

1. Consolidated operating results

(1)Results and Forecasts for Major Financial Indicators

(Billions of yen)

	2006.2		2007.2		2008.2		2009.2 (Forecast)	
		YOY		YOY		YOY		YOY
Total Net Sales	1,361.7	102.5%	1,386.6	101.8%	1,415.1	102.1%	1,490.0	105.3%
Operating Revenues	268.0	105.4%	283.0	105.6%	301.1	106.4%	313.0	103.9%
Operating Profit	43.8	102.2%	44.5	101.5%	46.6	104.7%	42.5	91.2%
Recurring Profit	43.9	103.8%	44.6	101.6%	46.2	103.6%	41.7	90.2%
Net Profit	22.0	107.8%	20.9	95.3%	22.1	105.4%	20.8	94.0%
Net Profit Per Share	¥215.50		¥201.50		¥214.69		¥209.81	
Net assets	175.1		199.4		188.5			
Total Assets	375.1		398.2		397.1			
Pay Out ratio	41.8%		49.6%		51.2%			
Net Assets per share	¥1,712.68		¥1,868.91		¥1,867.84			
ROA	12.0%		11.5%		11.7%			
ROE	13.1%		11.3%		11.6%			
Current Ratio	91.9%		103.8%		88.6%			
Fixed Ratio	140.0%		127.4%		139.8%			
Capital adequacy Ratio	46.7%		49.0%		46.6%			

Number of stores	8,366	8,564	8,587
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Note1: The operating revenues includes total sales of company-owned stores and royalties from franchised stores.

Note2: The number of total stores shows the total number of stores of Lawson, NATURAL LAWSON and LAWSON STORE 100.

(2)Number of stores

	2006.2	2007.2	2008.2	2009.2 (Forecast)
Opening (+)	717	700	452	530
Closure (-)	428	502	429	430
Re-location (-)	162	156	106	-
Total Number Of Stores	8,366	8,564	8,587	8,687
Net Increase	289	198	23	100

Note: The number of stores shows the total number of stores of LAWSON, NATURAL LAWSON and LAWSON STORE 100.

(3) Number of stores by region and prefecture

Region	Prefecture	06/2	07/2	08/2	Net Increase
Hokkaido	Hokkaido	500	500	496	-4
	Aomori	139	151	156	5
	Iwate	171	172	166	-6
	Miyagi	162	157	158	1
	Akita	131	136	141	5
	Yamagata	55	57	55	-2
	Fukushima	97	97	95	-2
Tohoku		755	770	771	1
Kanto	Ibaraki	107	105	105	0
	Tochigi	105	103	104	1
	Gunma	68	69	71	2
	Saitama	323	333	343	10
	Chiba	287	287	286	-1
	Tokyo	843	895	896	1
	Kanagawa	485	494	490	-4
Kanto		2,218	2,286	2,295	9
Koshinetsu	Niigata	106	108	103	-5
	Yamanashi	62	61	64	3
	Nagano	136	139	139	0
Koshinetsu		304	308	306	-2
Hokuriku	Toyama	102	99	105	6
	Ishikawa	73	72	73	1
	Fukui	74	85	88	3
	Hokuriku		249	256	266
Tokai	Shizuoka	151	148	148	0
	Aichi	340	329	329	0
	Gifu	91	104	102	-2
	Mie	80	84	84	0
Tokai		662	665	663	-2

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

The number of stores of NATURAL LAWSON is 91.

(4) Store opening status of subsidiaries.

VALUE LAWSON, Inc (LAWSON STORE100)

(store)

	06/2	07/2	08/2	Net Increase
Kanto	35	80	72	(8)
Total	35	80	72	(8)

Note: LAWSON STORE100 has opened stores since May, 2005

SHANGHAI HUALIAN LAWSON CO., LTD.

(store)

	05/12	06/12	07/12	Net Increase
Shanghai	283	291	287	(4)
Total	283	291	287	(4)

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

		End of Feb.06		End of Feb.07		End of Feb.08		Net Increase
		Share	Share	Share	Share			
Franchised Stores	Type B	1,674	20.0%	1,512	17.7%	1,369	15.9%	(143)
	Type G	2,272	27.2%	2,209	25.8%	2,123	24.7%	(86)
	Type C	4,011	47.9%	4,367	51.0%	4,642	54.1%	275
	Type C(NATURAL LAWSON)	1	0.0%	5	0.1%	14	0.2%	9
Franchised Stores		7,958	95.1%	8,093	94.5%	8,148	94.9%	55
Company-Owned Stores	LAWSON	323	3.9%	296	3.5%	295	3.4%	(1)
	NATURAL LAWSON	50	0.6%	95	1.1%	72	0.8%	(23)
	LAWSON STORE100	35	0.4%	80	0.9%	72	0.8%	(8)
	Company-Owned Stores		408	4.9%	471	5.5%	439	5.1%
Total		8,366	100.0%	8,564	100.0%	8,587	100.0%	23

Note: The number of stores of SHOP99 and naturalbeat is not included in the above-mentioned table.

(store)

Region	Prefecture	06/2	07/2	08/2	Net Increase
Kinki	Shiga	118	125	126	1
	Kyoto	181	193	194	1
	Osaka	837	835	818	-17
	Hyogo	471	482	487	5
	Nara	100	104	105	1
	Wakayama	111	116	115	-1
	Kinki		1,818	1,855	1,845
Chugoku	Tottori	71	82	85	3
	Shimane	65	74	77	3
	Okayama	114	119	123	4
	Hiroshima	122	124	128	4
	Yamaguchi	110	110	112	2
Chugoku		482	509	525	16
Shikoku	Tokushima	103	108	109	1
	Kagawa	96	97	98	1
	Ehime	152	163	155	-8
	Kouchi	56	61	62	1
Shikoku		407	429	424	-5
Kjusyu	Fukuoka	311	316	320	4
	Saga	58	60	60	0
	Nagasaki	83	79	82	3
	Kumamoto	89	91	92	1
	Oita	113	119	118	-1
	Miyazaki	80	84	83	-1
	Kagoshima	110	107	106	-1
Okinawa	127	130	135	5	
Kjusyu		971	986	996	10
Total		8,366	8,564	8,587	23

naturalBeat co.,inc.(naturalbeat)

(Store)

	05/12	06/12	07/12	Net Increase
National wide	5	9	7	(2)
Total	5	9	7	(2)

Ninety-nine Plus Inc. (SHOP99)

(Store)

	05/12	06/12	07/12	Net Increase
National wide	402	655	729	74
Total	402	655	729	74

(6) Consolidated Statement of Income

(Millions of yen)

	Previous interim period	Current interim period	Increase (Decrease)
	(From March 1,2006 to February 28,2007)	(From March 1,2007 to February 29,2008)	
Operating revenues	207,195	216,910	9,715
Franchise commissions from franchised stores	174,324	177,443	3,118
(Net sales reported by franchised stores)	1,311,479	1,331,784	20,305
(Total net sales of LAWSON stores including franchised stores)	1,386,630	1,415,106	28,475
Other	32,870	39,467	6,597
Net sales	75,858	84,266	8,408
Total operating revenues	283,053	301,176	18,123
Cost of goods sold	55,370	61,176	5,805
Gross profit on sales	(20,487)	(23,089)	(2,602)
Operating gross profit	227,682	239,999	12,317
Selling, general and administrative expenses	183,168	193,389	10,220
Operating profit	44,513	46,610	2,096
Non-operating income	1,679	1,795	115
1. Interest received	650	928	277
2. Compensation received for damage	172	336	164
3. Compensation received for removal	403	166	(237)
4. Return on investment for Equity method	102	-	(102)
5. Other	350	363	12
Non-operating expense	1,546	2,160	614
1. Interest expense	22	23	0
2. Loss on cancellation of lease contract	1,206	1,686	480
3. 持分法投資比率	-	200	200
4. Other	317	249	(67)
Recurring profit	44,646	46,244	1,597
Special gains	1,288	-	(1,288)
1. Gain on sales of fixed assets	746	-	(746)
2. Reversal of allowance for doubtful accounts	311	-	(311)
3. Other	230	-	(230)
Special losses	9,086	8,109	(977)
1. Loss from disposal of fixed assets	4,638	5,010	372
2. Loss on sales of fixed assets	90	20	(70)
3. Loss on impairment of long-lived assets	1,810	2,449	638
4. Loss on replacement of computer system	2,202	-	(2,202)
5. Other	344	628	284
Income before income taxes and minority interests	36,848	38,134	1,286
Income taxes-current	12,377	17,493	5,115
Deferred income taxes	3,011	(1,971)	(4,982)
Minority interest in earnings of consolidated subsidiaries	476	493	17
Net profit	20,983	22,119	1,136

(7) Selling, general and administrative expenses

(Millions of yen)

Account item	Previous interim period	Current interim period	Increase (Decrease)
	(From March 1,2006 to February 28,2007)	(From March 1,2007 to February 29,2008)	
Rent	55,318	58,562	3,243
Personnel Expenses	37,888	39,927	2,039
Equipment Lease	17,475	18,414	938
Depreciation	16,185	16,630	445
Promotions Expense	9,693	9,385	(307)
Other	46,607	50,468	3,861
Total	183,168	193,389	10,220

Fiscal period Account item	Previous period	Current period	Increase (Decrease)
	(As of February 28,2007)	(As of February 29,2008)	
	Amounts	Amounts	Amounts
(Assets)			
Current assets	149,022	138,250	(10,771)
Cash and bank deposits	71,950	62,126	(9,823)
Accounts receivable - due from franchised stores	11,710	11,949	239
Marketable securities	19,592	4,199	(15,392)
Merchandise inventories	1,788	1,723	(65)
Prepaid expenses	5,458	5,804	346
Short-term loans receivable	8,850	20,000	11,150
Accounts receivable - other	26,002	26,983	981
Deferred tax assets	2,795	3,632	837
Other	989	1,932	943
Allowance for doubtful accounts	(115)	(102)	12
Fixed assets	249,235	258,856	9,621
Property and store equipment-at net book value	104,255	106,431	2,176
Buildings and structures	82,403	85,914	3,510
Furniture, fixtures and equipment	15,548	13,724	(1,824)
Land	4,708	5,844	1,136
Construction in progress	1,594	948	(646)
Intangible fixed assets	15,890	18,287	2,397
Investments and other	129,089	134,136	5,047
Investments in securities	2,569	7,607	5,037
Long-terms loans receivable	24,379	25,646	1,267
Long-terms prepaid expense	3,822	4,158	336
Lease deposits	87,903	82,754	(5,149)
Deferred tax assets	11,551	12,809	1,258
Deferred tax assets for land revaluation	467	467	-
Other	2,412	3,095	683
Allowance for doubtful accounts	(4,018)	(2,403)	1,614
Total Assets	398,258	397,107	(1,150)
Accumulated depreciation for property and store equipment	103,849	114,321	10,472

Fiscal period Account item	Previous period	Current period	Increase (Decrease)
	(As of February 28,2007)	(As of February 29,2008)	
	Amounts	Amounts	Amounts
(Liabilities)			
Current liabilities	143,513	155,979	12,465
Accounts payable-trade for Company - operated stores	4,182	4,352	170
Accounts payable-trade for franchised stores	60,817	61,234	417
Accounts payable-due to franchised stores	2,757	2,201	(555)
Accounts payable-other	15,805	13,149	(2,655)
Accounts payable-other for franchised stores	212	177	(35)
Income taxes payable	4,754	11,427	6,672
Consumption taxes payable	593	1,438	845
Accrued expenses	2,395	2,134	(261)
Deposits received	48,754	56,294	7,539
Accrued employees' bonuses	2,626	2,663	37
Provision for use of points of LAWSON PASS and MY LAWSON POINT	500	797	296
Other	113	108	(4)
Long-term liabilities	55,250	52,554	(2,695)
Allowance for employees' retirement benefits	3,526	4,174	648
Allowance for retirement benefits to executive officers and corporate auditors	249	182	(66)
Deposits received from franchisee and lessees	49,325	45,831	(3,494)
Allowance for impairment loss on leased property	95	314	218
Other	2,053	2,052	(1)
Total Liabilities	198,764	208,534	9,769
(Net assets)			
Owners' equity	195,366	185,579	(9,786)
Common stock	58,506	58,506	-
Capital surplus	42,253	41,520	(733)
Retained earnings	95,344	87,390	(7,953)
Treasury stock-at cost	(738)	(1,838)	(1,098)
Valuation and translation adjustments	(227)	(408)	(180)
Net unrealized gain on available-for-sale securities	319	134	(186)
Deferred loss on derivatives under Hedge Accounting	-	(1)	(1)
Land revaluation difference	(682)	(682)	-
Foreign currency transaction adjustments	134	140	5
Stock options	78	159	81
Minority Interests	4,276	3,242	(1,034)
Total net assets	199,493	188,573	(10,920)
Total Liabilities, net assets	398,258	397,107	(1,150)

(9) Consolidated Statement of Change in Net Assets
(From March 1, 2007 to February 29, 2008)

(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	Deferred loss on Derivatives under Hedge Accounting	Land Revaluation Difference	Foreign Currency Transaction Adjustments	Total Valuation and Translation Adjustments			
Balance at the end of previous period	58,506	42,253	95,344	(738)	195,366	319	-	(682)	134	(227)	78	4,276	199,493
Change of items during the period													
Dividends from surplus			(10,964)		(10,964)								(10,964)
Net income			22,119		22,119								22,119
Purchase of treasury stock - at cost				(21,000)	(21,000)								(21,000)
Retirement of treasury stock		(709)	(19,108)	19,818	0								-
Exercise of stock options		(24)		83	59								59
Net changes of items other than owner's equity - net						(185)	(1)		(5)	(180)	81	(1,034)	(1,133)
Total change of items during the fiscal period	-	(733)	(7,953)	(1,098)	(9,786)	(185)	(1)	-	(5)	(180)	81	(1,034)	(10,920)
Balance at the end of the period	58,506	41,520	87,390	(1,837)	185,579	134	(1)	(682)	140	(408)	159	3,242	188,573

(10)Capital Expenditure(Consolidated)

(Millions of yen)

	2006.2	2007.2	2008.2	2009.2(Plan)
New Store	26,047	23,444	12,387	15,000
Existing Store	6,592	5,887	7,493	10,000
IT	9,084	4,662	7,733	15,000
Other	1,615	(1,395)	2,260	5,000
Subtotal	43,338	32,598	29,873	45,000
Investments & Loan	1,250	3,013	19,690	4,000
Lease	9,829	14,211	14,850	29,000
Total	54,417	49,822	64,413	78,000

Tangible fixed assets	15,859	16,185	16,630	17,500
Intangible assets	5,034	5,163	4,815	4,600
Depreciation	20,893	21,348	21,445	22,100

Note: 'Lease' is the amount of equivalency change in each fiscal term.

(11) Consolidated Statement of Cash Flows

(Millions of yen)

	Previous period	Current period	Increase (Decrease)
	(From March 1,2006 to February 28,2007)	(From March 1,2007 to February 29,2008)	
I .Operating activities			
Income before income taxes	36,848	38,134	1,286
Depreciation of property and store equipment	16,185	16,630	445
Loss from disposal of property and store equipment	2,880	2,383	(497)
Loss on impairment of long-lived assets	1,810	2,449	638
Depreciation of intangible fixed assets	5,163	4,815	(348)
Loss from disposal of intangible fixed assets	254	1,131	877
Increase in provision for allowance for retirement benefits to employees	710	648	(61)
Increase in allowance for doubtful accounts	(409)	136	546
Interest received	(650)	(928)	(277)
Interest expense	22	23	0
Equity in gains of affiliated companies	(102)	200	302
Loss on sales of property and store equipment	90	20	(70)
Gain on sales of fixed assets	(746)	-	746
Loss on replacement of computer system	2,202	-	(2,202)
Other-net	876	1,137	260
Increase in accounts receivable due from franchised store	(947)	(239)	708
Increase in merchandise inventories	(215)	65	280
Increase in accounts receivable-other	(4,397)	(984)	3,412
Increase in accounts payable-trase and due to franchised store	1,170	31	(1,138)
Increase in accounts payable-others	2,602	(3,082)	(5,684)
Increase in deposit received	4,140	7,539	3,399
Decrease in lease deposit from franchised and lessees	(2,010)	(3,494)	(1,483)
Other-net	(557)	(874)	(317)
Subtotal	64,919	65,744	824
Interest and dividend income received	646	918	271
Interest expenses paid	(22)	(23)	△0
Income taxes paid	(17,947)	(10,865)	7,081
Net cash provided by operating activities	47,596	55,773	8,176
II .Investing activities			
Payment for purchases of marketable securities	(57,193)	(28,750)	28,443
Proceeds from redemption of marketable securities	61,850	40,892	(20,957)
Increase in advances to associated company	(335)	(5,976)	(5,641)
Increase in payment for acquisition of subsidiary stock from minority shareholders	0	(2,131)	(2,131)
Proceed from sales of investments in securities	185	0	(185)
Increase in short-term loans receivable	(2,600)	(11,150)	(8,550)
Payment for acquisition of property and store equipment	(28,759)	(21,392)	7,367
Payment for acquisition of intangible fixed assets	(4,450)	(7,456)	(3,006)
Decrease in lease deposit -net	2,024	1,485	(539)
Increase in long-term loans receivable-net	(3,749)	(1,267)	2,482
Increase in long-term prepaid expenses	(1,131)	(1,063)	68
Other - net	2,405	285	(2,119)
Net cash used in investing activities	(31,754)	(36,525)	(4,771)
III .Financing activities			
Proceeds from issuance of share upon exercise of stock options	119	59	(60)
Proceeds from sales of treasury stock	9,020	-	(9,020)
Dividends paid	(9,822)	(10,964)	(1,142)
Payment for acquisition of treasury stock - at cost	(54)	(67)	(13)
Payment for acquisition of common stock for treasury	0	(21,000)	(21,000)
Net cash provided(used) in financing activities	(736)	(31,973)	(31,236)
IV .Net increase(decrease) in cash and cash equivalents	15,106	(12,724)	(27,830)
V .Cash and cash equivalents, beginning of year	60,440	75,547	15,106
VI .Cash and cash equivalents,end of the interim period (year)	75,547	62,822	(12,724)

(12) Subsidiaries and Affiliate

1. Consolidated Subsidiaries

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

(Millions of yen)

	2006.2	2007.2	2008.2	2006.2	2007.2	2008.2
Operating profit	(622)	(979)	(535)	61	81	8
Ordinary profit	(657)	(1,068)	(617)	61	81	9
Net profit	(709)	(1,310)	(687)	34	44	0

	LAWSON TICKET, INC.	LAWSON ATM Networks,Inc	i-Convenience,Inc
Date of Establishment	July-92	May-01	October-00
Fiscal Year End	February	February	February
LAWSON's Share		58.0%	51.0%
Composition of Shareholders	UBS AG LONDON ASIA EQUITES	6.7%	Mitsubishi Corporation
	UBS AG LONDON Account IPB Segregated client Account	4.5%	
	G/I/P	1.5%	
	DISK GARAGE CO.,LTD	0.7%	
	Trust & Custody Services Bank,Ltd	0.5%	
	Dai Nippon Printing CO.,Ltd	0.5%	
	WESS Inc.	0.4%	
	Bank (24 companies)	36.0%	
	Oki Electric Industry Co.,Ltd	2.5%	
	SECOM Co., Ltd	2.5%	
	NIPPON EXPRES CO.,LTD	1.0%	

(Millions of yen)

	2006.2	2007.2	2008.2	2006.2	2007.2	2008.2	2006.2	2007.2	2008.2
Operating profit	821	836	635	653	866	1,201	(64)	45	63
Ordinary profit	842	870	697	654	870	1,213	(67)	44	62
Net profit	487	506	422	675	509	717	(137)	43	65

2.Equity-method Affiliates

	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%							

	naturalBeat co.,ltd.	Ninety-nine Plus Inc.		
Date of Establishment	March-04	October-00		
Fiscal Year End	March	March		
Lawson's Share	33.4%	34.2%		
Composition of Shareholders		<table border="1"> <tr> <td>KYODEN CO.,LTD.</td> <td>29.6%</td> </tr> </table>	KYODEN CO.,LTD.	29.6%
KYODEN CO.,LTD.	29.6%			

2. Non-consolidated operating results

(1) Results and Forecasts for Major Financial Indicators

(Billions of yen)

	2006.2		2007.2		2008.2		2009.2 (Forecast)	
		YOY		YOY		YOY		YOY
Total Net Sales	1,360.4	102.4%	1377.8	102.2%	1402.7	101.8%	1,478.0	105.4%
Operating Revenues	248.0	103.6%	256.0	105.7%	269.5	105.3%	279.0	103.5%
Operating Profit	43.8	103.8%	44.3	99.0%	45.3	102.2%	41.2	90.9%
Recurring Profit	43.6	103.3%	44.5	97.6%	45.3	101.9%	41.1	90.7%
Net Profit	22.7	110.3%	21.7	82.4%	18.8	96.3%	19.4	102.7%
Cash Dividends Per share	¥90		¥100.00		¥110.00		¥160	
Net Profit Per Share	¥222.18		¥208.70		¥203.14		¥195.69	
Net Assets	179.5		200.2		187.1			
Total Assets	368.2		389.1		385.3			
Pay Out ratio	40.5%		47.9%		60.0%			
Net Assets per share	¥1,754.94		¥1,917.18		¥1,886.15			
ROA	12.2%		11.7%		11.7%			
ROE	13.2%		11.5%		9.8%			
Current Ratio	87.2%		101.2%		86.0%			
Fixed Ratio	139.9%		126.6%		138.8%			
Capital adequacy Ratio	48.7%		51.4%		48.5%			

(2) Number of Employee

	2006.2		2007.2		2008.2	
		Change		Change		Change
Employees	3,131	11	3,095	(36)	3,316	185
The average age	37.1	0.0	36.4	(0.7)	36.9	(0.2)
Employees (Part - time temporary)	3,596	233	3,366	(230)	3,781	185

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

Note1: The average number of part-time employees subsequent to FY 2007 includes the average number of employees on contract from temporary staff (manpower) agencies.

(3) Non-consolidated Statement of Income

(Millions of yen)

Account item	Previous period	Current period	Increase
	(From March 1,2006 to February 28,2007)	(From March 1,2007 to February 29,2008)	(Decrease)
Operating revenues	190,674	198,580	7,906
Franchise commissions from franchised stores	174,335	177,443	3,108
(Net sales reported by franchised stores)	1,312,493	1,331,784	19,291
(Total net sales of LAWSON stores including franchised stores)	1,377,842	1,402,786	24,944
Other	16,338	21,137	4,799
Net sales	65,349	71,001	5,652
Total operating revenues	256,023	269,582	13,559
Cost of goods sold	46,998	50,746	3,748
Gross profit on sales	(18,350)	(20,254)	(1,904)
Operating gross profit	209,025	218,835	9,810
Selling, general and administrative expenses	164,652	173,500	8,848
Operating income	44,373	45,334	961
Non-operating income	1,617	1,864	247
1. Interest received	552	809	257
2. Compensation received for damage	172	166	(6)
3. Compensation received for removal	403	316	(87)
4. Other	488	571	82
Non-operating expense	1,463	1,900	437
1. Loss on cancellation of lease contract	1,143	1,651	508
2. Other	320	248	(72)
Recurring profit	44,526	45,298	771
Special gains	1,270	-	(1,270)
1. Gain on sales of fixed assets	745	-	(745)
2. Reversal	311	-	(311)
3. Other	214	-	(214)
Special losses	8,834	13,042	4,207
1. Loss on disposal of fixed assets	4,395	4,989	594
2. Loss on sales of fixed assets	90	29	(61)
3. Loss on impairment of long-lived assets	1,810	2,449	638
4. Loss on write-down of investment in affiliated company	-	3,422	3,422
5. Loss on replacement of computer system	2,202	-	(2,202)
6. Loss on liquidation of subsidiaries	-	1,611	1,611
7. Other	335	540	204
Income before income taxes	36,963	32,256	(4,706)
Income taxes-current	11,733	16,779	5,046
Deferred income taxes	3,496	(3,422)	(6,918)
Net income	21,733	18,899	(2,834)

(4) Selling, general and administrative expenses

(Millions of yen)

Account item	Previous period	Current period	Increase
	(From March 1,2006 to February 28,2007)	(From March 1,2007 to February 29,2008)	(Decrease)
Rent	54,735	57,985	3,249
Personnel Expenses	33,739	35,619	1,880
Equipment Lease	15,167	16,268	1,100
Depreciation	16,071	16,502	430
Promotions Expense	9,748	9,059	(688)
Other	35,189	38,065	2,875
Total	164,652	173,500	8,848

Fiscal period Account item	Previous period	Current period	Increase (Decrease)
	(As of February 28,2007)	(As of February 29,2008)	Amounts
	Amounts	Amounts	Amounts
(Assets)			
Current assets	135,696	124,358	(11,337)
Cash and bank deposits	61,536	51,450	(10,085)
Accounts receivable - due from franchised stores	11,711	11,949	238
Marketable securities	15,994	2,000	(13,994)
Merchandise inventories	1,491	1,432	(58)
Prepaid expenses	5,376	5,716	340
Short	11,940	22,400	10,460
Accounts receivable-other	23,905	24,187	281
Deferred tax assets	2,696	3,545	849
Other	1,159	1,778	619
Allowance for doubtful accounts	(114)	(102)	12
Fixed assets	253,412	260,976	7,564
Property and store equipment-at net book value	103,736	105,616	1,880
Buildings	68,276	72,519	4,243
Structures	13,673	12,926	(746)
Furniture, fixtures and equipment	15,483	13,377	(2,106)
Land	4,708	5,844	1,136
Other	1,594	948	(646)
Intangible fixed assets	15,364	16,042	677
Investments and other	134,310	139,316	5,005
Investments in securities	762	525	(236)
Investment in securities and affiliated company	7,824	12,256	4,432
Investment in affiliated limited private company	438	438	-
Long-term loans receivable	24,379	25,646	1,267
Long-term in prepaid expenses	3,578	3,730	151
Lease deposit	87,583	82,467	(5,115)
Deferred tax assets	11,424	14,125	2,700
Deferrd tax assets for land revaluation	467	467	-
Other	1,868	2,061	192
Allowance for doubtful accounts	(4,018)	(2,403)	1,614
Total Assets	389,109	385,335	(3,773)
	103,556	113,904	10,348

Accumulated depreciation for property and store equipment

Fiscal period Account item	Previous period	Current period	Increase (Decrease)
	(As of February 28,2007)	(As of February 29,2008)	Amounts
	Amounts	Amounts	Amounts
(Liabilities)			
Current liabilities	134,150	146,195	12,045
Accounts payable-trade for Company - operated stores	3,491	3,512	21
Accounts payable-trade for franchised stores	60,817	61,234	417
Accounts payable-due to franchised stores	2,757	2,201	(555)
Accounts payable-other	14,421	11,459	(2,961)
Accounts payable-other for franchised stores	212	177	(35)
Income taxes payable	4,285	11,014	6,728
Deposits received	547	1,360	813
Accrued employees' bonuses	2,113	1,902	(211)
Provision for use of LAWSON PASS points	42,474	49,908	7,434
Other	2,448	2,552	104
Other	494	792	297
Other	87	80	(7)
Long-term liabilities	54,701	51,993	(2,708)
Allowance for employees' retirement benefits	3,472	4,104	632
Allowance for retirement benefits to executive	190	140	(50)
Deposits received from franchisees and lessees	49,319	45,809	(3,509)
Allowance for impairment loss on leased property	95	314	218
Allowance for impairment loss on leased property	1,623	1,623	0
Total Liabilities	188,851	198,188	9,337
(Net assets)			
Owners' equity	200,541	187,534	(13,006)
Common stock	58,506	58,506	0
Capital surplus	42,253	41,520	(733)
Retained earnings	100,519	89,345	(11,173)
Treasury stock-at cost	(738)	(1,837)	(1,098)
Valuation and translation adjustments	(362)	(548)	(185)
Net unrealized gain on available-for-sale securities	319	133	(185)
Land revaluation difference	(682)	(682)	0
Stock Option	78	159	81
Total net assets	200,257	187,146	(13,111)
Total Liabilities,net assets	389,109	385,335	(3,773)

(6) Non - consolidated Statement of Changes in Net Assets
 (From March 1, 2007 to February 29, 2008)

(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	733	42,253	727	50,000	49,792	100,519	(738)	200,541	319	(682)	(362)	78	200,257
Change of items during the interim period															
Dividends from surplus							(10,964)	(10,964)		(10,964)					(10,964)
Net income							18,899	18,899		18,899					18,899
Purchase of treasury stock - at cost									(21,000)	(21,000)					(21,000)
Sales of treasury stock - at cost			(709)	(709)			(19,108)	(19,108)	19,818	—					0
Exercise of stock options			(24)	(24)					83	59					59
Net changes of items other than owners' equity - net											(185)		(185)	81	(104)
Total change of items during the interim period	—	—	(733)	(733)	—	—	(11,173)	(11,173)	(1,098)	(13,006)	(185)	—	(185)	81	(13,111)
Balance at the end of the interim period	58,506	41,520	0	41,520	727	50,000	38,618	89,345	(1,837)	187,534	133	(682)	(548)	159	187,146

(7)Capital Expenditure (non-consolidated)

(Millions of yen)

	2006.2	2007.2	2008.2	2009.2(Plan)
New Store	25,747	22,905	12,376	15,000
Existing Store	6,592	5,749	7,412	10,000
IT	8,912	4,106	6,415	14,000
Other	1,558	(1,477)	2,053	5,000
Subtotal	42,809	31,283	28,256	44,000
Investments & Loan	1,889	5,713	20,026	4,000
Lease	8,935	12,191	10,059	23,000
Total	53,633	49,187	58,341	71,000
Tangible fixed assets	15,799	16,071	16,502	17,100
Intangible assets	4,646	4,835	4,624	4,100
Depreciation	20,445	20,906	21,126	21,200

Note: 'Lease' is the amount of equivalency charge in each fiscal term.

3. Sales and Products (Non-consolidated)

(1)YOY Rate

	2006.2	2007.2	2008.2
Sales of Existing Stores	97.5%	98.2%	99.2%

(2)Average Daily Sales per store

(Thousands of Yen)

	2006.2	2007.2	2008.2
Total Stores	480	477	478
New Stores	426	429	436

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

(Persons,Yen)

	2006.2	2007.2	2008.2
Number of Customers	820	813	812
Spend per Custmers	585	585	586

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

(Thousands of Yen)

	2006.2		2007.2		2008.2	
		YOY		YOY		YOY
Inventory	5,270	101.4%	5,360	101.7%	5,390	100.6%
Inventory Turnover in Days	11.5	102.6%	11.9	102.9%	12.0	100.8%

(5)Area of Floor

(m²)

	2006.2		2007.2		2008.2	
		YOY		YOY		YOY
Area of Floor	885,434	103.9%	915,365	103.4%	935,993	102.3%

Note:term average

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

(Store)

	2006.2		2007.2		2008.2	
		Share		Share		Share
Liquor-Licensed	7,285	87.4%	7,976	94.0%	8,305	97.5%
Cigarette-Licensed	6,926	83.1%	7,153	84.3%	7,279	85.5%
24-hour operating	8,197	98.4%	8,329	98.2%	8,331	97.8%
with Parking Lots	6,027	72.3%	6,206	73.2%	6,255	73.5%
Total	8,331	-	8,484	-	8,515	-

(7)Gross Profit Margin at Store Level

	2006.2	2007.2	2008.2
Fast Foods	36.8%	36.5%	36.3%
Fresh Foods	33.6%	33.8%	33.6%
Processed Foods	26.7%	26.4%	26.3%
Non-Food Products	35.8%	38.0%	38.5%
Total	31.2%	31.3%	31.2%

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)

	2006.2		2007.2		2008.2	
		Share		Share		Share
Fast Foods	3,121	22.9%	3,240	23.5%	3,262	23.3%
Fresh Foods	1,505	11.1%	1,528	11.1%	1,590	11.3%
Processed Foods	6,814	50.1%	7,008	50.9%	7,203	51.4%
Non-Food Products	2,164	15.9%	2,001	14.5%	1,971	14.1%
Total	13,604	100.0%	13,778	100.0%	14,027	100.0%

(9)Third Party Bill Settlement Service

(Millions of Yen, Million)

	2006.2		2007.2		2008.2	
		YOY		YOY		YOY
Transaction Volume	1,165,255	112.5%	*1,294,004	111.0%	1,412,335	109.1%
Number of Settlement	130.6	109.9%	140.9	107.9%	149.9	106.4%
Commission Revenues	7,507	110.9%	8,141	108.5%	8,275	101.6%

*The amount disclosed for "Transaction volume of third party bill settlement service" contained an error. The corrected value is reported in the above table.

(10)The Number of ATMs

(Number)

	2006.2	2007.2	2008.2
ATMs	3,812	4,245	5,643

4. Shareholders Information(Non-consolidated)

(1)Distribution of Shareholders by Type

	End of Feb,08		
	(person)	(share)	(ratio)
Financial Institutions	129	23,713,025	23.8%
Securities Companies	30	1,038,154	1.0%
Other Domestic Entities	507	41,881,010	42.0%
Foreign Entities	344	21,953,079	22.0%
Individuals,Others	38,932	10,546,603	10.6%
JASDEC	1	4,500	0.0%
Treasury Stock	1	463,629	0.5%
Total	39,944	99,600,000	100.0%

(2)Principal Shareholders

	End of Feb,08	
	Shareholdings(Shares)	Shareholdings
Mitsubishi Corporation	32,089	32.4%
Japan Trustee Services Bank.,Ltd.(Trust Account)	6,288	6.3%
The Master Trust Bank of Japan,Ltd.(Trust Account)	6,012	6.1%
Marubeni Foods Investment Co.,Ltd.	5,939	6.0%
NTT DoCoMo,Inc.	2,092	2.1%
	1,646	1.7%
Nomura Securities Company.,Ltd.	1,152	1.2%
State Street Bank and Trust Company	1,002	1.0%
State Street Bank and Trust Company	992	1.0%
	946	1.0%
Total number of voting share	99,125	100.0%