

1. Consolidated operating results

(1)Results and Forecasts for Major Financial Indicators

(Billions of yen)

	2006.5		2007.2		2007.5		2008.2(Forecast)		
	Three months ended May.31		Fiscal term		Three months ended May.31		Fiscal term		
		YOY		YOY		YOY		YOY	
Total Net Sales	337.9	99.6%	1,386.6	101.8%	346.8	102.6%	1,454.0	104.9%	
Operating Revenues	68.9	103.6%	283.0	105.6%	73.5	106.7%	309.0	109.2%	Note1
Operating Profit	10.6	84.4%	44.5	101.5%	10.6	99.8%	45.9	103.1%	
Recurring Profit	10.9	87.1%	44.6	101.6%	10.6	97.3%	46.3	103.7%	
Net Profit	5.0	82.0%	20.9	95.3%	4.0	79.8%	22.2	105.8%	
EPS	¥48.80		¥201.50		¥38.56		¥212.58		Note2
Net assets	188.5		199.4		198.6				
Total Assets	408.6		398.2		430.5				
Net Assets per share	¥1,806.04		¥1,868.91		¥1,856.88				
ROA	2.7%		11.5%		2.6%				
ROE	2.8%		11.3%		2.0%				
Current Ratio	99.4%		103.8%		99.7%				
Fixed Ratio	132.4%		127.4%		131.0%				
Capital adequacy Ratio	45.2%		49.0%		45.0%				
Number of Stores	8,350		8,564		8,576		8,734		Note3

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

Note2:Forecast net profit per share in the full-year plan is calculated based on the number of outstanding shares as of May31,2007.

Note3:The number of stores shows the total number of stores of LAWSON,NATURAL LAWSON and LAWSON STORE100.

(2)Number of stores

	2006.5				2007.5				2008.2 (Forecast)
	Mar	Apr	May	Mar - May	Mar	Apr	May	Mar - May	
Opening (+)	28	68	46	142	24	64	51	139	560
Closure (-)	54	37	15	106	51	20	19	90	390
Re-location (-)	10	22	20	52	14	14	9	37	-
Subtotal	64	59	35	158	65	34	28	127	390
Total Number Of Stores	8,330	8,339	8,350	8,350	8,523	8,553	8,576	8,576	8,734
Net Increase	-36	9	11	-16	-41	30	23	12	170

(3) Number of stores by region and prefecture

(store)

Region	Prefecture	06/5	07/2	07/5	Net Increase
Hokkaido	Hokkaido	503	500	500	0
	Aomori	142	151	154	3
	Iwate	170	172	170	-2
	Miyagi	162	157	158	1
	Akita	132	136	139	3
	Yamagata	54	57	57	0
	Fukushima	95	97	97	0
	Tohoku		755	770	775
	Ibaraki	104	105	105	0
	Tochigi	103	103	105	2
	Gunma	67	69	72	3
	Saitama	327	333	335	2
	Chiba	286	287	284	-3
	Tokyo	850	895	896	1
	Kanagawa	482	494	484	-10
	Kanto		2,219	2,286	2,281
	Niigata	105	108	107	-1
	Yamanashi	62	61	62	1
	Nagano	134	139	138	-1
Koshinetsu		301	308	307	-1
	Toyama	102	99	102	3
	Ishikawa	71	72	73	1
	Fukui	77	85	86	1
	Hokuriku		250	256	261
	Shizuoka	151	148	148	0
	Aichi	326	329	326	-3
	Gifu	92	104	103	-1
	Mie	80	84	85	1
Tokai		649	665	662	-3

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

Region	Prefecture	06/5	07/2	07/5	Net Increase
	Shiga	118	125	126	1
	Kyoto	182	193	196	3
	Osaka	835	835	840	5
	Hyogo	469	482	478	-4
	Nara	100	104	104	0
	Wakayama	114	116	114	-2
	Kinki		1,818	1,855	1,858
	Tottori	72	82	83	1
	Shimane	64	74	75	1
	Okayama	115	119	120	1
	Hiroshima	119	124	126	2
	Yamaguchi	110	110	110	0
Chugoku		480	509	514	5
	Tokushima	104	108	108	0
	Kagawa	96	97	99	2
	Ehime	154	163	162	-1
	Kouchi	56	61	63	2
Shikoku		410	429	432	3
	Fukuoka	308	316	315	-1
	Saga	58	60	61	1
	Nagasaki	78	79	80	1
	Kumamoto	89	91	91	0
	Oita	114	119	117	-2
	Miyazaki	81	84	85	1
	Kagoshima	111	107	106	-1
	Okinawa	126	130	131	1
Kyusyu		965	986	986	0
Total		8,350	8,564	8,576	12

(4) Store opening status of NATURAL LAWSON, Inc., VALUE LAWSON, Inc., SHANGHAI HUALIAN LAWSON CO., LTD., natural Beat co., inc. and Ninety-nine Plus Inc. by region.

NATURAL LAWSON, Inc. (NATURAL LAWSON) (Store)

	06/5	07/2	07/5	Net Increase
Kanto	55	84	87	3
Kinki	4	16	20	4
Total	59	100	107	7

Note1: NATURAL LAWSON has opened stores since July, 2001

natural Beat co., inc. (natural beat) (Store)

	06/3	06/12	07/3	Net Increase
Nationwide	8	9	10	1
Total	8	9	10	1

VALUE LAWSON, Inc (LAWSON STORE100) (Store)

	06/5	07/2	07/5	Net Increase
Kanto	40	80	70	-10
Total	40	80	70	-10

Note1: STORE100 has opened stores since May, 2005

Ninety-nine Plus Inc. (SHOP99) (Store)

	06/3	06/12	07/3	Net Increase
Nationwide	800	853	780	-73
Total	800	853	780	-73

SHANGHAI HUALIAN LAWSON CO., LTD. (Store)

	06/3	06/12	07/3	Net Increase
Shanghai	280	291	285	-6
Total	280	291	285	-6

(5) Number of Stores by Store Type

(Store)

	End of May.06		End of Feb.07		End of May.07		Net Increase
	Share		Share		Share		
Type B	1,621	19.4%	1,512	17.7%	1,465	17.1%	-47
Type G	2,256	27.0%	2,209	25.8%	2,182	25.4%	-27
Type C	4,079	48.9%	4,367	51.0%	4,437	51.7%	70
Type C(NATURAL LAWSON)	2	0.0%	5	0.1%	7	0.1%	2
Franchised Stores	7,958	95.3%	8,093	94.5%	8,091	94.3%	-2
LAWSON	295	3.5%	296	3.5%	315	3.7%	19
NUTURAL LAWSON	57	0.7%	95	1.1%	100	1.2%	5
LAWSON STORE100	40	0.5%	80	0.9%	70	0.8%	-10
Company-Owned Stores	392	4.7%	471	5.5%	485	5.7%	14
Total	8,350	100.0%	8,564	100.0%	8,576	100.0%	12

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

(6) Consolidated Statement of Income

(Millions of yen)

	Previous 1st Quarter	Current 1st Quarter	Increase (Decrease)
	(From March 1,2006 to May 31,2006)	(From March 1,2007 to May 31,2007)	
Operating revenues	51,044	52,757	1,713
Franchise commissions from franchised stores	42,896	43,532	636
(Net sales reported by franchised stores)	320,156	326,196	6,040
(Total net sales of Lawson stores including franchised stores)	337,988	346,847	8,859
Other	8,148	9,225	1,077
Net sales	17,934	20,810	2,876
Total operating revenues	68,978	73,567	4,589
Cost of goods sold	12,946	15,078	2,132
Gross profit on sales	(4,987)	(5,732)	745
Operating gross profit	56,032	58,489	2,457
Selling, general and administrative expenses	45,349	47,825	2,476
Operating Profit	10,682	10,664	(18)
Non-operating Profit	431	369	(62)
Non-operating expense	194	405	211
Ricurring profit	10,919	10,628	(291)
Special gains	293	1	(292)
Special losses	2,549	3,311	762
Income before income taxes	8,664	7,318	(1,346)
Income taxes	3,426	3,048	(378)
Minority interests in net Profit	192	244	52
Net Profit	5,045	4,026	(1,019)

(7) Selling, general and administrative expenses

(Millions of yen)

Account item	Previous 1st Quarter	Current 1st Quarter	Increase (Decrease)
	(From March 1,2006 to May 31,2006)	(From March 1,2007 to May 31,2007)	
Rent	13,504	14,425	921
Personnel Expenses	9,296	10,008	712
Equipment Lease	4,221	4,468	247
Depreciation	3,729	3,845	116
Promotions Expense	2,787	2,189	(598)
Other	11,810	12,887	1,077
Total	45,349	47,825	2,476

(8) Consolidated Balance Sheet

(Millions of yen)

Account item	Fiscal period	Previous fiscal term	Current 1st Quarter	Increase (Decrease)
		(As of February 28, 2007)	(As of May 31, 2007)	
		Amounts	Amounts	Amounts
(Assets)				
Current assets		149,022	176,413	27,391
Cash and bank deposits		71,950	102,924	30,974
Accounts receivable - due from franchised stores		11,710	12,971	1,261
Marketable securities		19,592	19,990	398
Merchandise inventories		1,788	2,063	275
Secured income receivable		26,002	19,647	(6,355)
Deferred tax assets		2,795	2,791	(4)
Other		15,297	16,127	830
Allowance for doubtful accounts		(115)	(103)	12
Fixed assets		249,235	254,109	4,874
Property and store equipment-at net book value		104,255	105,828	1,573
Buildings and structures		82,403	83,701	1,298
Furniture, fixtures and equipment		15,548	15,254	(294)
Land		4,708	5,237	529
Other		1,594	1,635	41
Intangible assets		15,890	17,452	1,562
Investments and other		129,089	130,827	1,738
Investments in securities		2,569	5,791	3,222
Lease deposits		87,903	83,738	(4,165)
Deferred tax assets		11,551	11,582	31
Deferred tax assets for land revaluation		467	467	-
Other		30,614	31,553	939
Allowance for doubtful accounts		(4,018)	(2,306)	1,712
Total Assets		398,258	430,522	32,264

Accumulated depreciation of property and store equipment

103,849

107,028

3,179

Account item	Fiscal period	Previous fiscal term	Current 1st Quarter	Increase (Decrease)
		(As of February 28, 2007)	(As of May 31, 2007)	
		Amounts	Amounts	Amounts
(Liabilities)				
Current liabilities		143,513	176,882	33,369
Accounts payable-trade		64,999	74,224	9,225
Accounts payable-due to franchised stores		2,757	2,356	(401)
Accounts payable-other		16,017	10,838	(5,179)
Income taxes payable		4,754	3,297	(1,457)
Deposits received		48,754	79,692	30,938
Accrued employees' bonuses		2,626	1,364	(1,262)
Provision for use of points granted		500	546	46
Other		3,102	4,561	1,459
Long-term liabilities		55,250	55,001	(249)
Allowance for employees' retirement benefits		3,526	3,836	310
Allowance for retirement benefits to executive officers and corporate auditors		249	216	(33)
Deposits received from franchisees and lessees		49,325	48,410	(915)
Allowance for impairment loss on leased property		95	441	346
Other		2,053	2,096	43
Total Liabilities		198,764	231,883	33,119
(Net assets)				
Owners' equity		195,366	194,231	(1,135)
Common stock		58,506	58,506	-
Capital surplus		42,253	42,249	(4)
Retained earnings		95,344	94,150	(1,194)
Treasury stock-at cost		(738)	(675)	63
Valuation and translation adjustments		(227)	(318)	(91)
Net unrealized gain on available-for-sale securities		319	235	(84)
Land revaluation difference		(682)	(682)	-
Foreign currency transaction adjustments		134	128	(6)
Stock options		78	84	6
Minority Interests		4,276	4,641	365
Total net assets		199,493	198,638	(855)
Total Liabilities and total net assets		398,258	430,522	32,264

(9) Consolidated Statement of Changes in Net Asset

(From March 1, 2007 to May 31, 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	42,253	95,344	(738)	195,366	319	(682)	134	(227)	78	4,276	199,493
Changes of items during the 1st Quarter												
Dividends from surplus			(5,220)		(5,220)							(5,220)
Net income			4,026		4,026							4,026
Purchase of treasury stock-at cost				(0)	(0)							(0)
Exercise of stock options		(4)		63	59							59
Net changes of items other than owners' equity-net						(84)		(6)	(91)	6	364	279
Total changes of items during the period	-	(4)	(1,194)	63	(1,134)	(84)	-	(6)	(91)	6	364	(854)
Balance at the end of the 1st Quarter	58,506	42,249	94,150	(675)	194,231	235	(682)	128	(318)	84	4,641	198,638

(10)Capital Expenditure (Consolidated)

	2006.5	2007.5	2008.2(Forecast)	(Millions of yen) 2007.2(Actual results)
New Store	4,384	3,766	14,200	23,444
Existing Store	939	1,758	9,700	5,887
IT	958	2,882	16,300	4,662
Other	626	379	2,300	(1,395)
Subtotal	6,907	8,785	42,500	32,598
Investments & Loan	0	3,869	5,800	3,013
Lease	2,613	3,833	17,700	14,211
Total	9,520	16,487	66,000	49,822
Tangible fixed assets	3,729	3,845	17,000	16,185
Intangible assets	1,247	1,396	6,000	5,163
Depreciation	4,977	5,241	23,000	21,348

(11) Consolidated Statements of Cash Flows

(Millions of yen)

	Previous 1st Quarter (From March 1, 2006 to May 31, 2006)	Current 1st Quarter (From March 1, 2007 to May 31, 2007)	Increase (Decrease)
I . Operating activities			
Income before income taxes	8,664	7,318	(1,346)
Depreciation of fixed assets	4,977	5,241	264
Increase in provision for allowance for retirement benefits to employees	227	309	82
Loss from disposal of fixed assets	760	189	(571)
Loss on impairment of long-lived assets	1,520	2,107	587
Interest income	(135)	(187)	(52)
Other - net	(1,746)	(2,557)	(811)
Decrease(increase) in accounts receivable due from franchised stores	49	(1,261)	(1,310)
Decrease in accounts receivable - other	6,452	6,334	(118)
Increase in accounts payable-trade and due to franchised stores	9,270	8,824	(446)
Decrease in accounts payable - other	(2,550)	(5,523)	(2,973)
Increase in deposits received	22,975	30,937	7,962
Decrease in lease deposits from franchisee and lessees	(234)	(915)	(681)
Other - net	1,184	134	(1,050)
Subtotal	51,415	50,952	(463)
Interest income received	128	184	56
Interest expenses paid	(10)	(6)	4
Income taxes paid	(9,401)	(4,504)	4,897
Net cash provided by operating activities	42,131	46,625	4,494
II . Investing activities			
Payment for purchase of marketable securities	(21,488)	(12,978)	8,510
Proceeds from redemption of marketable securities	8,150	11,000	2,850
Acquisition of investment in an associated company	-	(3,869)	(3,869)
Payment for acquisition of property and store equipment	(5,260)	(7,250)	(1,990)
Payment for acquisition of intangible assets	(966)	(2,713)	(1,747)
Other - net	271	3,461	3,190
Net cash used in investing activities	(19,293)	(12,348)	6,945
III . Financing activities			
Proceeds from sales of treasury stock	9,020	-	(9,020)
Cash dividends paid	(4,602)	(5,220)	(618)
Other	32	18	(14)
Net cash used in (provided by) financing activities	4,449	(5,202)	(9,651)
IV . Net increase in cash and cash equivalents	27,287	29,075	1,788
V . Cash and cash equivalents, beginning of year	60,440	75,547	15,107
VI . Cash and cash equivalents, end of the 1st Quarter	87,728	104,622	16,894

2. Non-consolidated operating results

(1)Results and Forecasts for Major Financial Indicators

(Billions of yen)

	2006.5		2007.2		2007.5		2008.2(Forecast)	
	Three months ended May.31		Fiscal term		Three months ended May.31		Fiscal term	
		YOY		YOY		YOY		YOY
Total Net Sales	336.5	99.2%	1,377.8	101.3%	343.8	102.2%	1,440.0	104.5%
Operating Revenues	62.6	100.5%	256.0	103.2%	66.1	105.7%	276.0	107.8%
Operating Profit	10.4	85.4%	44.3	101.3%	10.3	99.0%	45.2	101.9%
Recurring Profit	10.6	87.6%	44.5	102.0%	10.4	97.6%	45.4	102.0%
Net Profit	5.0	83.0%	21.7	95.7%	4.1	82.4%	22.3	102.6%
EPS	¥49.03		¥208.70		¥39.97		¥213.54	
Net Assets	188.8		200.2		199.1			
Total Assets	401.5		389.1		420.7			
Net Assets per share	¥1,809.27		¥1,917.18		¥1,906.62			
ROA	2.7%		11.7%		2.6%			
ROE	2.8%		11.5%		2.1%			
Current Ratio	95.8%		101.2%		97.4%			
Fixed Ratio	132.2%		126.6%		129.5%			
Capital adequacy Ratio	47.0%		51.4%		47.3%			

Note1

Note2

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

Note2:Forecast net profit per share in the full-year plan is calculated based on the number of outstanding shares as of May31,2007.

(2) Non-consolidated Statement of Income

(Millions of yen)

	Previous 1st Quarter	Current 1st Quarter	Increase (Decrease)
	(From March 1, 2006 to May 31, 2006)	(From March 1, 2007 to May 31, 2007)	
Operating revenues	46,944	48,515	1,571
Franchise commissions from franchised stores	42,904	43,532	628
(Net sales reported by franchised stores)	320,892	326,196	5,304
(Total net sales of Lawson stores including franchised stores)	336,574	343,854	7,280
Other	4,040	4,983	943
Net sales	15,681	17,658	1,977
Total operating revenues	62,626	66,173	3,547
Cost of goods sold	11,204	12,579	1,375
Gross profit on sales	(4,476)	(5,078)	602
Operating gross profit	51,421	53,594	2,173
Selling, general and administrative expenses	40,983	43,262	2,279
Operating Profit	10,437	10,331	(106)
Non-operating Profit	410	404	(6)
Non-operating expense	189	328	139
Recurring profit	10,658	10,407	(251)
Special gains	292	-	(292)
Special losses	2,548	3,265	717
Income before income taxes	8,402	7,141	(1,261)
Income taxes	3,333	2,967	(366)
Net Profit	5,068	4,174	(894)

(3) Selling, general and administrative expenses

(Millions of yen)

Account item	Previous 1st Quarter	Current 1st Quarter	Increase (Decrease)
	(From March 1, 2006 to May 31, 2006)	(From March 1, 2007 to May 31, 2007)	
Rent	13,355	14,277	922
Personnel Expenses	8,352	8,930	578
Equipment Lease	3,591	3,980	389
Depreciation	3,709	3,819	110
Promotions Expense	2,914	2,154	(760)
Other	9,060	10,099	1,039
Total	40,983	43,262	2,279

(4)Non-consolidated Balance Sheet

(Millions of yen)

Account item	Fiscal period	Previous fiscal term	Current 1st Quarter	Increase (Decrease)
		(As of February 28,2007)	(As of May 31,2007)	
	Amount	Amounts	Amounts	Amounts
(Assets)				
Current assets		135,696	162,808	27,112
Cash and bank deposits		61,536	94,181	32,645
Accounts receivable - due from franchised stores		11,711	12,971	1,260
Marketable securities		15,994	13,996	(1,998)
Merchandise inventories		1,491	1,713	222
Deferred tax assets		2,696	2,696	-
Other		42,381	37,352	(5,029)
Allowance for doubtful accounts		(114)	(103)	11
Fixed assets		253,412	257,903	4,491
Property and store equipment - at net book value		103,736	105,011	1,275
Buildings		68,276	69,912	1,636
Furniture, fixtures and equipment		15,483	14,948	(535)
Land		4,708	5,237	529
Other		15,267	14,912	(355)
Intangible assets		15,364	16,402	1,038
Investments and other		134,310	136,490	2,180
Investments in securities		8,586	12,166	3,580
Long-term loans receivable		24,379	25,106	727
Lease deposits		87,583	83,434	(4,149)
Deferred tax assets		11,424	11,482	58
Deferred tax assets for land revaluation		467	467	-
Other		5,886	6,137	251
Allowance for doubtful accounts		(4,018)	(2,306)	1,712
Total Assets		389,109	420,711	31,602
Accumulated depreciation of property and store equipment		103,556	106,709	3,153

Account item	Fiscal period	Previous fiscal term	Current 1st Quarter	Increase (Decrease)
		(As of February 28,2007)	(As of May 31,2007)	
	Amount	Amounts	Amounts	Amounts
(Liabilities)				
Current liabilities		134,150	167,086	32,936
Accounts payable-trade		64,308	73,396	9,088
Accounts payable-due to franchised stores		2,757	2,355	(402)
Accounts payable-other		14,633	9,034	(5,599)
Income taxes payable		4,285	3,234	(1,051)
Deposits received		42,474	73,151	30,677
Accrued employees' bonuses		2,448	1,239	(1,209)
Provision for use of points granted		494	540	46
Other		2,748	4,135	1,387
Long-term liabilities		54,701	54,432	(269)
Allowance for employees' retirement benefits		3,472	3,777	305
Allowance for retirement benefits to executive officers and corporate auditors		190	185	(5)
Deposits received from franchisees and lessees		49,319	48,404	(915)
Allowance for impairment loss on leased property		95	441	346
Other		1,623	1,623	-
Total Liabilities		188,851	221,519	32,668
(Net assets)				
Owners' equity		200,541	199,554	(987)
Common stock		58,506	58,506	-
Capital surplus		42,253	42,249	(4)
Retained earnings		100,519	99,473	(1,046)
Treasury stock-at cost		(738)	(675)	63
Valuation and translation adjustments		(362)	(446)	(84)
Net unrealized gain on available-for-sale securities		319	235	(84)
Land revaluation difference		(682)	(682)	-
Stock options		78	84	6
Total net assets		200,257	199,192	(1,065)
Total Liabilities and total net assets		389,109	420,711	31,602

(5)Capital Expenditure

	2006.5	2007.5	2008.2(Forecast)	(Millions of yen) 2007.2(Actual results)
New Store	4,180	3,772	14,500	22,905
Existing Store	939	1,693	9,600	5,749
IT	883	2,409	14,600	4,106
Other	621	377	2,300	(1,477)
Subtotal	6,623	8,251	41,000	31,283
Investments & Loan	1,180	4,219	5,800	5,713
Lease	2,517	2,544	15,200	12,191
Total	10,320	15,014	62,000	49,187
Tangible fixed assets	3,709	3,819	16,700	16,071
Intangible assets	1,148	1,355	5,500	4,835
Depreciation	4,858	5,174	22,200	20,906

3. Sales and Products

(1)YOY Rate on Existing Store

	2006.5	2007.2	2007.5
YOY Rate of Sales on Existing Stores	95.6%	98.2%	99.4%

(2)Average Daily Sales per Store

(Thousands of Yen)

	2006.5	2007.2	2007.5
Total Stores	463	477	465
New Stores	422	429	437

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

(Persons,yen)

	2006.5	2007.2	2007.5
Number of Customers	796	813	793
Spend per Customers	581	585	585

(4)Gross Profit Margin at Store Level

	2006.5	2007.2	2007.5
Fast foods	36.8%	36.5%	36.3%
Daily delivered foods	33.7%	33.8%	33.5%
Processes foods	26.8%	26.4%	26.5%
Nonfood Products	38.3%	38.0%	39.0%
Total	31.5%	31.3%	31.3%

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

Note2:Processed Foods includes cigarettes.

(5)Sales by Merchandise Category in Total Stores

(Billions of Yen)

	2006.5		2007.2		2007.5	
		Share		Share		Share
Fast foods	78.0	23.2%	324.0	23.5%	79.3	23.1%
Daily delivered foods	37.6	11.2%	152.8	11.1%	38.9	11.3%
Processed foods	171.8	51.0%	700.8	50.9%	177.7	51.7%
Nonfood Products	49.0	14.6%	200.1	14.5%	47.8	13.9%
Total	336.5	100.0%	1,377.8	100.0%	343.8	100.0%