

May 7, 2002

To Those Shareholders with Voting Rights

Kenji Fujiwara
President & CEO
Lawson, Inc.
9-1, Toyotsu-cho, Suita, Osaka

NOTICE OF THE 27TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We hereby inform you of the 27th Ordinary General Meeting of Shareholders to be held as follows:

If you are unable to attend the meeting, please read the attached Reference Documents for the Exercise of Voting Rights and return the Exercise Voting Rights Form with your selections and registered seal so that it will reach us by May 28, 2002.

- 1. Date:** 10 a.m., Wednesday, May 29, 2002
- 2. Place:** Melpark Hall (OsakaYubin-Chokin Hall),
2-1, Miyahara 4-chome, Yodogawa-ku, Osaka
(Refer to the attached guide map for the location of the meeting.)

3. Objectives of the Meeting:

Reports:

Balance Sheet as of February 28, 2002, and the Business Report and Statement of Income for the 27th Fiscal Term (from March 1, 2001, to February 28, 2002)

Agenda:

- Proposal No. 1: Approval of the Proposal of Appropriation of Retained Earnings for the 27th Fiscal Term**
- Proposal No. 2: Acquisition of the treasury stock**
- Proposal No. 3: Partial amendment to the Articles of Incorporation**
- Proposal No. 4: Election of eight (8) directors**
- Proposal No. 5: Election of one (1) corporate auditor**
- Proposal No. 6: Issuance of stock options as incentive of directors, executive officers and certain management staff**
- Proposal No. 7: Presentation of retirement benefits to retiring and resigned directors**

Proposal Nos. 2, 3 and 6 are summarized in the REFERENCE DOCUMENTS FOR THE EXERCISE OF VOTING RIGHTS on pages 20, 23, 27 and 28, respectively.

For those attending, please present the enclosed Exercise Voting Rights Form at the reception desk on arrival at the meeting. Given the likelihood of congestion at the reception desk, please plan to come early.

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

(Attached documents with regard to the Notice of the 27th Ordinary General Meeting of Shareholders)

BUSINESS REPORT

(March 1, 2001, through February 28, 2002)

1. SUMMARY OF OPERATIONS

(1) Process and Results of Operations

During fiscal 2002, the year ended February 28, 2002, the Japanese economic setback intensified, reflecting a considerable decline in exports and private-sector capital investment mainly caused by the global IT recession. This negative undertone was accelerated by the lingering sluggishness in personal consumption fueled by a general feeling of uncertainty among consumers primarily due to weak stock market conditions and a rise in the unemployment rate.

In the retail store industry, customers' preference for low-priced items accelerated mainly for daily necessities and essential commodities despite favorable sales of some high-priced items. The harsh business environment resulted in sluggish overall sales growth.

Under these circumstances, with the slogan of 3S (Simple, Speedy and *Sendo* [freshness]), LAWSON, INC. (the "Company") focused its efforts on strengthening quality-based store development, more effective assortment of displayed products, development of area-featured products and executing the QSC (Quality, Service and Cleanliness) basics to create high-impact storefronts. The Company also endeavored to raise the infrastructure functions of its e-business and prove its competitive superiority as Japan's only national chain in the industry. In terms of products, the Company has made an effort to step up its new product development capability through activities with the Fresh Foods Supply Cooperative and Partner Merchandising activities with cooperative manufacturers. Especially for fast foods, its mainstay category, the Company tackled the development of products that are reassuring, safe, delicious and healthy, and launched a special bakery series with organic wheat as a main ingredient. We also carried out a renewal of Lawson-branded beverages and newly released "Lawson *Gyokuro-Iri Ichiban-cha* PET" to increase beverage sales. In cooperation with cooperative manufacturers, we committed to a release of the "Special Sweet Selection" bakery series products and Lawson-exclusive products such as the "Kesho-Wakusei Dry Zone Barrier" cosmetic products, as well as to the development of locally featured products to meet specific customer needs in their respective regions. In terms of enhanced logistics, the Company carefully reviewed the functions of the existing product distribution centers for processed foods and consolidated several of them. As a result, we newly established 13 DDCs (dry distribution centers) nationwide to reduce overall costs and expenses by streamlining the distribution channel and through the shared use of these centers.

We continuously conducted several promotional events such as the "New Thank-you Sale," in which ¥390 *bento*-boxes and ¥80 rice balls gained much popularity as moderately priced rice-based products. Although these promotions helped to expand the number of visitors, they failed to contribute to increasing sales at existing stores, as customer unit sales declined considerably.

In terms of services, bill settlement services increased to 198 the number of companies and institutions for which agency services for public charges and other transaction settlements are conducted. They now involve 92 million transactions for a total value of ¥740 billion per year. The Company has expanded application and bill settlement services through its Loppi multimedia terminals, including repayments for credit loans and cash advances around the clock. In the field of financial services, in addition to debit card and credit card settlement services, we began installing ATMs in October 2001, and installation was completed at 1,922 stores in eight prefectures (Hokkaido, Aomori, Nagano, Tokyo, Kanagawa, Osaka, Hyogo and Nagasaki) as of the end of this fiscal period. Furthermore, we established a dedicated card service company, Lawson CS Card, Inc., in February 2002. This new company intends to supply card-user customers with different credit services through the national Lawson store network and such infrastructures as "Loppi."

Concerning our e-business initiatives, the Company opened its public i-mode site, iLAWSON, in May 2001. Thus, the Company has worked to establish a unique business model through the effective combination of three marketing channels: the iLAWSON i-mode site, the Loppi multimedia terminals and the Internet-compatible @LAWSON mobile content service. Taking advantage of these media channels, the Company endeavored to increase the number of visits by existing store customers and acquire more new customers through sales of inner wear and basic skin-care products for women, exclusive sales of entrance tickets and related goods for the "Mitakano-Mori Jibri Art Museum," and unique tie-up plans in combination with the hit movies *Sen to Chihiro no Kamikakushi* ("Spirited Away") and *Monster's Inc.*

Net sales at all Lawson chain stores were as follows:

(Millions of yen)

Product group	Sales	Composition ratio	Year-on-year change
Processed foods	581,743	45.3	103.6
Fast foods	356,219	27.8	98.3
Daily delivered foods	90,829	7.1	100.5
Non-food products	253,576	19.8	97.1
Total	1,282,369	100.0	100.5

During the year under review, the Company strove to open quality-focused stores and promoted further store dominance in each of the 47 prefectures. At the same time, we actively pursued a policy of relocating or closing unprofitable stores and shifting Company-operated stores to franchised ones. These efforts resulted in the Company exceeding 100 stores each in the prefectures of Aomori, Ibaraki, Tochigi and Tokushima. During the year, we opened 601 new stores and closed 550, including those that were relocated. Reflecting the priority task of improving daily sales for new stores under the policy of “conversion from quantity to quality,” the total number of stores domestically expanded by only 51. Consequently, the total number of stores as of the end of the fiscal year was 7,734 domestically.

In terms of environmental preservation and social contribution activities, under the fundamental philosophy of “harmony between business activities and environment, and symbiosis between people and nature,” the Company actively worked to preserve forests through the Green Fund. Installed in each of the Company’s stores, the Green Fund raised funds from customers to support nationwide tree-planting activities. In addition, the Company, as an ISO 14001–certified company, has actively promoted its commitment to resource-saving and energy conservation by introducing new recyclable uniforms in Lawson stores which use recycled PET bottles as raw material.

As for financial activities, we acquired treasury stock for cancellation in August 2001 to improve our return on equity (ROE) and net income per share. In addition, the Company revalued the land used for its business on the basis prescribed by the Law Concerning Revaluation of Land to improve the transparency of financial statements. The revaluation difference of ¥8,407 million that resulted has been included in shareholders’ equity as the land revaluation difference, net of the related tax.

As a result, net sales throughout the entire Lawson chain increased 0.5% year over year to ¥1,282,369 million. Ordinary profit declined ¥3,566 million (9.0%) to ¥35,898 million, principally influenced by such factors as the year-over-year sales decline at existing stores, the delayed deployment of new stores and an insufficient cost-cutting effort. Net income fell 3.3% to ¥16,714 million, influenced by some special gains and other factors.

In view of the harsh operating results for the year ended February 28, 2002, the Company introduced reforms on the Board of Directors and the executive officer system, together with the implementation of sweeping innovations to organizational and personnel systems, effective from January 1, 2002. These measures aim to build an effective management system with swifter decision-making and business-executing capabilities in order to quickly respond to the volatile consumption environment.

(2) Capital Expenditures

(Millions of yen)

Investment	Amount
New construction of stores	12,116
Refurbishment of existing stores and others	8,863
Deposits and guarantees for rental space	9,436
Improvement of information systems	8,733
Total	39,149

The Company’s own funds were applied to all the capital expenditures required for capital investments during the year ended February 28, 2002.

(3) Our Challenge for Future Success

Outlook

In the Japanese retail store industry, the harsh competition is expected to intensify with other types of business in a business climate where the autonomous recovery of consumer spending is hardly anticipated in view of the difficult employment and income environments.

In such a challenging environment, the Company primarily focuses its management resources on customer satisfaction in terms of all judgment criteria to achieve the “CS first” principle and strengthen its earnings power. Specifically, the Company intends to exert greater leadership to its chain stores to recover stronger selling power

by strengthening its new product development capability focused on priority items such as rice-based products and prioritizing resources into the sales effort. Moreover, we will actively implement new services, including extended ATM services and the start-up of the card business, in response to changing customer needs.

In addition to performing these operational measures, we will endeavor to improve the profitability structure by closing unprofitable Company-operated stores in line with the further reduction of indirect, product and distribution costs.

Each day, the Company will pursue its goal of being “the ‘hot’ station in the neighborhood” to make customers feel “more comfortable,” “happier” and “more vigorous.”

We look forward to your continued support and guidance.

(4) Financial Summary

Item	Fiscal 1999 24th Term	Fiscal 2000 25th Term	Fiscal 2001 26th Term	Fiscal 2002 27th Term
Net Sales of Lawson Stores including Franchised Stores (¥ million)	1,157,180	1,221,205	1,275,358	1,282,369
Operating Revenue (¥ million)	284,781	280,418	274,839	249,050
Ordinary Profit (¥ million)	32,064	38,037	39,465	35,898
Net Income (¥ million)	13,739	15,355	16,172	16,714
Net Income per Share (¥)	6,548.73	7,319.21	145.87	150.87
Total Assets (¥ million)	404,164	337,955	384,994	338,518
Shareholders' Equity (¥ million)	84,128	97,280	179,601	151,333
Shareholders' Equity per Share (¥)	40,099	46,368	1,563	1,406

- Notes:
1. Net income per share is computed based on the average total number of shares issued and outstanding during each year. Net income per share for fiscal 2001, the year ended February 28, 2001, is computed based on the weighted average number of shares issued and outstanding of 110,872,603, which was calculated by assuming that the stock split on April 14, 2000, which split the common shares with a par value of ¥500 into those with a par value of ¥50, was effected as of the beginning of the year and adjusting per diem for the public stock offering of 10,000,000 shares for which the subscription payment was due July 25, 2000.
 2. Shareholders' equity per share is computed based on the total number of shares issued and outstanding at the end of the year.
 3. Net income per share and shareholders' equity per share are computed after deducting treasury stock.
 4. The decrease in total assets for fiscal 2000, the year ended February 29, 2000, resulted mainly from the scheduled repayment of borrowings and the advance repayment of long-term borrowings.
 5. The increase in shareholders' equity for fiscal 2001, the year ended February 28, 2001, was mainly due to the public offering of the Company's stock.
 6. The explanation of operating results and financial position for fiscal 2002, the year ended February 28, 2002, is discussed in “(1) Process and Results of Operations” in “1. SUMMARY OF OPERATIONS” above.

2. CURRENT STATUS OF THE COMPANY (As of February 28, 2002)

(1) Principal Business Activities

The Company provides its member shops with a variety of services and advice regarding managerial or technical know-how and research, training and advertising on the operation of convenience stores under a franchise system. It earns royalty fees in consideration of such services. In addition to member chain stores, the Company has its own stores, which sell such products as food, daily necessities and fast food.

(2) Principal Offices and Stores

1) Head Office (Registered location): 9-1, Toyotsu-cho, Suita, Osaka

2) Major Offices

Name	Location
Tokyo Head Office	Minato-ku, Tokyo
Hokkaido Div.	Kita-ku, Sapporo
Tohoku Div.	Miyagino-ku, Sendai
Kanto No. 1 Div.	Tokorozawa, Saitama
Kanto No. 2 Div.	Shinagawa-ku, Tokyo
Kanto No. 3 Div.	Kanagawa-ku, Yokohama
Chubu Div.	Nakamura-ku, Nagoya
Kinki No. 1 Div.	Chukyo-ku, Kyoto
Kinki No. 2 Div.	Suita, Osaka
Kinki No. 3 Div.	Chuo-ku, Kobe
Chushikoku Div.	Okayama, Okayama
Kyushu Div.	Hakata-ku, Fukuoka

Note: In addition to the above sites, the Company had a total of 128 offices throughout Japan, including district offices and control centers.

3) Stores

Prefecture	Number of Stores	Prefecture	Number of Stores
Hokkaido	476	Shiga	107
Aomori	101	Kyoto	178
Iwate	94	Osaka	841
Miyagi	174	Hyogo	457
Akita	91	Nara	116
Yamagata	60	Wakayama	103
Fukushima	113	Tottori	52
Ibaraki	100	Shimane	55
Tochigi	100	Okayama	114
Gumma	67	Hiroshima	125
Saitama	266	Yamaguchi	108
Chiba	256	Tokushima	101
Tokyo	708	Kagawa	97
Kanagawa	456	Ehime	119
Niigata	113	Kochi	40
Toyama	93	Fukuoka	271
Ishikawa	62	Saga	53
Fukui	67	Nagasaki	77
Yamanashi	64	Kumamoto	79
Nagano	147	Oita	97
Gifu	79	Miyazaki	77
Shizuoka	171	Kagoshima	107
Aichi	327	Okinawa	110
Mie	65	Total	7,734

(3) Shares

1) Total Number of Common Shares Authorized to Be Issued: 412,300,000 shares

Notes: 1. At the ordinary general meeting of shareholders held on May 24, 2001, the Articles of Incorporation of the Company was revised as follows:

ARTICLE 5: Total Number of Shares to be Issued by the Company

The total number of shares in capital stock authorized to be issued by the Company shall be 419,600,000, and all thereof shall be par value shares. Provided, however, that the total number of shares authorized to be issued by the Company shall be reduced by the number corresponding to the cancelled shares in case of stock cancellation.

2. The total number of shares authorized to be issued by the Company decreased by 7,300,000 due to a cancellation of treasury stock with net profit on August 10, 2001.

2) Total Number of Common Shares Issued and Outstanding: 107,600,000 shares

Note: Decrease during the year ended February 28, 2001

Cancellation of treasury stock with net profit: 7,300,000 shares

3) Number of Shareholders: 58,370 persons

4) Major Shareholders:

Name	Number of Shares		The Company's Investment in the Major Shareholders	
	(Thousand)	(%)	(Thousand Shares)	(%)
MC Retail Investment Co., Ltd.	32,089	(29.8)	-	(-)
Marubeni Foods Investment, Co., Ltd.	5,939	(5.5)	-	(-)
Japan Trustee Services Bank, Ltd. (trust account)	5,754	(5.3)	-	(-)
Nintendo Co., Ltd.	3,447	(3.2)	-	(-)
The Chuo Mitsui Trust and Banking Company, Limited (management securities trust depository)	3,219	(3.0)	-	(-)
UFJ Trust Bank Limited (trust account A)	2,754	(2.6)	-	(-)
Mitsubishi Trust and Banking Corporation (trust account)	2,577	(2.4)	-	(-)

Notes: 1. The number of shares in the above table is based on the register of shareholders.
2. All the shares held by Japan Trustee Services Bank, Ltd., The Chuo Mitsui Trust and Banking Company, Limited (management securities trust depository), UFJ Trust Bank Limited, and Mitsubishi Trust and Banking Corporation are related to fiduciary business.

(4) Acquisition, Disposal and Holding of Treasury Stock

1) Shares through Acquisition

Acquisition from a cancellation of shares with net profit:

Common shares 7,300,000 shares
Total acquisition price ¥34,675,000,000

Acquisition from purchases of less-than-unit (*tangen*) of shares (including shares less than one unit of shares)

Common shares 171 shares
Total acquisition price ¥673,562

2) Shares Arranged for the Invalidation Procedure

Common shares 7,300,000 shares

3) Shares Held at the Balance Sheet Date

Common shares 171 shares

(5) Employees

Number of Employees (Increase or Decrease from the Preceding Fiscal Year)	Average Age	Average Years of Service
3,548 (385)	36.0	10.0

Notes: 1. In addition to the above, the number of part-timers (computed by dividing total part-time hours for this fiscal year by 8 hours) was 4,783.
2. The above numbers do not include 118 employees seconded to other companies.
3. The decrease from the preceding fiscal year mainly resulted from the application by employees to the solicitation of early retirement.

(6) Major Creditors

Name	Balance of Borrowings	Number of Common Shares of the Company Held by Creditors	
	(Millions of Yen)	(Thousand Shares)	(%)
UFJ Bank Limited	800	1,149	(1.1)
The Chuo Mitsui Trust and Banking Company, Limited	405	-	(-)
Sumitomo Mitsui Banking Corporation	400	574	(0.5)
The Fuji Bank, Limited	400	574	(0.5)

Notes: 1. The Tokai Bank, Limited, and The Sanwa Bank, Limited, merged into UFJ Bank Limited on January 15, 2002.

2. The Sumitomo Bank, Limited, merged with Sakura Bank, Ltd., and was renamed Sumitomo Mitsui Banking Corporation on April 1, 2001.

3. The Fuji Bank, Limited, merged with Dai-Ichi Kangyo Bank, Ltd., and Industrial Bank of Japan, Ltd., and they were split into several Mizuho Financial Group companies. The current creditor of the Company is Mizuho Corporate Bank, Ltd.

(7) Status of Major Subsidiaries and Affiliated Companies

1) Subsidiaries

Name	Capital Stock	Percentage of Ownership Interest (%)	Business
Lawson Tickets Co., Ltd.	¥1,700 million	88.9	Ticket sales
Shanghai Hualian Lawson Co., Ltd.	Rmb¥165,899 thousand	70.0	Franchiser of convenience stores
Lawson ATM Networks, Inc.	¥ 3,000 million	65.0	Cooperation in establishing shares ATMs
i-Convenience, Inc.	¥2,000 million	51.0	e-business
LAWSON e-Planning, Inc.	¥98 million	51.0	Consultation of e-business

2) Affiliated Companies

Name	Capital Stock	Percentage of Ownership Interest (%)	Business
Lawson CS Card, Inc.	¥400 million	50	Credit card business
ECONTEXT, Inc.	¥709 million	44.5	e-business

3) Changes in Subsidiaries and Affiliated Companies

1. To further promote financial services, the Company established Lawson ATM Networks, Inc., in May 2001 and Lawson CS Card, Inc., in February 2002.

2. ECONTEXT, Inc., increased its capital stock by a total of ¥309 million through the allocation of new shares to existing shareholders in May 2001 and February 2002, and also through the allocation of new shares to third parties in November 2001.

4) Status and Results of Business Combination

Consolidated subsidiaries are the above-listed five subsidiaries. One company is accounted for by the equity method. Consolidated operating results for the current fiscal year are as follows:

(Rounded to the nearest million or 0.1%)

Operating Revenue (Compared with the Previous Fiscal Year)	Ordinary Profit (Compared with the Previous Fiscal Year)	Net Income (Compared with the Previous Fiscal Year)
256,116 (91.4%)	35,207 (89.1%)	16,123 (98.5%)

5) Important Business Alliance

Mitsubishi Corporation indirectly holds voting rights corresponding to 30.1% of the total number of shares outstanding of the Company. Recognizing Mitsubishi Corporation as the most important strategic partner, the Company has entered into extensive business tie-ups with Mitsubishi Corporation for the enhancement of existing businesses and the development of new businesses.

(8) The Company's Directors and Corporate Auditors in This Fiscal Year

Position and Assignment in the Company or Principal Occupation	Name
Chairman of the Board (Executive Officer—Overseas Projects Office)	Koji Wada
President & CEO (Chief Operating Officer)	Kenji Fujiwara
Director and Senior Executive Vice President (SEVP—Corporate & Finance; and General Manager, Corporate Planning Office)	Yoshinori Harigae
Director and Senior Executive Vice President (SEVP, IT & New Businesses; and General Manager, New Business Development Division)	Teruo Aoki
Director and Executive Vice President (Deputy EVP—Corporate & Finance; and General Manager, Finance Planning Office)	Eiichi Tanabe
Director (Professor, Postgraduate Dept., Tama University)	Hiroshi Tasaka
Standing Corporate Auditor (full-time)	Masaaki Kojima
Standing Corporate Auditor (full-time)	Sadao Suzuki
Corporate Auditor (Professor—University of Marketing and Distribution, Faculty of Commercial Science)	Itsuo Jitoshō
Corporate Auditor (Controller—New Function Business Group, Mitsubishi Corporation)	Yoshiyuki Sanada

Notes: 1. Standing Corporate Auditor, Masaaki Kojima, and Corporate Auditors, Itsuo Jitoshō and Yoshiyuki Sanada, are outside corporate auditors stipulated in Article 18, Paragraph 1, of the “Law Concerning Special Measures under the Commercial Code with respect to Audit, etc. of Corporations (Kabushiki-Kaisha)” in Japan.

2. Changes in directors and corporate auditors during the current fiscal year are as follows:

- (1) Changes in directors and corporate auditors on March 31, 2001 (before moving)
- | | |
|--------------------------|--------------------------------------|
| Executive Vice President | Koji Wada (Senior Managing Director) |
| Managing Director | Teruo Aoki (Director) |

- (2) Changes as approved at the 26th general shareholders meeting held on May 24, 2001, and by mutual vote at the meeting of the Board of Corporate Auditors:

Appointed	Managing Director	Susumu Hasegawa
	Director	Eiichi Tanabe
	Director	Yoshimitsu Futai
	Standing Corporate Auditor	Masaaki Kojima
	Corporate Auditor	Yoshiyuki Sanada
Retired	Standing Corporate Auditor	Takao Tutumi
Resigned	Corporate Auditor	Keishi Komatsu

- (3) The meeting of the Board of Directors held on December 18, 2001, adopted the resolution on reforms of the Board of Directors and the introduction of the executive officer system, and decided the following moves in management. These measures aim to separate the strategic decision-making and supervisory functions of business affairs from the business-executing function for the purpose of improving the quality and speed of decision-making and execution in management duties, in view of higher corporate value.

- 1) Resigned on December 31, 2001:

Chairman of the Board	Yasuo Matsuoka
Senior Managing Director	Takashi Sekiguchi
Senior Managing Director	Takao Endo
Managing Director	Makoto Takayama
Managing Director	Susumu Hasegawa*
Director	Kenji Yamakawa*
Director	Katsuhiko Yamasaki*
Director	Shigeru Kiyota*
Director	Ichiro Okuda*
Director	Takao Kojima
Director	Shunji Tani
Director	Yoshio Shinozaki*
Director	Yoshimitsu Futai*
Director	Isamu Ochiai*

Those with asterisks assumed their posts as executive officers on January 1, 2002.

- 2) Changes in directors and corporate auditors on March 31, 2001 (former post)

Chairman of the Board	Koji Wada	(Senior Managing Director)
President & CEO	Kenji Fujiwara	(President & CEO)
Director and Senior Executive Vice President	Yoshinori Harigae	(Managing Director)
Director and Senior Executive Vice President	Teruo Aoki	(Managing Director)

3. The Company implemented the executive officer system on January 1, 2002. Executive officers are as follows:

President & CEO	Kenji Fujiwara	Senior Vice President	Ichiro Okuda
Senior Executive Vice President	Yoshinori Harigae	Senior Vice President	Isamu Ochiai
Senior Executive Vice President	Teruo Aoki	Senior Vice President	Yoshio Shinozaki
Executive Vice President	Eiichi Tanabe	Senior Vice President	Kiyoteru Suzuki
Executive Vice President	Sumiya Nakajima	Senior Vice President	Sadayuki Nobayashi
Executive Vice President	Susumu Hasegawa	Senior Vice President	Shoji Shiba
Executive Vice President	Katsuhiko Yamasaki	Senior Vice President	Takatoshi Kawamura
Senior Vice President	Kenji Yamakawa	Senior Vice President	Manabu Asano
Senior Vice President	Shigeru Kiyota	Senior Vice President	Yoshimitsu Futai

4. Yoshinori Harigae moved from Director and Senior Executive Vice President to Director on March 6, 2002, and resigned the director's post on March 31, 2002.

3. Significant Subsequent Events after the Closing of Accounts

The Company sold 21,507,000 shares of Daiei OMC, Inc., owned by the Company and its 7,000,000 shares, which had been owned within the comprehensive trust account by The Chuo Mitsui Trust and Banking Company, Limited, as a management securities trust depository, from the viewpoint of improving asset management efficiency, because holding these shares became less significant due to the Company's decision to promote its own card business. As a result, the Company recorded a gain on sales of investments in securities of ¥5,763 million and a loss on the disposal of the trust assets of ¥1,981 million.

The above amounts and the number of shares in this Business Report are rounded down to the nearest units (excluding (7) Status of Major Subsidiaries and Affiliated Companies, 4) Status and Results of Business Combination in 2. CURRENT STATUS OF THE COMPANY.), and the ratios are rounded to the nearest whole number.

Non-consolidated Balance Sheet(As of February 28, 2002)

(Millions of yen)

Assets		Liabilities and Shareholders' Equity	
Account item	Amount	Account item	Amount
(Assets)	(338,518)	(Liabilities)	(187,184)
Current assets	122,359	Current liabilities	127,219
Cash and bank deposits	54,441	Accounts payable—trade	62,112
Accounts receivable—due from franchised stores	6,026	Accounts payable— due to franchised stores	4,902
Marketable securities	40,038	Current portion of long-term borrowings	3,140
Merchandise inventories	1,987	Account payable—other	17,084
Prepaid expenses	4,252	Income taxes payable	10,533
Accounts receivable—other	12,802	Accrued expenses	1,683
Deferred tax assets	1,850	Deposits received	25,398
Other	1,000	Accrued employees' bonuses	2,185
Allowance for doubtful accounts	(39)	Other	179
Fixed assets	216,159	Long-term liabilities	59,965
Property and store equipment at net book value	76,104	Liability for employees' retirement benefits	2,994
Buildings	40,352	Liability for retirement benefits to directors and corporate auditors	300
Structures	7,530	Deposits received from franchisees and lessees	56,671
Furniture, fixtures and equipment	21,517		
Land	6,535		
Construction in progress	167	(Shareholders' Equity)	(151,333)
Intangible fixed assets	12,535	Common stock	58,506
Leasehold rights	5	Statutory reserves	42,247
Trademarks	70	Additional paid-in capital	41,520
Telephone rights	276	Legal reserve	727
Goodwill	31	Land revaluation difference	(8,407)
Software	6,252	Retained earnings	56,665
Software development in progress	5,896	Voluntary reserve	
Other	2	General reserve	30,000
Investments and other	127,519	Unappropriated retained earnings	26,665
Investments in securities	8,672		(16,714)
Investments in subsidiaries	6,050	(Including net income for the current year)	
Other equity investments	92	Net unrealized gain on available-for-sale securities	2,321
Long-term loans receivable	5,970	Treasury stock-at cost	(0)
Long-term prepaid expenses	1,648		
Lease deposits	91,164		
Deferred tax assets	8,059		
Deferred tax assets for land revaluation	6,088		
Other	745		
Allowance for doubtful accounts	(972)		
Total Assets	338,518	Total Liabilities and Shareholders' Equity	338,518

Non-consolidated Statement of Income
(From March 1, 2001 to February 28, 2002)

(Millions of yen)

Account item	Amount	
(Ordinary Profit and Loss Section)		
Operating profit or loss		
Operating revenues		
Net sales	98,836	
Franchise commissions from franchised stores	141,559	
Other	8,654	249,050
Costs and operating expenses		
Cost of goods sold	72,912	
Selling, general and administrative expenses	139,203	212,116
Operating income		36,934
Non-operating profit or loss		
Non-operating income		
Interest and divided income	471	
Other	795	1,267
Non-operating expense		
Interest expense	511	
Other	1,791	2,303
Ordinary profit		35,898
(Special Profit and Loss Section)		
Special gains		
Gain on securities contributed to employees' retirement benefit trusts	3,857	
Gain on sales of investments in securities	21	3,878
Special losses		
Loss on disposal of fixed assets	5,999	
Loss on sales of fixed assets	1,140	
Premium severance benefit	2,685	
Loss on sales of investments in securities	105	9,930
Income before corporate, inhabitant and enterprise taxes		29,846
Corporate inhabitant and enterprise taxes	13,189	
Deferred income taxes	(57)	13,132
Net income		16,714
Unappropriated retained earnings—carried forward		46,778
Purchase and cancellation of treasury stock		34,675
Transfer of unappropriated retained earnings to legal reserve with respect to interim dividends		2,151
Unappropriated retained earnings—at end of year		26,665

(Significant Accounting Policies)

1. Valuation of Securities Held-to-maturity debt securities: Carried at amortized cost.

Available-for-sale securities:

Securities whose market value is readily determinable: Reported at market value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of shareholders' equity. The cost of securities sold is determined based on the moving-average method.

Other: Stated at cost determined by the moving-average method.

Investments in subsidiaries and affiliated companies: Stated at cost determined by the moving-average method.

2. Valuation of Inventories Merchandise inventories: Retail method applied on an annual average cost basis

3. Depreciation method of depreciable assets

Property and store equipment:

Depreciation is computed by the declining-balance method at rates based on the estimated useful lives of the assets. The range of useful lives is from 10 to 50 years for buildings and from 2 to 20 years for furniture, fixtures and equipment.

Intangible fixed assets:

Amortization of intangible assets is computed by the straight-line method.

Costs of software for internal use are amortized by the straight-line method over five years, which is the internal useful life.

4. Foreign currency translation of assets and liabilities denominated in foreign currencies

All monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the spot exchange rate at the balance sheet date, and the resulting differences are charged or credited to income.

5. Accounting policies for important reserves

Allowance for Doubtful Accounts:

Allowance for doubtful accounts is provided at an amount of possible losses from uncollectable receivables based on the actual rate of losses from bad debt for ordinary receivables, and on estimated recoverability for specific doubtful receivables.

Accrued Employees' Bonuses:

Accrued employees' bonuses are provided for payments of employees' bonuses based on the estimated amounts.

Liability for Employees' Retirement Benefits:

Liability for employees' retirement benefits is provided at the amount accrued based on the projected benefit obligations and plan assets at the balance sheet date. The full amount of the transition obligation of ¥125 million, determined as of the beginning of the year, was charged to income and presented as a non-operating expense in the non-consolidated statements of income. Actuarial Differences will be amortized from the following fiscal year on a straight-line basis over a certain period (10 years) within an average remaining service period of employees at the time of their occurrence. Prior service cost is amortized from the current fiscal year on a straight-line basis over a certain period (10 years) within an average remaining service period of employees at the time of their occurrence..

Liability for retirement benefits to directors and corporate auditors:

Allowance for retirement benefits to directors and corporate auditors is calculated to state the liability at 100% of the amount that would be required if all directors and corporate auditors terminate their services with the Company at the balance sheet date.

This allowance is based on Art.287-2 of the Commercial Code of Japan.

6. Lease

Finance leases that do not transfer ownership of leased property to the lessee are accounted for as rental transactions.

7. Accounting for consumption tax

Consumption tax is accounted for using the tax exclusion method.

(Additional information)

1. Accounting Principle for Pension Plans

Effective March 1, 2001, the Company adopted a new accounting standard for its pension plans in accordance with the "Opinion Concerning the Establishment of Accounting Standard for Retirement Benefits" issued by the Business Accounting Deliberation Council on June 16, 1998.

As a result, net periodic benefit costs as compared with the prior method decreased by ¥ 131 million, ordinary profit and income before income taxes increased by ¥ 131 million. The Company contributed certain cash and available-for-sale securities to an employees' retirement benefit trust for the Company's contributory pension plans, and recognized a special gain of ¥ 3,857 million. This amount is included in special gains in the non-consolidated statements of income.

Liability for prior pension and severance costs as of the beginning of year was transferred to allowance for employees' retirement benefits.

2. Accounting Principle for Financial Instruments

Effective March 1, 2001, the Company adopted a new accounting standard for financial instruments in accordance with the "Opinion Concerning the Establishment of Accounting Standard for Financial Instruments" issued by the Business Accounting Deliberation Council on January 22, 1999.

As a result, as compared with the prior method, ordinary profit decreased by ¥ 174 million and income before income taxes increased by ¥ 504 million.

Based on the Company's holding purposes for the securities held as of the beginning of year, held-to-maturity and available-for-sale debt securities with maturities of one year or less are classified as marketable securities under current assets and other securities are classified as investments in securities. This new standard had no effect on the Company's balance sheets.

3. Accounting Principle for Foreign Currency Transactions

Effective March 1, 2001, the Group adopted a revised accounting standard for foreign currency transactions in accordance with "Opinion Concerning Revision of Accounting Standard for Foreign Currency Translation" issued by the Business Accounting Deliberation Council on October 22, 1999.

The adoption of this revised standard had no effect on the non-consolidated income statements for the year ended February 28, 2002.

(Notes to the Non-consolidated Balance Sheets)

1. Due from / to subsidiaries

Short-term	receivables due from subsidiaries	¥208 million
Short-term	payables due to subsidiaries	¥2,046 million
Long-term	payables due to subsidiaries	¥22 million

2. Accumulated depreciation for property and store equipment: ¥90,896 million

3. Major leased fixed assets under lease arrangements

In addition to the fixed assets presented on the balance sheet, the Company uses leased store equipment in its business.

4. Major assets denominated in foreign currencies

Investment in subsidiary : 116,132 thousand yuan (¥1,536 million)

5. Income taxes

Deferred tax assets and liabilities were described as follows:

(Millions of yen)

Valuation loss on investments in securities	2,753
Valuation loss on land	1,168
Accrued enterprise taxes	1,222
Allowance for employees' retirement benefits	5,461
Other	2,608
Total deferred tax assets	<u>13,213</u>

Gain on securities contributed to employees' retirement benefit trusts	1,619
Net unrealized gain on available-for-sale securities	1,681
Other	2
Total deferred tax liabilities	3,303
Deferred tax assets-net	9,909

6. Accounting for retirement benefits

Summary of the retirement benefit plans adopted:

The Company participates in a Japanese government welfare pension fund program and has a lump-sum severance indemnities plan, both of which are defined benefit plans.

Projected benefit obligations

	(Millions of yen)
a. Projected benefit obligations	(21,707)
b. Plan assets	14,226
c. projected benefit obligations in excess of plan assets (= a + b)	(7,481)
d. Unrecognized prior service cost	(1,060)
e. Unrecognized actuarial differences	5,548
f. Liability for employees' retirement benefits (= c + d + e)	(2,994)

Note: 1. Amounts include those related to Japanese government welfare pension fund.

2. Unrecognized actuarial difference of ¥1,981 million will be charged to income as a loss on disposal of assets in trust in the following fiscal year.

Net periodic benefit cost

	(Millions of yen)
a. Service cost	2,075
b. Interest cost	548
c. Expected return on plan assets	(213)
d. Amortization of transition obligation	125
e. Premium severance benefit	2,685
f. Net periodic benefit cost	5,221

Note: Amounts exclude employees' contributions to Japanese government welfare pension fund.

Basis of calculation of projected benefit obligations

a. Discount rate	2.0% and 2.5%
b. Expected rate of return on plan assets	4.5%
c. Allocation method of estimated total retirement benefits	Straight-line basis (a method to allocate estimated total retirement benefits equally to respective periods in employee's whole service period)

Note: As of February 28, 2002, the Company changed discount rate from 3.0% to 2.5% for the Japanese government welfare pension fund program and to 2.0% for the lump-sum severance indemnities plan.

7. Preemptive rights granted to directors and employees stipulated by Article 280-19, paragraph 1 of the Commercial Code

Class of shares subject to the rights:	Ordinary shares
Total number of subjected shares:	1,416 thousands
Issuance (exercise) price of new shares:	¥7,500 per share
Exercise period:	May 27, 2002, to May 25, 2007

8. Revaluation of land used for business

The Company revalued the land used for its business on the basis prescribed by the Law Concerning Revaluation of Land (Law No.34, March 31, 1998).

Revaluation difference resulted has been included in stockholders' equity as land revaluation difference, net of the related tax which is included in assets as deferred tax assets for land revaluation.

Revaluation method:

The value of land is determined based on the road-based prices adjusted reasonably as stipulated in Article 2, Item 4 of the Ordinance Implementing the Law Concerning Revaluation of Land (Government Ordinance No. 119, March 31, 1998) and the assessed value as stipulated in Article 2, Item 5 of the same Ordinance.

Date of revaluation: February 28, 2002

Book value of the land before revaluation: ¥21,031million

Book value of the land after revaluation: ¥6,535million

9. Restriction on dividends

Shareholders' equity increased by ¥2,321 million during the year ended February 28, 2002, as a result of the valuation at market value of available-for-sale securities. This amount is restricted to be used as dividends, under the provision of Article 290, paragraph 1, Item 6 of the Commercial Code.

10. Net income per share 150.87 yen

(Note to the Non-consolidated Statement of income)

Transactions with subsidiaries

Operating transactions with subsidiaries: ¥2,424 million

Transactions other than operating transactions ¥1 million

(The above statement amounts are rounded down to the nearest ¥ million.)

Proposal of Appropriation of Retained Earnings

(Yen)

Unappropriated retained earnings—At end of year	26,665,908,828
To be appropriated as follows:	
Year-end dividends (¥21 per share)	2,259,596,409
Retained earnings to be carried forward	24,406,312,419

Note: On November 15, 2001, the Company made an interim cash dividend of ¥2,151,998,580 (¥20 per share of common dividend).

INDEPENDENT AUDITORS' REPORT

April 10, 2002

Mr. Kenji Fujiwara, President & CEO
Lawson, Inc.

Tohmatsu & Co.
Representative Partner, Engagement Partner,
Certified Public Accountant: Satoru Kita
Representative Partner, Engagement Partner,
Certified Public Accountant: Shinichi Yamada
Engagement Partner, Certified Public Accountant: Seiji Harada

Pursuant to Article 2 of the "Law Concerning Special Measures under the Commercial Code with respect to Audit, etc. of Corporations (Kabushiki-Kaisha)" of Japan, we have examined the non-consolidated balance sheet, the non-consolidated statement of income, the business report (with respect to accounting matters only), the proposal of appropriation of retained earnings and the supplementary schedules (with respect to accounting matters only) of Lawson, Inc. (the "Company") for the 27th fiscal year from March 1, 2001 to February 28, 2002. The accounting matters included in the business report and supplementary schedules referred to above are based on the Company's books of account.

Our examination was made in accordance with auditing standards generally accepted in Japan and, was performed based on such auditing procedures as normally required, which include auditing procedures applied to subsidiaries as considered necessary.

As a result of our examination, in our opinion,

- (1) The non-consolidated balance sheet and the non-consolidated statement of income present fairly the financial position and the results of operations of the Company in conformity with the applicable laws and regulations of Japan and the Articles of Incorporation.
- (2) The business report (with respect to accounting matters only) presents fairly the Company's affairs in conformity with the applicable laws and regulations of Japan and the Articles of Incorporation,
- (3) The proposal of appropriation of retained earnings is in conformity with the applicable laws and regulations of Japan and the Articles of Incorporation, and
- (4) The supplementary schedules (with respect to accounting matters only) present fairly the information required to be set forth therein under the Commercial Code of Japan.

The subsequent event concerning the sale of investment securities, stated in the business report will have a material effect on the financial position and the results of operations of the Company for the next fiscal year and subsequent years.

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Law.

The above report represents a translation, for convenience only, of the original report issued in the Japanese language and the "Supplementary Schedules" referred to in this report are not included in the attached financial documents.

CORPORATE AUDITORS' REPORT

The Board of corporate Auditors of Lawson, Inc. (the "Company") has received reports from all of the corporate auditors of the Company which summarize the methods and results of the audit conducted by them regarding the execution of their duties of the Company's directors for the year ended February 28, 2002 (the 27th fiscal period).

We, the members of the Board of corporate Auditors, have discussed the reports and hereby report our audit opinion as follows:

1. SUMMARY OF THE METHOD OF AUDIT

Each corporate auditor, in accordance with audit policies and planning established by the Board of corporate Auditors, has attended the Board of Directors' meetings and other important meetings of the Company, made necessary inquiries of the Company's officers regarding the Company's operations, reviewed important internal documents with appropriate approvals, made reviews of operations and conditions of assets of major business offices, and made necessary inquiries of the officers of the subsidiaries of the Company regarding their operations.

We have received reports from and made necessary inquiries of the independent auditors of the Company and reviewed the financial statements and supplementary schedules of the Company.

In order to determine if there are any transactions by the directors which compete with the business of the Company, any transactions between the Company and the directors against the interests of the Company, any services or benefits provided free of charge, any unusual transactions with subsidiaries or shareholders, and any acquisition or disposal of treasury stock, we have employed other audit procedures, in addition to the above stated audit procedures, including receiving special reports from directors and officers related to the transactions and scrutinizing the details of the relevant transactions.

2. RESULT OF AUDIT

- (1) We have found that the methods and results of the audit by the independent auditors are adequate;
- (2) We have found that the business report presents fairly, in conformity with the applicable laws and regulations and the Company's Articles of Incorporation, the status of the Company;
- (3) We have found that the proposal of appropriation of retained earnings is fairly presented considering the Company's financial position and other circumstances;
- (4) We have found that the supplementary schedules present the required information fairly;
- (5) With regard to the execution of the duties of the directors, we have found that there have been no misconduct nor material matters that would be in contradiction with any laws or the Company's Articles of Incorporation.

We have also found that there has been no misconduct nor material matters that would be in contradiction with any laws or the Company's Articles of Incorporation regarding any transactions by the directors which compete with the business of the Company, any transactions between the Company and the directors against the interests of the Company, any services or benefits provided free of charge, any unusual transactions with subsidiaries or shareholders, and any acquisition or disposal of treasury stock; and

- (6) We have found that there has been no misconduct nor material matters with regard to the execution of the duties of the directors as a result of the examination of the subsidiaries.

April 15, 2002

The Board of Corporate Auditors of Lawson, Inc.

Standing Corporate Auditor Masaaki Kojima

Standing Corporate Auditor Sadao Suzuki

Corporate Auditor Itsuo Jitoshō

Corporate Auditor Yoshiyuki Sanada

- Notes: 1. Standing Corporate Auditor, Masaaki Kojima, and Corporate Auditors, Itsuo Jitoshō and Yoshiyuki Sanada, are outside corporate auditors stipulated in Article 18, paragraph 1 of the "Law Concerning Special Measures under the Commercial Code with respect to Audit, etc. of Corporation (Kabushiki-Kaisha)" in Japan.
2. Standing Corporate Auditor, Masaaki Kojima, and Corporate Auditor, Yoshiyuki Sanada, were appointed on May 24, 2001, and accordingly have received detailed reports from other Corporate Auditors and reviewed relevant documents during the period from March 1, 2001 to their assumption of duties.

REFERENCE DOCUMENTS FOR THE EXERCISE OF VOTING RIGHTS

1. Total number of voting rights held by all shareholders: 1,075,622
2. Proposals and references

Proposal No.1: Approval of the Proposal of Appropriation of Retained Earnings for the 27th Fiscal Term

The Proposal of Appropriation of Retained Earnings for the 27th Fiscal Term is shown in the attached The 27th Fiscal Year's Report for Shareholders (Page 17).

We propose that an year-end dividend be ¥21 based on the performance, in view of the Company's return on equity and payout ratio for the year while ensuring the internal reserve fund required for future business development. As a result, the annual dividend, consisting of an interim dividend of ¥20 and the year-end dividend of ¥21 per share, would be ¥41 per share, an increase of six yen over the previous fiscal term.

Proposal No.2: Acquisition of the treasury stock

In conformance with the provision of Article 210 of the Commercial Code, the Company intends to acquire its treasury stock of seven million common shares within a limit of total acquisition value of ¥28 billion by the closing of the next Ordinary General Meeting of Shareholders for the purpose of securing higher flexibility in its capital procurement strategy.

Proposal No.3: Partial amendment to the Articles of Incorporation

We hereby propose to partially amend the existing Articles of Incorporation.

1. Reasons for the amendment
 - 1) In order to clarify the extended services of franchise business and business objectives, we would like to add the respective expressions of "to operate bill settlement and collection services as agency for public utility charges," "to provide credit card service," "to do consulting on various information distribution systems," and "to implement and install ATMs and conduct commissioned jobs involved in such operations" to ARTICLE 2: Purposes of Incorporation.
 - 2) As the Company cancelled 7,300,000 shares as of August 10, 2001 in compliance with the of former "Law Concerning Exceptions to the Commercial Code on Stock Cancellation Procedure" (Law No. 55, 1997), and the provisions of the Articles of Incorporation, we would like to change the number of shares in ARTICLE 5: Total Number of Shares to be Issued by the Company.
 - 3) Pursuant to the abolition of par-share stocks, the introduction of unit (*tangen*) stock system, and the abolition of the "Law Concerning Exceptions to Stock Cancellation" as a result of the reinforcement of the "Law Concerning Partial Amendment to the Commercial Code, etc" (Law No. 79, 2001) on October 1, 2001, we would like to delete the existing ARTICLE 6: Cancellation of the Company's Stock and ARTICLE 8: Par Value of Each Share, and thereby amend the related wording of ARTICLE 5: Total Number of Shares to be Issued by the Company, ARTICLE 9: The Number of Shares in a Unit of Shares, ARTICLE 10: Transfer Agent, ARTICLE 18: Election of Directors, and ARTICLE 24: Election of Corporate Auditors.
 - 4) Pursuant to the introduction of stock options and advanced computerization of stock-related documents as a result of the reinforcement of the "Law Concerning Partial Amendment to the Commercial Code" (Law No. 128, 2001) on April 1, 2002, we would like to delete the existing ARTICLE 7: Preemptive Right and ARTICLE 33: Conversion Date of Convertible Bonds, and thereby amend the related wording of ARTICLE 11: Record Date, ARTICLE 30: Profit Distribution, and ARTICLE 31: Interim Dividends.
 - 5) Pursuant to the implementation of the executive officer system, we would like to add Chapter VI. Executive Officers and newly establish ARTICLE 26: Executive Officers. Accordingly, we would like to amend the related wording of ARTICLE 14: Chairperson of General Meetings of Shareholders, ARTICLE 20: Representative Director and Directors with Specific Titles, and reduce the number of directors provided for by the existing ARTICLE 17: Number of Directors.
 - 6) In order to appoint a transfer agent for stock options who shall keep the register of stock options and handle transfer of titles of stock options and other related businesses, the Company would like to amend the related wording of ARTICLE 10: Transfer Agent and ARTICLE 12: Share Handling Regulations.
 - 7) In line with the amendments above, the numbers of relevant Chapters, Articles and others shall be appropriately adjusted.

2. Summary draft of this proposal

(Amendments shown by underlines.)

Existing Articles	Proposed Amendments
<p>ARTICLE 2: Purposes of Incorporation The Company shall be organized for the purpose of operating the following businesses:</p> <p>1. to (The related provisions omitted)</p> <p>12. (New establishment)</p> <p><u>13.</u> to (The related provisions omitted)</p> <p><u>18.</u></p> <p><u>19.</u> To finance and provide intermediacy for financing;</p> <p><u>20.</u> to (The related provisions omitted)</p> <p><u>22.</u> (New establishment)</p> <p>(New establishment)</p> <p><u>23.</u> (The related provision omitted)</p> <p><u>24.</u> (The related provision omitted)</p>	<p>ARTICLE 2: Purposes of Incorporation The Company shall be organized for the purpose of operating the following businesses:</p> <p>1. to (The same as the existing ones)</p> <p>12.</p> <p>13. <u>“To operate bill settlement and collection services as agency for public utility charges;</u></p> <p><u>14.</u> to (The same as the existing ones)</p> <p><u>19.</u></p> <p><u>20.</u> To finance and provide intermediacy for financing, <u>and provide credit card service;</u></p> <p><u>21.</u> to (The same as the existing ones)</p> <p><u>23.</u></p> <p><u>24. To do consulting on various information distribution systems;</u></p> <p><u>25. To implement and install ATMs and conduct commissioned jobs involved in such operations”</u></p> <p><u>26.</u> (The same as the existing one)</p> <p><u>27.</u> (The same as the existing one)</p>
<p>ARTICLE 5: Total Number of Shares to be Issued by the Company The total number of shares in capital stock authorized to be issued by the Company shall be 419,600,000, and all thereof shall be par value shares. Provided, however, that the total number of shares authorized to be issued by the Company shall be reduced by the number.</p>	<p>ARTICLE 5: Total Number of Shares to be Issued by the Company The total number of shares in capital stock authorized to be issued by the Company shall be <u>412,300,000</u>. Provided, however, that the total number of shares authorized to be issued by the Company shall be reduced by the number.</p>
<p>ARTICLE 6: Cancellation of the Company’s Stock <u>On and after May 25, 2001, the Company may, under a resolution of the Board of Directors, purchase and cancel its treasury stock with net profit within a limit of 9,000,000 shares.</u></p>	<p>(To be deleted)</p>
<p>ARTICLE 7: Preemptive Right <u>The Company may grant to its directors and/or employees preemptive rights under the provision of Article 280-19 of the Commercial Code of Japan.</u></p>	<p>(To be deleted)</p>
<p>ARTICLE 8: Par Value of Each Share <u>The par value of a share to be issued by the Company shall be fifty (50) yen</u></p>	<p>(To be deleted)</p>
<p>ARTICLE 9: The Number of Shares in a Unit of Shares The number of shares that will constitute one <u>unit of the shares</u> of the Company shall be one hundred (100). (New establishment)</p>	<p>ARTICLE 6: <u>The Number in a Unit (<i>tangen</i>) of Shares and Non-issuance of Share Certificates Stating the Numbers Less than a Unit (<i>tangen</i>) of Shares</u> The number of shares that will constitute one <u>unit (<i>tangen</i>) of shares</u> of the Company shall be one hundred (100). 2) <u>The Company shall not issue share certificates stating the numbers less than one unit (<i>tangen</i>) of shares (hereinafter referred to as “Less-than-unit (<i>tangen</i>) shares”).</u> Provided, however, this provision shall not apply to the cases provided for by Share</p>

	<u>Handling Regulations.</u>
<p>ARTICLE 10: Transfer Agent The Company shall appoint a transfer agent to handle the transfer of shares.</p> <p>2) The transfer agent and his/her office shall be designated by a resolution of the Board of Directors of the Company.</p> <p>3) The register of shareholders (including the register of beneficial shareholders, hereinafter the same is applicable) of the Company shall be kept at the share handling office of the transfer agent, and the transfer agent shall handle transfer of titles of shares and other related businesses, including registration of pledges on shares, declaration of trust assets, issuance of share certificates, acceptance of notifications and handling of applications for a purchase of <u>shares of less than one (1) unit</u>. The Company shall not handle such matters .</p>	<p>ARTICLE 7: Transfer Agent The Company shall appoint a transfer agent to handle the transfer of shares <u>and stock options</u>.</p> <p>2) The transfer agent and his/her office shall be designated by a resolution of the Board of Directors of the Company.</p> <p>3) The register of shareholders (including the register of beneficial shareholders, hereinafter the same is applicable) <u>and the register of stock options</u> of the Company shall be kept at the share handling office of the transfer agent, and the transfer agent shall handle transfer of titles of shares and <u>stock options</u> and other related businesses, including registration of pledges on shares, declaration of trust assets, issuance of share certificates, acceptance of notifications and handling of applications for a purchase of <u>shares of less than one (1) unit (tangen)</u>. The Company shall not handle such matters.</p>
<p>ARTICLE 11: Record Date The Company shall regard the shareholders (including beneficial shareholders, hereinafter the same is applicable) <u>registered</u> in the latest register of shareholders as of the closing date of accounts as the shareholders entitled to exercise their rights as shareholders at the ordinary general meeting of shareholders for the relevant fiscal year.</p> <p>In addition to the preceding paragraph, whenever necessary, the Company may, by a resolution of the Board of Directors and with a prior public notice, regard the shareholders or registered pledgees <u>registered</u> in the register of shareholders as of a certain date to be the shareholders or the registered pledgees who are entitled to exercise their rights.</p>	<p>ARTICLE 8: Record Date The Company shall regard the shareholders (including beneficial shareholders, hereinafter the same is applicable) <u>written or recorded</u> in the latest register of shareholders as of the closing date of accounts as the shareholders entitled to exercise their rights as shareholders at the ordinary general meeting of shareholders for the relevant fiscal year.</p> <p>In addition to the preceding paragraph, whenever necessary, the Company may, by a resolution of the Board of Directors and with a prior public notice, regard the shareholders or registered pledgees <u>written or recorded</u> in the register of shareholders as of a certain date to be the shareholders or the registered pledgees who are entitled to exercise their rights.</p>
<p>ARTICLE 12: Share Handling Regulations Any change of the classes and/or titles of shares, <u>other</u> procedures and fees therefore <u>as to the shares</u> of the Company shall be subject to Share Handling Regulations stipulated by the Board of Directors.</p>	<p>ARTICLE 9: Share Handling Regulations Any change of the classes and/or titles of shares <u>and stock options</u>, <u>other</u> procedures and fees therefore as to the shares <u>and stock options</u> of the Company shall be subject to Share Handling Regulations stipulated by the Board of Directors.</p>
ARTICLE 13: (The related provision omitted)	ARTICLE 10: (The same as the existing one)
<p>ARTICLE 14: <u>Chairperson</u> of General Meetings of Shareholders The President of the Company shall <u>convene and preside over</u> the general meetings of shareholders. In the event <u>the President is unable to act as convener and/or chairperson</u>, another director pursuant to the <u>order predetermined by the Board of Directors</u> shall act in his/her place.</p>	<p>ARTICLE 11: <u>Convocation and Chairperson</u> of General Meetings of Shareholders General meetings of shareholders shall <u>be convened by a resolution of the Board of Directors, and a director previously appointed by the Board of Directors shall preside over the general meetings of shareholders</u>. In the event <u>the director as such is unable to act as chairperson</u>, another director shall act in his/her place <u>in the order predetermined by the Board of Directors</u>.</p>
ARTICLE 15: (The related provision omitted)	ARTICLE 12: (The same as the existing one)
<p>ARTICLE 16: Voting by Proxy A shareholder may exercise his/her voting right in the general meetings of shareholders by appointing any other shareholder of the Company having voting rights as his/her proxy. The <u>proxy</u> shall submit a power of attorney to the Company at each general meeting of shareholders.</p>	<p>ARTICLE 13: Voting by Proxy A shareholder may exercise his/her voting right in the general meetings of shareholders by appointing any other shareholder of the Company having voting rights as his/her proxy. <u>The shareholder or his/her proxy</u> shall submit a power of attorney to the Company at each general meeting of shareholders.</p>

	general meeting of shareholders.
ARTICLE 17: Number of Directors The number of directors of the Company shall be not less than three (3) and <u>not exceed twenty (20)</u> .	ARTICLE 14: Number of Directors The number of directors of the Company shall be not less than three (3) and <u>not exceed eleven (11)</u> .
ARTICLE 18: Election of Directors Directors shall be elected at a general meeting of shareholders. For adoption of a resolution to elect directors, <u>not less than one-third (1/3) of the all issued shares with voting rights</u> should be represented by the shareholders present. 2) (The related provision omitted)	ARTICLE 15: Election of Directors Directors shall be elected at a general meeting of shareholders. For adoption of a resolution to elect directors, <u>not less than one-third (1/3) of the voting rights held by all shareholders</u> should be represented by the shareholders present. 2) (The same as the existing one)
ARTICLE 19: (The related provision omitted)	ARTICLE 16: (The same as the existing one)
ARTICLE 20: Representative Director and <u>Directors with Specific Titles</u> The Company may, by a resolution of the Board of Directors, <u>appoint one Chairman and one President, as well as several Chief Corporate Advisers, Vice Chairmen, Executive Vice Presidents, Senior Managing Directors and Managing Directors.</u> 2) <u>Representative Director shall be elected among the directors in the preceding paragraph by a resolution of the Board of Directors.</u>	ARTICLE 17: Representative Director <u>Representative Director shall be elected</u> by a resolution of the Board of Directors. (To be deleted)
ARTICLE 21 to (The related provisions omitted) ARTICLE 23	ARTICLE 18 to (The same as the existing ones) ARTICLE 20
ARTICLE 24: Election of Corporate Auditors Corporate auditors shall be elected at a general meeting of shareholders. For adoption of a resolution to elect corporate auditors, <u>net less than one-third (1/3) of the all issued shares with voting rights</u> should be represented by the shareholders present.	ARTICLE 21: Election of Corporate Auditors Corporate auditors shall be elected at a general meeting of shareholders. For adoption of a resolution to elect corporate auditors, <u>not less than one-third (1/3) of the voting rights held by all shareholders</u> should be represented by the shareholders present.
ARTICLE 25 to (The related provisions omitted) ARTICLE 28	ARTICLE 22 to (The same as the existing ones) ARTICLE 25
(New establishment)	<u>Chapter VI: Executive Officers</u>
(New establishment)	<u>ARTICLE 26: Executive Officers</u> <u>The Company may appoint executive officers by a resolution of the Board of Directors, and entrust them with the execution of business and affairs.</u> 2) <u>The relationship between the Company and executive officers shall be in accordance with the provisions related to the appointment of an agent.</u>
Chapter <u>VI</u> : Accounts	Chapter <u>VII</u> : Accounts
ARTICLE 29 (The related provision omitted)	ARTICLE 27: (The same as the existing one)
ARTICLE 30: Profit Distribution Profit distribution of the Company shall be paid to the shareholders or the registered pledgees who are <u>registered</u> in the latest register of shareholders of the Company as of the end of each business year.	ARTICLE 28: Profit Distribution Profit distribution of the Company shall be paid to the shareholders or the registered pledgees who are <u>written or recorded</u> in the latest register of shareholders of the Company as of the end of each business year.
ARTICLE 31: Interim Dividends The Company may, by a resolution of the Board of Directors, distribute cash as interim dividends to the shareholders or the registered pledgees who are <u>registered</u> in the latest register of shareholders as of August 31 of each business year.	ARTICLE 29: Interim Dividends The Company may, by a resolution of the Board of Directors, distribute cash as interim dividends to the shareholders or the registered pledgees who are <u>written or recorded</u> in the latest register of shareholders as of August 31 of each business year.

ARTICLE <u>32</u> (The related provision omitted)	ARTICLE <u>30</u> (The same as the existing one)
<u>ARTICLE 33: Conversion Date of Convertible Bonds</u> <u>As for the dividends first payable to shares converted from convertible bonds, such conversion shall be regarded to have been effected on the first day of the business year during which the claim therefor is made.</u> <u>In the event interim dividends are paid , however, with respect to application of the preceding sentence, such interim dividends shall be regarded as profit distributions, and the first day of the business year shall mean September 1.</u>	(To be deleted)

Proposal No. 4: Election of eight (8) directors

The term of office of the five (5) current directors expires at the conclusion of this 27th Ordinary General Meeting of Shareholders. Accordingly, we hereby propose that you elect eight (8) directors.

The nominees for the new directors are as follows:

No.	Name (Date of birth)	Brief personal history and representative positions in other companies		Number of the Company's shares held
1	Kenji Fujiwara (September 25, 1946)	May 1994 June 1994 May 1999 December 2000 September 2001 January 2002	Director, Lawson, Inc. President & CEO, Lawson, Inc. Director, Daiei, Inc. President & CEO, General Manager, Merchandising Division, Lawson, Inc. President & CEO, Lawson, Inc. President & CEO, Chief Operating Officer, Lawson, Inc. (Current position)	8,100
2	Takeshi Niinami* (January 30, 1959)	April 1981 June 1995 July 1999 April 2000 April 2001 March 2002	Joined Mitsubishi Corporation. President, Sodex Corporation. Team leader, Restaurant Business Team, Life & Industrial Distribution Planning Dept., Mitsubishi Corporation. General Manager, Lawson Project Office and General Manager, Restaurant Business Dept., Mitsubishi Corporation. Unit Manager, Lawson Business Unit, and Unit Manager, Restaurant Business Unit, Consumer Division, Mitsubishi Corporation. Corporate Advisor, Lawson, Inc. (Current position)	0
3	Teruo Aoki (February 8, 1944)	April 1966 April 1999 April 2000 May 2000 February 2001 March 2001 January 2002	Joined Mitsubishi Corporation. Assistant CEO, Life and Industry Group and General Manager, Life & Industrial Distribution Planning Dept., Mitsubishi Corporation. Corporate Advisor, Lawson, Inc. Director; and Deputy General Manager, New Business Division, Lawson, Inc. Director; and General Manager, New Business Division, Lawson, Inc. Executive Director and General Manager, New Business Division, Lawson, Inc. Director and Senior Executive Vice President; SEVC, IT & New Businesses, and General Manager, New Business Development Division, Lawson, Inc. (Current position) (Representative positions in other companies) President, LAWSON e-Planning, Inc. Chairman of the Board, ECONTEXT, Inc.	300
4	Eiichi Tanabe (September 16, 1953)	April 1978 August 1990 April 1997 April 2001 May 2001 January 2002 March 2002	Joined Mitsubishi Corporation. Team Leader, Planning Team, Capital & Money Market Dept., Mitsubishi Corporation. Deputy General Manager, Finance Dept. Mitsubishi Corporation. Deputy General Manager, Corporate Planning Office, Lawson, Inc. Director and Deputy General Manager, Corporate Planning Office, Lawson, Inc. Director and Executive Vice President; Deputy EVP, Corporate & Finance Division and General Manager, Accounting Planning Office, Lawson, Inc. Director and Executive Vice President; EVP, Corporate & Finance Division and General Manager, Accounting Planning Office, Lawson, Inc. (Current position)	100

5	Sumiya Nakajima* (December 10, 1951)	April 1974 September 1989 January 1994 November 1998 February 1999 February 2001 April 2001 January 2002 May 2002	Joined Daiei, Inc. General Manager, Employment and Education Dept., Daiei, Inc. Deputy General Manager, President's Office, Daiei, Inc. General Manager, Business Office, Daiei, Inc. Senior Vice President and General Manager, Business Office, Daiei, Inc. Joined Lawson, Inc. Deputy General Manager, Corporate Planning Office, Lawson, Inc. Executive Vice President; EVP, HR, CS Promotion and General Manager, Human Resources Office, Lawson, Inc. Executive Vice President; EVP, HR, CS Promotion and General Manager, Corporate Communications Office, Lawson, Inc. (Current position)	0
6	Hiroshi Tasaka (April 17, 1951)	March 1990 June 1996 March 2000 April 2000 May 2000 June 2000 March 2001 April 2001 June 2001	Joined Japan Research Institute, Limited. Director, Japan Research Institute, Limited. Director, Softbank Investment Corporation. (Current position) Fellow, Japan Research Institute, Limited. (Current position) Director, Lawson, Inc. (Current position) Director, Softbank Finance Corporation. (Current position) Director, Gomes Co., Ltd. (Current position) Professor, Postgraduate Dept., Tama University. (Current position) Corporate Auditor, Enbiotech Laboratories Corporation. (Current position) (Representative positions in other companies) President, Sophia Bank, Inc.	0
7	Reiko Okutani* (April 3, 1950)	March 1982 July 1986 May 2000	President, The R Co., Ltd. (Current position) President, Will Inc. President, R & R Private Company. (Current position)	0
8	Yorihiko Kojima* (October 15, 1941)	May 1965 June 1995 February 1996 April 1997 April 1998 April 1999 April 2000 April 2001 June 2001	Joined Mitsubishi Corporation. Director and General Manager, Secretariat, President's Office, Mitsubishi Corporation. Director and Director in charge of Business, and General Manager, Corporate Business Division, Mitsubishi Corporation. Executive Director, and Chief Officer in charge of Professional Business Functions; and General Manager, Corporate Business Dept., Mitsubishi Corporation. Executive Director and Chief Officer in charge of Professional Business Functions (Division A), Mitsubishi Corporation. Executive Director in charge of Business and Development, and General Manager, Financial Services Dept., Mitsubishi Corporation. Executive Director and Group CEO, New Function Group, Mitsubishi Corporation. Executive Vice President and Group CEO, New Function Group, Mitsubishi Corporation. Vice President and Representative Director, Executive Vice President; and Group CEO, New Function Group, Mitsubishi Corporation. (Current position)	0

Notes:

1. Of these nominees, the candidates, Hiroshi Tasaka, Reiko Okutani and Yorihiko Kojima, satisfy the requirements of outside directors stipulated in Article 188, Paragraph 2, Item 7-2, of the Commercial Code.
2. Those with an asterisk are new nominees for the post of director.
3. There is an outsourced–outsourcing relationship between ECONTEXT, Inc., in which the candidate Teruo Aoki additionally assumes the post of President, and the Company, with regard to agency for transaction settlements, product delivery and other delivery operations.
4. There is an outsourced–outsourcing relationship between LAWSON e-Planning, Inc., in which the candidate Teruo Aoki additionally assumes the post of President, and the Company, with regard to consulting on the start-up of new businesses mainly in the e-business field.
5. There is a collaborative relationship concerning the development of merchandise through cooperation among different types of businesses between Sophia Bank, Inc., in which the candidate Hiroshi Tasaka additionally assumes the post of President, and the Company.
6. There is an extensive business alliance relationship between Mitsubishi Corporation, in which the candidate Yorihiko Kojima additionally assumes the post of Representative Director, and the Company, with regard to

distribution, product development, store development and other activities under a comprehensive business tie-up agreement.

7. Other candidates do not have any special interest in the Company.

Proposal No. 5: Election of one (1) corporate auditor

The term of office of the current corporate auditor, Sadao Suzuki, ends at the conclusion of this 27th Ordinary General Meeting of Shareholders. Accordingly, we hereby propose that you elect one (1) corporate auditor.

The nominee for the new director is as follows:

No.	Name (Date of birth)	Brief personal history and representative positions in other companies		Number of the Company's shares held
1	Sadao Suzuki (January 3, 1934)	April 1956 June 1973 October 1976 March 1989 May 1994 May 1995 May 1999	Joined Marumono Co., Ltd. Joined T.V.B., Inc. President, T.V.B. Sun Chain, Inc. Vice President and Representative Director, Lawson, Inc. Director and Counselor, Lawson, Inc. Counselor, Lawson, Inc. Standing Corporate Auditor, Lawson, Inc. (Current position)	1,300

Notes: 1. The Board of Corporate Auditors has given an accord to this proposal No. 5.

2. The candidate above does not have any special interest in the Company.

Proposal No. 6: Issuance of stock options as incentive of directors, executive officers and certain employees at managerial posts

Pursuant to the provisions of Article 280-20 and Article 280-21 of the Commercial Code of Japan, we hereby request that you approve our issuance of stock options as incentive to directors, executive officers and certain employees at managerial posts in the following manner.

1. Reason for issuing stock options at advantageous conditions

The Company intends to issue the stock options without charge to directors, executive officers and certain employees at managerial posts in the manner described in Item 3 below for the purpose of enhancing the will and morale of employees toward improved performance of the Company and encourage further business deployment focusing on shareholders' interests.

2. The persons subject to the allocation of stock options

The Company shall allocate 4,000 units of stock options to a total of 680 persons who have positions as directors, executive officers and certain employees at managerial posts.

3. Procedure of issuing stock options

(1) Type and number of the shares subject to the stock options

400,000 common shares of Lawson, Inc.:

In case of a stock split or a reverse stock split by the Company, the number of the subjected shares shall be adjusted according to the following formula. Provided, however, that such adjustment shall be done only for the number of shares being subject to the stock options that have not been exercised as of the day of the stock split/reverse stock split within all the stock options. The resulting fraction of shares below one (1) share shall be discarded.

$$\text{Number of shares after adjustment} = \text{Number of shares before adjustment} \times \text{Stock split/reverse stock split ratio}$$

If any of the stock options are succeeded as a result of a merger or a consolidation of another corporation by the Company, or if a part of the Company is succeeded by a new corporation or an existing corporation due to a spin-off, the Company shall adjust the number of the stock options that it considers necessary.

(2) Total number of the stock options

4,000 units (100 shares per each stock option. However, similar adjustment shall be made if the adjustment set forth in the Item (1) above is adopted.)

(3) Issue price of the stock options

To be issued without charge.

(4) Amount to be subscribed in exercising the stock options

The amount to be subscribed by a qualified person shall be the average amount (the fraction below one (1) yen to be rounded up) of the closing stock prices for ordinary transactions of the Company's common stock at the Tokyo Stock Exchange on all the trading days (excluding those on which no transactions were established) in the month preceding the month to which the day when the stock options are issued belongs.

Provided, however, that the amount shall be the closing price of the Company's common stock at the Tokyo Stock Exchange on the day preceding the issue date (or the closing price of the nearest day with transactions if such closing price was not established on the preceding day) of the stock options if the amount to be subscribed is below such closing price.

When new shares are issued as a result of a stock split at a price lower than the market price (excluding the stock issuance by a capital increase through public offering as issuance at market price and the stock issuance involved in the exercise of stock options as well as stock option certificates), the issue price shall be adjusted by applying the following formula, and the resulting fractions below one (1) yen due to the adjustment shall be rounded up.

$$\text{Exercise price after adjustment} = \frac{\text{Exercise price before adjustment} \times \text{Number of shares outstanding} + \text{Number of shares newly issued} \times \text{Amount to be paid per share}}{\text{Stock price before stock split/reverse stock split} + \text{Number of shares increased due to stock split/reverse stock split}}$$

(5) Excisable period of the stock options

From December 1, 2002, to May 31 2007

(6) Exercise conditions of the stock options

- 1) The persons to whom the stock option is allocated shall be limited to those who have positions as directors, corporate auditors, executive officers or employees of the Company at the time of exercising the right, or those who have concluded a corporate advisor agreement with the Company.
- 2) In case of the death of a person who has the stock option, the succession of this right by his or her heir is not authorized.
- 3) A person who has the stock option may apply to exercise his or her right to the Company only when the Company's stock price at the Tokyo Stock Exchange exceeds the amount set forth in (4) above by 10% or more.
- 4) No pledging or any other disposal of stock option is authorized.
- 5) Other applicable conditions shall be as prescribed by the "Stock option Subscription Certificate and Stock option Granting Agreement," which shall be entered into by and between the subjected directors, executive officers and employees and the Company, based on a resolution at this 27th Ordinary General Meeting of Shareholders and a resolution at the Board of Directors. In granting stock options, the Company may separately enter into the "Stock option Granting Agreement," which has integrated the relevant provisions to the effect that the above conditions 1) to 4) are clearly stated.

(7) Cancellation of the stock options

- 1) In case a consolidation agreement that determines the Company is to cease to exist is approved, or if a proposal on approval of a stock swap agreement to the effect that the Company would become a fully-owned company of another corporation, or a proposal on stock transfer is approved by a general meeting of shareholders, then the Company may cancel these stock options without charge.
- 2) The Company may cancel the stock option without charge if a qualified person who has been allocated the right loses this right because he or she does no more meet the conditions set forth in paragraph (6) 1), or due to the reason set forth in paragraph (6) 2) above. Provided, however, that the Company may, in such a case, take the cancellation procedure collectively after the excisable period of the rights has expired.

(8) Restriction on transfer of the stock option

The transfer of stock option shall require an approval of the Board of Directors.

Proposal No. 7: Presentation of retirement benefits to retiring and resigned directors

To Koji Wada, who is retiring from his position as director at the conclusion of this Ordinary General Meeting of Shareholders, to Yasuo Matsuoka, Takashi Sekiguchi, Takao Endoh, Makoto Takayama, Susumu Hasegawa, Kenji Yamakawa, Katsuhiko Yamasaki, Shigeru Kiyota, Ichiro Okuda, Takao Kojima, Shunji Tani, Yoshio Shinozaki, Yoshimitsu Futai and Isamu Ochiai, who resigned from their position as directors on December 31, 2001, and to

Yoshinori Harigae, who resigned from his position as director on March 31, 2002, we propose to present retirement benefits within the upper limit of ¥472,720,000 to provide a compensation for services rendered during their tenure. We propose that the actual amount, timing and method of presentation to each be left to the determination of the Board of Directors.

The brief history of the retiring and resigned directors in the Company is as follows:

Name	Brief personal history	
Koji Wada	May 2000 March 2001 January 2002	Senior Managing Director Vice President and Representative Director Chairman of the Board and Representative Director (Current position)
Yasuo Matsuoka	April 1981 March 1989 June 1994 December 2001	Director President & CEO Chairman of the Board and Representative Director Resigned
Takashi Sekiguchi	April 1981 April 1985 March 1991 December 2001	Director Managing Director Senior Managing Director Resigned
Takao Endoh	March 1991 April 1993 December 2001	Managing Director Senior Managing Director Resigned
Makoto Takayama	October 1994 December 2001	Managing Director Resigned
Susumu Hasegawa	May 2001 December 2001	Managing Director Resigned
Kenji Yamakawa	February 1996 December 2001	Director Resigned
Katsuhiko Yamasaki	May 1995 December 2001	Director Resigned
Shigeru Kiyota	May 1987 December 2001	Director Resigned
Ichiro Okuda	October 1994 December 2001	Director Resigned
Takao Kojima	May 1995 December 2001	Director Resigned
Shunji Tani	May 1998 December 2001	Director Resigned
Yoshio Shinozaki	May 1998 December 2001	Director Resigned
Yosimitsu Futai	May 2001 December 2001	Director Resigned
Isamu Ochiai	March 1999 December 2001	Director Resigned
Yoshinori Harigae	March 1989 January 2002 March 2002	Managing Director Director Resigned