

Summary of Results for FY2021

Lawson, Inc.

April 12, 2022

Financial Results for FY2021

Satoshi Nakaniwa
Executive Managing Officer
Chief Financial Officer

Lawson, Inc.

Consolidated Financial Results for FY2021

Unit: Billions of yen

	FY2020	FY2021		
	results	results	YoY	v.plan
Operating income	40.8	47.0	+6.2	-2.9
Ordinary income	37.6	47.5	+9.9	+0.5
Net income	8.6	17.9	+9.2	+2.4

(Non-consolidated*)

Existing store sales (YoY)	92.7%	101.1%	+8.4%pt	- 1.7%pt
Gross profit margin	31.0%	30.7%	- 0.3%pt	- 0.1%pt
Total no. of stores in Japan	14,476	14,656	+ 180	+ 30

*Lawson group total

※Any differences v. plan in these documents are compared to the plan issued along with the announcement of FY2021 1H results in October 2021.

1. Operating profit: 47.0 billion yen

(1)YoY: While the business environment and restrictions on social activities due to COVID-19 continued into FY2021, existing-store sales for the domestic CVS business started to recover YoY thanks to our efforts to refurbish stores to meet new lifestyles and needs. However, operating profit held roughly flat YoY due to leading costs linked to growth investment, such as future oriented store refurbishments. Having said that, consolidated operating profit increased on the back of improved performances at Group companies Seijo Ishii, our entertainment-related, and overseas business.

(2)v. plan: While Group companies performed roughly to plan and we proactively reduced and controlled costs at the domestic CVS business, operating profit fell short of plan as existing-store sales underperformed.

2. Net profit : 17.9 billion yen

(1)YoY: Profit rose on dividends on our investments, a rebound from last year's COVID-19-related extraordinary losses, and lower losses relating to store closures, etc.

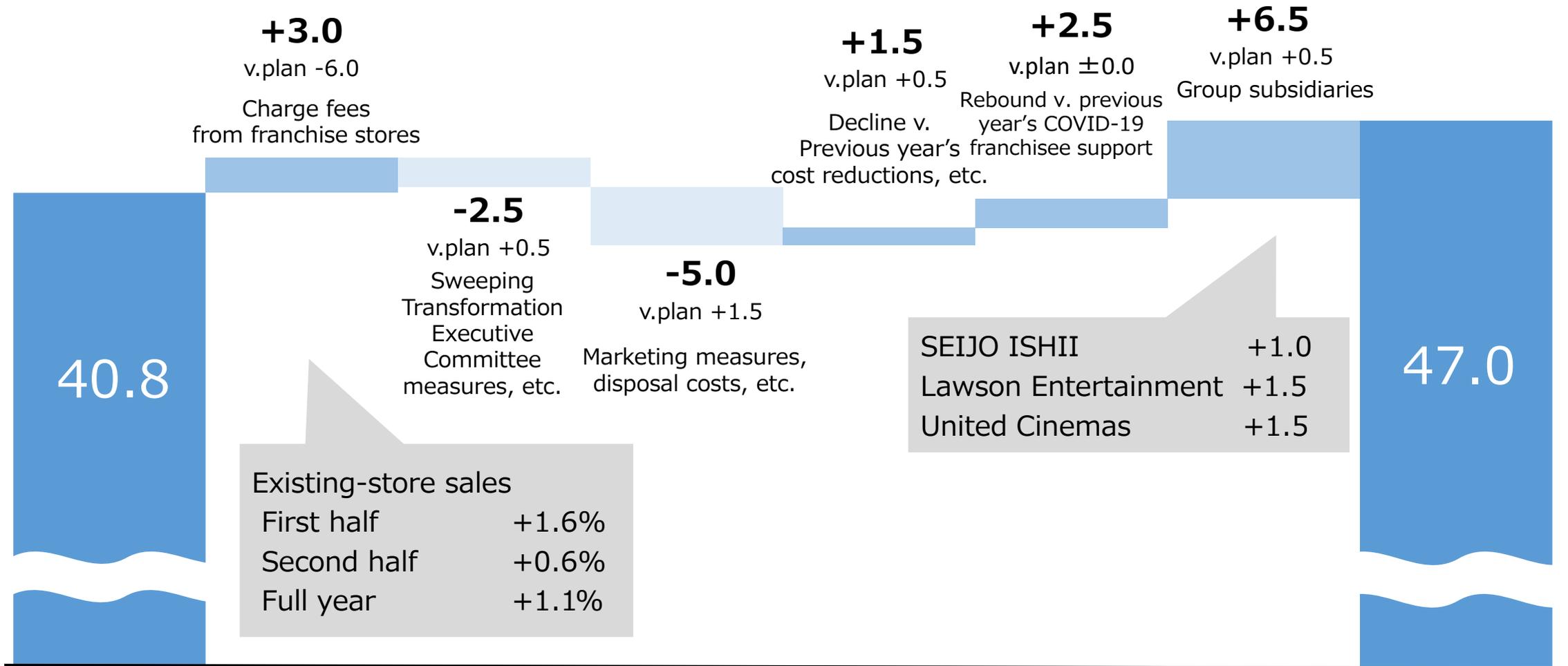
(2)v. plan: Achieved plan as costs relating to store closures and store-related impairment losses came in lower than expected.

FY2021 Initiatives Review

	FY2021				Unit: Billions of yen	
	plan	results	v.plan	YoY		
Consolidated operating income	50.0	47.0	-2.9	+6.2		
Various measures	Initiatives taken and progress made				v. plan	YoY
Charge fees from franchise stores	People flows were even more restricted this year due to longer emergency measures and the rapid spread of Omicron. While we successfully refurbished existing stores and renewed our product ranges to reflect everyday demand and Machikado Chubo in-store kitchen food, frozen foods, and other goods sold well, the store refurbishment was concentrated towards the period end, so we enjoyed only limited benefits in FY2021. As a result, existing store sales rose YoY but fell short of plan.				-6.0	+3.0
Sweeping Transformation Executive Committee measures, etc.	Completed the refurbishment of 4,305 stores under the Ideal Store Format Project, but the number of refurbished stores fell short of plan, so refurbishment costs came in below plan.				+0.5	-2.5
Marketing measures, disposal costs, etc.	Cost rose YoY relating to in-app coupons, TV ads, and other promotions, as well as our drive to strengthen product ranges. However, the total was lower than planned due to our focus on highly effective measures and lower promotion costs as sales fell short of plan.				+1.5	-5.0
Decline v. Previous year's cost reductions, etc.	Increased costs relating to YoY rebounds in rents and other factors were roughly as expected but we worked hard to reduce IT and store maintenance costs.				+0.5	+1.5
Rebound v. previous year's COVID-19 franchisee support	Progressing to plan.				±0.0	+2.5
Group subsidiaries	SEIJO ISHII: Sales up YoY on strong sales of in-station stores and stores located in commercial facilities. However, fell short of plan on YoY reduction in stay-home demand. Entertainment-related business: Up YoY and v. plan on higher number of events and our successful efforts to secure more ticket handling opportunities. Overseas business: Existing-store sales in China proved strong in 1H but sales struggled in 2H as the number of regions suffering rising COVID-19 cases increased. However, a rise in total store numbers helped the overseas business performance increase YoY and v. plan.				+0.5	+6.5
Total	*Figures rounded to the nearest 0.5 billion for clarity *Any differences v. plan in these documents are compared to the plan issued along with the announcement of FY2021 1H results in October 2021.				-3.0	+6.0

Factors Affecting FY2021 Consolidated Operating

Unit: Billions of yen



Existing-store sales	
First half	+1.6%
Second half	+0.6%
Full year	+1.1%

*Figures rounded to the nearest 0.5 billion for clarity
 *Any differences v. plan in these documents are compared to the plan issued along with the announcement of FY2021 1H results in October 2021.

Unit: Billions of yen

	FY2022	
	plan	YoY
Consolidated operating income	53.0	+5.9
Group subsidiaries, etc.		
Lawson	30.0	+4.1
Seijo Ishii	13.6	+1.6
Entertainment-related business*1	2.7	+0.4
Financial service business*1	2.6	-0.3
Overseas business (China)	2.6	+0.5
Consolidated net income	22.0	+4.0
Dividends per share	150yen	150yen

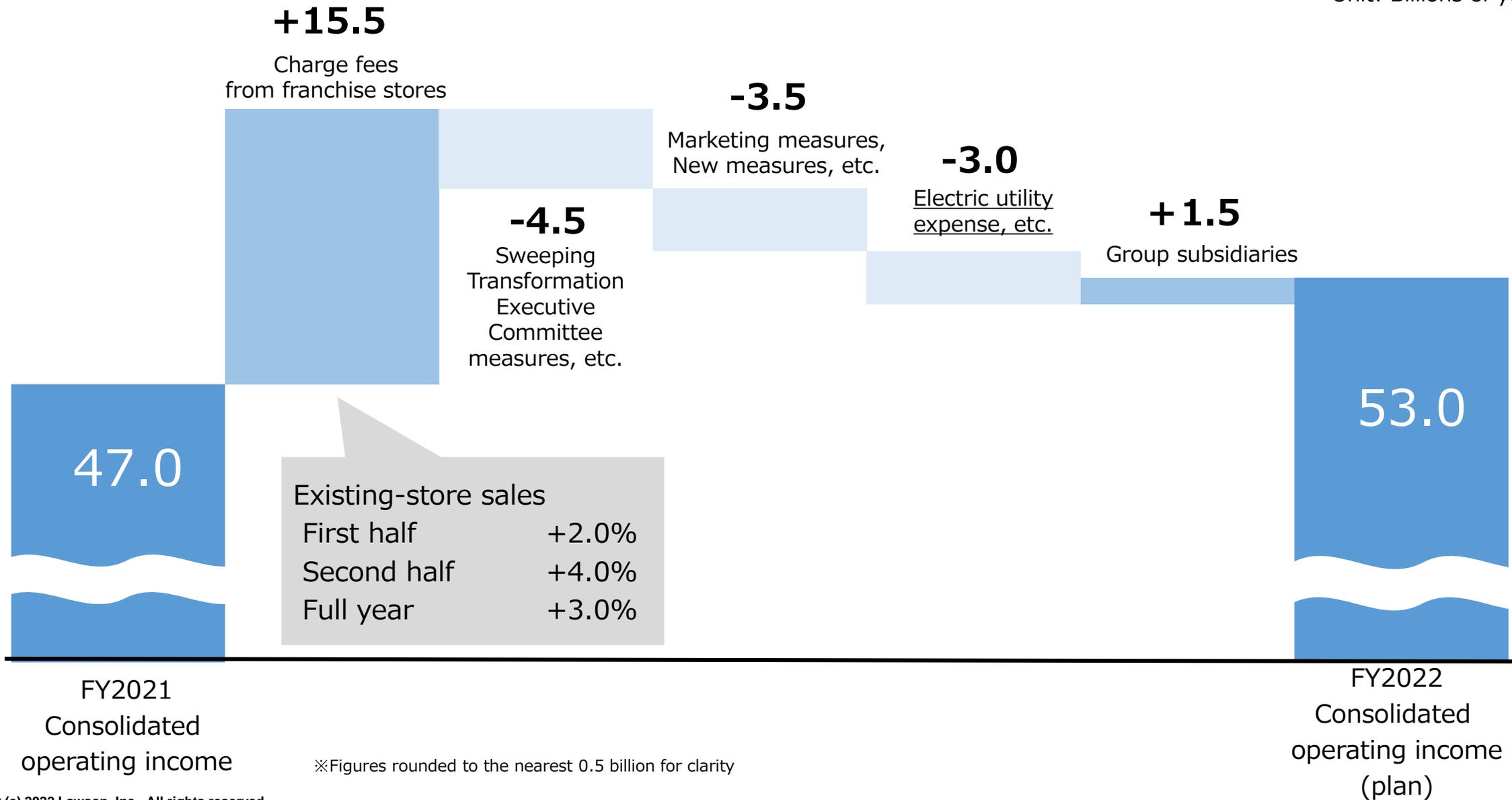
(Assumed conditions for the plan : Lawson)

- YoY increase in existing-store sales*2 : 103.0% (+1.9%pt YoY)
- Gross profit margin*2 : 31.1% (+0.4%pt YoY)
- Store numbers: Opening 300 stores, closure 250 stores, net increase 50 stores

*1 segment profit *2 excluding LAWSON STORE100 business

Factors Affecting FY2022 Consolidated Operating LAWSON

Unit: Billions of yen



※Figures rounded to the nearest 0.5 billion for clarity

FY2021 Review and Progress of Challenge 2025

Sadanobu Takemasu
President and CEO
Representative Director
Chairman of the Board

Lawson, Inc.

FY2021 Review

■ Wider COVID-19 impact on business environment than expected

Declaration status of State of emergency, etc. throughout Japan

	FY2020	FY2021
State of emergency	101days	159days
Pre-state of emergency measures*	0days	92days
Total	101days	251days

*Excluding the period during which a state of emergency was declared.

1 Living with COVID-19

New normal becomes normal

- Wider remote working
- Wider delivery service use



2 Tougher competition

As companies enter other industries

- Enter ghost restaurant business
- Stronger one-to-one marketing
- More original frozen foods , deli items

3 Bipolarized society

Generational, income, regional gaps

- Pricing strategy
 - Develop value-added products
 - Develop basic products

4 Increased awareness of social issues

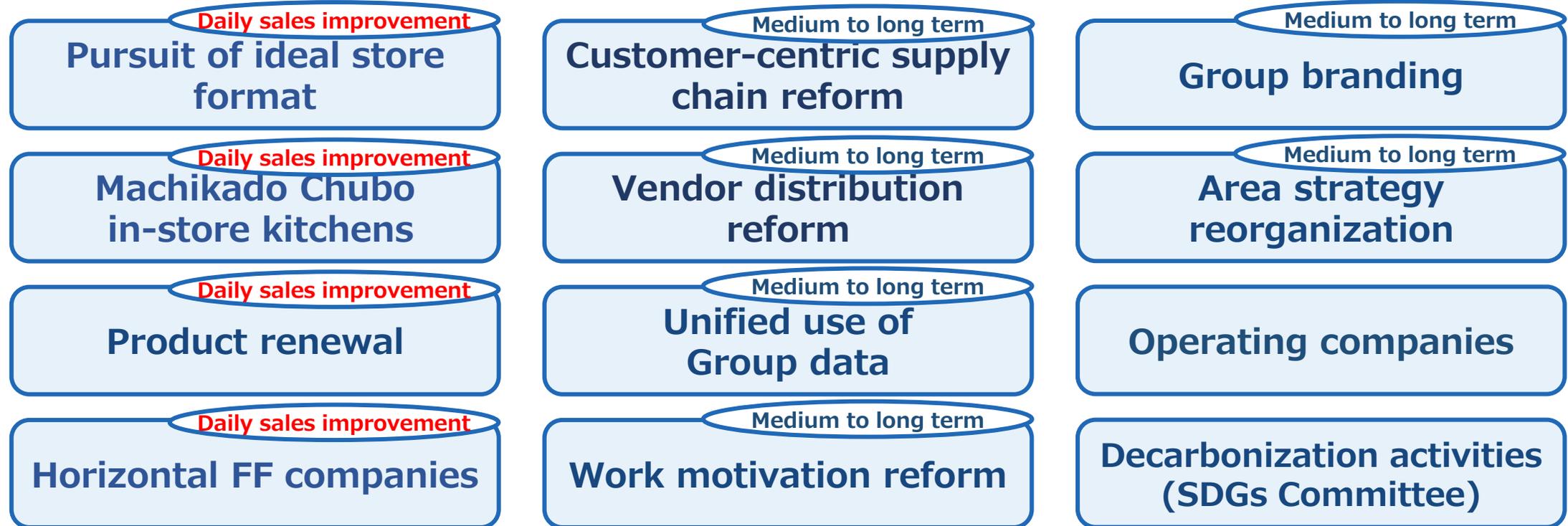
Company stance, response

- Sell hot milk at half price
- Switch plastic to paper containers
- Use AI to optimize store delivery diagram

Decarbonization 脱炭素
Food loss 食品ロス
De-plasticization 脱プラ

■ Improving daily sales centered around on the Ideal Store Format Project

Lawson Group Sweeping Transformation Executive Committee



	Project	Achievements and major initiatives
Daily sales improvement PJ	Pursuit of ideal store format	Store refurbishment: 4,305 stores Impact: +3.7%*1
	Machikado Chubo in-store kitchens	Introduced in 8,359 stores. Category sales up over 30% YoY
	Product renewal	Frozen foods: Developed innovative products. Category sales up approx. 10% YoY Daily foods: Improved products, strengthened range. Category sales up approx. 2% MUJI: Selling at about 110 stores. Sales of relevant category rose approx. 20%*2
	Horizontal FF companies	Introduced more MACHI Deli. 1,371 stores at end February

	Project	Achievements and major initiatives
Medium to long term PJ	Customer-centric supply chain reform	Experimenting with AI-driven recommended discounting in 65 stores in Tohoku area
	Vendor distribution reform	Improving productivity & product quality at vendor factories Using AI to optimize store delivery diagram
	Unified use of Group data	Completed the unification of Group data (central database)
	Work motivation reform	Developing ways of improving job satisfaction through internal recruitment, etc.
	Group branding	Developing Groupwide policies to improve brand image
	Area strategy reorganization	Analysis of environment at each area and construction of store opening strategy

Operating companies	Initiatives to promote growth at each operating company
Decarbonization activities (SDGs Committee)	Pursuing initiatives promoting Lawson Blue Challenge 2050!

*1 The effect of the renovation is a comparison with existing stores in the same area and location. In addition, it is the average value of all refurbished stores, and includes the effects of store ideal remodeling, product renewal, and Machikado chubo.

*2 The category growth rate is a comparison with before the introduction.

FY2021 Domestic convenience store business (1)

-Daily Sales, number of customers, spending per customer

- Sales are recovering favorably, but we concentrated ideal store refurbishment towards the end of the period, the benefits of which will emerge in FY2022
- Customer visits impacted by delayed recovery in people flows due to state of emergency, etc., and rapid spread of the Omicron variant

Daily sales

101.1%

**Number of
customers**

98.7%

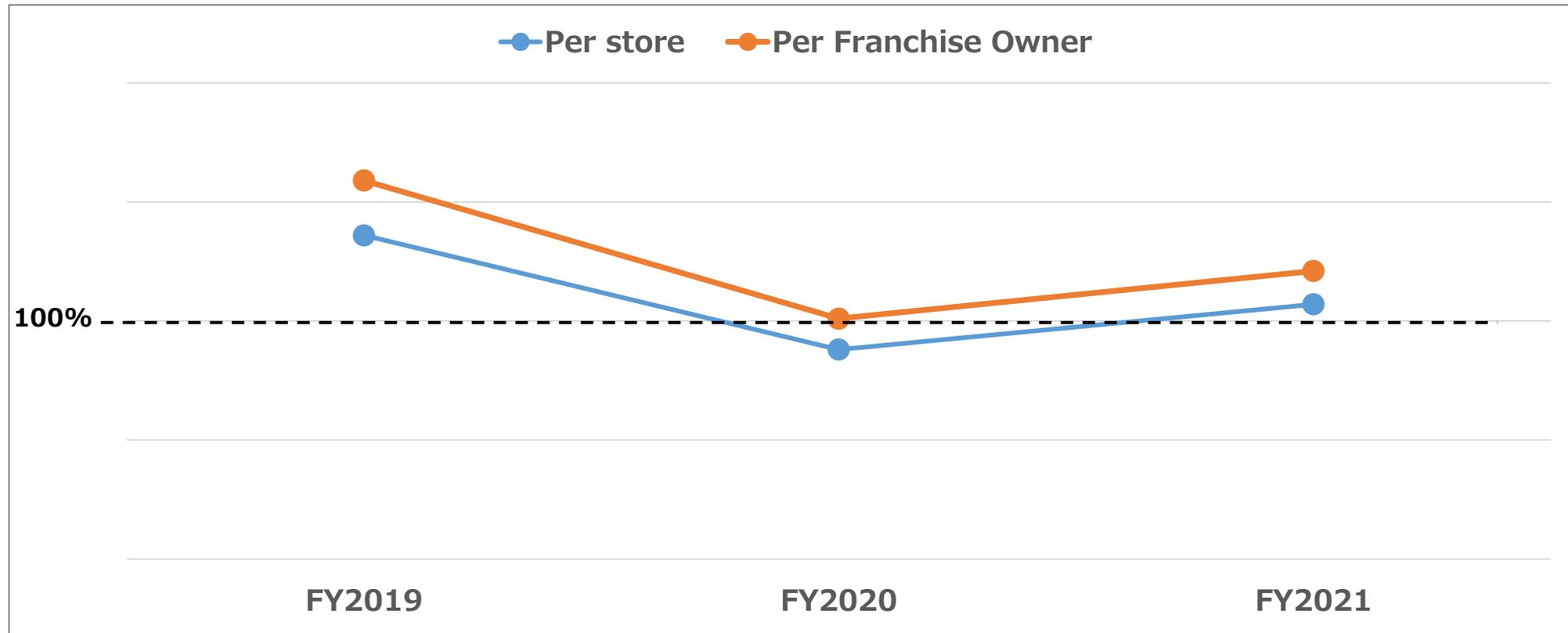
**Spending per
customer**

102.5%

-Franchise Store Profits-

■ Franchise store profits rose YoY despite impact of state of emergency measures, etc.

【YoY】



FY2021 Other segment business (1) -Seijo Ishii/Entertainment-related business-



SEIJO ISHII

	Existing-stores sales YoY
FY2019	102.9%
FY2020	106.6%
FY2021	101.6%

Roadside store sales growth tapered as stay-home demand settled, but in-station stores continued strong. 3Q was compared to Japan's strong Go To Travel campaign in the previous year. 4Q was compared to strong stay-home demand during the state of emergency. It was also a poor year for hit products generated by media exposure. However, full-year profit still rose by 1.6% YoY.

Entertainment-related

Lawson Entertainment		United Cinemas	
	Ticket Sales(YoY)		Customer Attendance(YoY)
FY2019	113.4%	FY2019	111.2%
FY2020	35.4%	FY2020	51.2%
FY2021	191.7%	FY2021	124.0%

Profit up YoY. Despite Omicron impact from January, more concerts were held, and we successfully secured more events.

Profit up YoY. Seating restrictions in 1H and Omicron variant in 2H, but we were able to operate regular hours.



Financial services

	Segment profit	Number of ATM usage Per vehicle per day
FY2019	3.08billion yen	47.5
FY2020	1.75billion yen	43.1
FY2021	2.96billion yen	48.4

ATM business: Expanded affiliated financial institutions and ATM services. Affiliated financial institutions increased from 249 at end FY2020 to 378 at end FY2021. Average usage per ATM/day is rising after we expanded charging services to cashless payment app.

Overseas (China)

	Existing-stores sales YoY	Number of convenience stores
FY2019	110.7%	2,646
FY2020	102.0%	3,344
FY2021	103.3%	4,560

Topped 4,000 stores in September 2021. 4,560 stores at end Feb. 2022. Increased store openings through mega-franchise contracts with local partners, etc. Also conducted 2 M&A and are working to expand store network and improve brand visibility. Sales rose strongly in 1H. Sales impacted by China's zero-Covid policy in 2H. However, full-year sales still rose 3.3% YoY.

FY2021 Results (Consolidated)

【Unit : Billions of yen】

	FY2020	FY2021	
	results	results	YoY
Operating Income	40.8	47.0	+6.2
Ordinary Income	37.6	47.5	+9.9
Net income	8.6	17.9	+9.2

■ **FY2021 Domestic convenience store business**

Existing-stores sales YoY **101.1%**

Opening **483** / Closure **303** / Total number of stores **14,656**

FY2022 Initiatives



Community-based × individual customer and individual store-focused

**Deliver new conveniences for daily living in local communities
Create “New hubs of refreshment in every community”
that people will want to go to even if they are a little further away**

- **Improve store brand power by thoroughly pursuing value for every customer**
- **Clear differentiation strategies for products and services**
- **Superior marketing strategies that use customer mindshare**

Reform concept:

“Small head office, powerful on-the-ground outlets”

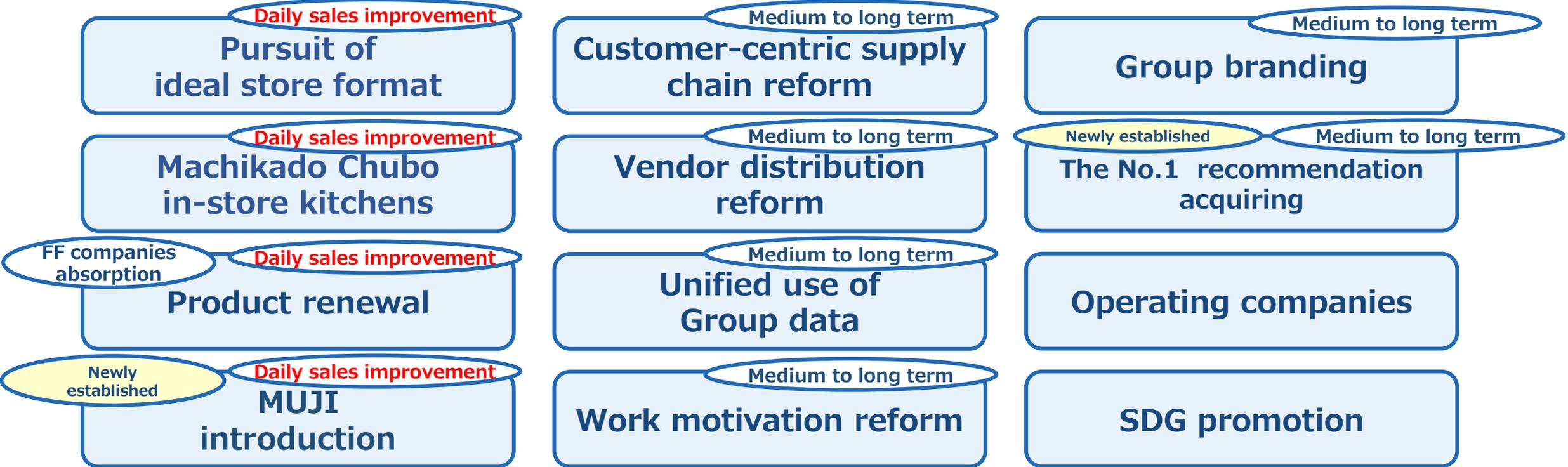
Organizational reform (1): Introduce area company system

- **Establish Hokkaido Company and Kinki Company**
- **Implement high-speed PDCA near customers and every community**

Organizational reform (2): Create flat head office structure in order to strengthen on-the-ground outlets

■ Updating projects in FY2022 and accelerating transformations

Lawson Group Sweeping Transformation Executive Committee



Sweeping Transformation Executive Committee

Main measures for 2022

	Project	Plans and major initiatives
Daily sales improvement PJ	Pursuit of ideal store format	Refurbish 3,500 more stores
	Machikado Chubo in-store kitchens	Introduce into 1,300 more stores, update menu
	Product renewal ※Horizontal FF companies absorption	Expand awareness of frozen foods, strengthen product ranges, address health-conscious demand (FY2025 sales: 500 billion yen)
	MUJI introduction	Introduce into more stores* (*The number of stores is under consideration)

	Project	Plans and major initiatives
Medium to long term PJ	Customer-centric supply chain reform	Experiment with new semi-automatic additional ordering
	Vendor distribution reform	Expand frozen food distribution, prepare for demonstration testing of AI-driven optimized delivery system
	Unified use of Group data	Expand potential new services
	Work motivation reform	Improve working environments
	Group branding	Policies to help better instill our Group philosophy, etc.
	The No.1 recommendation acquiring	Analyze detailed customer evaluations and pursue improvements

Operating companies	Pursue Group portfolio strategies
SDG promotion	Green Lawson (environment-conscious stores) Reduce CO2 introducing solar-generated power



Seijo Ishii

Operating income **13.6billion yen**
(+1.6billion yen)

•Six action plans

1. Increase store opening prowess and areas
2. Differentiate products, discover fine Japanese products
3. Strengthen production bases, improve distribution network
4. Strengthen last mile distribution (EC, home delivery, in-store pickup)
5. Human resources training
6. SDGs

•Launch new Central Kitchen



Enables us to strengthen production capacity and expand our store network, and produce and offer high-quality, high value-added products

Entertainment-related

Operating income* **2.7billion yen**
(+0.4billion yen)
*segment profit



Lawson Entertainment

Strengthen existing business, expand ticket handling for online live events, and challenge new content

•Start offering LAWSON TICKET NFT to people who purchase tickets from LAWSON TICKET (spring 2022)



United Cinemas

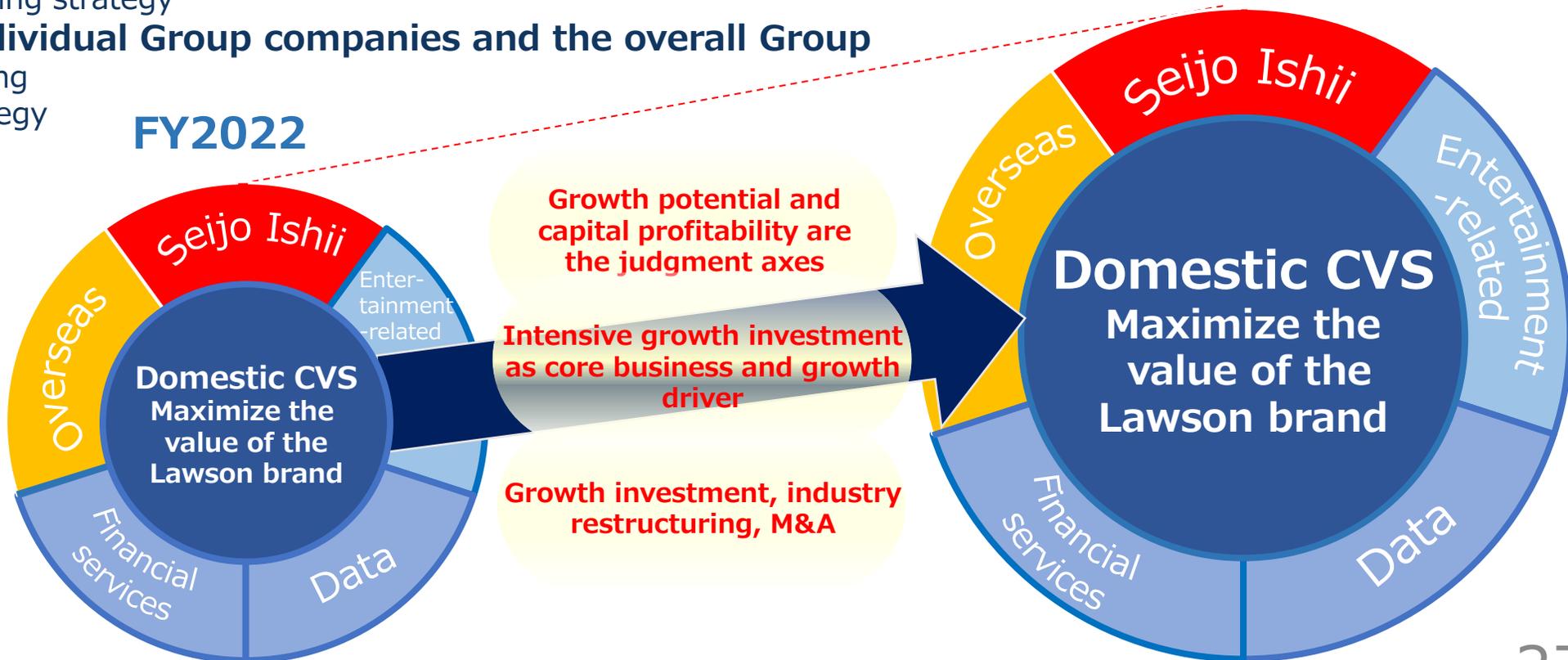
In addition to earnings from film contents, expand other earnings strategies through cinema rental services, etc.

Concept of business portfolio strategy

- Achieve Challenge 2025 targets by improving corporate value, balancing growth investment and shareholder returns, and ensuring growth for individual Group companies and the Group as a whole

- **Improve corporate value**
⇒ Intensive investment in our core domestic CVS business
- **Balance growth investment and shareholder returns**
⇒ Pursue the optimum funding strategy
- **Ensure growth for individual Group companies and the overall Group**
⇒ Explore Group restructuring and optimum funding strategy to help improve Group company profits

FY2025
ROE : 15% or higher
EPS : 500 yen or higher



【Unit : Billions of yen】

	FY2021	FY2022	
	Results	Plan	YoY
Operating Income	47.0	53.0	+5.9
Ordinary Income	47.5	48.5	+0.9
Net income	17.9	22.0	+4.0

■ **FY2022 Domestic convenience store business**

Existing-stores sales YoY 103.0% (1H 102.0% 2H 104.0%)

Opening 300 / Closure 250 / Total number of stores 14,706

■ Dividend policy

Our basic dividend policy involves securing the necessary internal reserves for developing future business and pursuing sustainable growth for the Lawson Group, while paying a minimum stable dividend of 150 yen per share on an annual basis and aiming to achieve a consolidated dividend payout ratio of 50%.

**Consolidated dividend
payout ratio target of 50%**

**Minimum dividend of
150 yen per share**



**LAWSON
GROUP**

Challenge 2025

**A new kind of convenience
New hubs of refreshment in every community**

For sustainable growth in addition to challenge indicators strategically select investment targets from the three perspectives of environment, society, and corporate governance

FY2025
Performance indicators
ROE : 15% or higher
EPS : 500 yen or higher



Initiatives for ESG

- Promoting environment-conscious initiatives to help achieve one of our three promises, to be kind to our planet (machi)

Reduce plastic containers



Switch to a paper cup for MACHI café Ice Coffee (M size) with no straw

Annual reduction in plastic use of approx. 1,830 tons

Reduce food waste

Use AI to improve precision ordering and implement full product sell-down operation

*Conducting recommending discounts tests in 65 stores in the Tohoku area



Reduce CO2 emissions

Aim to reduce annual CO2 emissions by 5.4% using optimal AI-driven store delivery diagrams

*Based on a three-month store distribution diagram compiled using AI at our Gunma Prefecture distribution center



Other initiatives

Selling Hot Milk for half price to help expand milk consumption in the face of a delayed recovery in demand and lower in school lunches over the year-end period

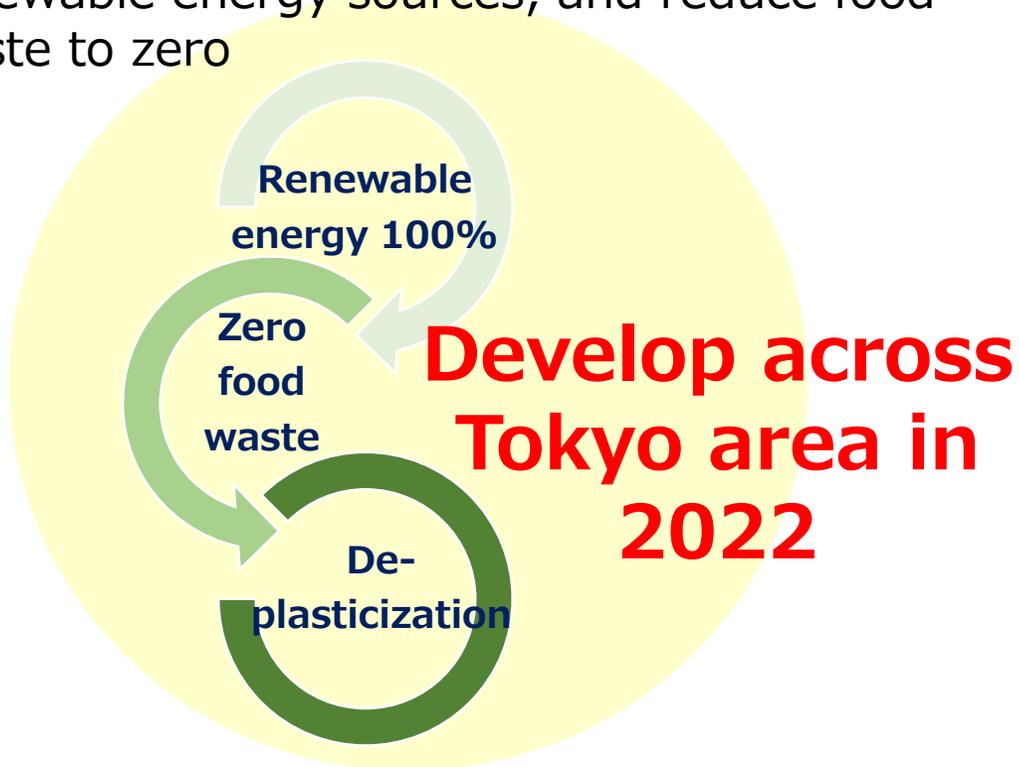
Environmental Initiatives (2) FY2021

2030 target	V. 2018 levels Reduction of 50%	V. 2017 levels Reduction of 30%	CO2 emissions per store V. 2013 levels Reduction of 50% *2																								
2021 results (preliminary)	Reduction of 17.3% *1	Reduction of 19.3%	Reduction of 26.5%																								
KPI	<p>Food loss</p> <table border="1"> <tr><th>Year</th><th>Percentage</th></tr> <tr><td>2018</td><td>100%</td></tr> <tr><td>2025</td><td>75%</td></tr> <tr><td>2030</td><td>50%</td></tr> </table>	Year	Percentage	2018	100%	2025	75%	2030	50%	<p>plastic containers</p> <table border="1"> <tr><th>Year</th><th>Percentage</th></tr> <tr><td>2017</td><td>100%</td></tr> <tr><td>2025</td><td>85%</td></tr> <tr><td>2030</td><td>70%</td></tr> </table>	Year	Percentage	2017	100%	2025	85%	2030	70%	<p>Reduce CO2 emissions</p> <table border="1"> <tr><th>Year</th><th>Percentage</th></tr> <tr><td>2013</td><td>100%</td></tr> <tr><td>2025</td><td>85%</td></tr> <tr><td>2030</td><td>50%</td></tr> </table>	Year	Percentage	2013	100%	2025	85%	2030	50%
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Initiatives	<ul style="list-style-type: none"> •Improve order accuracy •Thoroughly promote the complete sale of all stock. •Expand boxed lunches' expiration date by keeping them fresher for longer <p>*1 We changed calculation method, and discarded products are the only target of the calculation</p>	<ul style="list-style-type: none"> •Reduce by changing or simplifying containers and packaging •Reduce by changing to environment-conscious materials (paper lunch boxes containers, etc.) •Expand number of products sold by weight at Natural Lawson stores and expand number of stores which have them 	<ul style="list-style-type: none"> •Introduce energy-saving equipment and switch to solar-powered devices. •Promote our 10 energy-saving actions <p>*2 Targets revised up in June 2021</p>																								

■ Promote ESG-centered management, become a leading company on SDGs initiatives

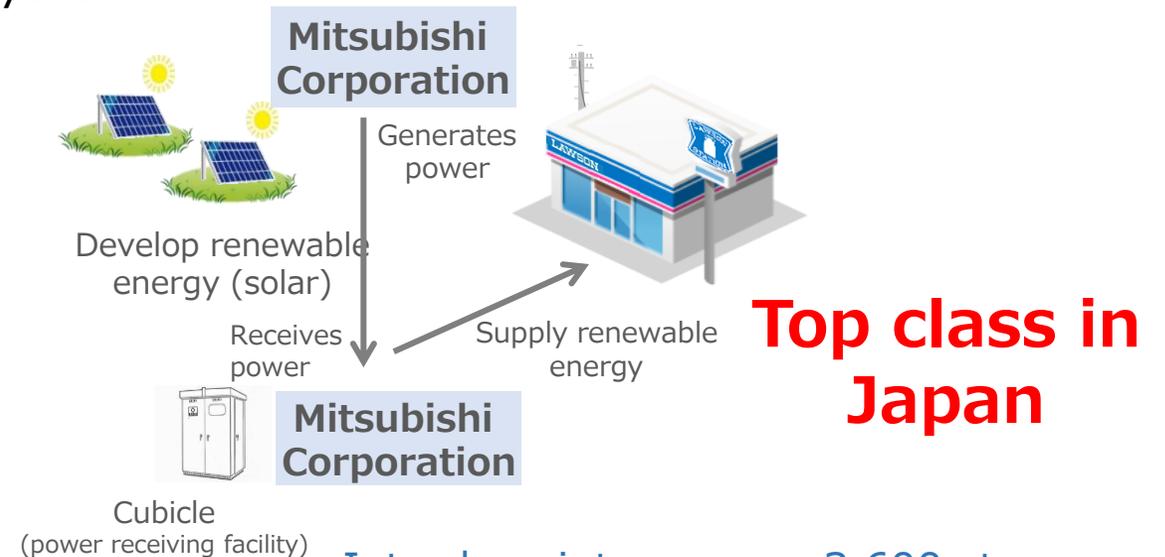
GREEN LAWSON (environment-conscious stores)

Aim to switch all energy consumption to renewable energy sources, and reduce food waste to zero



Reduce CO2 introducing solar-generated power

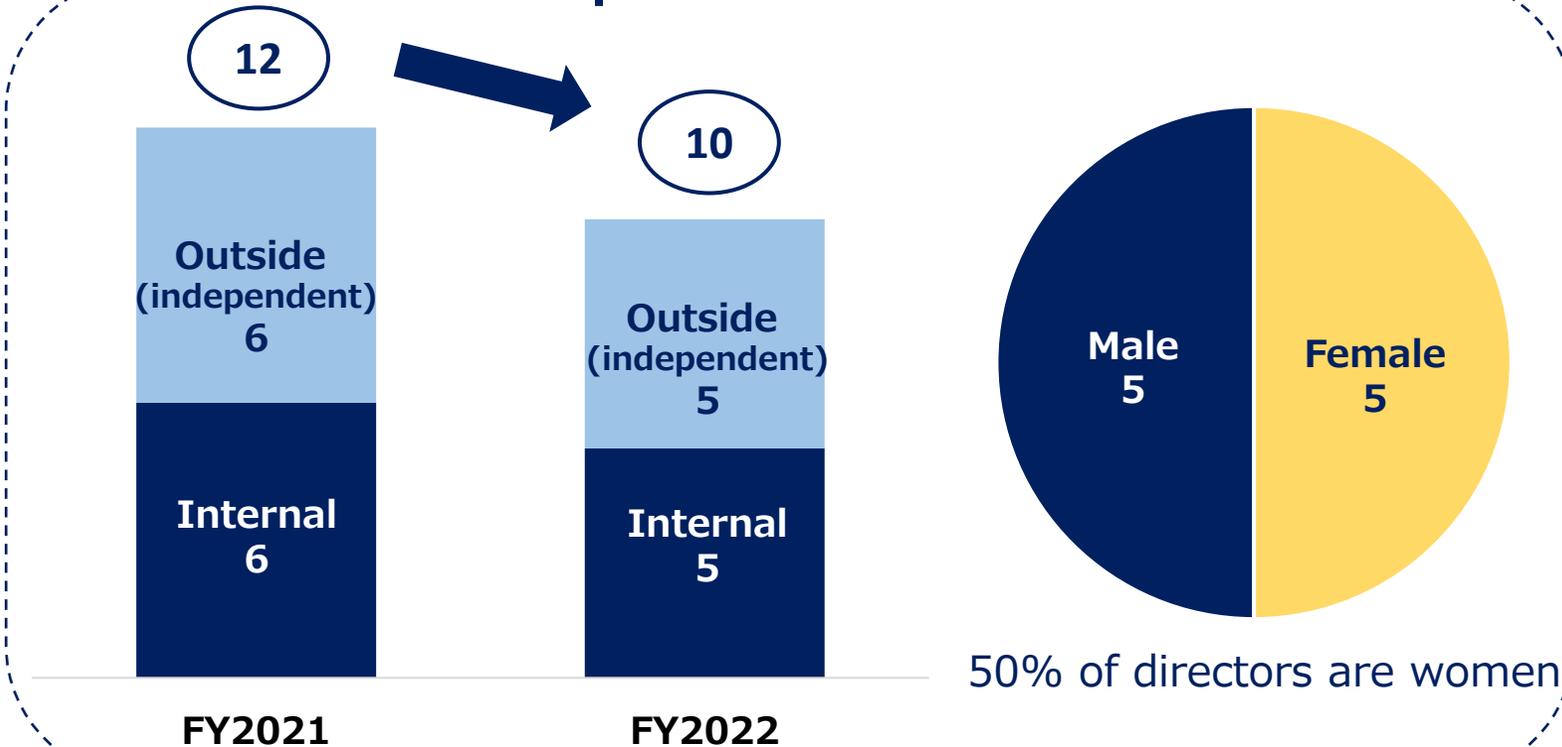
Aim to introduce solar power-generated renewable energy into approx. 3,600 stores, and reduce CO2 emissions by approx. 19,000 tons per year



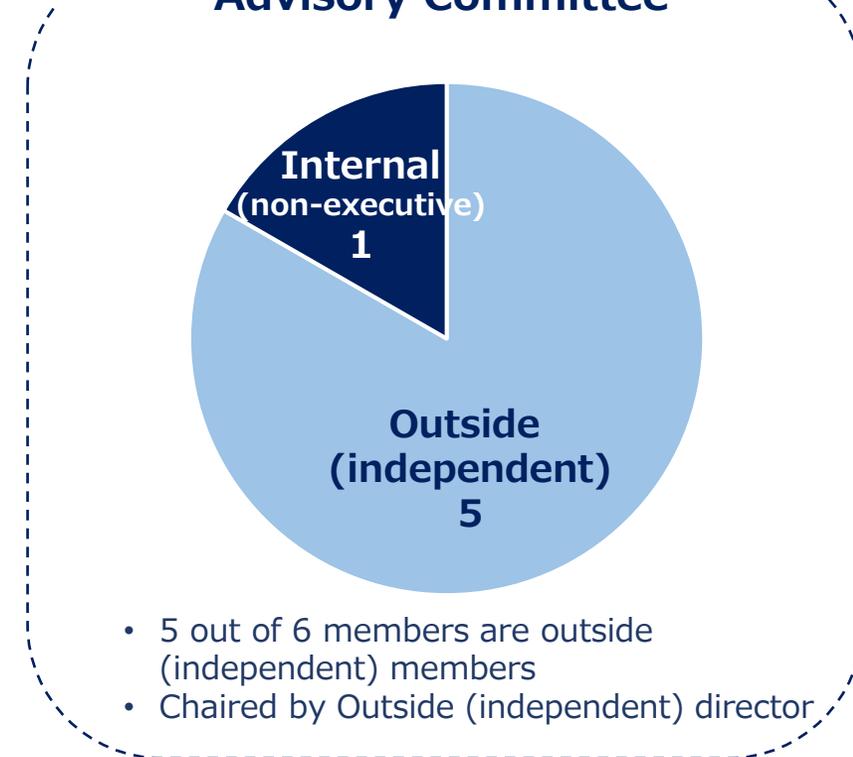
Introduce into approx. 3,600 stores in Kantoshinetsu area, Gifu, Shizuoka, Aichi, and Mie prefectures from 2022

- High level of ethics and conduct based on our Group philosophy, Lawson Corporate Conduct Charter, and Lawson Code of Ethics
- We seek to improve management soundness and transparency and enhance governance by disclosing information according to our Basic Principles Concerning Information Disclosure
- We established a voluntary Nomination and Compensation Advisory Committee and seek to ensure the objectivity, appropriateness, and transparency of procedures in consultation with the Board of Directors

Composition of Directors



Nomination and Compensation Advisory Committee



Reference Materials

Earnings Summary: FY2021 Results

Unit: Billions of yen

Consolidated	FY2020	FY2021		FY2022
	Results	Results	Y/Y	Plan
Net sales of convenience store*1	2,349.7	2,442.7	+93.0	2,570.0
Operating income	40.8	47.0	+6.2	53.0
Operating income ratio	1.7%	1.9%	+0.2%pt	2.1%
Ordinary income	37.6	47.5	+9.9	48.5
Net income	8.6	17.9	+9.2	22.0
EPS (Yen)	86.84	178.87	+92.03	219.84
Total no. of stores in Japan*2	14,476	14,656	+180	14,706
Opening	373	483	+110	300
Closure	341	303	-38	250
Net Increase	32	180	+148	50
Non-consolidated*3				
Existing store sales (Y/Y)*4	92.7%	101.1%	+8.4%pt	103.0%
Gross profit at existing stores (Y/Y)	89.4%	101.0%	+11.6%pt	104.3%
Gross profit margin	31.0%	30.7%	-0.3%pt	31.1%
difference excl. cigarette sales (Y/Y)	+0.1%pt	+0.1%pt	-	-

*1 Total chain store sales (Net sales 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 store sales of directly operation are included.

*2 The number of stores is the total number of convenience stores in Japan operated by the Lawson Group.

*3 Excluding LAWSON STORE100 business

*4 Net sales at existing stores (Y/Y) exclude the impact of tickets, etc.

Key Components of SG&A Expenses

Unit: Billions of yen

		FY2020	FY2021	
		Results	Results	YoY
Non-consolidated	Selling, general & administrative expenses	304.4	307.9	+3.4
	<Major Expenses>			
	Personnel expenses	44.8	44.1	-0.6
	IT-related expenses (Hardware leasing, software amortization, maintenance, etc.)	12.0	11.4	-0.5
	Advertising and promotional expenses	9.8	10.9	+1.1
	Sales commission	17.8	19.8	+2.0
	Facilities expenses	174.4	175.0	+0.6
Consolidated SG&A expenses		436.6	451.5	+14.8

YoY

Non-consolidated

Sales commission: Head office shouldering of losses from food waste increased in line with higher food waste resulting from wider product ranges at franchise stores.

Advertising & Promotion: Higher promotion costs relating to in-app coupons and TV ads, etc.

Consolidated

Increased after we recorded rents and personnel expenses relating to stores and cinemas that were forced to close temporarily due to COVID-19 in FY2020 as extraordinary losses, and after the number of stores in China rose.

Unit: Billions of yen

	FY2021		
	Results	YoY	
Domestic convenience store business	28.3	-0.3	Sales increased on efforts to refurbish stores and expand product ranges in order to better respond to changing customer lifestyles in with-Covid times, but profit was almost equal due to rising costs relating to store refurbishments.
Seijo Ishii business	11.2	+0.9	Profit increased on strong sales of original deli items and desserts made in our in-house Central Kitchen to satisfy stay-home demand.
Entertainment-related business	2.2	+2.5	Ticket-handling volumes increased as more concerts and other events were held, and Lawson handed ticket sales for more events. Profit from our cinema complexes also increased after the number of cinemagoers started to steadily recover.
Financial services business	2.9	+1.2	Profit increased thanks to a wider range of affiliated financial institutions and a recovery in ATM usage following the launch of ATM Charge
Overseas business	2.3	+1.5	Profit increased on the back of strong existing-store sales and rising store numbers in China.
Other business	-0.1	+0.3	-
Total	47.0	+6.2	

● Consolidated Capital Expenditures

Unit: Billions of yen

	FY2020	FY2021
	Results	Results
New stores	11.3	17.3
Existing stores	9.8	15.7
IT-related	8.4	8.0
Other	0.8	3.8
Subtotal for capital expenditure	30.5	44.9
Leases	25.6	33.3
Depreciation and amortization	80.7	79.9

● Consolidated Cash Flows

Unit: Billions of yen

	FY2020	FY2021
	Results	Results
Cash flows from operating activities	227.9	146.6
Cash flows from investing activities	-29.9	-51.7
Free cash flows	197.9	94.8
Cash flows from financing activities	-140.6	-109.5
(Cash dividends paid)	-15.0	-15.0
Cash and cash equivalents	401.1	388.4

Consolidated Balance Sheet at the end of FY2021

LAWSON

Unit: Billions of yen

	As of Feb. 28, 2021	As of Feb. 28, 2022	YoY
Total current assets	690.8	667.6	-23.1
Cash and deposits*1	402.5	388.4	-14.1
Accounts receivable	161.0	146.4	-14.6
Total non-current assets	674.6	669.6	-5.0
Property and store equipment	367.6	368.7	+1.1
Intangible assets	86.4	77.7	-8.6
Software	39.0	34.8	-4.2
Goodwill	38.2	34.4	-3.7
Investments and other assets	220.5	223.1	+2.5
Long-terms loans receivable	40.6	38.0	-2.5
Guatantee deposits	103.0	103.2	+0.2
Total Assets	1,365.4	1,337.2	-28.1

	As of Feb. 28, 2021	As of Feb. 28, 2022	YoY
Total current liabilities	767.7	704.6	-63.0
Accounts payable-trade	127.4	125.6	-1.8
Short-term loans payable*2	42.3	47.0	+4.7
Current portion of long-term loans payable	100.0	20.0	-80.0
Deposits received	246.1	151.8	-94.3
Total non-current liabilities	324.7	354.0	+29.3
Long-term loans payable*2	130.0	160.0	+30.0
Total liabilities	1,092.4	1,058.7	-33.7
Net Assets	272.9	278.4	+5.5
Capital stock	58.5	58.5	-
Retained earnings	158.4	161.2	+2.8
Liabilities and net assets	1,365.4	1,337.2	-28.1

*1 The amount of cash and deposits for financial services business as of February 28, 2022 is 350.2 billions of yen, most of which is used for refilling ATMs.

*2 The amount of loans payable for financial services business as of February 28, 2022 is 242.5 billions of yen.

Cautionary Statement

This presentation contains forward-looking statements and forecasts regarding the future plans, strategies and performances of Lawson and its subsidiaries and affiliates. These statements and forecasts are not historical facts. They are expectations based on assumptions and beliefs derived from information currently available to the Company and are subject to risks and uncertainties including, but not limited to, economic trends, heightened competition in the domestic convenience store sector, personal consumption, market demand, the tax system and other legislation. As such, actual results may differ materially from estimates. Figures in this presentation have been rounded down.