stock		58,506	—	58,506
Capital surplus		41,523	—	41,520
Retained earnings		84,450	—	88,355
Land revaluation difference		(5,461)	—	(4,854)
Net unrealized gain on available-for-sale securities		772	—	695
Foreign currency transaction adjustments		59	—	105
Treasury stock-at cost		(9,575)	—	(9,144)
<b>Total Shareholders' Equity</b>		<b>170,275</b>	<b>—</b>	<b>175,184</b>
<b>Total Liabilities, Minority Interest and Shareholders' Equity</b>		<b>394,676</b>	<b>—</b>	<b>375,106</b>
<b>(Net assets)</b>				
Owners' equity		—	195,591	—
Common stock		—	58,506	—
Capital surplus		—	42,261	—
Retained earnings		—	95,671	—
Treasury stock-at cost		—	(847)	—
Valuation and translation adjustments		—	(4,167)	—
Net unrealized gain on available-for-sale securities		—	581	—
Land revaluation difference		—	(4,854)	—
Foreign currency transaction adjustments		—	105	—
Minority Interests		—	4,173	—
<b>Total net assets</b>		<b>—</b>	<b>195,597</b>	<b>—</b>
<b>Total Liabilities, net assets</b>		<b>—</b>	<b>420,354</b>	<b>—</b>

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

(From March 1, 2006 to August 31, 2006)

(Millions of yen)

	Owners' Equity					Valuation and Translation Adjustments				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 interim period											
Dividends from surplus			(4,602)		(4,602)						(4,602)
Net income			11,917		11,917						11,917
Purchase of treasury stock - at cost				(0)	(0)						(0)
Exercise of stock options		(11)		29	18						18
Sales of treasury stock - at cost		753		8,267	9,020						9,020
Net changes of items other than owner's equity - net						(113)		(0)	(114)	350	236
Total change of items during the interim period	—	741	7,315	8,297	16,354	(113)	—	(0)	(114)	350	16,589
Balance at the end of the interim period	58,506	42,261	95,671	(847)	195,591	581	(4,854)	105	(4,167)	4,173	195,597

## (10)Capital Expenditure(Consolidated)

	2005.08	2006.08	2007.02(Plan)	(Millions of yen) 2006.02(Actual results)
New Store	12,936	12,296	23,600	26,047
Existing Store	3,103	2,016	5,200	6,592
IT	4,082	1,674	6,200	9,084
Other	503	486	5,000	1,615
<b>Subtotal</b>	<b>20,624</b>	<b>16,472</b>	<b>40,000</b>	<b>43,338</b>
Investments & Loan	0	0	2,500	1,250
Lease	4,909	7,059	15,000	9,829
<b>Total</b>	<b>25,533</b>	<b>23,531</b>	<b>57,500</b>	<b>54,417</b>
Depreciation	9,859	10,164	21,200	20,893

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 interim period ( From March 1,2005 to August 31,2005 )	Current interim period ( From March 1,2006 to August 31,2006 )	Last fiscal year ( From March 1,2005 to February 28,2006 )
<b>I. Operating activities</b>			
Income before income taxes	22,519	20,683	38,722
Depreciation of property and store equipment	7,433	7,625	15,859
Loss from disposal of property and store equipment	1,059	1,478	1,845
Loss on impairment of long-lived assets	1,302	1,569	2,708
Depreciation of intangible fixed assets	2,426	2,539	5,034
Increase in provision for allowance for retirement benefits to employees	483	501	1,009
Increase in allowance for doubtful accounts	427	249	324
Interest received	(192)	(285)	(396)
Interest expense	4	14	10
Loss on sales of property and store equipment	372	65	409
Gain on sales of investments in securities	(988)	—	(988)
Other - net	1,027	686	887
Decrease (increase) in accounts receivable due from franchised stores	2,554	1,541	(430)
Increase in merchandise inventories	(66)	(112)	(196)
Decrease (increase) in accounts receivable-other	(929)	456	(2,477)
Increase in accounts payable-trade and due to franchised stores	17,707	20,042	49
Increase (decrease) in accounts payable-other	469	(235)	394
Increase in deposits received	10,489	9,580	4,344
Decrease in lease deposits from franchisee and lessees	(418)	(660)	(998)
Other - net	(72)	(28)	(343)
Subtotal	65,610	65,712	65,768
Interest and dividend income received	186	288	392
Interest expenses paid	(4)	(14)	(10)
Income taxes paid	(10,820)	(9,661)	(19,217)
Net cash provided by operating activities	54,972	56,325	46,932
<b>II. Investing activities</b>			
Payment for purchases of marketable securities	(20,426)	(25,393)	(44,709)
Proceeds from redemption of marketable securities	19,050	28,151	33,075
Payment for acquisition of property and store equipment	(13,706)	(14,146)	(28,630)
Payment for acquisition of intangible fixed assets	(4,426)	(1,665)	(9,257)
Proceeds from sales of investments in securities	1,704	185	1,705
Decrease in lease deposits - net	217	1,129	36
Increase in long - term receivable - net	—	(2,249)	—
Other - net	(3,800)	(3,026)	(7,502)
Net cash used in investing activities	(21,385)	(17,014)	(55,282)
<b>III. Financing activities</b>			
Proceeds from issuance of share upon exercise of stock options	—	18	395
Payment for acquisition of treasury stock - at cost	(0)	(0)	(1)
Cash dividends paid	(3,576)	(4,602)	(8,187)
Proceeds from sales of treasury stock	—	9,020	—
Cash dividends paid to Minority Interests	—	(13)	—
Net cash provided(used) in financing activities	(3,577)	4,422	(7,794)
<b>IV. Net increase(decrease) in cash and cash equivalents</b>	<b>30,009</b>	<b>43,732</b>	<b>(16,143)</b>
<b>V. Cash and cash equivalents, beginning of year</b>	<b>76,584</b>	<b>60,440</b>	<b>76,584</b>
<b>VI. Cash and cash equivalents, end of the interim period (year)</b>	<b>106,593</b>	<b>104,173</b>	<b>60,440</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%	59.0%																																
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/N/P</td><td>1.5%</td></tr> <tr><td>DISK GARAGE CO.,LTD</td><td>1.5%</td></tr> <tr><td>Big Ear Ants Inc.</td><td>1.2%</td></tr> <tr><td>WESS Inc.</td><td>0.9%</td></tr> <tr><td>Dai Nippon Printing CO.,Ltd</td><td>0.9%</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/N/P	1.5%	DISK GARAGE CO.,LTD	1.5%	Big Ear Ants Inc.	1.2%	WESS Inc.	0.9%	Dai Nippon Printing CO.,Ltd	0.9%	<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 (17 companies)</td><td>29.0%</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>A.S.S Incorporated</td><td>1.0%</td></tr> <tr><td>NIPPON EXPRES CO.,LTD</td><td>1.0%</td></tr> </table>	Mitsubishi Corporation	5.0%	Bank (17 companies)	29.0%	Oki Electric Industry Co.,Ltd	2.5%	SECOM Co., Ltd	2.5%	A.S.S Incorporated	1.0%	NIPPON EXPRES CO.,LTD	1.0%
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NIPPON EXPRES CO.,LTD	1.0%																																		

(Millions of yen)

	2005.08	2006.02	2006.08	2005.08	2006.02	2006.08	2005.08	2006.02	2006.08
Total operating revenues	3,178	6,258	3,197	167	426	322	5,778	11,310	6,032
Operating income	423	821	501	(53)	(64)	15	530	653	515
Ordinary profit	432	842	515	(55)	(67)	14	531	654	517

	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%

	SHANGHAI HUALIAN LAWSON CO.,LTD.	Lawson CS Card, INC.						
Date of Establishment	February-96	February-02						
Fiscal Year End	December	February						
Lawson's Share	49.0%	50.0%						
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)

	2005.08		2006.02		2006.05		2006.08		2007.02 (Forecast)	
		YOY		YOY		YOY		YOY		YOY
Total Net Sales	701.0	103.8%	1,360.4	102.4%	336.5	99.2%	702.8	100.3%	1,400.0	102.9%
Operating Revenues	127.4	105.2%	248.0	103.6%	62.6	100.5%	130.3	102.3%	258.0	104.0%
Operating Profit	24.8	109.7%	43.8	103.8%	10.4	85.4%	23.7	95.5%	44.9	102.5%
Recurring Profit	24.5	110.0%	43.6	103.3%	10.6	87.6%	23.9	97.5%	44.6	102.2%
Net Profit	12.9	113.2%	22.7	110.3%	5.0	83.0%	12.1	93.8%	23.3	102.6%
Cash Dividends Per share	¥45		¥90		—		¥50		¥100	
Net Profit Per Share	¥126.73		¥222.18		¥49.03		¥116.86		¥223.21	
Net Assets	174.0		179.5		188.8		195.9			
Total Assets	384.3		368.2		401.5		411.7			
Net Assets per share	¥1,703.18		¥1,754.94		¥1,809.27		¥1,877.33			
ROA	—		12.2%		—		—			
ROE	—		13.2%		—		—			
Current Ratio	91.9%		87.2%		95.8%		98.1%			
Fixed Ratio	138.5%		139.9%		132.2%		129.2%			
Capital adequacy Ratio	45.3%		48.7%		47.0%		47.6%			

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 (2005.8 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

	2005.08		2006.02		2006.08	
		Change		Change		Change
Employees	3,140	45	3,120	25	3,083	(37)
The average age	36.6	0.2	37.1	0.7	37.0	(0.1)
Employees (Part-time)	3,375	9	3,363	(3)	3,435	72

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 August 2006 includes the average number of employees on contract from temporary staff (manpower) agencies.

## (3) Non-consolidated Statement of Income

(Millions of yen)

	Previous interim period	Current interim period	Last fiscal year
	( From March 1, 2005 to August 31, 2005 )	( From March 1, 2006 to August 31, 2006 )	( From March 1, 2005 to February 28, 2006 )
Operating revenues	95,232	97,434	185,766
Franchise commissions from franchised stores	88,335	90,062	170,812
(Net sales reported by franchised stores)	668,803	669,931	1,298,221
(Total net sales of LAWSON stores including franchised stores)	701,000	702,869	1,360,495
Other	6,897	7,372	14,954
Net sales	32,196	32,938	62,274
Total operating revenues	127,429	130,372	248,041
Cost of goods sold	23,189	23,649	44,933
Gross profit on sales	( 9,007 )	( 9,288 )	( 17,341 )
Operating gross profit	104,240	106,723	203,108
Selling, general and administrative expenses	79,406	82,996	159,303
Operating income	24,833	23,726	43,804
Non-operating income	648	807	1,341
Non-operating expense	917	576	1,507
Ordinary profit	24,564	23,957	43,639
Special gains	1,039	293	1,308
Special losses	3,466	3,948	6,364
Income before income taxes	22,137	20,303	38,582
Income taxes-current	8,987	7,678	17,426
Deferred income taxes	200	484	(1,551)
Net income	12,949	12,140	22,707
Unappropriated retained earnings-carried forward	26,160	-	26,160
Reversal of land revaluation difference	1,575	-	2,182
Loss on disposal of treasury stock	-	-	33
Interim cash dividends	-	-	4,597
Unappropriated retained earnings-at the end of year	37,534	-	42,053

## (4) Selling, general and administrative expenses

(Millions of yen)

Account item	Previous interim period	Current interim period	Last fiscal year
	( From March 1, 2005 to August 31, 2005 )	( From March 1, 2006 to August 31, 2006 )	( From March 1, 2005 to February 28, 2006 )
Rent	24,928	26,834	50,872
Personnel Expenses	16,491	16,817	32,478
Equipment Lease	7,202	7,349	14,369
Depreciation	7,406	7,579	15,799
Promotions Expense	4,706	5,894	9,117
Other	18,671	18,520	36,665
Total	79,406	82,996	159,303

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 ¥ 471 million.

At the previous interim period, the amount of expenses for temporary staff that included in "Other" was ¥ 303 million.

## (5) Non-consolidated Balance Sheet

(Millions of yen)

Account item	Fiscal period	Previous interim period	Current interim period	Last fiscal year
		(As of August 31,2005)	(As of August 31,2006)	(As of February 28,2006)
	Amounts	Amounts	Amounts	Amounts
<b>(Assets)</b>				
Current assets		143,288	158,443	117,096
Cash and bank deposits		95,674	81,695	53,093
Accounts receivable - due from franchised stores		7,792	9,220	10,783
Marketable securities		6,006	28,991	16,011
Merchandise inventories		1,340	1,448	1,382
Deferred tax assets		3,055	3,046	2,929
Other		29,496	34,119	32,976
Allowance for doubtful accounts		(77)	(78)	(80)
Fixed assets		241,104	253,278	251,180
Property and store equipment-at net book value		94,744	101,705	99,019
Buildings		59,035	64,581	62,014
Furniture, fixtures and equipment		18,317	16,871	18,173
Land		4,989	5,666	5,236
Other		12,401	14,585	13,595
Intangible fixed assets		14,937	15,940	16,740
Investments and other		131,422	135,632	135,419
Investments in securities		8,959	8,723	8,983
Long-term loans receivable		19,266	22,879	20,630
Lease deposits		89,620	88,555	89,754
Deferred tax assets		9,220	11,044	11,566
Deferred tax assets for land revaluation		3,747	3,330	3,330
Other		5,177	5,811	5,615
Allowance for doubtful accounts		(4,568)	(4,714)	(4,462)
<b>Total Assets</b>		<b>384,392</b>	<b>411,721</b>	<b>368,276</b>
Accumulated depreciation for property and store equipment		90,911	98,960	96,483

Account item	Fiscal period	Previous interim period	Current interim period	Last fiscal year
		(As of August 31,2005)	(As of August 31,2006)	(As of February 28,2006)
	Amounts	Amounts	Amounts	Amounts
<b>(Liabilities)</b>				
Current liabilities		155,892	161,530	134,240
Accounts payable-trade for Company - operated stores		3,820	4,180	3,148
Accounts payable-trade for franchised stores		75,297	77,638	59,795
Accounts payable-due to franchised stores		5,081	4,184	3,416
Accounts payable-other		12,421	12,109	12,215
Income taxes payable		9,867	8,820	10,059
Deposits received		42,750	48,226	39,909
Accrued employees' bonuses		2,774	2,480	2,328
Provision for use of LAWSON PASS points		591	504	361
Other		3,286	3,385	3,004
Long-term liabilities		54,474	54,224	54,530
Allowance for employees' retirement benefits		2,251	3,267	2,775
Allowance for retirement benefits to executive officers and corporate auditors		204	162	285
Deposits received from franchisees and lessees		51,898	50,668	51,329
Allowance for impairment loss on leased property		119	126	140
<b>Total Liabilities</b>		<b>210,366</b>	<b>215,755</b>	<b>188,770</b>
<b>(Shareholders' Equity)</b>				
Common stock		58,506	-	58,506
Total capital surplus		41,523	-	41,520
Total retained earnings		88,261	-	92,781
Land revaluation difference		(5,461)	-	(4,854)
Net unrealized gain on available-for-sale securities		772	-	697
Treasury stock-at cost		(9,575)	-	(9,144)
<b>Total Shareholders' Equity</b>		<b>174,026</b>	<b>-</b>	<b>179,505</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>384,392</b>	<b>-</b>	<b>368,276</b>
<b>(Net assets)</b>				
Owners' equity		-	200,239	-
Common stock		-	58,506	-
Capital surplus		-	42,261	-
Retained earnings		-	100,318	-
Treasury stock-at cost		-	(847)	-
Valuation and translation adjustments		-	(4,273)	-
Net unrealized gain on available-for-sale securities		-	581	-
Land revaluation difference		-	(4,854)	-
<b>Total net assets</b>		<b>-</b>	<b>195,966</b>	<b>-</b>
<b>Total Liabilities, net assets</b>		<b>-</b>	<b>411,721</b>	<b>-</b>

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

(From March 1, 2006 to August 31, 2006)

(Millions of yen)

	Owners' Equity									Valuation and Translation Adjustments			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 interim period														
Dividends from surplus							(4,602)	(4,602)		(4,602)				(4,602)
Net income							12,140	12,140		12,140				12,140
Purchase of treasury stock - at cost									(0)	(0)				(0)
Exercise of stock options			(11)	(11)					29	18				18
Sales of treasury stock - at cost			753	753					8,267	9,020				9,020
Net changes of items other than owners' equity - net											(115)		(115)	(115)
Total change of items during the interim period	—	—	741	741	—	—	7,537	7,537	8,297	16,576	(115)	—	(115)	16,460
Balance at the end of the interim period	58,506	41,520	741	42,261	727	50,000	49,591	100,318	(847)	200,239	581	(4,854)	(4,273)	195,966

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

	2005.08	2006.08	2007.02(Plan)	(Millions of yen) 2006.02(Actual results)
New Store	12,805	11,980	23,100	25,747
Existing Store	3,103	1,942	5,000	6,592
IT	3,947	1,550	5,400	8,912
Other	468	531	5,000	1,558
<b>Subtotal</b>	20,323	16,003	38,500	42,809
Investments & Loan	129	1,500	5,000	1,889
Lease	4,679	6,700	14,500	8,935
<b>Total</b>	25,131	24,203	58,000	53,633
Depreciation	9,647	9,912	20,900	20,445

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

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

(1)YOY Rate on Existing Store

	2005.08	2006.02	2006.08
YOY Rate of Sales on Existing Stores	98.6%	97.5%	96.8%

(2)Average Daily Sales per store

(Thousands of Yen)

	2005.08	2006.02	2006.08
Total Stores	494	480	484
New Stores	450	426	453

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

(Persons,yen)

	2005.08	2006.02	2006.08
Number of Customers	840	820	830
Spend per Customers	587	585	582

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

(Thousands of Yen)

	2005.08		2006.02		2006.08	
		YOY		YOY		YOY
Inventory	5,280	99.0%	5,270	101.4%	5,576	105.6%
Inventory Turnover in Days	11.2	100.0%	11.5	102.6%	11.9	106.1%

(5)Area of Floor

(㎡)

	2005.08		2006.02		2006.08	
		YOY		YOY		YOY
Area of Floor	877,718	104.2%	885,434	103.9%	907,943	102.5%

Note:term average

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

(Store)

	2005.08		2006.02		2006.08	
		Share		Share		Share
Liquor-Licensed	7,293	88.8%	7,285	87.4%	7,278	86.7%
Cigarette-Licensed	6,752	82.2%	6,926	83.1%	7,029	83.7%
24-hour operating	8,089	98.5%	8,197	98.4%	8,252	98.3%
with Parking Lots	5,895	71.8%	6,027	72.3%	6,118	72.9%
Total	8,210	-	8,331	-	8,394	-

## (7)Gross Profit Margin at Store Level

	2005.08	2006.02	2006.08
Fast Foods	36.5%	36.8%	36.5%
Fresh Foods	33.8%	33.6%	34.0%
Processed Foods	26.8%	26.7%	26.6%
Non-Food Products	35.1%	35.8%	38.5%
Total	31.1%	31.2%	31.5%

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)

	2005.08		2006.02		2006.08	
		Share		Share		Share
Fast Foods	1,588	22.7%	3,121	22.9%	1,652	23.5%
Fresh Foods	816	11.6%	1,505	11.1%	808	11.5%
Processed Foods	3,489	49.8%	6,814	50.1%	3,570	50.8%
Non-Food Products	1,115	15.9%	2,164	15.9%	997	14.2%
Total	7,010	100.0%	13,604	100.0%	7,028	100.0%

## (9)Third Party Bill Settlement Service

(Millions of Yen, Million)

	2005.08		2006.02		2006.08	
		YOY		YOY		YOY
Transaction Volume	584,784	115.0%	1,165,255	112.5%	660,592	113.0%
No.of Settlement	65.2	111.5%	130.6	109.9%	70.7	108.5%
No.of Companies	319	106.7%	349	112.9%	396	124.1%
Commission Revenues	3,733	112.1%	7,507	110.9%	4,104	109.9%

## (10)Number of ATM

(Number)

	2005.08	2006.02	2006.08
ATM	3,608	3,812	3,825

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

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

	End of Aug,06		
	(person)	(share)	(ratio)
Financial Institutions	148	24,531,600	23.5%
Securities Companies	39	2,423,411	2.3%
Other Domestic Entities	591	42,066,800	40.2%
Foreign Entities	342	23,140,846	22.1%
Individuals,Others	44,591	12,216,801	11.7%
JASDEC	1	6,100	0.0%
Treasury Stock	1	214,442	0.2%
Shares Issued and Outstanding	—	104,600,000	100.0%
Shareholders	45,713	—	—

##### (2)Principal Shareholders

	End of Aug,06	
	Shareholdings(Shares)	Shareholdings
Mitsubishi Corporation	32,089,300	30.7%
Japan Trustee Services Bank, Ltd.(Trust Account)	7,344,500	7.0%
Marubeni Foods Investment Co.,Ltd.	5,939,500	5.7%
The Master Trust Bank of Japan, Ltd.(Trust Account)	5,601,900	5.4%
NTT DoCoMo, Inc.	2,092,000	2.0%
Nomura Securities Company, Ltd.	1,753,500	1.7%
Trust & Custody Services Bank, Ltd.(Securities Investment Trust Account)	1,649,900	1.6%
BBH BOSTON PFTC PUTNUM INTL GROWTH FUND	1,036,600	1.0%
State Street Bank and Trust Company	893,307	0.9%
THE CHASE MANHATTAN BANK. N.A. LONDON	882,203	0.8%
Total number of voting share	104,376,100	100.0%