

Non-consolidated Balance Sheet

(Millions of yen)

| Fiscal period Account item | Previous 3rd Quarter (As of November 30, 2005) | | Current 3rd Quarter (As of November 30, 2006) | | Last fiscal year (As of February 28, 2006) | |
|---|---|----------------------|--|----------------------|---|----------------------|
| | Amount | Composition ratio | Amount | Composition ratio | Amount | Composition ratio |
| (Assets) | | % | | % | | % |
| Current assets | | | | | | |
| Cash and bank deposits | 61,832 | | 61,738 | | 53,093 | |
| Accounts receivable—due from franchised stores | 11,798 | | 13,339 | | 10,783 | |
| Marketable securities | 19,025 | | 24,986 | | 16,011 | |
| Merchandise inventories | 1,538 | | 1,617 | | 1,382 | |
| Deferred tax assets | 3,055 | | 3,046 | | 2,929 | |
| Other | 27,377 | | 35,249 | | 32,976 | |
| Allowance for doubtful accounts | (80) | | (86) | | (80) | |
| Total current assets | 124,547 | 33.8 | 139,890 | 35.6 | 117,096 | 31.8 |
| Fixed assets | | | | | | |
| Property and store equipment—at net book value | | | | | | |
| Buildings | 59,893 | | 65,023 | | 62,014 | |
| Furniture, fixtures and equipment | 17,943 | | 16,155 | | 18,173 | |
| Land | 5,188 | | 6,094 | | 5,236 | |
| Other | 12,832 | | 14,637 | | 13,595 | |
| Total property and store equipment— net | 95,857 | 26.0 | 101,911 | 25.9 | 99,019 | 26.9 |
| Intangible fixed assets | 15,216 | 4.1 | 12,079 | 3.1 | 16,740 | 4.5 |
| Investments and other | | | | | | |
| Investments in securities | 8,863 | | 8,510 | | 8,983 | |
| Long-term loans receivable | 19,962 | | 23,561 | | 20,630 | |
| Lease deposits | 89,932 | | 88,184 | | 89,754 | |
| Deferred tax assets | 9,735 | | 11,131 | | 11,566 | |
| Deferred tax assets for land revaluation | 3,330 | | 3,330 | | 3,330 | |
| Other | 5,577 | | 8,987 | | 5,615 | |
| Allowance for doubtful accounts | (4,636) | | (4,446) | | (4,462) | |
| Total investments and other | 132,765 | 36.1 | 139,258 | 35.4 | 135,419 | 36.8 |
| Total fixed assets | 243,840 | 66.2 | 253,248 | 64.4 | 251,180 | 68.2 |
| Total Assets | 368,387 | 100.0 | 393,139 | 100.0 | 368,276 | 100.0 |

(Millions of yen)

| Fiscal period Account item | Previous 3rd Quarter (As of November 30, 2005) | | Current 3rd Quarter (As of November 30, 2006) | | Last fiscal year (As of February 28, 2006) | |
|--|---|----------------------|--|----------------------|---|----------------------|
| | Amount | Composition ratio | Amount | Composition ratio | Amount | Composition ratio |
| (Liabilities) | | % | | % | | % |
| Current liabilities | | | | | | |
| Accounts payable—trade | 71,907 | | 72,402 | | 62,943 | |
| Accounts payable— due to franchised stores | 2,955 | | 2,270 | | 3,416 | |
| Account payable—other | 9,361 | | 11,092 | | 12,215 | |
| Income taxes payable | 5,562 | | 4,266 | | 10,059 | |
| Deposits received | 42,640 | | 46,666 | | 39,909 | |
| Accrued employees' bonuses | 1,326 | | 1,291 | | 2,328 | |
| Provision for use of LAWSON PASS points | 659 | | 529 | | 361 | |
| Other | 4,220 | | 4,027 | | 3,004 | |
| Total current liabilities | 138,632 | 37.6 | 142,546 | 36.2 | 134,240 | 36.5 |
| Long-term liabilities | | | | | | |
| Allowance for employees' retirement benefits | 2,529 | | 3,350 | | 2,775 | |
| Allowance for retirement benefits to executive officers and corporate auditors | 227 | | 176 | | 285 | |
| Deposits received from franchisees and lessees | 51,646 | | 50,079 | | 51,329 | |
| Allowance for impairment loss on leased property | 112 | | 104 | | 140 | |
| Total long-term liabilities | 54,514 | 14.8 | 53,710 | 13.7 | 54,530 | 14.8 |
| Total Liabilities | 193,146 | 52.4 | 196,256 | 49.9 | 188,770 | 51.3 |

(Millions of yen)

| Fiscal period Account item | Previous 3rd Quarter (As of November 30, 2005) | | Current 3rd Quarter (As of November 30, 2006) | | Last fiscal year (As of February 28, 2006) | |
|--|---|-------------------|--|-------------------|---|-------------------|
| | Amount | Composition ratio | Amount | Composition ratio | Amount | Composition ratio |
| (Shareholders' Equity) | | | | | | |
| Common stock | 58,506 | 15.9 | — | — | 58,506 | 15.9 |
| Capital surplus | | | | | | |
| Additional paid-in capital | 41,520 | | — | | 41,520 | |
| Total capital surplus | 41,520 | 11.3 | — | — | 41,520 | 11.2 |
| Retained earnings | | | | | | |
| Legal reserve | 727 | | — | | 727 | |
| Voluntary reserve | 50,000 | | — | | 50,000 | |
| Unappropriated retained earnings | 38,075 | | — | | 42,053 | |
| Total retained earnings | 88,802 | 24.1 | — | — | 92,781 | 25.2 |
| Land revaluation difference | (4,854) | (1.3) | — | — | (4,854) | (1.3) |
| Net unrealized gain on available-for-sale securities | 628 | 0.2 | — | — | 697 | 0.2 |
| Treasury stock-at cost | (9,362) | (2.6) | — | — | (9,144) | (2.5) |
| Total Shareholders' Equity | 175,240 | 47.6 | — | — | 179,505 | 48.7 |
| Total Liabilities, and Shareholders' Equity | 368,387 | 100.0 | — | — | 368,276 | 100.0 |
| (Net assets) | | | | | | |
| Owners' equity | | | | | | |
| Common stock | — | — | 58,506 | 14.9 | — | — |
| Capital surplus | | | | | | |
| Additional paid-in capital | — | | 41,520 | | — | |
| Other capital surplus | — | | 741 | | — | |
| Total capital surplus | — | — | 42,261 | 10.7 | — | — |
| Retained earnings | | | | | | |
| Legal reserve | — | | 727 | | — | |
| Other legal reserve | | | | | | |
| General reserve | — | | 50,000 | | — | |
| Earned surplus brought forward | — | | 50,562 | | — | |
| Total retained earnings | — | — | 101,289 | 25.8 | — | — |
| Treasury stock-at cost | — | — | (847) | (0.2) | — | — |
| Total Owners' equity | — | — | 201,210 | 51.2 | — | — |
| Valuation and translation adjustments | | | | | | |
| Net unrealized gain on available-for-sale securities | — | — | 455 | 0.1 | — | — |
| Land revaluation difference | — | — | (4,854) | (1.2) | — | — |
| Total Valuation and translation adjustments | — | — | (4,399) | (1.1) | — | — |
| Stock options | — | — | 71 | 0.0 | — | — |
| Total net assets | — | — | 196,882 | 50.1 | — | — |
| Total Liabilities, net assets | — | — | 393,139 | 100.0 | — | — |

Non-consolidated Statement of Income

(Millions of yen)

| Fiscal period Account item | Previous 3rd Quarter (From March 1, 2005 to November 30, 2005) | | Current 3rd Quarter (From March 1, 2006 to November 30, 2006) | | Last Fiscal year (From March 1, 2005 to February 28, 2006) | |
|--|--|------------|---|------------|--|------------|
| | Amount | Percentage | Amount | Percentage | Amount | Percentage |
| Operating revenues | 140,888 | 74.8 | 144,392 | 74.6 | 185,766 | 74.9 |
| Net sales reported by franchised stores | | | | | | |
| Previous 3rd Quarter: ¥ 990,313million | | | | | | |
| Current 3rd Quarter: ¥ 996,740million | | | | | | |
| Last fiscal year: ¥ 1,298,221million | | | | | | |
| Total net sales of Lawson stores including franchised stores | | | | | | |
| Previous 3rd Quarter: ¥ 1,037,860million | | | | | | |
| Current 3rd Quarter: ¥ 1,046,027million | | | | | | |
| Last fiscal year: ¥ 1,360,495million | | (100.0) | | (100.0) | | (100.0) |
| Net sales | 47,547 | 25.2 | 49,286 | 25.4 | 62,274 | 25.1 |
| Total operating revenues | 188,436 | 100.0 | 193,679 | 100.0 | 248,041 | 100.0 |
| Cost of goods sold | 32,241 | (72.0) | 35,407 | (71.8) | 44,933 | (72.2) |
| Gross profit on sales | (13,306) | (28.0) | (13,879) | (28.2) | (17,341) | (27.8) |
| Operating gross profit | 154,194 | 81.8 | 158,271 | 81.7 | 203,108 | 81.9 |
| Selling, general and administrative expenses | 118,457 | 62.8 | 123,071 | 63.5 | 159,303 | 64.2 |
| Operating income | 35,736 | 19.0 | 35,199 | 18.2 | 43,804 | 17.7 |
| Non-operating income | 989 | 0.5 | 1,131 | 0.6 | 1,341 | 0.5 |
| Non-operating expense | 1,182 | 0.6 | 823 | 0.5 | 1,507 | 0.6 |
| Ordinary profit | 35,543 | 18.9 | 35,507 | 18.3 | 43,639 | 17.6 |
| Special gains | 1,039 | 0.5 | 293 | 0.2 | 1,308 | 0.5 |
| Special losses | 4,653 | 2.5 | 5,147 | 2.7 | 6,364 | 2.5 |
| Income before income taxes | 31,930 | 16.9 | 30,653 | 15.8 | 38,582 | 15.6 |
| Income taxes | 13,219 | 7.0 | 12,323 | 6.3 | 15,874 | 6.4 |
| Net income | 18,711 | 9.9 | 18,330 | 9.5 | 22,707 | 9.2 |