

## 1. Consolidated Operating Results

### (1) Results and Forecasts for Major Financial Indicators

(Billions of yen)

	FY2007				FY2008					
	2007.08	YOY	2008.02	YOY	2008.05	YOY	2008.08	YOY	2009.02 (Forecast)	YOY
Total Net Sales	721.9	102.2%	1,415.1	102.1%	359.6	103.7%	770.3	106.7%	1560.0	110.2%
Operating Revenues	153.3	107.0%	301.1	106.4%	76.8	104.4%	162.3	105.8%	352.0	116.9%
Operating Profit	25.5	105.5%	46.6	104.7%	12.0	112.6%	29.1	114.0%	48.0	103.0%
Recurring Profit	25.5	104.8%	46.2	103.6%	11.8	111.1%	28.8	113.2%	47.2	102.1%
Net Profit	12.3	103.3%	22.1	105.4%	6.4	161.1%	15.5	125.9%	23.9	108.1%
Net Profit Per Share	¥117.94		¥214.69		¥65.42		¥156.42		¥241.01	
Net Assets	205.3		1,885		189.7		199.0			
Total Assets	422.4		3,971		410.6		438.3			
Pay Out Ratio	46.6%		51.2%		-		51.1%			
Net Assets Per Share	¥1,935.80		¥1,867.84		¥1,877.49		¥1,969.25			
ROA	6.2%		11.7%		3.0%		7.0%			
ROE	6.2%		11.6%		3.5%		8.2%			
Current Ratio	101.3%		88.6%		91.4%		95.4%			
Fixed Ratio	127.3%		139.8%		137.7%		132.8%			
Capital Adequacy Ratio	47.8%		46.6%		45.3%		44.6%			

Number of stores	8,603	8,587	8,589	8,614
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Note1: The operating revenues includes total sales of company-owned stores and royalties from franchised stores etc..

2: Total Number of Stores includes LAWSON, NATURAL LAWSON operated by the Company, and LAWSON STORE101 operated by VALUE LAWSON, Inc.

3: Forecast net profit per share in the fiscal year plan is calculated based on the number of outstanding shares as of August 31, 2008

### (2) Number of Stores

	FY2007		FY2008		
	2007.08	2008.02	2008.05	2008.08	2009.02 (Forecast)
Opening (+)	262	452	106	231	530
Closure (-)	223	429	104	204	430
Re-location (-)	64	106	28	63	-
Total Number of Stores	8,603	8,587	8,589	8,614	8,687
Net Increase	39	23	2	27	100

Note : Total Number of Stores includes LAWSON, NATURAL LAWSON operated by the Company, and LAWSON STORE100 operated by VALUE LAWSON, Inc.

## (3) Number of Stores by Region and Prefecture

Region	Prefecture	Aug-07	Feb-08	Aug-08	Net Increase
Hokkaido	Hokkaido	499	496	495	(1)
	Aomori	157	156	159	3
	Iwate	167	166	163	(3)
	Miyagi	160	158	157	(1)
	Akita	140	141	143	2
	Yamagata	56	55	56	1
	Fukushima	98	95	94	(1)
Tohoku		778	771	772	1
	Ibaraki	105	105	100	(5)
	Tochigi	105	104	105	1
	Gunma	71	71	69	(2)
	Saitama	340	343	336	(7)
	Chiba	284	286	286	0
	Tokyo	893	896	932	36
	Kanagawa	489	490	496	6
Kanto		2,287	2,295	2,324	29
	Niigata	109	103	102	(1)
	Yamanashi	62	64	67	3
	Nagano	140	139	136	(3)
Koshinetsu		311	306	305	(1)
	Toyama	103	105	106	1
	Ishikawa	74	73	75	2
	Fukui	86	88	89	1
Hokuriku		263	266	270	4
	Shizuoka	149	148	149	1
	Aichi	328	329	331	2
	Gifu	102	102	101	(1)
	Mie	84	84	84	0
Tokai		663	663	665	2

Note : The store numbers shown above include LAWSON and NATURAL LAWSON operated by the Company, and LAWSON STORE100 operated by VALUE LAWSON, Inc.  
Number of NATURAL LAWSON was 92 stores as of August 31, 2008 and 91 stores as of February 29, 2008.

(store)

Region	Prefecture	Aug-07	Feb-08	Aug-08	Net Increase
	Shiga	127	126	125	(1)
	Kyoto	197	194	195	1
	Osaka	836	818	808	(10)
	Hyogo	479	487	488	1
	Nara	104	105	104	(1)
	Wakayama	115	115	112	(3)
Kinki		1,858	1,845	1,832	(13)
	Tottori	84	85	86	1
	Shimane	76	77	79	2
	Okayama	122	123	122	(1)
	Hiroshima	126	128	130	2
	Yamaguchi	113	112	110	(2)
Chugoku		521	525	527	2
	Tokushima	107	109	109	0
	Kagawa	99	98	99	1
	Ehime	157	155	154	(1)
	Kouchi	63	62	62	0
Shikoku		426	424	424	0
	Fukuoka	319	320	325	5
	Saga	62	60	62	2
	Nagasaki	81	82	83	1
	Kumamoto	91	92	89	(3)
	Oita	116	118	120	2
	Miyazaki	86	83	83	0
	Kagoshima	108	106	105	(1)
	Okinawa	134	135	133	(2)
Kyusyu		997	996	1,000	4
Total		8,603	8,587	8,614	27

## (4) Store Opening Status of Consolidated Subsidiaries and Equity Method Affiliates by Region.

VALUE LAWSON, Inc (LAWSON STORE100)	Aug-07	Feb-07	Aug-08	Net Increase
Kanto	69	72	70	(2)

naturalBeat co., Inc. (naturalBeat, WHOLESOME)	Jun-07	Dec-07	Jun-08	Net Increase
Nation Wide	8	7	10	3

SHANGHAI HUALIAN LAWSON CO.,LTD.	Jun-07	Dec-07	Jun-08	Net Increase
Shanghai	279	287	285	(2)

Ninety-nine Plus Inc. (SHOP99,LAWSON STORE100)	Jun-07	Dec-07	Jun-08	Net Increase
Nation Wide	803	827	847	20

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

		End of Aug.07		End of Feb.08		End of Aug.08		Net Increase
		Share		Share		Share		
Franchised Stores	Type B	1,440	16.7%	1,369	15.9%	1,367	15.9%	(2)
	Type G	2,184	25.4%	2,123	24.7%	2,092	24.3%	(31)
	Type C	4,513	52.5%*	4,641*	54.0%	4,709	54.7%	68
	NATURAL LAWSON	10	0.1%*	15	0.2%	19	0.2%	4
		8,147	94.7%	8,148	94.9%	8,187	95.0%	39
Company-Owned Stores	LAWSON	294	3.4%*	291	3.4%	284	3.3%	(7)
	NATURAL LAWSON	93	1.1%*	76	0.9%	73	0.8%	(3)
	LAWSON STORE100	69	0.8%	72	0.8%	70	0.8%	(2)
		456	5.3%	439	5.1%	427	5.0%	(12)
Total		8,603	100.0%	8,587	100.0%	8,614	100.0%	27

\*Erroneous shop numbers were printed in this material published FY2007 and this has been amended.

## (6) Consolidated Statement of Income

(Millions of yen)

	Previous First Half From March 1,2007 to August 31,2007	Current First Half From March 1,2008 to August 31,2008	Increase (Decrease)
Operating Revenues	110,123	117,640	7,516
Franchise Commissions from Franchised Stores	91,212	96,228	5,016
(Net Sales Reported by Franchised Stores)	679,088	726,086	46,998
Total Net Sales of LAWSON Stores Including Franchised Stores	721,953	770,392	48,438
Other	18,911	21,411	2,500
Net Sales	43,268	44,690	1,421
Total Operating Revenues	153,392	162,330	8,938
Cost of Goods Sold	31,393	32,379	986
Gross Profit on Sales	( 11,875 )	( 12,310 )	( 434 )
Operating Gross Profit	121,999	129,950	7,951
Selling, General and Administrative Expenses	96,477	100,850	4,372
Operating Profit	25,521	29,100	3,578
Non-Operating Income	827	1,073	246
1. Interest Received	440	520	80
2. Compensation Received for Damage	84	76	(7)
3. Compensation Received for Removal	72	320	248
4. Other	230	155	(75)
Non-Operating Expense	834	1,283	448
1. Interest Expense	13	9	(4)
2. Loss on Cancellation of Lease Contract for Sotre	656	565	(91)
3. Loss on Cancellation of Lease Contract for Company Housing	63	62	(1)
4. Equity in Losses of Associated Companies	29	481	452
5. Other	70	163	93
Recurring Profit	25,514	28,890	3,376
Special Losses	4,852	3,843	(1,008)
1. Loss on Disposal of Fixed Assets	1,973	1,590	(383)
2. Loss on Sales of Fixed Assets	7	23	16
3. Loss on Impairment of Long-lived Assets	2,260	1,760	(499)
4. Premium Severance Benefit	540	-	(540)
5. Other	71	468	397
Income before Income Taxes and Minority Interests	20,661	25,047	4,385
Income Taxes - Current	9,258	9,596	337
Income Taxes - Deferred	(1,221)	(386)	834
Minority Interests in Net Income	307	329	21
Net Profit	12,316	15,508	3,192

## (7) Selling, General and Administrative Expenses

(Millions of yen)

	Previous First Half From March 1,2007 to August 31,2007	Current First Half From March 1,2008 to August 31,2008	Increase (Decrease)
Account Item			
Rent	28,964	30,268	1,303
Personnel Expenses	19,993	21,212	1,218
Equipment Lease	9,106	7,584	(1,521)
Depreciation Expenses	7,920	7,899	(21)
Promotions Expense	4,760	6,866	2,106
Other	25,730	27,018	1,288
Total	96,477	100,850	4,372

Account Item	Fiscal Period		Increase (Decrease)
	Last Fiscal Year (As of February 29,2008)	Current First Half (As of August 31,2008)	
	Amounts	Amounts	Amounts
<b>(Assets)</b>			
Current Assets	138,250	179,003	40,753
Cash and Bank Deposits	62,126	104,882	42,755
Accounts Receivable - Due from Franchised Stores	11,949	21,791	9,841
Marketable Securities	4,199	11,197	6,997
Merchandise Inventories	1,723	1,849	126
Accounts Receivable — Other	26,983	27,942	959
Deferred Tax Assets	3,632	3,424	(207)
Other	27,737	8,007	(19,729)
Allowance for Doubtful Accounts	(102)	(92)	10
Fixed Assets	258,856	259,324	467
Property and Store Equipment-at Net Book Value	106,431	103,676	(2,755)
Buildings and Structures	85,914	84,709	(1,205)
Furniture,Fixtures and Equipment	13,724	12,463	(1,260)
Land	5,844	6,032	188
Construction in Progress	948	470	(477)
Intangible Fixed Assets	18,287	21,812	3,524
Investments and Other	134,137	133,836	(301)
Investments in Securities	7,607	6,655	(952)
Long-term Loans Receivable	25,646	25,975	328
Lease Deposits	82,754	82,396	(358)
Deferred Tax Assets	12,809	13,441	632
Deferred Tax Assets for Land Revaluation	467	467	-
Other	7,254	7,384	130
Allowance for Doubtful Accounts	(2,403)	(2,484)	(81)
<b>Total Assets</b>	<b>397,107</b>	<b>438,328</b>	<b>41,220</b>
Accumulated depreciation for property and store equipment	114,321	119,201	4,879

Account Item	Fiscal Period		Increase (Decrease)
	Last Fiscal Year (As of February 29,2008)	Current First Half (As of August 31,2008)	
	Amounts	Amounts	Amounts
<b>(Liabilities)</b>			
Current Liabilities	155,979	187,728	31,749
Accounts Payable-Trade for Company - Operated Stores	4,352	5,279	926
Accounts Payable-Trade for Franchised Stores	61,234	77,690	16,456
Accounts Payable-Due to Franchised Stores	2,201	1,038	(1,162)
Accounts Payable-Other	13,149	19,913	6,764
Accounts Payable-Other for Franchised Stores	177	341	163
Income Taxes Payable	11,427	10,031	(1,395)
Deposits Received	56,294	65,358	9,064
Accrued Employees' Bonuses	2,663	3,414	750
Provision for Use of Points Granted	797	996	199
Other	3,681	3,663	(17)
Long-term Liabilities	52,554	51,526	(1,028)
Allowance for Employees' Retirement Benefits	4,174	4,648	473
Allowance for Retirement Benefits to Executive Officers and Corporate Auditors	182	198	16
Deposits Received from Franchisee and Lessees	45,831	44,211	(1,619)
Allowance for Impairment Loss on Leased Property	314	478	164
Other	2,052	1,988	(63)
<b>Total Liabilities</b>	<b>208,534</b>	<b>239,254</b>	<b>30,720</b>
<b>(Net Assets)</b>			
Owners' Equity	185,579	195,748	10,168
Common Stock	58,506	58,506	-
Capital Surplus	41,520	41,520	-
Retained Earnings	87,390	97,444	10,053
Treasury Stock	(1,837)	(1,722)	114
Valuation and Translation Adjustments	(408)	(466)	(57)
Net Unrealized Gain on Available-for-Sale Securities	134	78	(55)
Deferred Gain(Loss) on Derivatives under Hedge Accounting	(1)	-	1
Land Revaluation Difference	(682)	(682)	-
Foreign Currency Translation Adjustments	140	136	(3)
Stock Acquisition Rights	159	175	15
Minority Interests	3,242	3,617	374
<b>Total Net Assets</b>	<b>188,573</b>	<b>199,074</b>	<b>10,500</b>
<b>Total Liabilities, and Total Net Assets</b>	<b>397,107</b>	<b>438,328</b>	<b>41,220</b>

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

(From March 1, 2008 to August 31, 2008)

(Millions of yen)

	Owners' Equity					Valuation and Translation Adjustments					Stock Acquisition Rights	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 Gain(Loss) on Derivatives under Hedge Accounting	Land Revaluation Difference	Foreign Currency Translation Adjustments	Total Valuation and Translation Adjustments			
Balance at the End of Previous Period	58,506	41,520	87,390	(1,837)	185,579	134	(1)	(682)	140	(408)	159	3,242	188,573
Change of Items During the First Half													
Dividends from Surplus			(5,452)		(5,452)								(5,452)
Net Profit			15,508		15,508								15,508
Purchase of Treasury Stock - at Cost				(0)	(0)								(0)
Exercise of Stock Acquisition Rights (Treasury Stock Allotment)		(1)		115	113								113
Transfer of Loss on Disposal of Treasury Stock		1	(1)		-								-
Net Changes of Items other than Owner's Equity - Net						(55)	1		(3)	(57)	15	374	332
Total Change of Items during the First Half	-	-	10,054	114	10,169	(55)	1	-	(3)	(57)	15	374	10,501
Balance at the End of the First Half	58,506	41,520	97,444	(1,722)	195,748	78	-	(682)	136	(466)	175	3,617	199,074

## (10) Investment and Loan (Consolidated)

	2007.08	2008.08	2009.02(Forecast)	(Millions of yen) 2008.02
New Store	7,830	5,610	15,500	12,387
Existing Store	3,916	2,597	8,000	7,493
IT	4,802	4,606	15,000	7,733
Other	658	1,605	4,000	2,260
Subtotal	17,206	14,418	42,500	29,873
Investments & Loan	6,036	(20,487)	(14,500)	19,690
Lease	7,741	8,976	30,000	14,850
<b>Total</b>	<b>30,983</b>	<b>2,907</b>	<b>58,000</b>	<b>64,413</b>
Tangible Fixed Assets	7,920	7,899	16,900	16,630
Intangible Assets	2,705	1,951	4,300	4,815
Depreciation	10,625	9,850	21,200	21,445

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

## (11) Consolidated Statement of Cash Flows

(Millions of yen)

	Previous First Half From March 1,2007 to August 31,2007	Current First Half From March 1,2008 to August 31,2008	Increase (Decrease)
<b>I .Operating Activities</b>			
Income before Income Taxes and Minority Interests	20,661	25,047	4,385
Depreciation of Property and Store Equipment	7,920	7,899	(21)
Loss on Disposal of Property and Store Equipment	1,143	978	(165)
Loss on Impairment of Long-lived Assets	2,260	1,760	(499)
Depreciation of Intangible Fixed Assets	2,705	1,951	(754)
Increase in Provision for Allowance for Retirement Benefits to Employees	173	473	300
Provision for in Allowance for Doubtful Accounts	91	71	(20)
Interest Received	(440)	(520)	(80)
Interest Expense	13	9	(4)
Loss on Sales of Property and Store Equipment	6	23	17
Other-Net	356	1,930	1,573
Decrease(Increase) in Accounts Receivable Due from Franchised Store	2,776	(9,841)	(12,617)
Increase in Merchandise Inventories	(19)	(126)	(107)
Increase in Accounts Receivable-Other	(401)	(960)	(558)
Increase in Accounts Payable-Trade and Due to Franchised Store	17,927	16,219	(1,707)
Increase(Decrease) in Accounts Payable-Others	(3,036)	7,295	10,331
Increase(Decrease) in Deposit Received	(1,405)	9,064	10,469
Decrease in Lease Deposit from Franchisee and Lessees	(1,579)	(1,619)	(39)
Other-Net	(851)	(450)	401
Subtotal	48,304	59,206	10,901
Interest and Dividend Income Received	432	522	90
Interest Expenses Paid	(13)	(9)	4
Income Taxes Paid	(4,280)	(11,012)	(6,732)
Net Cash Provided by Operating Activities	44,442	48,706	4,263
<b>II .Investing Activities</b>			
Payment for Purchases of Marketable Securities	(16,970)	(23,954)	(6,984)
Proceeds from Redemption of Marketable Securities	25,500	21,500	(4,000)
Increase in Short-term Loans Receivable	-	20,000	20,000
Acquisition of Associated Company	(3,954)	-	3,954
Additional Investment in a Subsidiary	(2,131)	(78)	2,053
Purchases of Property and Store Equipment	(11,919)	(7,574)	4,345
Purchases of intangible Fixed Assets	(4,541)	(5,860)	(1,319)
Proceeds from Sales of Marketable Securities	0	-	(0)
Decrease in Lease Deposit - net	477	358	(118)
Increase in Long-term Loan	(702)	(328)	374
Other - Net	530	(347)	(878)
Net Cash Used in Investing Activities	(13,712)	3,713	17,426
<b>III .Financing Activities</b>			
Proceeds from Issuance of Share upon Exercise of Stock Options	59	113	54
Purchase of Treasury Stock - at Cost	(0)	(0)	(0)
Cash Dividends Paid	(5,220)	(5,452)	(231)
Dividends Paid to Minority Shareholders	(40)	(27)	13
Net Cash Provided(used) in Financing Activities	(5,202)	(5,366)	(164)
<b>IV .Net Increase in Cash and Cash Equivalents</b>	25,528	47,053	21,525
<b>V .Cash and cash equivalents, Beginning of Year</b>	75,547	62,822	(12,724)
<b>VI .Cash and Cash Equivalents,End of the First Half</b>	101,075	109,875	8,800

(12) Consolidated Subsidiaries and Equity Method Affiliates

1. Consolidated Subsidiaries

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

(Millions of yen)

	2007.08	2008.02	2008.08	2007.08	2008.02	2008.08	2007.08	2008.02	2008.08
Operating Profit	(305)	(535)	(81)	5	8	38	37	63	(5)
Recurring Profit	(376)	(617)	(109)	7	9	38	36	62	(5)
Net Profit	(430)	(687)	(146)	(3)	0	19	35	65	(10)

	LAWSON TICKET, INC.	LAWSON ATM Networks, inc
Date of Establishment	July-92	May-01
Fiscal Year End	February	February
Lawson's Share	75.1%	55.0%
Composition of Shareholders	UBS AG LONDON ASIA EQUITES	6.9%
	UBS AG LONDON Account IPB Segregated Client Account	4.5%
	G/I/P	1.5%
	DISK GARAGE CO., LTD	0.7%
	Bank (27 companies)	39.0%
	Oki Electric Industry Co., LTD	2.5%
	SECOM Co., Ltd	2.5%
	NIPPON EXPRES CO., LTD	1.0%

	2007.08	2008.02	2008.08	2007.08	2008.02	2008.08
Operating Profit	347	635	553	740	1,201	997
Recurring Profit	376	697	581	746	1,213	936
Net Profit	203	422	381	441	717	550

## 2. Equity Method Affiliates

	SHANGHAI HUALIAN LAWSON CO., LTD.	Ninety-nine Plus Inc.	naturalBeat co.,ltd.				
Date of Establishment	February-96	October-00	March-04				
Fiscal Year End	December	March	March				
Lawson's Share	49.0%	34.2%	33.4%				
Composition of	<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>KYODEN CO., LTD.</td> <td>29.6%</td> </tr> </table>	KYODEN CO., LTD.	29.6%	
Brilliance Group Co., LTD.	51.0%						
KYODEN CO., LTD.	29.6%						

Note1: The above data was current as of March 31, 2008.

2: LAWSON's share of Ninety-nine Plus Inc. has raised 76.8% since September 5, 2008, making it a consolidated subsidiary of LAWSON.

## 2. Non-Consolidated Operating Results

### (1) Results and Forecasts for Major Financial Indicators

(Billions of yen)

	FY2007				FY2008					
	2007.08	YOY	2008.02	YOY	2008.05	YOY	2008.08	YOY	2009.02 (Forecast)	YOY
Total Net Sales	715.8	101.8%	1,402.7	101.8%	356.2	103.6%	763.3	106.6%	1509.0	107.6%
Operating Revenues	137.9	105.8%	269.5	105.3%	67.8	102.5%	143.8	104.3%	283.0	105.0%
Operating Profit	24.7	104.4%	45.3	102.2%	11.3	109.4%	27.5	111.1%	45.7	100.8%
Recurring Profit	24.8	103.9%	45.2	101.7%	11.4	109.6%	27.9	112.3%	45.9	101.3%
Net Profit	10.8	89.4%	18.8	87.0%	5.1	124.1%	13.9	128.4%	22.6	119.6%
Cash Dividends Per share	¥55		¥110		-		¥80		¥160	
Net Profit Per Share	¥103.94		¥183.43		¥52.24		¥140.52		¥227.90	
Net Assets	205.7		187.1		186.8		195.6			
Total Assets	412.7		385.3		398.6		424.0			
Pay Out Ratio	52.9%		60.0%		-		56.9%			
Net Assets per Share	¥1,969.74		¥1,886.15		¥1,883.10		¥1,971.64			
ROA	6.2%		11.7%		2.9%		6.8%			
ROE	5.3%		9.8%		2.8%		7.3%			
Current Ratio	98.0%		85.1%		87.2%		92.1%			
Fixed Ratio	127.6%		139.6%		138.6%		133.3%			
Capital Adequacy Ratio	49.8%		48.5%		46.8%		46.1%			

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

2: Forecast net profit per share in the fiscal year plan is calculated based on the number of outstanding shares as of August 31, 2008

### (2) Number of Employee

	2007.08		2008.02		2008.08	
		Change		Change		Change
Employees	3,251	120	3,316	185	3,448	132
The Average Age	36.7	(0.4)	36.9	(0.2)	36.7	(0.2)
Employees (Part-Timers)	3,832	236	3,781	185	3,628	(153)

Note : The number of part-timers is calculated on the assumption of an 8-hour working day.

## (3) Non-Consolidated Statement of Income

(Millions of yen)

	Previous first half From March 1,2007 to August 31,2007	Current first half From March 1,2008 to August 31,2008	Increase (Decrease)
Operating Revenues	101,235	106,525	5,289
Franchise Commissions from Franchised Stores	91,212	96,228	5,016
(Net Sales Reported by Franchised Stores)	679,088	726,086	46,998
(Total Net Sales of LAWSON Stores including Franchised Stores)	715,814	763,397	47,583
Other	10,023	10,296	273
Net Sales	36,726	37,311	585
Total Operating Revenues	137,961	143,836	5,874
Cost of Goods Sold	26,227	26,619	392
Gross Profit on Sales	( 10,498 )	( 10,691 )	( 192 )
Operating Gross Profit	111,734	117,216	5,482
Selling, General and Administrative Expenses	86,953	89,680	2,726
Operating Profit	24,780	27,536	2,755
Non-Operating Income	850	1,132	281
Non-Operating Expense	740	716	(23)
Recurring Profit	24,891	27,952	3,060
Special Gains	-	6	6
Special losses	6,487	4,211	(2,275)
Income before Income Taxes	18,403	23,746	5,343
Income Taxes - Current	8,822	8,968	145
Income Taxes - Deferred	(1,273)	846	2,119
Net Profit	10,853	13,932	3,078

## (4) Selling, General and Administrative Expenses

(Millions of yen)

Account Item	Previous First Half From March 1,2007 to August 31,2007	Current First Half From March 1,2008 to August 31,2008	Increase (Decrease)
Rent	28,673	29,975	1,302
Personnel Expenses	17,779	19,101	1,321
Equipment Lease	8,091	6,205	(1,886)
Depreciation Expenses	7,868	7,786	(81)
Promotions Expense	4,670	6,807	2,137
Other	19,870	19,805	(65)
Total	86,953	89,680	2,726

## (5) Non-Consolidated Balance Sheet

(Millions of yen)

Fiscal Period Account Item	Last Fiscal Year (As of February 29,2008)	Current First Half (As of August 31,2008)	Increase (Decrease)
	Amounts	Amounts	Amounts
(Assets)			
Current Assets	124,358	163,317	38,959
Cash and Bank Deposits	51,450	95,961	44,510
Accounts Receivable - Due from Franchised Stores	11,949	21,791	9,841
Marketable Securities	2,000	5,000	3,000
Merchandise Inventories	1,432	1,546	114
Accounts Receivable -Other	24,187	25,522	1,335
Deferred Tax Assets	3,545	3,318	(227)
Other	29,895	10,265	(19,630)
Allowance for Doubtful Accounts	(102)	(87)	15
Fixed Assets	260,976	260,686	(289)
Property and Store Equipment-at Net Book Value	105,616	102,946	(2,670)
Buildings	72,519	72,061	(457)
Furniture,Fixtures and Equipment	13,377	12,169	(1,208)
Land	5,844	6,032	188
Other	13,875	12,682	(1,192)
Intangible Fixed Assets	16,042	19,646	3,603
Investments and Other	139,316	138,093	(1,222)
Investments in Securities	12,782	11,660	(1,121)
Long-Term Loans Receivable	25,646	25,975	328
Lease Deposits	82,467	82,107	(360)
Deferred Tax Assets	14,125	13,548	(576)
Deferred Tax Assets for Land Revaluation	467	467	-
Other	6,230	6,818	588
Allowance for Doubtful Accounts	(2,403)	(2,484)	(81)
Total Assets	385,335	424,004	38,669
Accumulated Depreciation for Property and Store Equipment	113,904	118,794	4,889

Fiscal Period Account Item	Last Fiscal Year (As of February 29,2008)	Current First Half (As of August 31,2008)	Increase (Decrease)
	Amounts	Amounts	Amounts
(Liabilities)			
Current Liabilities	146,195	177,291	31,095
Accounts Payable-Trade for Company - Operated Stores	3,512	4,242	730
Accounts Payable-Trade for Franchised Stores	61,234	77,690	16,456
Accounts Payable-Due to Franchised Stores	2,201	1,038	(1,162)
Accounts Payable-Other	11,459	18,657	7,198
Accounts Payable-Other for Franchised Stores	177	341	163
Income Taxes Payable	11,014	9,383	(1,631)
Deposits Received	49,908	58,442	8,534
Accrued Employees' Bonuses	2,552	3,281	729
Provision for Use of Points Granted	792	991	199
Other	3,343	3,221	(122)
Long-Term Liabilities	51,993	51,019	(974)
Allowance for Employees' Retirement Benefits	4,104	4,570	465
Allowance for Retirement Benefits to Executive Officers and Corporate Auditors	140	156	15
Deposits Received from Franchisees and Lessees	45,809	44,189	(1,620)
Allowance for Impairment Loss on Leased Property	314	478	164
Other	1,623	1,623	-
Total Liabilities	198,188	228,310	30,121
(Net Assets)			
Owners' Equity	187,534	196,127	8,592
Common Stock	58,506	58,506	-
Capital Surplus	41,520	41,520	-
Retained Earnings	89,345	97,823	8,478
Treasury Stock	(1,837)	(1,722)	114
Valuation and Translation Adjustments	(548)	(608)	(60)
Net Unrealized Gain on Available-for-Sale Securities	133	73	(60)
Land Revaluation Difference	(682)	(682)	-
Stock Acquisition Rights	159	175	15
Total Net Assets	187,146	195,694	8,547
Total Liabilities, and Total Net Assets	385,335	424,004	38,669

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

(From March 1, 2008 to August 31, 2008)

(Millions of yen)

	Owners' Equity									Valuation and Translation Adjustments			Stock Acquisition Rights	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 Translation Adjustments
		Additional Paid - in Capital	Other Capital Surplus	Total Capital Surplus		Other Retained Earnings		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	38,618	89,345	(1,837)	187,534	133	(682)	(548)	159	187,146
Change of Items during the First Half															
Dividends from Surplus							(5,452)	(5,452)		(5,452)					(5,452)
Net Profit							13,932	13,932		13,932					13,932
Purchase of Treasury Stock - at Cost									(0)	(0)					(0)
Exercise of Stock Acquisition Rights (Treasury Stock Allotment)			(1)	(1)					115	113					113
Transfer of Loss on Disposal of Treasury Stock			1	1			(1)	(1)		-					-
Net changes of items other than owners' equity - net											(60)		(60)	15	(45)
Total Change of Items during the First Half	-	-	-	-	-	-	8,478	8,478	114	8,592	(60)	-	(60)	15	8,547
Balance at the End of the First Half	58,506	41,520	-	41,520	727	50,000	47,096	97,823	(1,722)	196,127	73	(682)	(608)	175	195,694

## (7) Investment and Loan (Non-Consolidated)

(Millions of yen)

	2007.08	2008.08	2009.02(Forecast)	2008.02
New Store	7,871	5,610	15,000	12,376
Existing Store	3,845	2,576	7,500	7,412
IT	3,973	4,096	14,000	6,415
Other	674	1,524	4,000	2,053
Subtotal	16,363	13,806	40,500	28,256
Investments & Loan	6,536	(20,260)	(14,500)	20,026
Lease	5,113	5,833	23,000	10,059
Total	28,012	(621)	49,000	58,341
Tangible Fixed Assets	7,868	7,786	16,300	16,502
Intangible Assets	2,630	1,742	3,700	4,624
Depreciation	10,499	9,528	20,000	21,126

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

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

#### (1) YOY Rate

	FY2007		FY2008
	1 H	Fiscal Year	1H
Sales on Existing Stores	99.0%	99.2%	105.4%

Note : The numeric data shows results of existing stores during the respective accounting period.

#### (2) Average Daily Sales per Store

(Thousands of Yen)

	FY2007		FY2008
	1 H	Fiscal Year	1H
Total Stores	484	478	518
New Stores	447	436	542

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

(Persons, Yen)

	FY2007		FY2008
	1 H	Fiscal Year	1H
Number of Customers	826	812	869
Spend per Customers	584	586	590

Note : The numeric data shows results of existing stores during the respective accounting period.

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

(Thousands of Yen)

	FY2007				FY2008	
	1 H		Fiscal Year		1H	YOY
Inventory	5,336	95.7%	5,390	100.6%	5,711	107.4%
Inventory Turnover in Days	11.7	98.5%	12.0	100.8%	11.5	98.0%

#### (5) Area of Floor

(m<sup>2</sup>)

	FY2007				FY2008	
	1 H		Fiscal Year		1H	YOY
Area of Floor	934,914	103.0%	935,993	102.3%	945,665	101.1%

Note : Term average

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

(Store)

	FY2007				FY2008.08	
	1H	Share	Fiscal Year	Share	1H	Share
Liquor-Licensed	8,271	96.9%	8,305	97.5%	8,348	97.7%
Cigarette-Licensed	7,253	85.0%	7,279	85.5%	7,353	86.1%
24-hour Operating	8,359	97.9%	8,331	97.8%	8,339	97.6%
with Parking Lots	6,256	73.3%	6,255	73.5%	6,254	73.2%
Total	8,534	-	8,515	-	8,544	-

(7) Gross Profit Margin at Store Level

	FY2007		FY2008.08
	1H	Fiscal Year	1H
Fast Foods	36.1%	36.3%	36.1%
Daily Delivered Foods	33.8%	33.6%	34.0%
Processed Foods	26.5%	26.3%	25.2%
Non-Food Products	39.0%	38.5%	40.1%
Total	31.3%	31.2%	30.5%

Note1:Gross profit of non-food products is calculated on the assumption include service commissions.

2:Processed Foods includes cigarettes.

(8) Sales by Merchandise Category in Total Stores

(Billions of Yen)

	FY2007				FY2008.08	
	1H		Fiscal Year		1H	
		Share		Share		Share
Fast Foods	1,670	23.3%	3,262	23.3%	1,687	22.1%
Daily Delivered Foods	834	11.7%	1,590	11.3%	895	11.7%
Processed Foods	3,669	51.3%	7,203	51.4%	4,096	53.7%
Non-Food Products	982	13.7%	1,971	14.1%	955	12.5%
Total	7,158	100.0%	14,027	100.0%	7,633	100.0%

Note:Cigarette sales' share of total sales was 21.5% in 1H FY 2008.

(9) Third Party Bill Settlement Service in Total Stores.

(Millions of Yen, Million)

	FY2007				FY2008.08	
	1H		Fiscal Year		1H	
		YOY		YOY		YOY
Transaction Volume	731,377	110.7%	1,412,335	109.1%	795,553	108.8%
No.of Settlement	75.4	106.6%	149.9	106.4%	80.0	106.1%
Commission Revenues	4,220	102.8%	8,275	101.6%	4,310	102.1%

(10) Number of ATMs

(Number)

	FY2007		FY2008.08
	1H	Fiscal Year	1H
ATMs	5,194	5,643	5,693

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

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

	End of Aug,08		
	(Person)	(Share)	(Ratio)
Financial Institutions	106	25,261	25.4%
Securities Companies	32	2,677	2.7%
Other Domestic Entities	438	41,447	41.6%
Foreign Entities	398	21,677	21.8%
Individuals,Others	31,252	8,095	8.1%
JASDEC	1	5	0.0%
Treasury Stock	1	434	0.4%
Shares Issued and Outstanding	—	99,600	100.0%
Shareholders	32,228	—	—

##### (2) Principal Shareholders

	End of Aug,08	
	Shareholdings(Shares)	Shareholdings
Mitsubishi Corporation	32,089	32.4%
Japan Trustee Services Bank,.,Ltd.(Trust Account)	6,825	6.9%
The Master Trust Bank of Japan,Ltd.(Trust Account)	6,486	6.5%
Marubeni Foods Investment Co.,Ltd.	5,939	6.0%
NTT DoCoMo,Inc.	2,092	2.1%
Nomura Securities Company,.,Ltd.	2,007	2.0%
Japan Trustee Services Bank,.,Ltd.(Trust Account 4G)	1,709	1.7%
Trust & Custody Services Bank,Ltd. (Trust Account Y)	1,422	1.4%
Trust & Custody Services Bank,Ltd. (Securities Investment Trust Account)	1,159	1.2%
State Street Bank and Trust Company 505225	1,039	1.0%

Total Number of Voting Right	991,535
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