

# Summary of Results for FY2016

Lawson, Inc.  
April 13, 2017

# Financial Results for FY 2016

Satoshi Nakaniwa

Senior Vice President  
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Lawson, Inc.

# Earnings Summary for Fiscal 2016

**Consolidated OP 73.7bln yen (+1.7% YoY, -2.2bln yen v. plan)**

**Consolidated net profit 36.4bln yen (+16.0% YoY, +0.9bln yen v. plan)**

**ROE 13.5%**

## Consolidated

**OP: 73.7bln yen (+1.7% YoY, +1.2bln yen)**

**Recurring profit: 73.0bln yen (+4.9%, +3.3bln yen)**

Non-operating loss(net): 0.7bln yen

Loss on lease cancellations 1.2bln yen

Casualty loss (Kumamoto Earthquake) 0.7bln yen

**Net profit: 36.4bln yen (+16.0% YoY, +5.0bln yen)**

Special loss(net): 14.5bln yen

incl. impairment loss 9.5bln yen

Income taxes and others: -21.3bln

## Non-consolidated

**OP 57.4bln yen (+0.3% YoY)**

**Gross operating profit: +5.4% YoY**

Existing-store sales\* -0.2% YoY

(+0.3% excl. ticket sales and others)

Gross profit margin\* 31.4% (+0.1pp YoY)

**SG&A expenses: +6.6% YoY**

**642 new store openings** (opened 1,055, closed 413 stores)

As of 2017/2: 12,288 stores (Parent), 13,111 stores(Group)

## Consolidated subsidiaries

**Operating profit at major subsidiary firms**

Seijo Ishii 7.7bln

International operations -2.7bln yen

# FY2017 Estimates & Mid-term Management Vision

## FY2017 Estimates

<b>Consolidated OP</b>	<b>68.5bln yen (-7.1%, -5.2bln yen YoY)</b>
<b>Consolidated net profit</b>	<b>33.5bln yen (-8.0%, -2.9bln yen YoY)</b>
<b>ROE</b>	<b>12.0%</b>

## **FY2017 Strategy**

### Improving CVS operation

- Strengthening of CVS operation in 2015, 2016
- Reduced loss on international operations

### Investing in growth

- Next-generation IT system
- New business areas (finance, OTC medicine, healthcare, etc.)
- Initial cost of brand conversions

## **Non-consolidated OP 52.0bln yen (-9.4% YoY)**

Existing-store sales +1.0% YoY

Gross profit margin 31.7% (+0.3pp YoY)

\* These figures show targets of stores including LAWSON and NATURAL LAWSON.

## **Group stores to increase by 900 stores**

Open 1,400 stores (1,000 ordinary new openings and 400 converted stores)

Close 500 stores (End 2018/2: 14,011 stores)

## **Operating profit at major subsidiary firms**

Seijo Ishii 6.9bln yen (-0.8bln yen YoY)

International operations -1.5bln yen (+1.2bln yen YoY)

## **Dividends per share**

255 yen (+5 yen YOY)

## **Mid-term Management Vision : FY2021**

<b>Consolidated OP</b>	<b>:100bln yen or more</b>	<b>D/E ratio: 1.0 or less</b>
<b>CVS daily sales (Japan)</b>	<b>: 600,000 yen/per store</b>	<b>ROE: over 15%</b>
<b>CVS store network (Japan)</b>	<b>: 18,000 stores</b>	

# Results Review for FY2016 and FY2017 Strategy

Sadanobu Takemasu  
President, Representative Director  
Lawson, Inc.

# Fiscal 2016 Overview

## Consolidated OP 73.7bln yen (+1.7% YoY, -2.2bln yen v. plan)

- 2H OP rebounded to record double-digit gain, following 1H fall
  - Full-year: Consolidated and non-consolidated OP rose YoY but fell v. plan
- Double-digit gain in consolidated net profit achieved the plan**

Reasons for lower-than-expected profit result

- ✓ Lower-than-expected existing-store sales a major factor to the shortfall in consolidated OP
- ✓ Net profit met a target due to tax effect and lower non-operating losses from fewer store closures

(Billions of yen)

	1H	2H	FY2016	
				vs plan
<b>Non-consolidated operating profit</b>	31.7	25.6	57.4	-1.5
YOY	-7.7%	+12.4%	+0.3%	
<b>Consolidated operating profit</b>	39.9	33.8	73.7	-2.2
YOY	-5.0%	+11.0%	+1.7%	
<b>Consolidated net profit</b>	22.6	13.7	36.4	9.0
YOY	+14.1%	+19.2%	+16.0%	
<b>Existing-store sales (YOY)</b>	-0.9%	+0.6%	-0.2%	-0.3%P
<b>Gross profit margin</b>	31.3%	31.4%	31.4%	-0.1%P

# FY2016 Review

## Stronger stores

Stronger support for everyday life, refurbished all stores, expand products

## Stronger products

Stronger product development, procurement, production

## Stronger franchise support

Improved store productivity

## Change corporate culture

Reformed all operational practices to improve competitiveness

- Improved operations with semi-automatic ordering systems, refurbished stores, greatly expanded product ranges
- CVS rice-based items and over-the-counter fast food could expect more growth, while sales of supermarket alternative categories greatly improved
- Active preparation for new tablet-based systems to address severe shortage of labor
- Established SV, MD rules, created Supervising method, launched contact center

# FY2017: 1000 Days Action Plan, Year 2



- Refine operations based on platforms built in FY2016, advance and accelerate change
- Continue to expand everyday products to strengthen evening, nighttime product range
- Strengthen CVS core products such as over-the-counter fast food and rice-based items
- Improve store productivity by introducing tablets and next-generation POS cash registers

## Consolidated OP 68.5bln yen (-5.2bln yen YoY)

~ Increased investment in building a sustainable business model expected to lower profit

- Improve existing-store sales and gross margin with stronger over-the-counter fast food and rice-based core items
- Increase investment in next-generation systems, prepare the launch of financial services, and promote alliances with other CVS operators

(Billions of yen)

		FY2017 Plan	
		Plan	Difference/YOY
Non-consolidated	Existing-store sales (YOY)*	+1.0%	
	Gross profit margin diff.*	+0.3%P	
	SG&A expenses (YOY)	+5% ~ +10%	
	Operating profit	52.0	-5.4 / -9.4%
Difference : consolidated and non-consolidated		16.5	+0.1 / +0.9%
Consolidated operating profit		68.5	-5.2 / -7.1%
Consolidated net profit		33.5	-2.9 / -8.0%

\* Including LAWSON and NATURAL LAWSON stores

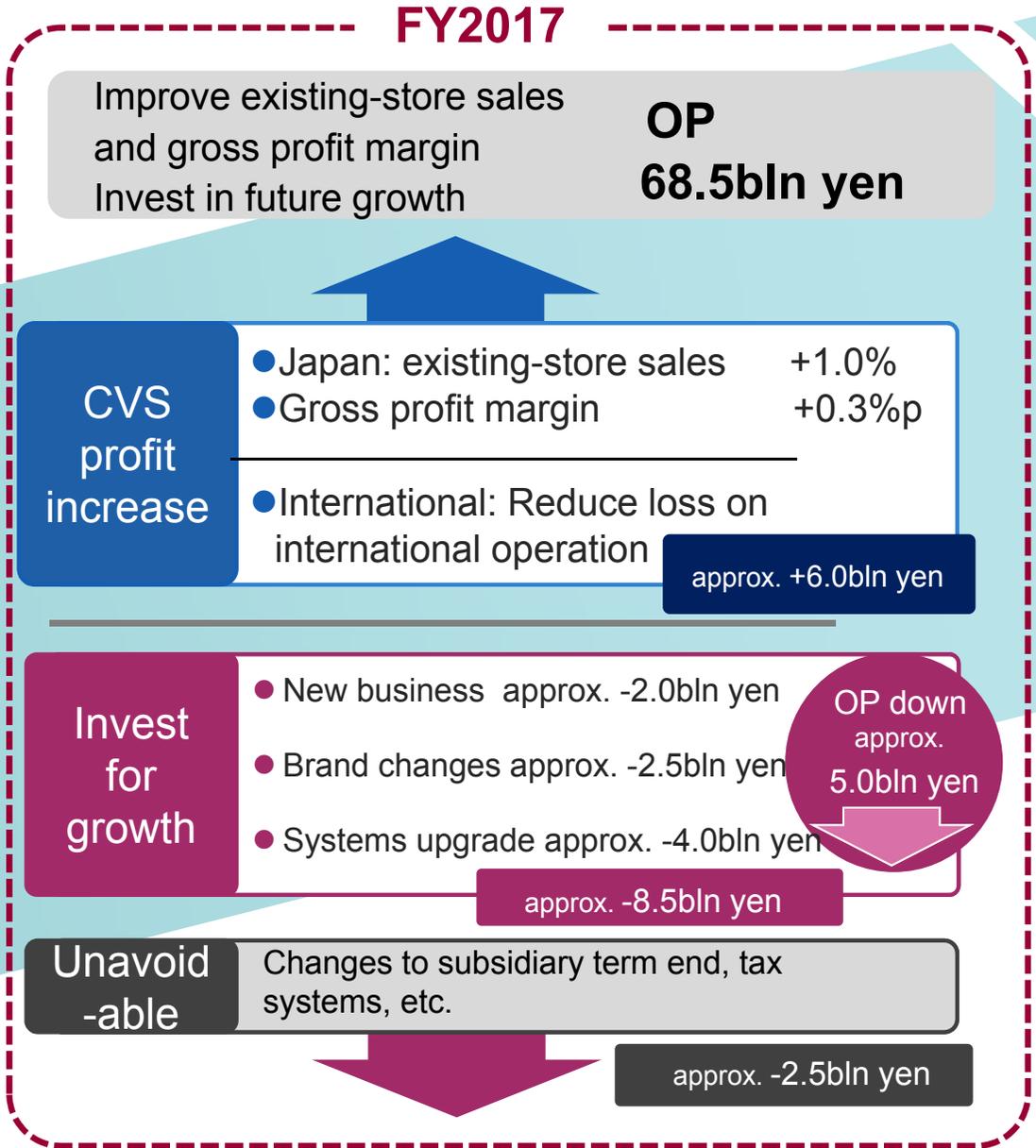
# Fiscal 2017 Plan

FY2015~2016

## Strengthen CVS

- Semi-automatic orders
- Reinforce support for everyday life
- Expand SKU
- New FC contracts
- More competitive supervisors

Strong stores, strong products, strong franchise support



FY2021

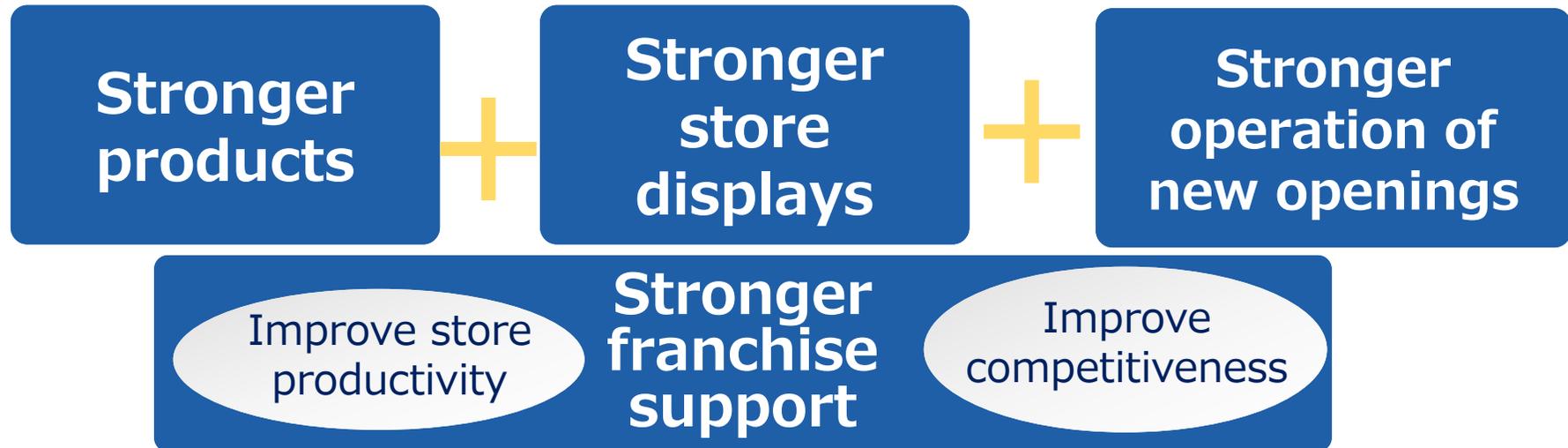
## Medium-term vision

- OP More than 100bn yen
- Daily sales 600,000 yen/per store

## Become an essential part of our communities

**Build Next-generation LAWSON CVS model**

**Create appealing stores for evening/night-time customers**



**“One Lawson”**  
**Revolutionize our operational system**

Overhaul fundamental structures, react to changes, challenge future growth opportunities

# Stronger Products

## Product range

Expand product range to ensure variety of merchandise that meet customer needs

- Strengthen core **CVS items** (boxed-lunches, over-the-counter fast food)
- Promote **additional** evening/night-time **purchases** (salads, deli, frozen foods)

## Lawson's competitive advantage

Leverage Lawson strengths for product differentiation

- Develop unique Lawson **hit products**
- Strengthen range of **over-the-counter fast food** side dishes
- Further strengthen our superior range of **desserts**
- **Develop more healthy products** (low-carb items, etc)

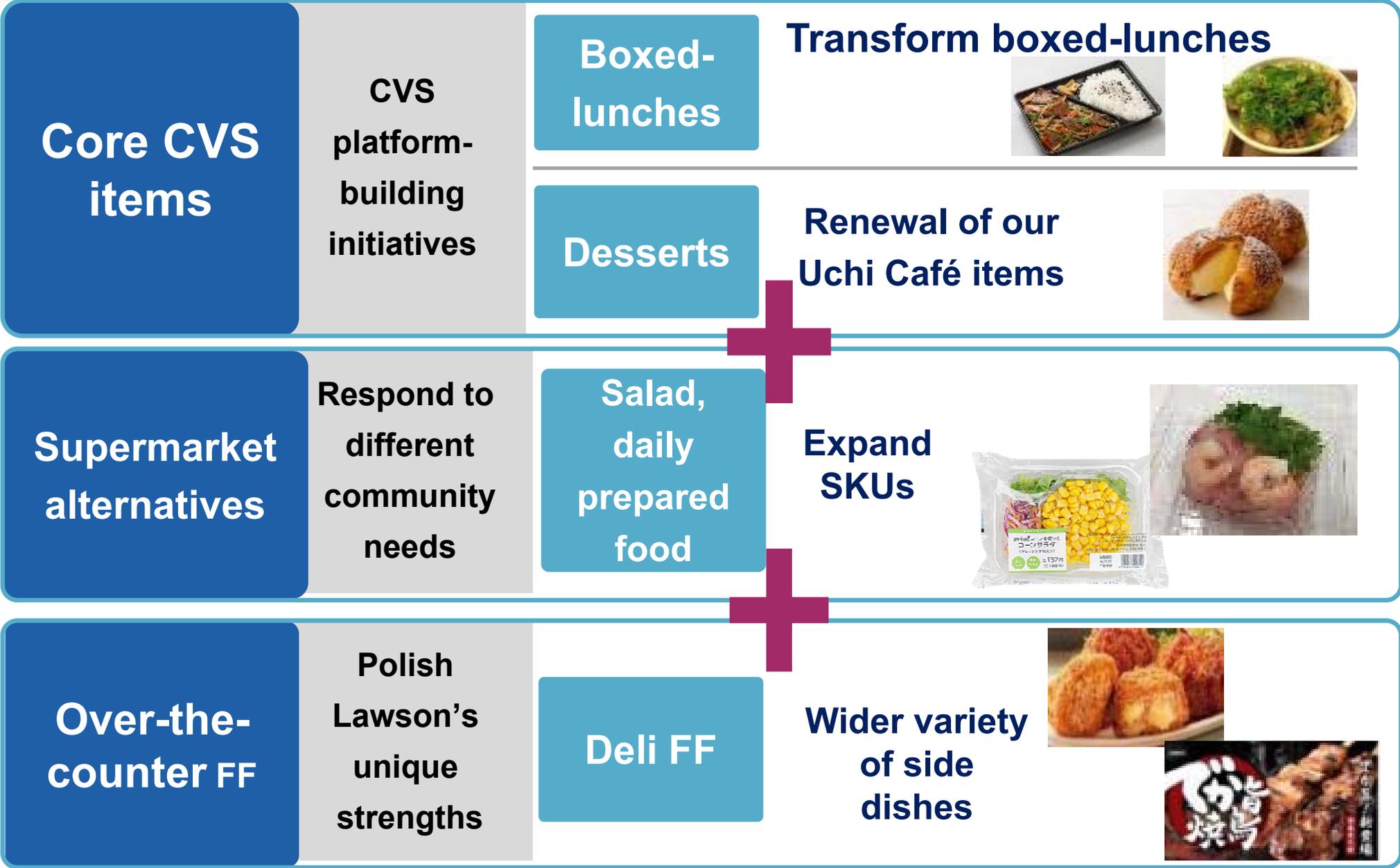
## Stronger manufacturing

Optimize manufacturing processes and other parts of the supply chain

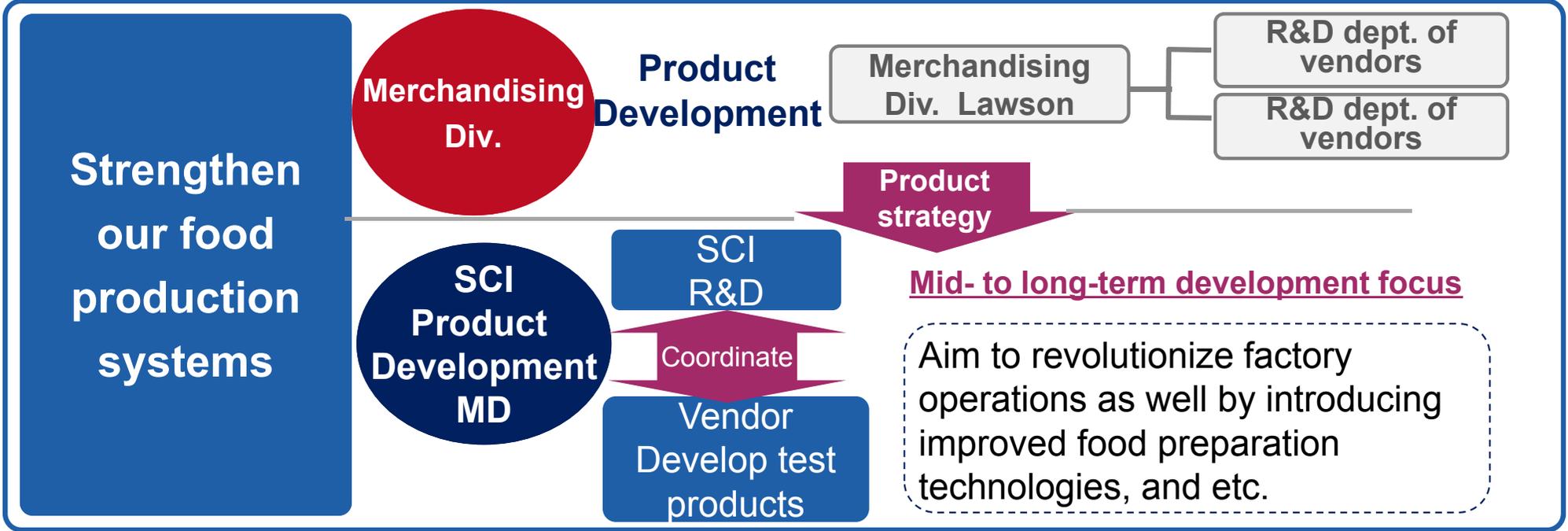
- **Review product development framework** at head office
- Promote mega-vendor strategy
- **Make production line more efficient** by automating boxed-lunch and food packaging lines and reducing production

**SKUs**

# Stronger Products



# Stronger Products



**Developing original products**

**Bran bread series**

**Boxed-lunches originally developed**

# Stronger Franchise Support, Store Productivity

**Integrate Digital + Analog**  
**To improve store productivity**

**Introduce tablets**

**New POS cash registers  
with automatic change machines**

## Strengthen new stores

### Fundamental review of new store launch operations

#### Maximize store power of new openings

Stronger new  
store product  
ranges

- Improve accuracy of new store semi-automatic ordering
- Review headquarters support for new stores

In-store system-  
building support

- Store Support Team (SST), Store Opening Team (SOT)
- Help pay for new store staff recruitment and offer leadership training

## Strengthen network

### Promote regular new store openings and conversions through alliances with other CVS operators

Save On

- Signed business cooperation agreement to transfer all stores to Lawson brand
- Start changing brand signage at approximately 500 stores in fiscal 2017/18

Three F

- Signed business integration contract in April 2017
- Convert brand signage on 200-300 stores to double brand LAWSON-THREE F stores in FY2017

**Focus on quality and quantity; 1,400 new stores scheduled including M&As**



## FY2017 Lawson Store Opening Strategy in Japan

Open	1,400
Close	500
Net Increase	900

\* Group total Including Lawson Kochi, Inc., Lawson Minamikyushu, Inc. Lawson Okinawa, Inc., and Lawson Sanin, Inc.

**Include 400 conversions**

**Save On**

**Three F**

# New Growth Opportunities

## Prepare for growth, promote new business models

**Home delivery**

**OTC medicine**



**Further improve support for everyday living, store productivity**

**Financial services**

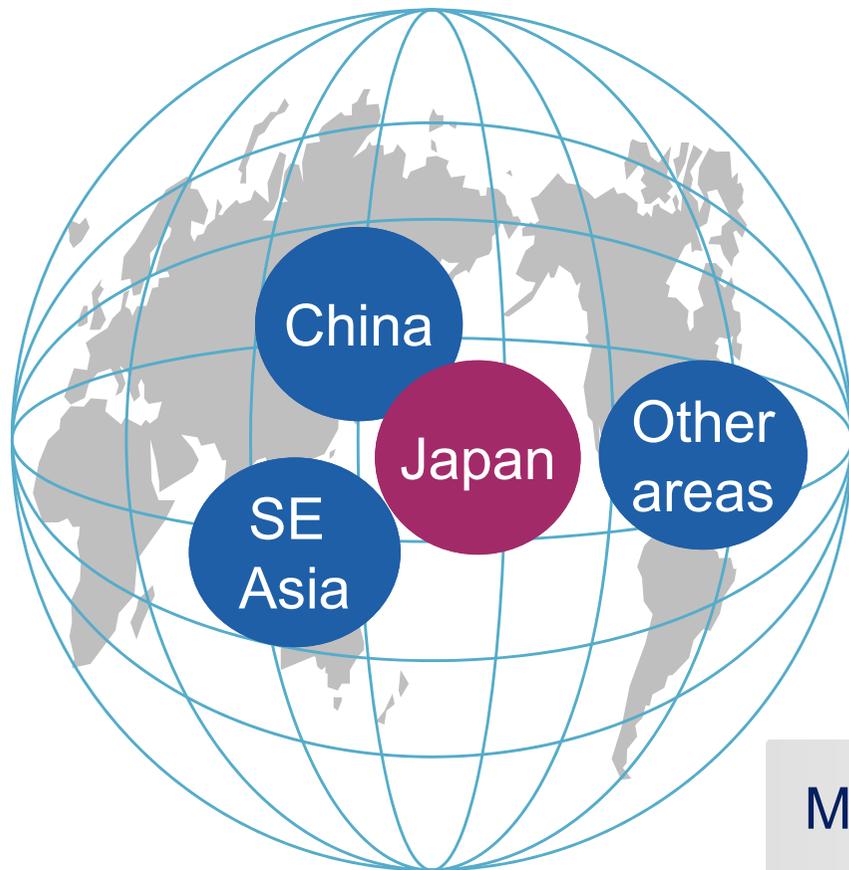
**New technology**

Preparing to establish Lawson Bank

Radio frequency identification (RFID)

# New Growth Opportunities

## Achieve profit and expand international operation, to become a future growth driver



China

- 1,000 stores as of February 2017
- Turn profit in Shanghai in FY2017

South East Asia

- Build win-win partnerships

Other areas

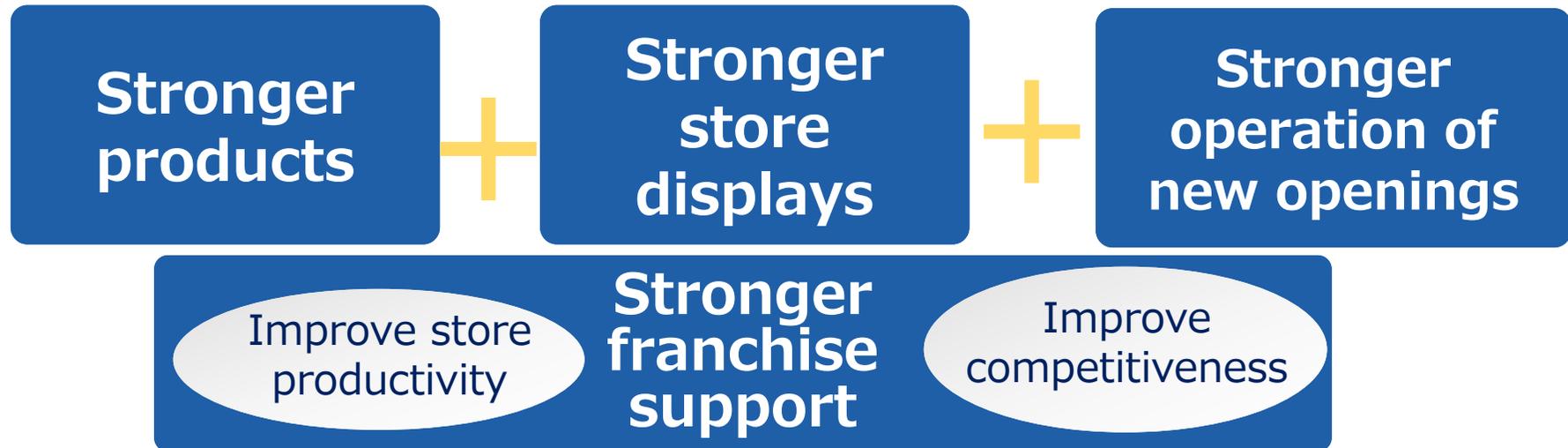
- Seek high-grade partners to assist expansion into new areas

Mid- to long-term aim: 3,000-5,000 store network

## Become an essential part of our communities

**Build Next-generation LAWSON CVS model**

**Create appealing stores for evening/night-time customers**



**“One Lawson”**  
**Revolutionize our operational system**

Overhaul fundamental structures, react to changes, challenge future growth opportunities

# Mid-term Management Vision

Sadanobu Takemasu  
President, Representative Director  
Lawson, Inc.

# Mid-term Management Vision

## Become an essential part of our communities

Explore new opportunities built on undisputed convenience  
So much more than simple products  
True community care, closest to home

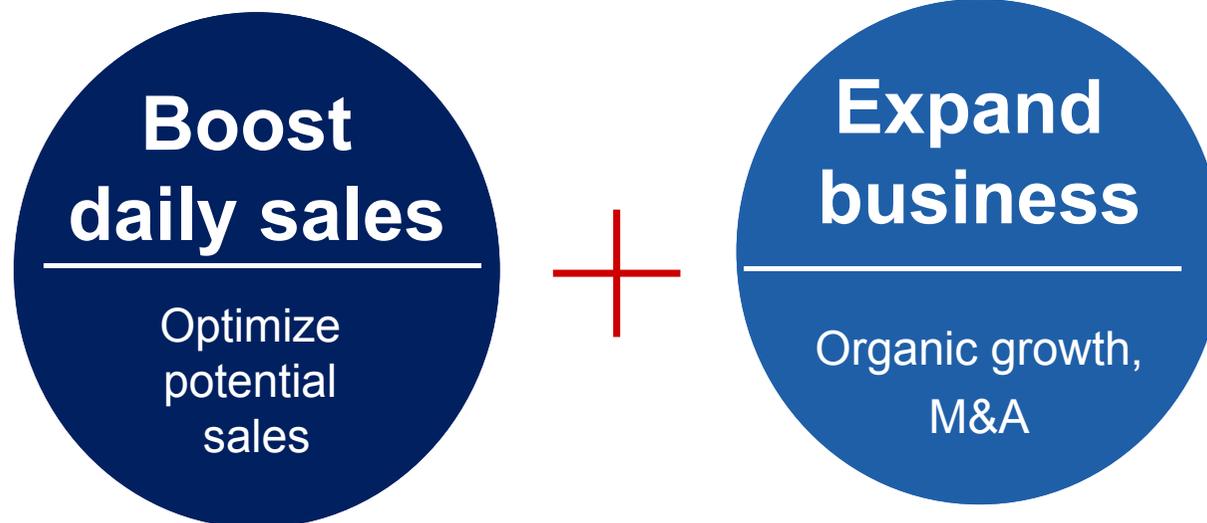


**To be the most reliable store  
in each community**



## Build Next-generation LAWSON Convenience Store Model Become an essential part of our communities

- Revolutionize store productivity with next-generation systems
- Design and develop our supply chain (mega-vendor, transform logistics, and others)
- Advance our franchise model (standardize multiple stores, franchise support)
- Develop new operations (financial services, in-store pickup services)
- Promote alliances with other CVS chains (expand Lawson Group)



## Key FY2021 target

- Consolidated OP: more than 100bln yen
- Daily sales: 600,000 yen/per store
- ROE: over 15%
- Japan CVS network: 18,000 stores
- Debt/equity ratio: 1.0 or less

### Growth strategy

#### Daily sales + Expansion

- Boost daily sales by strengthening product range and new stores
- Expand with new stores and tie-ups
- Financial services, international operation

### Strategic investing

#### Business transformation

- Next-generation systems
- Financial services leading investment
- Bank loans to fund investment

### Build Next-generation LAWSON Convenience Store Model

1,000 Days Action Plan and subsequent three-year plan designed to help dramatically improve daily sales and our franchise store system

### Financial discipline, shareholder return

ROE target of over 15%, D/E ratio at 1.0 or less (excluding financial services)  
Focus on providing stable shareholder returns

# Corporate Governance

Sadanobu Takemasu  
President, Representative Director  
Lawson, Inc.

Ensuring independent, transparent management system

## Independent Officers

- Board of Directors: Three out of eight
- Auditors: Three out of four

*set to be effective on May 30, 2017*

## Nomination / Compensation Committees

- The Committees also cover the nomination of representative directors
- Majority of members is independent



## Corporate Philosophy

“Creating Happiness and Harmony in Our Communities.”

# Reference

# Financial Results for FY2016

(Consolidated : Billions of yen)	FY2015	FY2016		
	Actual	Actual	YoY	vs. Plan
Net sales of all stores	2,049.5	<b>2,157.9</b>	105.3%	99.0%
Operating profit	72.5	<b>73.7</b>	101.7%	97.0%
Operating profit ratio	3.5%	<b>3.4%</b>	- 0.1%P	- 0.1%P
Recurring profit	69.6	<b>73.0</b>	104.9%	100.0%
Net profit	31.3	<b>36.4</b>	116.0%	102.5%
EPS (Yen)	313.81	<b>363.96</b>	+50.15	+9.01
Dividend per share (Yen)	245	<b>250</b>	+5	±0
ROE	12.0%	<b>13.5%</b>	+1.5%P	+0.3%P
Total no. of stores in Japan	12,515	<b>13,243</b>	+728	+14

Note: Total chain store sales (Net sales of all stores) include sales from the convenience store operation in Japan, overseas operations and sales from Seijo Ishii (consolidated items only). Regarding Seijo Ishii, only the store sales of directly operation are included.

Note: The number of stores is the total number of convenience stores in Japan operated by the Lawson Group plus the number of stores directly operated by Seijo Ishii.

Note: Changes vs. plan indicates comparison with the plan announced along with the FY2016 2Q results.

## ■ Consolidated OP increased 1.7% YoY, but came in 2.2bln yen or 3.0% below target

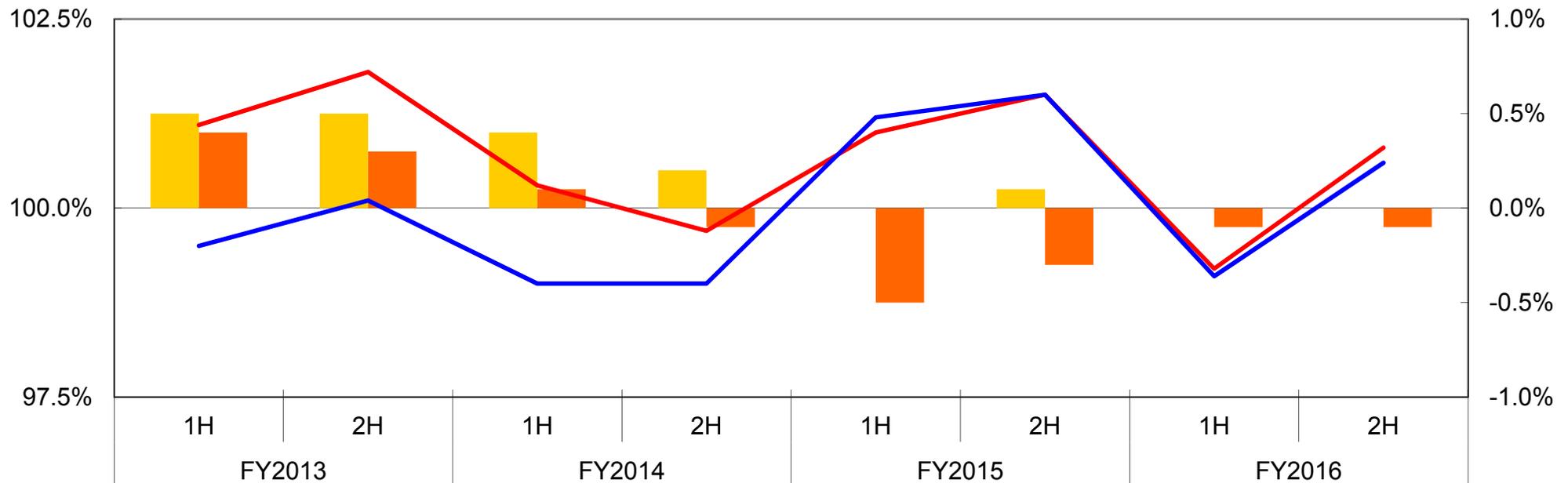
Up on steady non-consolidated profit, and profit contribution from Seijo Ishii and other subsidiaries. However, lower-than-expected existing-store sales knocked consolidated OP below target.

## ■ Consolidated net profit increased 16.0% YoY, 2.5% above plan

Increased YoY and v. plan due to tax effect and lower non-operating losses on fewer store closures.

# Existing Stores (Non-Consolidated\*)

\* excluding LAWSON MART/LAWSON STORE100 business



## <FY2015>

**Gross profit margin 31.4%**

**Existing store sales down 0.2%**

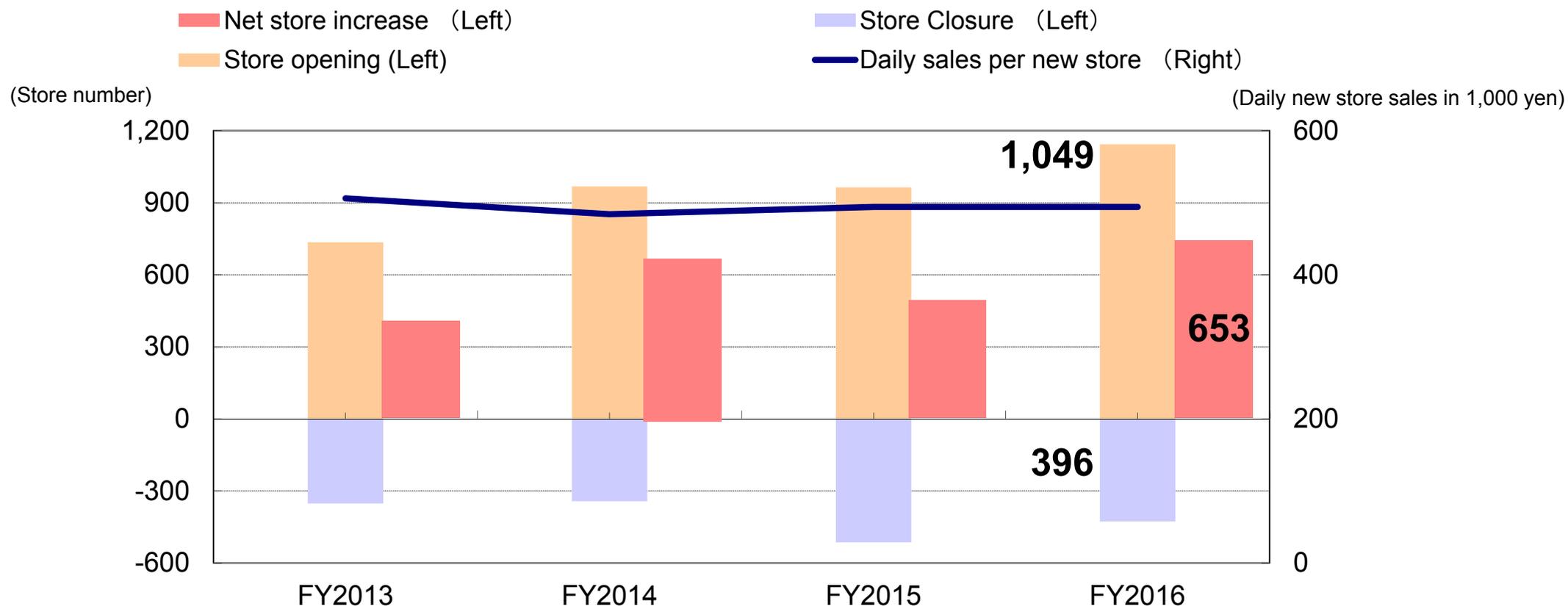
(number of customers down 1.0%, spending per customer up 0.8%)

- Gross profit margin difference (YoY, Right)
- Gross profit margin difference, excl. cigarette sales (YoY, Right)
- Existing stores gross profit (YoY, Left)
- Existing stores sales (YoY, Left)

- Existing-store sales down 0.2% YoY. Dipped YoY in 1H on lower ticket sales compared to the previous buoyant year, but bounced back in 2H. While full-year customer visits fell 1.0% YoY, average customer spend increased 0.8% thanks to concerted efforts to expand product ranges.
- Overall gross profit margin improved 0.1pp YoY to 31.4%. The contribution from cigarette sales continued to fall. Gross profit margin (excluding cigarette sales) held steady YoY.
- Existing-store gross profit, which has direct implications for franchisee profits, held steady YoY.

# Store Openings (Non-Consolidated\*)

\*excluding LAWSON MART/LAWSON STORE100 business



- Opened 1,049 stores (including brand name change from other chains) and closed 396 stores, resulting in a net increase of 653 stores YoY (33 stores more than initially planned).
- Daily sales per new store held steady at 494,000 yen.
- FY2017 Group store plans (incl. Lawson Store 100): Open 1,400, close 500, Net increase: 900

\* Converted LAWSON, LAWSON STORE 100 and NATURAL LAWSON stores are included in the new store openings and closure data from FY2015.

\* Brand changes from other chain stores include transfers from subway kiosks.

\* Stores transferred from Lawson, Inc. to Lawson Sanin, Inc. are not included in the store opening, closure or net increase data.

# Key Components of SG&A Expenses

		FY2015	FY2016		FY2017
			Actual	Change	Forecast
(Billions of yen)					
Non-consolidated	Selling, general & administrative expenses	251.6	268.2	+16.6	Increase 5-10%
	<Major Expenses>				
	Personnel expenses	39.2	41.5	+2.2	Increase 5-10%
	IT-related expenses (Hardware leasing, software amortization, maintenance, etc.)	11.3	9.3	-2.0	Increase 20-30%
	Advertising and promotional expenses	14.7	13.8	-0.8	Decrease 5-10%
	Facilities expenses	135.6	144.3	+8.7	Increase 5-10%
Consolidated SG&A expenses		354.9	383.2	+28.2	Increase 5-10%

## Compared to Fiscal 2015

- A&P: Sharply hiking in 1H mainly for franchisee support. Spending restricted in 2H due to increase in FY2016. Full-year decline YoY.
- Other expenses: Increased HQ expenses after HQ took over a portion of franchisee wastage disposal and electricity costs.
- Up YoY on non-consolidated factors, and consolidation of business expenses from Seijo Ishii over a 14-month reporting period.

## Compared to Plan

- 2.6bln yen below plan on fewer-than-expected new store openings and restricted advertising spend and IT related expenses in 2H.
- 3.0bln yen below plan. Declined on non-consolidated factors, as well as cost-cutting from Seijo Ishii and foreign-exchange impact from the Group's international operations.

# Earnings of Major Subsidiaries

< Operating Profit of Major Subsidiaries >			(Billions of yen)		
			FY2016	FY2017	
	FY-end	Ownership	Actual	YoY change	Forecast
Lawson Store100, Inc.	Feb.	100.0%	0.5	+0.1	0.5
SEIJO ISHII CO., LTD.	Feb.	100.0%	7.7	+2.0	6.9
Lawson HMV Entertainment, Inc.	Feb.	100.0%	2.1	-0.3	2.1
United Cinemas Co., Ltd.	Feb.	100.0%	2.4	+0.1	2.0
Lawson ATM Networks, Inc.	Feb.	76.3%	5.9	-0.1	5.9
Chongqing Lawson, Inc.	Dec.	100.0%	-0.4	+0.3	-0.3
Shanghai Hualian Lawson, Inc.	Dec.	100.0%	-0.5	+0.2	0.1

Note: Lawson Mart, Inc. changed its name to Lawson Store100, Inc. in March 2016.

Note: United Cinemas Co., Ltd.'s result YoY changes of FY2016 is compared with the result of 14 months of FY2015 due to changing of closing month from March to February in FY2015.

Note: SEIJO ISHII CO., LTD.'s result of FY2016 is result of 14 months (from January 2016 to February 2017) due to changing closing month from December to February in FY2016.

<b>LAWSON STORE100</b>	Generated operating profit of 0.2bln yen. Existing-store sales up 0.9% YoY. Maintains firm upward sales trend. Expect operation to remain profitable in FY2017.
<b>SEIJO ISHII</b>	Business year-end change to February in fiscal 2016 resulted in the consolidation of 14 months of performance, and a rise in both sales and profit. Forecast a sharp decline in profit of FY2017 with shorter period of 12 months than FY2016.
<b>Lawson HMV Entertainment</b>	Strong ticket sales but fierce competition for large-scale events weighed on profitability, and dampened profits. Expect to keep the FY2017 profit level same as FY2016.
<b>United Cinemas</b>	A number of hit movies attracted more customers and contributed to a strong rise in operating profit in FY2016. However, profit expected to fall in comparison in FY2017.
<b>Lawson ATM Networks</b>	Revenue rose on higher numbers of ATM machines and transactions but profit down on higher costs related to installation of new-style ATMs. Flat OP forecast for FY2017.

# Consolidated capital Expenditure & Cash Flow

(Billions of yen)

## Consolidated Capital Expenditures

	FY2014	FY2015	FY2016	FY2017
	Actual	Actual	Actual	Forecast
New stores	49.0	40.4	47.5	69.0
Existing stores	5.8	6.7	7.2	10.5
IT-related	8.2	15.8	19.2	18.0
Other	2.7	1.4	1.4	1.5
Subtotal for capital expenditure	65.8	64.5	75.5	99.0
Leasing	32.8	38.0	42.6	63.0
Depreciation and amortization	41.8	49.2	56.1	62.3

(Billions of yen)

## Consolidated Cash Flows

	FY2014	FY2015	FY2016	FY2017
	Actual	Actual	Actual	Forecast
Cash flows from operating activities	110.5	112.2	99.8	Approx. 120.0
Cash flows from investing activities	- 100.4	- 68.6	- 76.2	Approx. -110.0
Free cash flows	10.1	43.5	23.6	Approx. 9.0
Cash flows from financing activities	- 3.2	- 50.2	- 25.6	Approx. 1.0
(Cash dividends paid)	- 22.9	- 24.2	- 24.7	Approx. 25.0
Cash and cash equivalents at end of period	76.7	69.7	67.6	-

■ FY2016: 30bln yen bank borrowing at the end February to increase ready liquidity.

■ FY2017: Plan to increase cash flow for investing activities to approx.110bln yen to fund investments in next-generation IT systems and other growth-promoting projects.

# FY2017 Company Forecasts (Consolidated)

(Billions of yen)	FY2015	FY2016	FY2017 Forecast	
	Actual	Actual	Plan	YoY
Net sales of all stores	2,049.5	2,157.9	2,310.0	107.0%
Operating profit	72.5	73.7	68.5	92.9%
Operating profit ratio	3.5%	3.4%	3.0%	-0.4%P
Recurring profit	69.6	73.0	65.5	89.7%
Net profit	31.3	36.4	33.5	92.0%
EPS(Yen)	313.81	363.96	334.95	-29.01
Dividend per share (Yen)	245	250	255	+5
ROE	12.0%	13.5%	12.0%	-1.5%P
Total no. of stores in Japan	12,515	13,243	14,159	+916
(Non-consolidated*) <sup>excl</sup> excluding LAWSON STORE100 business				
Gross profit at existing stores (YoY)	101.3%	100.0%	102.0%	-
Net sales at existing stores (YoY)	101.4%	99.8%	101.0%	-
Gross profit margin ratio	31.3%	31.4%	31.7%	+0.3%P
Gross profit margin difference excluding cigarette sales (YoY)	-0.5%	±0.0%P	0.2%	+0.2%P

Note: Total chain store sales (Net total of all stores ) include sales from the convenience store operation in Japan, international operations and sales from Seijo Ishii (consolidated items only). Regarding Seijo Ishii, only the sales of directly operated stores are included.

Note: The number of stores is the total number of convenience stores in Japan operated by the Lawson Group plus the number of directly operated Seijo Ishii stores.

Improved existing-store sales and gross margin, along with reduced losses from international operations expected to have positive effect, but overall OP seen declining on increased investment in next-generation systems and other growth-promoting projects.

# FY2017 1H & 2H Estimates

(Consolidated: Billions of yen)	FY2017 Forecast		
	1st Half	2nd Half	Full year
Net sales of all stores	1,150.0	1,160.0	2,310.0
Operating profit	37.5	31.0	68.5
Operating profit ratio	3.3%	2.7%	3.0%
Recurring profit	36.0	29.5	65.5
Net profit	21.0	12.5	33.5
(Non-consolidated*) *excluding LAWSON STORE100 business			
Gross profit at existing stores (YoY)	102.0%	102.0%	102.0%
Net sales at existing stores (YoY)	101.0%	101.0%	101.0%
Gross profit margin ratio	31.6%	31.7%	31.7%

Note: Total chain store sales (Net sales of all stores) includes sales from the convenience store operation in Japan, international operations and sales from Seijo Ishii (consolidated items only). Regarding Seijo Ishii, only the sales of directly operated stores are included.

Note: The number of stores is the total number of convenience stores in Japan operated by the Lawson Group plus the number of directly operated Seijo Ishii stores.

# Consolidated Balance Sheet at the end of FY2016

	As of Feb. 28, 2017	Change from Feb. 29, 2016
Total current assets	249.2	+25.0
(Cash and deposits)	68.1	-1.6
(Accounts receivable)	78.3	+10.6
Total noncurrent assets	617.2	+38.2
Property, plant and equipment	324.5	+21.7
Intangible assets	94.8	+10.2
(Goodwill)	46.0	-0.2
Investments and other assets	197.9	+6.3
(Long-terms loans receivable)	44.4	+3.6
(Guatantee deposits)	95.5	+3.0
Total Assets	866.5	+63.3

	As of Feb. 28, 2017	Change from Feb. 29, 2016
Total current liabilities	356.7	+37.1
(Accounts payable-trade)	110.8	-1.3
(Short-term loans payable)	31.1	+29.1
(Deposits payable)	103.1	+1.2
Total noncurrent liabilities	223.7	+13.1
(Long-term loans payable)	56.7	-0.8
Net Assets	285.9	+12.9
(Common stock)	58.5	-
(Retained earnings)	165.1	+10.5
Liabilities and net assets	866.5	+63.3

(Billions of yen)

# FY2016 Performance by Group Segment

(Billions of yen)

	Japan convenience-store business			Lawson Store100 business			Seijo Ishii business		
		Sales ratio	YoY		Sales ratio	YoY		Sales ratio	YoY
Net sales for all stores	1,999.9	100.0%	104.5%	43.3	100.0%	94.5%	79.5	100.0%	124.0%
Gross operating revenue	381.8	19.1%	108.1%	48.1	111.1%	94.9%	85.8	107.9%	124.4%
Gross operating profit	348.9	17.4%	106.5%	14.3	33.2%	93.9%	32.8	41.3%	125.4%
SG&A expenses	289.6	14.5%	108.1%	13.8	31.9%	92.6%	25.9	32.6%	122.6%
Operating profit	59.3	3.0%	99.5%	0.5	1.3%	145.2%	6.9	8.7%	137.2%

(Billions of yen)

	Entertainment business			International business			Other business		
		Sales ratio	YoY		Sales ratio	YoY		Sales ratio	YoY
Net sales for all stores				35.0	100.0%	139.8%			
Gross operating revenue	72.9		97.2%	28.6	81.6%	135.3%	26.5		103.0%
Gross operating profit	35.4		96.9%	10.4	29.9%	140.9%	26.5		103.0%
SG&A expenses	31.4		96.7%	13.3	38.0%	129.2%	20.6		106.2%
Operating profit	3.9		97.9%	-2.8	-8.1%	99.0%	5.8		92.8%

Note: The Japan convenience-store business combines business results from Lawson, Inc., Lawson Sanin, Inc. and SCI, Inc.

Note: The Lawson Store100 business refers to the business results of Lawson Store100, Inc.

Note: The Seijo Ishii business refers to the business results of Seijo Ishii Co., Ltd.

Note: The Entertainment business combines the business results of Lawson HMV Entertainment, Inc. and related consolidated subsidiaries such as United Cinemas Co., Ltd., etc.

Note: The International business combines the business results of overseas consolidated subsidiaries such as Lawson (China) Holdings, Inc., Shanghai Lawson, Inc. and Chongqing Lawson, Inc.

Note: Other business combines the business results of financial-service related subsidiaries such as Lawson ATM Networks, Inc. and consulting firm BestPractice Inc.