

**Flash Report on the Consolidated Financial Results [IFRS]**  
for the First Quarter of the Fiscal Year Ending February 28, 2025

July 12, 2024

Listed Company Name: Lawson, Inc.

Code No.: 2651

Company Representative: Sadanobu Takemasu, President and CEO, Representative Director,  
Chairman of the Board

Contact: Tomoki Takanishi, Senior Vice President, Financial Administration Division Director

Tokyo Stock Exchange

(URL <https://www.lawson.jp/en/ir/>)

Tel.: +81-3-6635-3963

Scheduled date for submission of quarterly securities report: July 12, 2024

Scheduled date for payment of dividend: –

Supplementary materials for quarterly financial results: Yes

Holding of presentation of quarterly results: None

(Amounts less than one million yen are truncated)

1. Consolidated operating results for the first quarter ended May 31, 2024 (from March 1, 2024 to May 31, 2024)

(1) Consolidated operating results (cumulative)

Note: Percentages represent increases (decreases) compared with the corresponding period of the previous fiscal year.

	Gross operating revenue		Core operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
For the first quarter ended												
May 31, 2024	279,441	5.8	26,128	(0.4)	24,742	2.9	16,946	5.0	16,967	5.4	18,538	9.3
May 31, 2023	264,100	11.9	26,246	63.9	24,041	73.4	16,141	94.2	16,095	92.1	16,958	58.9

	Basic earnings per share	Diluted earnings per share
For the first quarter ended	Yen	Yen
May 31, 2024	169.55	169.37
May 31, 2023	160.83	160.70

Note: “Core operating profit” is a profit indicator for operating income under Japanese GAAP that is calculated by subtracting the cost of sales and selling, general and administrative expenses from gross operating revenue.

(2) Consolidated financial position

	Total assets	Equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
As of	Millions of yen	Millions of yen	Millions of yen	%
May 31, 2024	2,397,685	307,615	303,010	12.6
February 29, 2024	2,297,498	289,300	284,752	12.4

2. Dividends

	Annual dividends per share				
	1Q	1H	3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
2023 fiscal year	–	117.50	–	0.00	117.50
2024 fiscal year	–				
2024 fiscal year (forecast)		–	–	–	–

Note: Revision of the most recent dividends forecast: None

3. Forecast of consolidated operating results for 2024 fiscal year (from March 1, 2024 to February 28, 2025)

As publicly announced in the “Notice of Resolutions to Approve Share Consolidation, Abolition of the Provision on Share Units and Partial Amendment of the Articles of Incorporation” dated July 3, 2024, the Company’s common shares will be delisted on July 24, 2024. Therefore, the financial forecasts for fiscal 2024 are not provided.

4. Notes

(1) Change in significant subsidiaries during the quarterly consolidated period (Changes in certain specified subsidiaries resulting in changes in scope of consolidation): None

Added: None

Excluded: None

(2) Changes in accounting policies, changes in accounting estimates

1. Changes in accounting policies required by IFRS: Yes
2. Changes in accounting policies other than 1. above: None
3. Changes in accounting estimates: None

Note: For details, please refer to “2. Condensed Quarterly Consolidated Financial Statements and Main Notes, (5) Notes Concerning Condensed Quarterly Consolidated Financial Statements (Material Accounting Policy Information)” on page 15.

(3) Number of shares outstanding (common stock)

1. Number of shares outstanding at the end of period (including treasury shares)			
As of May 31, 2024:	100,300,000	As of February 29, 2024:	100,300,000
2. Number of treasury shares at the end of period			
As of May 31, 2024:	223,659	As of February 29, 2024:	222,085
3. Average number of shares during the period (cumulative three months)			
As of May 31, 2024:	100,076,951	As of May 31, 2023:	100,078,265

Note: The Flash Report on the Consolidated Financial Results is not subject to audit.

Note: Descriptions on appropriate use of financial performance forecasts and other special notes

As publicly announced in the “Notice of Resolutions to Approve Share Consolidation, Abolition of the Provision on Share Units and Partial Amendment of the Articles of Incorporation” dated July 3, 2024, the Company’s common shares will be delisted on July 24, 2024. Therefore, the financial forecasts for fiscal 2024 are not provided.

## Contents

1. Qualitative Information Regarding Quarterly Financial Results.....	2
(1) Explanation Regarding Consolidated Operating Results.....	2
(2) Explanation Regarding Consolidated Financial Position .....	7
(3) Explanation Regarding Forward-looking Statements.....	7
2. Condensed Quarterly Consolidated Financial Statements and Main Notes .....	8
(1) Condensed Quarterly Consolidated Statement of Financial Position.....	8
(2) Condensed Quarterly Consolidated Statement of Profit and Loss and Condensed Quarterly Consolidated Statement of Comprehensive Income .....	10
Condensed Quarterly Consolidated Statement of Profit and Loss.....	10
Condensed Quarterly Consolidated Statement of Comprehensive Income .....	11
(3) Condensed Quarterly Consolidated Statement of Changes in Equity .....	12
(4) Condensed Quarterly Consolidated Statement of Cash Flows .....	14
(5) Notes Concerning Condensed Quarterly Consolidated Financial Statements.....	15
(Going Concern Assumption).....	15
(Material Accounting Policy Information) .....	15
(Segment Information) .....	15
(Additional Information) .....	17

# **1. Qualitative Information Regarding Quarterly Financial Results**

## **(1) Explanation Regarding Consolidated Operating Results**

During the first quarter of fiscal 2024, from March 1 to May 31, 2024, we made concerted Group-wide efforts to realize the qualitative goal of the “Lawson Group Challenge 2025” medium-term management vision, which is to ensure we are the No. 1 recommended business in our industry by customers, society, and partners. Specifically, we undertook various measures under our Lawson Group Sweeping Transformation Executive Committee, and the whole Lawson Group collectively endeavored to resolve medium- to long-term issues for sustainable growth, acquire new revenue opportunities, and foster job satisfaction. With community, individual customers and individual stores as our strategic concepts, we more vigorously pursued the creation of customer value at locations that are in close proximity to our customers and have undertaken initiatives using AI and other digital technologies with the aim of achieving “Real x Tech Convenience.” Moreover, we have formed a working group with Mitsubishi Corporation and KDDI Corporation to begin discussing future measures.

As a result, during the first quarter of fiscal 2024 on a consolidated basis, gross operating revenue increased to 279,441 million yen (up 5.8% from previous fiscal year) and profit before tax increased to 24,742 million yen (up 2.9% from previous fiscal year). Profit attributable to owners of parent was 16,967 million yen (up 5.4% from previous fiscal year).

We also focused on improving our group-wide internal control system and addressing operating risks based on the 2024 Basic Policy for Improvement of Internal Control Systems. We will continue promoting internal control going forward.

Operating results by business segment were as follows.

### **(Domestic Convenience Store Business)**

During the first quarter under review, in addition to strengthening delivery services by introducing an automatic linkage function that allows customers to check the availability of in-store inventory on the apps of delivery service providers and expanding our merchandise, we introduced “AI.CO”, a next-generation ordering system using AI. Also, as we work our way toward 2025, our 50th anniversary year, we continue to expand HAPPY LAWSON PROJECT! with the aim of creating “hubs of refreshment in every community,” and promoted measures to fulfill the three promises of our business policy—“Superior taste,” “Human kindness,” and “Environmental (Machi) friendliness”—in an effort to operate LAWSON stores endorsed by all our customers.

In addition to further strengthening our distinctive products that focus on taste and health, we are also working to provide heartfelt customer service in our stores, and we are continuing with our environmentally friendly measures such as reducing food loss, plastic usage, and CO<sub>2</sub> emissions.

#### **[Store Operations]**

In store operations, we continued to focus on reinforcing adherence to the Three Essential Practices, which emphasizes (1) serving customers courteously; (2) offering a merchandise assortment focused on basic items with high demand; and (3) keeping our stores and communities clean. In our efforts to increase sales, we also focused on expanding our merchandise assortment to respond to changes in customer lifestyles and values. Furthermore, we kept up our initiatives to increase the profitability of franchise stores, including helping them streamline their store operation and control costs associated with food waste and utility expenses.

[Merchandising and Service Strategies]

Sales continued to surge in fast-food counter items, the rice range, bakery, and dessert items driven by factors such as various sales promotional measures represented by “HAPPY LAWSON PROJECT!” and an increase in the movement of people. In the fast-food counter range, the in-store freshly brewed coffee service “MACHI café” enjoyed strong sales in addition to regular items such as the “Kara-age-kun” chicken nuggets. In the rice range, rice bowls such as the “Kinshari Onigiri Rice Ball” series drove strong sales. In bakery range, we saw strong performance for sweet breads such as “Melon-pan Bread with Salty Butter” as well as regular savory breads, and in dessert items, sales of new products such as “CHEESECAKE” and the new sponge cake products drove sales up.

In food delivery service, the combined number of stores listed on four food delivery services such as Uber Eats, reached 6,446 in 47 prefectures as of May 31, 2024. In addition, Uber Eats delivers over-the-counter (OTC) medicine sold at 117 LAWSON stores in 24 prefectures.

[Breakdown of Sales by Merchandise Category at Chain Stores in Domestic Convenience Store Business]

Fiscal year Product group	Previous fiscal year From March 1, 2023 to May 31, 2023		Current fiscal year From March 1, 2024 to May 31, 2024	
	Sales (Millions of yen)	Percentage of total (%)	Sales (Millions of yen)	Percentage of total (%)
Processed foods	318,833	53.7	329,992	53.4
Fast foods	133,282	22.4	138,215	22.3
Daily delivered foods	89,635	15.1	95,731	15.5
Nonfood products	52,204	8.8	54,503	8.8
Total	593,957	100.0	618,442	100.0

[Store Development]

In opening new stores, the Group continued to focus on developing profitable stores.

During the first quarter of fiscal 2024, the total number of LAWSON, NATURAL LAWSON and LAWSON STORE100 stores opened in Japan stood at 55 stores. Meanwhile, we closed a total of 90. As of the end of May 2024, the total number of domestic stores was 14,608\*1.

In an effort to establish convenience store models catered to an aging population and a trend toward self-treatment, we are building partnerships with dispensing pharmacy and drug store chains to operate healthcare-oriented LAWSON stores that offer over-the-counter pharmaceuticals and prescription drugs, as well as a wider assortment of cosmetics and daily necessities than conventional LAWSON stores. The number of stores offering over-the-counter pharmaceuticals has reached 313 stores (includes 44 pharmacy LAWSON stores equipped with drug-dispensing pharmacies) as of the end of May 2024. Moreover, the number of stores with nursing care consultation desks for seniors has reached 19 as of the end of May 2024. Furthermore, we have also been expanding our chain of “in-hospital LAWSON stores,” which feature strengthened focus on medical, sanitary and nursing supplies in addition to merchandise and services offered at standard convenience stores. The number of such stores has reached 342 as of the end of May 2024. Building on our expertise developed through operation of in-hospital LAWSON stores, we will continue to support the lives of all people interacting with hospitals.

Our NATURAL LAWSON stores, which are popular among customers for supporting their beauty, health, and comfortable lifestyles, offer an exclusive selection of finely picked items of value, including food made with healthy ingredients along with environmentally friendly detergents and cosmetics. Meanwhile, our LAWSON STORE100 stores consistently offer safe and high-quality fruits and vegetables with a focus on freshness and daily necessities, supporting customers' daily dietary lives by helping them plan their meals. The stores are visited by customers of all ages including children and the elderly, and particularly single people and homemakers. As of the end of May 2024, we operate 133 NATURAL LAWSON stores and 645 LAWSON STORE100 stores.

\*1 The numbers of store openings and closings and total number of stores in Japan include stores operated by Lawson, Inc., Lawson Kochi, Inc., Lawson Minamikyushu, Inc. and Lawson Okinawa, Inc.

[Change in the Total Number of Domestic Stores]

	Total stores as of February 29, 2024	Change during fiscal year	Total stores as of May 31, 2024
LAWSON	13,865	(35)	13,830
NATURAL LAWSON	130	3	133
LAWSON STORE100	648	(3)	645
Total	14,643	(35)	14,608

[Number of LAWSON stores by prefecture (As of May 31, 2024)]

Prefecture	Number of stores	Prefecture	Number of stores	Prefecture	Number of stores	Prefecture	Number of stores
Hokkaido	704	Ibaraki	214	Kyoto	326	Ehime	214
Aomori	279	Tokyo	1,649	Shiga	150	Tokushima	133
Akita	179	Kanagawa	1,062	Nara	134	Kochi	135
Iwate	179	Shizuoka	272	Wakayama	154	Fukuoka	525
Miyagi	257	Yamanashi	134	Osaka	1,188	Saga	78
Yamagata	108	Nagano	165	Hyogo	699	Nagasaki	125
Fukushima	169	Aichi	714	Okayama	244	Oita	199
Niigata	227	Gifu	174	Hiroshima	304	Kumamoto	166
Tochigi	197	Mie	136	Yamaguchi	129	Miyazaki	112
Gunma	240	Ishikawa	101	Tottori	134	Kagoshima	200
Saitama	692	Toyama	176	Shimane	140	Okinawa	263
Chiba	592	Fukui	104	Kagawa	132	Total (domestic)	14,608

(Note) These figures include stores operated by Lawson, Inc., Lawson Kochi, Inc., Lawson Minamikyushu, Inc. and Lawson Okinawa, Inc.

As a result, Domestic Convenience Store Business posted gross operating revenue of 190,901 million yen (up 5.2% from previous fiscal year) and segment profit of 19,292 million yen (down 3.4% from previous fiscal year).

### (Seijo Ishii Business)

Seijo Ishii Co., Ltd provides customers with well-selected, and highly original foods under its philosophy of "Quality food for a quality life." Operating diverse store formats including street-side stores and stores in station buildings and commercial facilities, the supermarket chain leverages its distinguished product development expertise to offer original products and food items made in-house under the Seijo Ishii brand. The number of directly operated Seijo Ishii Co., Ltd stores reached 182 as of the end of May 2024. Sales grew mainly at street-side stores and stores in stations, which account for more than 70% of the total number of stores, and stores in

station buildings. Product-wise, daily delivered foods and dishes produced in-house at Seijo Ishii's central kitchen recorded steady sales, while sales grew for fresh food including fruits and vegetables, meat, and fish, primarily at street-level stores. We will continue striving to elevate the brand power of Seijo Ishii by promoting the sustainable development of products of value, effective promotional campaigns, and publicity activities as a manufacturing retailer eager to send messages out to consumers.

As a result, Seijo Ishii Business posted gross operating revenue of 30,248 million yen (up 8.9% from previous fiscal year) and segment profit of 3,625 million yen (up 11.8% from previous fiscal year).

#### **(Entertainment-related Business)**

With respect to our ticketing business in our Entertainment-related Business undertaken by Lawson Entertainment, Inc., concerts, events, and other genres enjoyed brisk demand. In addition, we focused our efforts on securing an expanded lineup of events and strengthening sales in each genre, which resulted in a year-on-year increase in our ticket transaction value. Furthermore, sales for our product sales business at HMV music/video software stores and others grew as a result of a rise in the number of concerts and events held, which drove up sales for related products, as well as an increase in the movement of people. In our e-commerce business, we are making efforts to expand the scope of merchandise we handle, including band and artist merchandise, cosmetics and other items. The number of stores has reached 49 as of May 31, 2024, including HMV stores, HMV&BOOKS, which markets books, CDs and DVDs, and HMV record shop stores specializing in analog records.

Lawson United Cinemas, Inc., an operator of cinema complexes, saw an increase in the number of moviegoers thanks in part to high-profile films released between the spring holiday season and the long holiday in May. On April 26, we opened "Lawson United Cinemas STYLE-S Minatomirai," the world's first cinema equipped with an immersive sound experience system for all screens and seats, providing a new entertainment experience utilizing state-of-the-art technology. As of May 31, 2024, 44 cinema complexes nationwide with 410 screens are operating. United Cinema Co., Ltd. has changed its name to Lawson United Cinemas, Inc. effective March 1, 2024.

As a result, Entertainment-related Business posted gross operating revenue of 20,722 million yen (down 1.3% from previous fiscal year) and segment profit of 2,264 million yen (up 17.5% from previous fiscal year).

#### **(Financial Services Business)**

With respect to our Financial Services Business, we endeavored to offer an expanded range of new services through Lawson Bank, Inc.'s ATMs and ATM settlement network. As of May 31, 2024, the number of ATMs installed nationwide reached 13,664, with each ATM used 58.1 times a day on average. The total number of our financial institution partners reached 400 nationwide. We now have 15 partners for the cash charging at ATMs, 8 for the "Smartphone ATM (QR code deposit/withdrawal)"\*\*2 service, 25 for the "Immediate Account Settlement Service"\*\*\*3 (19 financial institutions and 6 other service operators), and 12 for international money transfer cards. In addition to cash deposit and withdrawal services, charging to cashless payment services has also contributed to the increased use of ATMs, etc. Furthermore, the new-model ATMs, which have been installed gradually from January 2024, are expanding the services available, including support for charging cash to contactless IC-equipped electronic money.

Regarding LAWSON Ponta Plus credit cards issued by Lawson Bank, Inc, we are continuing to work on

promoting card usage by drawing public attention to the benefits of using the card at LAWSON stores and other Ponta affiliated stores.

\*2 A service where customers can deposit/withdraw cash or take out/repay a credit card loan at an ATM by using a smartphone app instead of a bank card. “Smartphone ATM” is a registered trademark of Seven Bank, Ltd.

\*3 A service that allows customers to top up their mobile payment app from their account with a financial institution by harnessing the ATM network.

As a result, Financial Services Business posted gross operating revenue of 9,290 million yen (up 4.8% from previous fiscal year) and segment profit of 337 million yen (down 62.2% from previous fiscal year).

### **(Overseas Business)**

With regards to Overseas Business, the Group’s operating companies have developed LAWSON stores in the People’s Republic of China, Thailand, the Philippines, the United States of America (Hawaii) and Indonesia.

The number of LAWSON stores in the People’s Republic of China reached 6,335 as of May 31, 2024, up 47 stores from the end of previous fiscal year, including the opening of the first store in Shandong Province in March. In addition to opening new stores through our subsidiaries, we are also launching stores by concluding mega franchise agreements with local retailers in different cities, as well as area license agreements, where partner companies serve as headquarters in designated areas and assume overall operation and development, in efforts to accelerate the expansion of business areas and the number of stores. Profit increased as we responded to the economic slowdown and changes in consumer purchasing behavior through cost control and other measures. We will work to offer our signature high-quality original products including rice and dessert items, enhance the value of the Lawson brand in China, and increase earnings by strengthening our delivery business.

With regard to regions other than China, daily sales remained steady due to a recovery in the overall consumer market and the increased movement of people, including an increase in the number of travelers from overseas. We have been accelerating the pace of new store openings, with the total number of stores in Thailand, the Philippines, the United States (Hawaii), and Indonesia reaching 1,059 as of May 31, 2024, up 3 stores from the end of the previous fiscal year. We will continue to operate our stores to sustain the daily lives of our customers and strive to further expand our earnings.

#### [Distribution of LAWSON Brand Stores Overseas by Region]

Country/Region	Number of stores (As of February 29, 2024)	Change during fiscal year	Number of stores (As of May 31, 2024)
China	6,288	47	6,335
Thailand	188	5	193
Philippines	144	17	161
United States of America (Hawaii)	2	–	2
Indonesia	722	(19)	703
Total	7,344	50	7,394

As a result, Overseas Business posted gross operating revenue of 30,931 million yen (up 12.0% from previous fiscal year) and segment profit of 576 million yen (up 171.5% from previous fiscal year).



## **(2) Explanation Regarding Consolidated Financial Position**

### **① Assets, liabilities and equity at the end of the first quarter of fiscal 2024**

Current assets increased by 99,920 million yen from the end of the previous fiscal year to 815,788 million yen, mainly reflecting increases of 74,251 million yen in cash and cash equivalents and 21,333 million yen in trade and other receivables. Non-current assets increased by 266 million yen from the end of the previous fiscal year to 1,581,896 million yen, mainly reflecting increases of 2,487 million yen in property and store equipment and 1,239 million yen in intangible assets, and a decrease of 3,225 million yen in deferred tax assets. Consequently, total assets increased by 100,186 million yen from the end of the previous fiscal year to 2,397,685 million yen.

Current liabilities increased by 82,988 million yen from the end of the previous fiscal year to 1,094,181 million yen, mainly reflecting increases of 60,170 million yen in borrowings and 55,192 million yen in deposits received, and a decrease of 22,450 million yen in other financial liabilities. Non-current liabilities decreased by 1,116 million yen from the end of the previous fiscal year to 995,889 million yen, mainly reflecting a decrease of 1,565 million yen in lease liabilities. Consequently, total liabilities increased by 81,872 million yen from the end of the previous fiscal year to 2,090,070 million yen.

Equity increased by 18,314 million yen from the end of the previous fiscal year to 307,615 million yen, mainly reflecting increases of 16,760 million yen in retained earnings and 1,514 million yen in other components of equity. Consequently, shareholders' equity ratio was 12.6%, up from 12.4% as of the end of the previous fiscal year.

### **② Cash flows during the first quarter of fiscal 2024**

Cash and cash equivalents as of May 31, 2024 decreased by 74,251 million yen from the end of the previous fiscal year to 506,715 million yen.

Net cash provided by operating activities was 78,271 million yen, a decrease of 116,092 million yen from the previous fiscal year, mainly because of the movement in call money for banking business, deposits received, trade and other payables, and trade and other receivables.

Net cash used in investing activities was (18,837) million yen, a decrease of 3,281 million yen from the previous fiscal year, mainly because of an increase in purchase of intangible assets, a decrease in payment for guarantee deposits and purchase of long-term prepaid expenses, a decrease in proceeds from collection of guarantee deposits and proceeds from sale and redemption of investments.

Net cash provided by financing activities was 14,714 million yen, an increase of 79,575 million yen from the previous fiscal year, mainly because of an increase of proceeds from borrowings and repayments of borrowings, and a decrease of dividends paid.

The Group's sources of capital and funding liquidity are used to fund new store openings, remodel existing stores, and develop new business, as well as to pay dividends.

Working capital and investment funds are basically allocated from operating cash flow, and funds are procured as needed.

## **(3) Explanation Regarding Forward-looking Statements**

As publicly announced in the "Notice of Resolutions to Approve Share Consolidation, Abolition of the Provision on Share Units and Partial Amendment of the Articles of Incorporation" dated July 3, 2024, the Company's common shares will be delisted on July 24, 2024. Therefore, the financial forecasts for fiscal 2024 are not provided.

## 2. Condensed Quarterly Consolidated Financial Statements and Main Notes

### (1) Condensed Quarterly Consolidated Statement of Financial Position

	(Millions of yen)	
	Previous fiscal year As of February 29, 2024	Current 1st Quarter As of May 31, 2024
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	432,464	506,715
Trade and other receivables	234,295	255,629
Finance lease receivables	7,707	7,553
Other financial assets	879	1,828
Inventories	29,176	30,707
Other current assets	11,345	13,354
<b>Total current assets</b>	<b>715,868</b>	<b>815,788</b>
<b>Non-current assets</b>		
Property and store equipment	193,270	195,758
Right-of-use assets	1,058,069	1,057,968
Investment property	47,841	47,131
Goodwill	52,258	52,863
Intangible assets	64,003	65,243
Investments accounted for using equity method	6,665	6,300
Guarantee deposits	97,502	97,715
Other financial assets	8,399	8,704
Deferred tax assets	47,543	44,317
Other non-current assets	6,077	5,892
<b>Total non-current assets</b>	<b>1,581,630</b>	<b>1,581,896</b>
<b>Total assets</b>	<b>2,297,498</b>	<b>2,397,685</b>

	(Millions of yen)	
	Previous fiscal year As of February 29, 2024	Current 1st Quarter As of May 31, 2024
<b>Liabilities and equity</b>		
<b>Current liabilities</b>		
Trade and other payables	256,411	259,349
Deposits received	202,954	258,146
Borrowings	90,850	151,020
Income taxes payable	16,012	7,614
Other financial liabilities	418,774	396,324
Provisions	2,490	319
Other current liabilities	23,699	21,405
<b>Total current liabilities</b>	<b>1,011,192</b>	<b>1,094,181</b>
<b>Non-current liabilities</b>		
Borrowings	99	105
Lease liabilities	916,105	914,540
Other financial liabilities	21,585	21,730
Retirement benefit liability	17,280	17,284
Deferred tax liabilities	386	683
Provisions	37,840	37,830
Other non-current liabilities	3,706	3,713
<b>Total non-current liabilities</b>	<b>997,005</b>	<b>995,889</b>
<b>Total liabilities</b>	<b>2,008,197</b>	<b>2,090,070</b>
<b>Equity</b>		
Share capital	58,506	58,506
Capital surplus	47,058	47,058
Treasury shares	(947)	(964)
Other components of equity	5,705	7,219
Retained earnings	174,429	191,189
Total equity attributable to owners of parent	284,752	303,010
Non-controlling interests	4,548	4,605
<b>Total equity</b>	<b>289,300</b>	<b>307,615</b>
<b>Total liabilities and equity</b>	<b>2,297,498</b>	<b>2,397,685</b>

**(2) Condensed Quarterly Consolidated Statement of Profit and Loss and Condensed Quarterly Consolidated Statement of Comprehensive Income**

**Condensed Quarterly Consolidated Statement of Profit and Loss**

(Millions of yen)

	Previous 1st Quarter From March 1, 2023 to May 31, 2023	Current 1st Quarter From March 1, 2024 to May 31, 2024
<b>Gross operating revenue</b>	264,100	279,441
Cost of sales	(123,567)	(129,334)
<b>Operating gross profit</b>	140,533	150,107
Selling, general and administrative expenses	(114,286)	(123,978)
Other income	618	696
Other expenses	(1,191)	(1,066)
Finance income	408	1,080
Finance costs	(2,452)	(2,438)
Share of profit of investments accounted for using equity method	412	341
<b>Profit before tax</b>	24,041	24,742
Income taxes	(7,900)	(7,795)
<b>Profit</b>	16,141	16,946
<b>Profit (loss) attributable to</b>		
Owners of parent	16,095	16,967
Non-controlling interests	46	(21)
	16,141	16,946
<b>Earnings per share</b>		
Basic earnings per share (Yen)	160.83	169.55
Diluted earnings per share (Yen)	160.70	169.37

## Condensed Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	Previous 1st Quarter From March 1, 2023 to May 31, 2023	Current 1st Quarter From March 1, 2024 to May 31, 2024
<b>Profit</b>	16,141	16,946
<b>Items that will not be reclassified to profit or loss</b>		
Financial assets measured at fair value through other comprehensive income	55	(99)
Total of items that will not be reclassified to profit or loss	55	(99)
<b>Items that may be reclassified to profit or loss</b>		
Exchange differences on translation of foreign operations	753	1,669
Share of other comprehensive income of investments accounted for using equity method	8	21
Total of items that may be reclassified to profit or loss	761	1,691
<b>Other comprehensive income (net of tax)</b>	817	1,591
<b>Comprehensive income</b>	16,958	18,538
Comprehensive income attributable to		
Owners of parent	16,874	18,481
Non-controlling interests	83	56

### (3) Condensed Quarterly Consolidated Statement of Changes in Equity

Previous 1st Quarter (From March 1, 2023 to May 31, 2023)

(Millions of yen)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Other components of equity		Total
				Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	
Balance as of March 1, 2023	58,506	46,934	(948)	(1,278)	5,077	3,799
Profit						–
Other comprehensive income				55	723	779
Total comprehensive income				55	723	779
Purchase of treasury shares			(0)			–
Dividends						–
Exercise of share acquisition rights (issuance of treasury shares)		(5)	5			–
Total transactions with owners	–	(5)	5	–	–	–
Balance as of May 31, 2023	58,506	46,928	(943)	(1,223)	5,801	4,578

	Equity attributable to owners of parent			
	Retained earnings	Total	Non-controlling interests	Total equity
Balance as of March 1, 2023	141,650	249,941	3,916	253,858
Profit	16,095	16,095	46	16,141
Other comprehensive income		779	37	817
Total comprehensive income	16,095	16,874	83	16,958
Purchase of treasury shares		(0)		(0)
Dividends	(7,505)	(7,505)		(7,505)
Exercise of share acquisition rights (issuance of treasury shares)		0		0
Total transactions with owners	(7,505)	(7,506)	–	(7,506)
Balance as of May 31, 2023	150,240	259,310	4,000	263,311

Current 1st Quarter (From March 1, 2024 to May 31, 2024)

(Millions of yen)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Other components of equity		Total
				Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	
Balance as of March 1, 2024	58,506	47,058	(947)	(1,009)	6,715	5,705
Profit						–
Other comprehensive income				(99)	1,613	1,514
Total comprehensive income				(99)	1,613	1,514
Purchase of treasury shares			(16)			–
Other						–
Total transactions with owners	–	–	(16)	–	–	–
Balance as of May 31, 2024	58,506	47,058	(964)	(1,109)	8,329	7,219

	Equity attributable to owners of parent			
	Retained earnings	Total	Non-controlling interests	Total equity
Balance as of March 1, 2024	174,429	284,752	4,548	289,300
Profit	16,967	16,967	(21)	16,946
Other comprehensive income		1,514	77	1,591
Total comprehensive income	16,967	18,481	56	18,538
Purchase of treasury shares		(16)		(16)
Other	(207)	(207)		(207)
Total transactions with owners	(207)	(223)	–	(223)
Balance as of May 31, 2024	191,189	303,010	4,605	307,615

**(4) Condensed Quarterly Consolidated Statement of Cash Flows**

(Millions of yen)

	Previous 1st Quarter From March 1, 2023 to May 31, 2023	Current 1st Quarter From March 1, 2024 to May 31, 2024
Cash flows from operating activities:		
Profit before tax	24,041	24,742
Depreciation and amortization	52,536	53,550
Impairment loss	585	350
Interest income	(318)	(335)
Interest expenses	2,451	2,346
Loss on retirement of non-current assets	231	456
Decrease (increase) in trade and other receivables	(14,682)	(21,125)
Increase (decrease) in trade and other payables	19,930	7,237
Increase (decrease) in deposits received	75,788	55,114
Increase (decrease) in net defined benefit liability	114	2
Net increase (decrease) in call money for banking business	48,000	(23,500)
Other	(2,380)	(8,693)
Subtotal	206,297	90,145
Interest and dividends received	517	790
Interest paid	(1,117)	(861)
Income taxes paid	(11,333)	(11,803)
Net cash provided by (used in) operating activities	194,364	78,271
Cash flows from investing activities:		
Purchases of property and store equipment, right-of-use assets and investment property	(8,838)	(8,708)
Purchase of intangible assets	(4,024)	(9,716)
Purchase of investments	(112)	(76)
Proceeds from sales and redemption of investments	2,025	512
Payments for guarantee deposits	(4,381)	(1,020)
Proceeds from collection of guarantee deposits	2,417	816
Purchase of long-term prepaid expenses	(2,415)	(100)
Other	(226)	(543)
Net cash provided by (used in) investing activities	(15,556)	(18,837)
Cash flows from financing activities:		
Proceeds from borrowings	51,141	640,850
Repayments of borrowings	(62,585)	(580,680)
Repayments of lease liabilities	(45,913)	(45,438)
Dividends paid	(7,505)	–
Other	4	(16)
Net cash provided by (used in) financing activities	(64,860)	14,714
Effect of exchange rate changes on cash and cash equivalents	286	102
Net increase (decrease) in cash and cash equivalents	114,233	74,251
Cash and cash equivalents at beginning of period	399,523	432,464
Cash and cash equivalents at end of period	513,756	506,715



**(5) Notes Concerning Condensed Quarterly Consolidated Financial Statements  
(Going Concern Assumption)**

Not Applicable.

**(Material Accounting Policy Information)**

The material accounting policies adopted for the Condensed Quarterly Consolidated Financial Statements are the same as those for the Consolidated Financial Statements for the fiscal year ended February 29, 2024, except for the following standards, which have been newly adopted.

In addition, income taxes for the first quarter ended May 31, 2024 are calculated based upon an estimated average annual effective tax rate. The Company and certain subsidiaries have transitioned to the group tax sharing system.

The standards that the Group has adopted from the first quarter ended May 31, 2024 are as follows:

Standard	Standard name	Outline
IAS 1	Presentation of Financial Statements	<ul style="list-style-type: none"> <li>• Clarification of classification criteria related to classifying liabilities as current or non-current</li> <li>• Revision of disclosure criteria concerning non-current liabilities with covenants</li> </ul>
IFRS 16	Leases	<ul style="list-style-type: none"> <li>• Clarification of accounting treatment for post-transaction of sale and leaseback transactions</li> </ul>
IAS 7 IFRS 7	Statement of Cash Flows Financial Instruments: Disclosures	<ul style="list-style-type: none"> <li>• Disclosure requirements to enhance the transparency of supplier finance agreements</li> </ul>

Furthermore, there was no material impact on the Condensed Quarterly Consolidated Financial Statements for the first quarter resulting from the application of the above standards.

**(Segment Information)**

1. Outline of reportable segments

The Company's reportable segments are separate components for which discrete financial information is available and which are subject to regular review by the board of directors in order to determine the allocation of managerial resources and evaluate financial performance.

The Group is primarily engaged in the domestic convenience store business, Seijo Ishii business, entertainment-related business, financial services business and overseas business while incorporating related businesses and managed as a group.

Therefore, the Group aggregates its main reportable segments considering the nature of the services provided and economic characteristics as follows: Domestic Convenience Store Business, Seijo Ishii Business, Entertainment-related Business, Financial Services Business and Overseas Business.

Regarding Domestic Convenience Store Business, Lawson, Inc. operates a franchise system as well as undertaking the direct management of stores in Japan as the parent company of LAWSON, NATURAL LAWSON, and LAWSON STORE100. Lawson urbanworks, Inc. undertakes the direct management of LAWSON stores mainly in Tokyo and Chiba prefectures. Lawson Store100, Inc. undertakes the direct management of LAWSON STORE100 stores and provide management support for franchised stores. Lawson Minamikyushu, Inc. undertakes the direct management of LAWSON stores mainly in Kagoshima prefecture. SCI, Inc. is a functional subsidiary that comprehensively manages the business process from procurement to sales, improving the efficiency of the entire process.

Regarding Seijo Ishii Business, SEIJO ISHII CO., LTD. operates SEIJO ISHII supermarkets.

Regarding Entertainment-related Business, Lawson Entertainment, Inc. conducts the management and sales of concert tickets at LAWSON stores and others, music and video software products at HMV stores and others. In addition, Lawson United Cinemas, Inc. operates multiplex movie theatres.

Regarding Financial Services Business, Lawson Bank, Inc. operates a banking business.

Regarding Overseas Business, the operating company in each region develops LAWSON stores in the People's Republic of China, Thailand, the Philippines, and the United States of America (Hawaii).

## 2. Information on reportable segments

Methods of accounting for reportable segments are described in note “Material Accounting Policy Information” and are consistent with the accounting policies of the Group.

The Group's reportable segments are as follows. Segment profit represents operating gross profit less selling, general and administrative expenses. Intersegment revenues and transactions are based on market prices.

Previous 1st Quarter (From March 1, 2023 to May 31, 2023)

(Millions of yen)

	Reportable segment					Others (Note)	Total	Adjustments	Total
	Domestic Convenience Store Business	Seijo Ishii Business	Entertainment- related Business	Financial Services Business	Overseas Business				
Revenue from contracts with customers									
Income from franchised stores	66,015	215	–	–	715	–	66,946	–	66,946
Net sales from Company-operated stores	21,529	27,552	17,144	–	20,331	–	86,557	–	86,557
Other	84,646	11	3,172	8,064	6,470	476	102,841	–	102,841
Other revenue	7,660	4	–	–	89	–	7,754	–	7,754
Revenue from external customers									
1. Revenue from external customers	179,851	27,784	20,316	8,064	27,607	476	264,100	–	264,100
2. Intersegment revenue or transfer	1,603	–	669	803	–	169	3,244	(3,244)	–
Total	181,455	27,784	20,985	8,867	27,607	645	267,345	(3,244)	264,100
Segment profit	19,967	3,242	1,927	892	212	3	26,246	–	26,246

(Note) The business segments within the “Others” category that do not fall under the main reportable segments include the Consulting Business, etc.

Current 1st Quarter (From March 1, 2024 to May 31, 2024)

(Millions of yen)

	Reportable segment					Others (Note)	Total	Adjustments	Total
	Domestic Convenience Store Business	Seijo Ishii Business	Entertainment- related Business	Financial Services Business	Overseas Business				
Revenue from contracts with customers									
Income from franchised stores	71,411	247	–	–	405	–	72,065	–	72,065
Net sales from Company-operated stores	21,252	29,983	16,623	–	22,164	–	90,024	–	90,024
Other	88,837	14	3,466	8,484	8,280	516	109,600	–	109,600
Other revenue	7,658	2	9	–	81	–	7,751	–	7,751
Revenue from external customers									
1. Revenue from external customers	189,159	30,248	20,099	8,484	30,931	516	279,441	–	279,441
2. Intersegment revenue or transfer	1,741	–	622	806	–	190	3,360	(3,360)	–
Total	190,901	30,248	20,722	9,290	30,931	707	282,802	(3,360)	279,441
Segment profit	19,292	3,625	2,264	337	576	31	26,128	–	26,128

(Note) The business segments within the “Others” category that do not fall under the main reportable segments include the Consulting Business, etc.

**(Additional Information)**

(Progress toward delisting due to share consolidation)

The Company resolved at the Board of Directors’ meeting held on May 21, 2024 to submit to the extraordinary shareholders’ meeting held on July 3, 2024, a proposal on share consolidation which is 50,038,357 shares of the Company’s common stock (the “Company Shares”) into one share (the “Share Consolidation”). The proposal for the Share Consolidation was approved at the extraordinary shareholders’ meeting held on July 3, 2024 as originally proposed.

As a result of the Share Consolidation, the Company Shares are scheduled to be delisted on July 24, 2024 (the last trading date will be July 23, 2024) after the prescribed procedures in accordance with the delisting standards of the Tokyo Stock Exchange, Inc.

The schedule for the Share Consolidation is as follows:

- (1) Last trading date of Company Shares: July 23, 2024 (Tuesday) (scheduled)
- (2) Date of delisting of Company Shares: July 24, 2024 (Wednesday) (scheduled)
- (3) Effective date of share consolidation: July 26, 2024 (Friday) (scheduled)