

Flash Report on the Consolidated Financial Results
for the First Quarter of the Fiscal Year Ending February 28, 2017

July 11, 2016

Listed Company Name: Lawson, Inc.

Tokyo Stock Exchange (First Section)

Code No.: 2651

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

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Scheduled date for submission of quarterly securities report: July 13, 2016

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, 2016 (from March 1, 2016, to May 31, 2016)

(1) Consolidated operating results (cumulative)

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

	Gross operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
For the first quarter ended								
May 31, 2016	148,911	6.2	17,451	(8.8)	16,676	(12.9)	8,823	14.3
May 31, 2015	140,213	19.7	19,133	13.7	19,145	16.0	7,718	(15.2)

Note: Comprehensive income:

For the first quarter ended May 31, 2016 8,027 million yen (3.3%)

For the first quarter ended May 31, 2015 8,299 million yen (7.7%)

	Profit per share		Diluted profit per share	
	Yen		Yen	
For the first quarter ended				
May 31, 2016	88.22		88.15	
May 31, 2015	77.18		77.12	

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of			
May 31, 2016	865,552	267,770	29.9
February 29, 2016	803,212	272,997	32.9

Reference: Shareholders' equity:

As of May 31, 2016 258,954 million yen

As of February 29, 2016 264,392 million yen

2. Dividends

	Annual dividends per share				
	1Q	1H	3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
2015 fiscal year	—	122.50	—	122.50	245.00
2016 fiscal year	—				
2016 fiscal year (forecast)		125.00	—	125.00	250.00

Note: Revision of the most recent dividends forecast: None

3. Forecast of consolidated operating results for the 2016 fiscal year ending February 28, 2017 (from March 1, 2016 to February 28, 2017)

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

	Gross operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
2016 1H (cumulative)	313,000	8.2	39,500	(6.1)	38,100	(6.6)	21,300	7.5	212.98
2016 fiscal year	648,000	11.1	76,000	4.8	73,000	4.9	35,500	13.1	354.97

Note: Revision of the most recent consolidated operating results forecast: None

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) Adoptions of specific accounting methods for preparing quarterly financial statements: None

(3) Changes in accounting policies, changes in accounting estimates or restatements

1. Changes of accounting policies associated with revision in accounting standards: Yes

2. Changes in accounting policies other than 1. above: None

3. Changes in accounting estimates: None

4. Retrospective restatements: None

(4) Number of shares outstanding (common stock)

1. Number of shares outstanding at the end of period (including treasury shares)

As of May, 2016: 100,300,000 As of February, 2016: 100,300,000

2. Number of treasury shares at the end of period

As of May, 2016: 293,393 As of February, 2016: 301,897

3. Average number of shares during the period (cumulative three months)

As of May, 2016: 100,003,357 As of May, 2015: 99,998,635

Note: Implementation status of audit procedures

This flash report is exempt from quarterly review procedures under the Financial Instruments and Exchange Act. As of the time of disclosure of this report, audit procedures for the financial statements have not been completed.

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

Forward-looking statements presented herein such as financial forecasts are based on currently available information and certain presumptions deemed to be reasonable as of the date of announcement. The achievement of said forecasts cannot be guaranteed. Actual results may be materially different from those in the forecast as a result of various factors. For preconditions of these financial forecasts and notes concerning their use, please refer to "1. Qualitative Information Regarding Quarterly Financial Results, (3) Explanation Regarding Forward-looking Statements" on page 7.

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. Matters Related to Summary Information (Notes).....	8
(1) Change in Significant Subsidiaries during the Quarterly Consolidated Period (Changes in Certain Specified Subsidiaries Resulting in Changes in Scope of Consolidation).....	8
(2) Adoptions of Specific Accounting Methods for Preparing Quarterly Financial Statements	8
(3) Changes in Accounting Policies, Changes in Accounting Estimates or Restatements	8
3. Consolidated Financial Statements.....	9
(1) Consolidated Balance Sheet	9
(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income.....	11
Consolidated Statements of Income.....	11
Consolidated Statements of Comprehensive Income.....	12
(3) Notes to Consolidated Financial Statements.....	13
(Going Concern Assumption)	13
(Notes to Significant Changes in the Amount of Shareholders' Equity.....	13

1. Qualitative Information Regarding Quarterly Financial Results

(1) Explanation Regarding Consolidated Operating Results

During the first quarter of fiscal 2016, three months from March 1 to May 31, 2016, which is the first quarter covered by the Lawson Group's "1000 Days Action Plan", we focused our business activities on building Lawson's next-generation convenience store model. The convenience store industry is now undergoing a period of drastic transformation. This is attributable to changes in community needs resulting from an aging population and the prevalence of the nuclear family, among others, which have triggered a reorganization of the industry. Deeming the next three years as a crucial turning point for the Group, we formulated the "1000 Days Action Plan." Efforts are being made under the plan to evolve our business model as a manufacturing retailer targeting small catchment areas and to raise our store productivity to an unprecedented level toward the goal of fulfilling our customers' needs in everyday life by serving as an essential part of their communities.

As a result, for the first quarter of fiscal 2016 on a consolidated basis, gross operating revenue increased to 148,911 million yen (up 6.2% from previous fiscal year), operating income decreased to 17,451 million yen (down 8.8% from previous fiscal year), and ordinary income decreased to 16,676 million yen (down 12.9% from previous fiscal year). Profit attributable to owners of parent increased to 8,823 million yen (up 14.3% from previous fiscal year).

Furthermore, we also focused on promoting internal control and addressing operating risks across the entire Group based on the 2016 Basic Policy for Improvement of Internal Control Systems. We will continue promoting internal control across the board including companies that newly joined the Group.

Operating results by business segment were as follows:

(Domestic Convenience Store Business)

In our convenience store business, in our effort to attract customers by serving as stores for everyday use, we strengthened our product lineup of our private brand, "Lawson Select," renovated existing stores, invested aggressively in advertising and sales promotions, and expanded and improved merchandise selection.

[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, we strengthened our merchandise assortment of ready-made dishes, frozen food items, and seasonings by taking strong steps to renovate existing stores, including installing more refrigerators and freezer flatbeds as well as raising the heights of product display shelves and putting in more shelves.

[Merchandising and Service Strategies]

On the merchandise side, we expanded our merchandise assortment under our "Lawson Select" brand, focusing on products purchased for everyday life, such as daily delivered food and frozen foods. We also reinforced our delicatessen category including ready-made Japanese dishes and salad items. In addition, our "Kara-age Kun" fried chicken sold over the counter was strengthened in commemoration of its 30th birthday by adding a large-sized special-flavored version, "De Kara-age Kun Yume No Mix Aji," which was well

received by customers.

Moreover, as a “Health Station in Town,” we also placed emphasis on selling health-oriented products. In particular, the “Green Smoothie” sold under the NATURAL LAWSON brand and made with a full meal’s worth of vegetables was well received by female and health-conscious customers. This series has become a hit with total sales reaching over 42 million units in just 13 months. In addition, there are currently 23 Lawson Farms in which Lawson, Inc. holds equity stakes. The farms assume the role of supplying safe and fresh fruits and vegetables to the Group’s stores and factories that produce LAWSON’s original products. The Group will continue to support the health of customers through such initiatives.

In addition to thus strengthening our merchandise lineup, we also enhanced our service offerings, one of which is our “Gift Cards*”, whose transaction value continued to remain solid.

On our sales promotion side, as our effort to increase the number of purchased items per customer, we rolled out a monthly promotional “Lawson Tokuichi!” campaign, where a 10% discount was offered on “Lawson Select” chilled/frozen foods as well as some items offered in the counter cases. Furthermore, measures to effectively attract customers were launched, including a “100-yen rice ball sale” for the holiday season and a “speed lottery” themed on “HiGH&LOW”, a popular TV drama series, which demonstrated our strength in the entertainment field.

* Gift Cards: Collective term for prepaid cards that can be used for online transactions.

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

Fiscal period Product categories	Previous 1st Quarter From March 1, 2015 to May 31, 2015		Current 1st Quarter From March 1, 2016 to May 31, 2016	
	Net sales (Millions of yen)	Percentage of total (%)	Net sales (Millions of yen)	Percentage of total (%)
Processed foods	256,916	53.5	263,896	53.2
Fast foods	109,788	22.8	115,357	23.3
Daily delivered foods	68,581	14.3	70,208	14.1
Non-food products	45,391	9.4	46,418	9.4
Total	480,678	100.0	495,881	100.0

[Store Development]

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

Based on a mega-franchise agreement concluded with Save On Corp. in April 2016, we remodeled 52 Save On stores into LAWSON stores which operated in Yamagata, Fukushima and Ibaraki prefectures in a phased manner. In addition, Lawson, Inc. signed a capital and business alliance contract and an absorption-type company split agreement, among others, with Three F Co., Ltd. from April to May 2016. Under these agreements, approximately 90 Three F stores will be remodeled into LAWSON Three F stores, and Lawson, Inc. will succeed to 12 Three F stores and sequentially remodel into LAWSON stores.

Furthermore, by building partnerships with dispensing pharmacy and drug store chains, we offer not only OTC pharmaceuticals, cosmetics, and daily necessities, but also offer a numerous of merchandise assortment than conventional LAWSON stores. The number of stores offering non-prescription drugs has reached 142 stores (included 39 pharmacy LAWSON stores equipped with drug-dispensing pharmacies) as of the end of

May 2016.

Furthermore, we have renewed LAWSON stores having a nursing care hub center and offering nursing care consultation services and a lounge space in April 2016. In addition to the Lawson Yahata Maeda 1-Chome store, the first such store in the Kyushu region opened in April 2016, and the number of stores has reached 6 as of the end of May 2016. We will continue to engage in establishing convenience store models that address and deal with social changes such as the aging population and increased health awareness.

With respect to LAWSON STORE100, we continued to increase the product composition ratio of 100-yen items (excluding tax) by scaling down product portions to respond to customer needs for value, and strengthened our popular fruit and vegetable lineup. As a result, existing-store sales for the period under review exceeded those for the same period of the previous fiscal year.

Consequently, the total number of LAWSON, NATURAL LAWSON, and LAWSON STORE100 stores opened and closed during current fiscal year stood at 175 and 112 stores, respectively, with the total number of stores in Japan reaching 11,943 as of the end of May 2016. In addition to the above, Lawson Kochi, Inc. operates 133 LAWSON chain stores in Kochi prefecture, Lawson Minamikyushu, Inc. operates 192 LAWSON chain stores in Kagoshima prefecture and Lawson Okinawa, Inc. operates 194 LAWSON chain stores in Okinawa prefecture as of the end of May 2016.

[Change in the Total Number of Domestic Stores]

	Total stores as of February 29, 2016	Change during fiscal year	Total stores as of May 31, 2016
LAWSON	10,937	69	11,006
NATURAL LAWSON	134	3	137
LAWSON STORE100	809	(9)	800
Total	11,880	63	11,943

[Number of LAWSON stores by prefecture (As of May 31, 2016)]

Prefecture	Number of stores	Prefecture	Number of stores	Prefecture	Number of stores	Prefecture	Number of stores
Hokkaido	626	Ibaraki	177	Kyoto	323	Ehime	209
Aomori	221	Tokyo	1,543	Shiga	155	Tokushima	133
Akita	182	Kanagawa	834	Nara	128	Fukuoka	454
Iwate	165	Shizuoka	239	Wakayama	132	Saga	66
Miyagi	209	Yamanashi	120	Osaka	1,011	Nagasaki	105
Yamagata	102	Nagano	171	Hyogo	642	Oita	171
Fukushima	119	Aichi	578	Okayama	157	Kumamoto	140
Niigata	139	Gifu	155	Hiroshima	187	Miyazaki	102
Tochigi	151	Mie	121	Yamaguchi	123	Total (domestic)	11,943
Gunma	101	Ishikawa	104	Tottori	115		
Saitama	528	Toyama	186	Shimane	120		
Chiba	465	Fukui	104	Kagawa	130		

[Other]

With regards to our efforts in home convenience, we will strive to enhance customer convenience by additionally partnering with other companies to establish an “Open Platform” based on the networks of LAWSON stores that offer a range of services encompassing ordering, collection, and home delivery.

With respect to distributions, in March 2016, we commenced operation of our distribution center “Lawson Full-line Zama,” a three-temperature-zone distribution center offering an integrated environment for chilled, frozen and ambient-temperature foods. Through independent operation of the distribution center, the Group aims at further streamlining the entire supply chain and improving store productivity.

As a result, Domestic Convenience Store Business posted gross operating revenue of 102,757 million yen (up 4.2% from previous fiscal year) and segment profit of 14,452 million yen (down 11.3%).

(Seijo Ishii Business)

The number of directly operated Seijo Ishii stores, a high-end supermarket chain offering quality foods, reached 126 as of the end of May 2016. Sales remained robust, and in April 2016, the first Seijo Ishii store combining “Le Bar a Vin 52” was opened in Atré Ebisu West. With respect to merchandise, a new private brand dubbed “desica” was launched, which achieved strong sales. Collaborations between SEIJO ISHII and our Domestic Convenience Store Business were promoted, such as expanding Seijo Ishii’s selection of wine offered at NATURAL LAWSON stores, jointly importing confectionery, and rolling out jointly developed products including nuts and cup soup. We will continue to enhance the brand image and corporate value of SEIJO ISHII Co., Ltd., while absorbing the company’s product development expertise, knowhow acquired as a manufacturing retailer, and sales methods, to strengthen our Domestic Convenience Store Business.

As a result, Seijo Ishii Business posted gross operating revenue of 18,140 million yen (up 8.2% from previous fiscal year) and segment profit of 1,657 million yen (up 17.4%).

(Entertainment-related Business)

With regards to Entertainment-related Business, Lawson HMV Entertainment, which forms the core of entertainment related business, posted a solid performance led by an increase in ticket sales and continued to secure top position in the ticketing industry. Besides HMV’s largest entertainment complex store, “HMV&BOOKS”, that combines selling music and books, was opened in Hakata, the number of HMV stores that sell music CDs and DVDs totaled 54 as of the end of May 2016. We will strive to offer an even wider selection of products and services to better respond to customer needs, for example, by expanding our ticketing business. In April 2016, United Cinemas Co., Ltd. opened the “Premium Dining Cinema” in Fukuoka-shi, Kyushu, as the first cinema in Japan where moviegoers can dine while enjoying a film. Furthermore, United Cinemas Co., Ltd. operates a total of 38 sites with 340 screens (includes those under management contract) at its cinemas nationwide as of the end of May 2016.

As a result, Entertainment-related business posted gross operating revenue of 17,190 million yen (up 7.5% from previous fiscal year) and segment profit of 942 million yen (up 29.4%).

(Other Business)

In addition to Domestic Convenience Store Business, Seijo Ishii Business, Entertainment-related Business, the Group is also involved in other business such as Overseas Business and Financial Services-related Business.

With regards to Overseas Business, the Group's operating companies opened LAWSON stores in the People's Republic of China, Thailand, Indonesia, the Philippines, and the United States of America (Hawaii). In May 2016, the Group made inroads into Wuhan, Hubei Province in China.

[Distribution of LAWSON Brand Stores Overseas by Region]

Country/Region	Number of stores (As of February 29, 2016)	Change during fiscal year	Number of stores (As of May 31, 2016)
China Shanghai and surrounding area	458	48	506
China Chongqing	110	1	111
China Dalian	53	3	56
China Beijing	34	1	35
China Wuhan	—	3	3
Thailand	47	1	48
Indonesia	38	(2)	36
Philippines	16	2	18
United States of America Hawaii	2	—	2
Total	758	57	815

Lawson ATM Networks, Inc., which operates a Financial Services-related Business, continued contributing to consolidated results owing to an increase in the number of ATMs installed. We strengthened partnership with new financial institution bringing the total number of our financial institution partners to 82 nationwide (up 2 from previous fiscal year), including online banks, and the number of ATMs installed nationwide to 11,274 (up 73 from previous fiscal year) as of the end of May 2016.

As a result, other business posted gross operating revenue of 12,268 million yen (up 19.5% from previous fiscal year) and segment profit of 396 million yen (down 43.4%).

(2) Explanation Regarding Consolidated Financial Position

Total current assets increased by 58,307 million yen from the end of the previous fiscal year to 282,516 million yen, mainly reflecting an increase of 49,392 million yen in cash and deposits. Non-current assets increased by 4,032 million yen from the end of the previous fiscal year to 583,035 million yen, mainly reflecting an increase of 7,164 million yen in property and store equipment. Consequently, total assets increased by 62,340 million yen from the end of the previous fiscal year to 865,552 million yen.

Total current liabilities increased by 62,634 million yen from the end of the previous fiscal year to 382,241 million yen, mainly reflecting an increase of 62,195 million yen in deposits received. Non-current liabilities increased by 4,932 million yen from the end of the previous fiscal year to 215,540 million yen, mainly reflecting an increase of 4,865 million yen in lease obligations. Consequently, total liabilities increased by 67,566 million yen from the end of the previous fiscal year to 597,782 million yen.

Total net assets decreased by 5,226 million yen from the end of the previous fiscal year to 267,770 million yen reflecting a decrease of 4,507 million yen in retained earnings. Consequently, shareholders' equity ratio was 29.9%, down from 32.9% as of the end of the previous fiscal year.

(3) Explanation Regarding Forward-looking Statements

Regarding financial forecasts for the first half and full year of the current fiscal year ending February 28, 2017, the financial forecasts remains unchanged from those announced on April 13, 2016.

2. Matters Related to Summary Information (Notes)

(1) Change in Significant Subsidiaries during the Quarterly Consolidated Period (Changes in Certain Specified Subsidiaries Resulting in Changes in Scope of Consolidation): Not Applicable

(2) Adoptions of Specific Accounting Methods for Preparing Quarterly Financial Statements:
Not Applicable

(3) Changes in Accounting Policies, Changes in Accounting Estimates or Restatements
(Changes in Accounting Policies)

The Company and its domestic consolidated subsidiaries are applying “Accounting Standard for Business Combinations” (Accounting Standards Board of Japan (ASBJ) Statement No. 21, revised September 13, 2013; hereinafter, “Business Combination Accounting Standard”), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, revised September 13, 2013; hereinafter, “Consolidated Accounting Standard”) and “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, revised September 13, 2013; hereinafter, “Business Divestiture Accounting Standard”), etc., from the first quarter of the fiscal year ending February 28, 2017. Under these revised accounting standards, any differences arising from changes in a parent’s ownership interests in subsidiaries when the parent retains control are recognized in capital surplus and acquisition-related costs are expensed in the fiscal year in which they were incurred. For business combinations completed from the beginning of the first quarter, the Company applies a method in which any adjustments to the allocation of acquisition costs arising from the finalization of provisional accounting treatment are reflected in the consolidated financial statements for the period in which the business combination occurs. In addition, the presentation of quarterly profit, etc., was changed and “Minority interests” was changed to “Non-controlling interests.” The quarterly consolidated financial statements and the consolidated financial statements for the previous fiscal year have been reclassified to reflect this change in presentation.

The Company has applied the transitional treatment prescribed in Article 58-2 (4) of the Business Combination Accounting Standard, Article 44-5 (4) of the Consolidated Accounting Standard, and Article 57-4 (4) of the Business Divestiture Accounting Standard from the beginning of the first quarter of the fiscal year ending February 28, 2017.

The impact on the quarterly consolidated financial statements for the first quarter of the fiscal year ending February 28, 2017 was immaterial.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheet

As of February 29, 2016 and May 31, 2016

(Millions of yen)

	Previous fiscal year As of February 29, 2016	Current 1st Quarter As of May 31, 2016
Assets		
Current assets:		
Cash and deposits	69,797	119,189
Accounts receivable-due from franchised stores	30,547	37,175
Merchandise	17,976	18,230
Accounts receivable-other	67,736	71,977
Deferred tax assets	4,524	2,775
Other	33,635	33,172
Allowance for doubtful accounts	(8)	(4)
Total current assets	224,209	282,516
Non-current assets:		
Property and store equipment:		
Buildings and structures, net	167,098	172,741
Tools, furniture and fixtures, net	16,307	17,288
Lease assets, net	101,546	106,980
Other, net	17,808	12,916
Total property and store equipment	302,761	309,926
Intangible assets:		
Software	26,377	27,890
Goodwill	46,309	45,568
Right of trademark	11,381	11,232
Other	527	524
Total intangible assets	84,595	85,215
Investments and other assets:		
Long-term loans receivable	40,886	40,581
Guarantee deposits	92,495	92,862
Deferred tax assets	22,016	20,578
Other	37,107	34,757
Allowance for doubtful accounts	(860)	(887)
Total investments and other assets	191,645	187,893
Total non-current assets	579,002	583,035
Total assets	803,212	865,552

(Millions of yen)

	Previous fiscal year As of February 29, 2016	Current 1st Quarter As of May 31, 2016
Liabilities		
Current liabilities:		
Accounts payable-trade	112,225	120,127
Short-term loans payable	1,990	2,280
Current portion of long-term loans payable	575	575
Lease obligations	23,898	25,121
Accounts payable-other	57,214	53,746
Income taxes payable	8,500	3,549
Deposits received	101,908	164,104
Provision for bonuses	3,832	1,960
Other	9,462	10,776
Total current liabilities	319,607	382,241
Non-current liabilities:		
Long-term loans payable	57,562	57,562
Lease obligations	88,060	92,926
Provision for retirement benefits to executive officers and audit and supervisory board members	413	433
Net defined benefit liability	12,186	12,385
Asset retirement obligations	24,664	24,962
Other	27,719	27,270
Total non-current liabilities	210,607	215,540
Total liabilities	530,215	597,782
Net assets		
Shareholders' equity:		
Capital stock	58,506	58,506
Capital surplus	47,697	47,686
Retained earnings	154,608	150,101
Treasury shares	(1,280)	(1,244)
Total shareholders' equity	259,532	255,050
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	801	247
Revaluation reserve for land	(566)	(566)
Foreign currency translation adjustment	5,531	5,121
Remeasurements of defined benefit plans	(906)	(898)
Total accumulated other comprehensive income	4,860	3,903
Subscription rights to shares	307	355
Non-controlling interests	8,296	8,460
Total net assets	272,997	267,770
Total liabilities and net assets	803,212	865,552

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

For the first quarter of the fiscal year ended February 29, 2016 and the first quarter of the fiscal year ending February 28, 2017

	(Millions of yen)	
	Previous 1st Quarter From March 1, 2015 to May 31, 2015	Current 1st Quarter From March 1, 2016 to May 31, 2016
Gross operating revenue	140,213	148,911
Net sales	54,554	58,127
Cost of sales	37,490	39,756
Gross profit	17,063	18,371
Operating revenue:		
Income from franchised stores	63,064	66,872
Other operating revenue	22,594	23,911
Total operating revenue	85,659	90,783
Operating gross profit	102,723	109,155
Selling, general and administrative expenses	83,589	91,703
Operating income	19,133	17,451
Non-operating income:		
Interest income	179	201
Share of profit of entities accounted for using equity method	63	169
Foreign exchange gains	458	—
Gain on valuation of derivatives	—	264
Other	454	271
Total non-operating income	1,155	906
Non-operating expenses:		
Interest expenses	453	496
Loss on cancellation of leases	570	371
Loss on disaster	—	407
Other	120	406
Total non-operating expenses	1,143	1,681
Ordinary income	19,145	16,676
Extraordinary income:		
Gain on change in equity	892	—
Total extraordinary income	892	—
Extraordinary losses:		
Loss on retirement of non-current assets	938	742
Impairment loss	4,414	356
Other	—	52
Total extraordinary losses	5,352	1,151
Profit before income taxes	14,685	15,524
Income taxes-current	3,920	3,040
Income taxes-deferred	2,867	3,464
Total Income taxes	6,788	6,505
Profit	7,897	9,019
Profit attributable to non-controlling interests	178	195
Profit attributable to owners of parent	7,718	8,823

Consolidated Statement of Comprehensive Income

For the first quarter of the fiscal year ended February 29, 2016 and the first quarter of the fiscal year ending February 28, 2017

	(Millions of yen)	
	Previous 1st Quarter From March 1, 2015 to May 31, 2015	Current 1st Quarter From March 1, 2016 to May 31, 2016
Profit	7,897	9,019
Other comprehensive income		
Valuation difference on available-for-sale securities	684	(554)
Foreign currency translation adjustment	(280)	(444)
Remeasurements of defined benefit plans	(1)	6
Total other comprehensive income	402	(991)
Comprehensive income	8,299	8,027
Comprehensive income attributable to		
Owners of the parent	8,083	7,866
Non-controlling interests	216	160

(3) Notes to Consolidated Financial Statements

(Going Concern Assumption)

Not Applicable.

(Notes to Significant Changes in the Amount of Shareholders' Equity)

Not Applicable.