

[Reference]



April 12, 2006

Nonconsolidated Financial Results for the Fiscal Year Ended February 28, 2006

Denny's Japan Co., Ltd.

President and C.E.O.: Kenichi Asama

Date of the Board of Directors' meeting to approve the accounts: April 12, 2006

1. Business Results for the Current Fiscal Year (from March 1, 2005 to February 28, 2006)

(1) Result of Operations (Millions of yen, except per share amounts)

	Revenue from operations		Net Sales		Operating Income	
Current Fiscal Year	94,560	(2.0) %	94,473	(2.0) %	1,959	(39.1) %
Prior Fiscal Year	96,523	0.9%	96,360	0.9%	3,220	7.9%

	Ordinary Income		Net Income		Net Income per Share	
Current Fiscal Year	2,114	(36.3) %	817	(36.3) %	24.74	(yen)
Prior Fiscal Year	3,317	3.1%	1,284	11.4%	39.08	(yen)

	Diluted Net Income per Share	Ratio of Net Income to Shareholder's Equity	Ratio of Ordinary Income to Total Assets	Ratio of Ordinary Income to Revenue from Operations
Current Fiscal Year	- (yen)	1.4%	3.2%	2.2%
Prior Fiscal Year	- (yen)	2.2%	5.0%	3.4%

Notes: 1. All amounts less than one million yen have been disregarded.

2. Equity in earning of affiliates:

Current fiscal year: - shares

Prior fiscal year: - shares

3. Average number of shares outstanding:

Current fiscal year: 32,265,690 shares

Prior fiscal year: 32,181,444 shares

4. Change in accounting policies: No

5. Percentages above represent increase (decrease) over fiscal year unless otherwise stated.

(2) Financial Position (Millions of yen, except per share amounts)

	Total Assets	Shareholder's Equity	Ratio of Shareholder's Equity to Total Assets	Shareholder's Equity per Share
February 28, 2006	65,952	58,017	88.0%	1,792.46 (yen)
February 28, 2005	66,184	57,752	87.3%	1,794.00 (yen)

Notes: 1. Number of outstanding shares at the end of the fiscal year:

Current fiscal year: 32,356,610 shares

Prior fiscal year: 32,177,089 shares

2. Number of treasury stock at the end of the fiscal year:

Current fiscal year: 0 shares

Prior fiscal year: 179,521 shares

(3) Cash Flows (Millions of yen)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Fiscal year
Current Fiscal Year	2,672	(1,550)	(439)	28,545
Prior Fiscal Year	3,488	(2,487)	(1,029)	27,862

NONCONSOLIDATED BALANCE SHEETS

(Millions of yen)

	February 28, 2006		February 28, 2005		Increase (Decrease)
	Amount	%	Amount	%	
ASSETS					
Current assets	41,587	63.1	41,002	62.0	584
Cash and bank deposits	28,545		27,862		
Accounts receivable, trade	367		338		
Merchandise inventories	142		126		
Materials	357		287		
Supplies	48		16		
Prepaid expenses	1,028		987		
Accounts receivable, other	191		461		
Deposits held by financial service company	10,000		10,000		
Short-term leasehold deposits	435		437		
Deferred income taxes	463		413		
Other	8		70		
Non-current assets	24,364	36.9	25,181	38.0	(817)
Property and equipment	13,206	20.0	13,624	20.6	(417)
Buildings	8,567		9,197		
Structures	1,402		1,158		
Vehicles	0		0		
Furniture, fixtures and equipment	1,260		1,394		
Land	1,932		1,864		
Construction in progress	43		8		
Intangible assets	512	0.8	779	1.1	(267)
Goodwill	48		-		
Right of leasehold	89		89		
Telephone rights	120		120		
Software	218		393		
Software in progress	-		138		
Utility rights of facilities	35		38		
Investments and other assets	10,645	16.1	10,778	16.3	(132)
Investment in securities	683		415		
Long-term prepaid expenses	319		240		
Long-term leasehold deposits	8,898		9,392		
Deferred income taxes	505		506		
Other	238		223		
TOTAL ASSETS	65,952	100.0	66,184	100.0	(232)

(Millions of yen)

	February 28, 2006		February 28, 2005		Increase (Decrease)
	Amount	%	Amount	%	
LIABILITIES					
Current liabilities	7,367	11.2	7,750	11.7	(383)
Accounts payable, trade	2,054		2,171		
Accounts payable, other	867		756		
Income taxes payable	637		860		
Consumption taxes withheld	237		453		
Accrued expenses	2,437		2,447		
Deposits received	100		98		
Allowance for bonuses to employees	548		618		
Accounts payable for acquisition of property and equipment	368		232		
Other	115		112		
Non-current liabilities	567	0.9	681	1.0	(114)
Accrued pension and severance costs	277		345		
Allowance for retirement benefits to directors and corporate auditors	280		285		
Other	9		49		
TOTAL LIABILITIES	7,934	12.0	8,432	12.7	(497)
SHAREHOLDER'S EQUITY					
Common stock	7,125	10.8	7,125	10.8	-
Capital surplus	9,785	14.8	9,785	14.8	0
Additional paid-in capital	9,784		9,784		
Other capital surplus	0		0		
Retained earnings	40,822	61.9	41,055	62.0	(233)
Legal reserve	1,383		1,383		
General reserve	36,408		36,409		
Unappropriated retained earnings	3,030		3,262		
Net unrealized gains on available-for-sale securities	285	0.4	126	0.2	158
Treasury stock	-	-	(340)	(0.5)	340
TOTAL SHAREHOLDER'S EQUITY	58,017	88.0	57,752	87.3	264
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	65,952	100.0	66,184	100.0	(232)

NONCONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

	Current Fiscal Year		Prior Fiscal Year		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
[Revenue from operations]	[94,560]		[96,523]		(1,963)	98.0
Net sales	94,473	100.0	96,360	100.0	(1,887)	98.0
Cost of sales	31,385	33.2	31,932	33.1	(547)	98.3
Gross Profit on sales	63,088	66.8	64,428	66.9	(1,339)	97.9
Other operating revenue	86	0.1	162	0.1	(76)	53.1
Gross profit from operations	63,175	66.9	64,590	67.0	(1,415)	97.8
Selling, general and administrative expenses	61,215	64.8	61,370	63.7	(155)	99.7
Operating income	1,959	2.1	3,220	3.3	(1,260)	60.9
Non-operating income	272	0.3	199	0.2	72	136.5
Interest income	37		35			
Dividend income	2		1			
Advertising media installation income	142		126			
Miscellaneous income	90		35			
Non-operating expenses	117	0.1	102	0.1	15	115.0
Demolition expense for closed stores	76		49			
Miscellaneous expenses	40		53			
Ordinary income	2,114	2.2	3,317	3.4	(1,203)	63.7
Special gains	579	0.6	104	0.1	474	554.2
Gain on sales of property and equipment	333		-			
Gain on sales of parent company's stock	246		-			
Gain on sales of investments in securities	-		4			
Gain from cancellation of lease contracts	-		100			
Special losses	791	0.8	681	0.7	110	116.2
Loss on disposal of property and equipment	253		298			
Impairment losses	457		228			
Loss on cancellation of lease contracts	4		65			
Other	76		89			
Income before income taxes	1,902	2.0	2,740	2.8	(838)	69.4
Income taxes - current	1,242	1.3	1,617	1.7	(374)	76.8
Income taxes - deferred	(157)	(0.2)	(161)	(0.2)	3	97.8
Net income for the year	817	0.9	1,284	1.3	(466)	63.7
Retained earnings brought forward	2,738		2,477			
Interim dividends	525		498			
Unappropriated retained earnings	3,030		3,262			

NONCONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of yen)

	Current Fiscal Year	Prior Fiscal Year	Increase (Decrease)
Cash flows from operating activities			
Income before income taxes	1,902	2,740	(838)
Depreciation and amortization	2,050	2,307	(257)
Decrease in accrued bonuses to employees	(70)	(10)	(59)
Decrease in accrued pension and severance costs	(68)	(38)	(29)
Interest and dividend income	(39)	(37)	(1)
Gain on sales of parent company's stock	(246)	-	(246)
Gain on sales of investments in securities	-	(4)	4
Net (gain) loss on sales and disposal of property and equipment	(79)	298	(377)
Impairment loss	457	228	228
(Increase) decrease in accounts receivable	(28)	4	(33)
(Increase) decrease in inventories	(118)	23	(141)
Decrease in accounts payable	(117)	(136)	19
Other, net	707	(170)	877
Sub-total	4,349	5,204	(855)
Interest and dividends received	17	16	0
Income taxes paid	(1,694)	(1,732)	38
Net cash provided by operating activities	2,672	3,488	(816)
Cash flow from investing activities			
Acquisition of property and equipment	(2,141)	(2,414)	272
Proceeds from sales of property and equipment	500	-	500
Acquisition of intangible assets	(109)	(177)	68
Proceeds from sales of investments in securities	-	6	(6)
Payment of leasehold deposits	(467)	(235)	(232)
Refund of leasehold deposits	523	332	190
Other, net	145	1	144
Net cash used in investing activities	(1,550)	(2,487)	936
Cash flows from financing activities			
Purchase of treasury stock	(5)	(35)	30
Proceeds from sales of treasury stock	0	3	(3)
Cash dividends paid	(1,026)	(998)	(28)
Proceeds from sales of parent company's stock	592	-	592
Other	(0)	-	(0)
Net cash used in financing activities	(439)	(1,029)	590
Increase (decrease) in cash and cash equivalents	682	(28)	710
Cash and cash equivalents at beginning of the year	27,862	27,891	(28)
Cash and cash equivalents at end of the year	28,545	27,862	682

PROPOSAL FOR APPROPRIATION OF RETAINED EARNINGS

(Millions of yen, except per share amounts)

	Current Fiscal Year	Prior Fiscal Year	Increase (Decrease)
Unappropriated retained earnings	3,030	3,262	(233)
Unappropriated retained earnings at end of fiscal year	3,030	3,262	
Reversal of deferred gain on sale of property and equipment	0	1	
The above shall be appropriated as follows:			
Cash dividends	525	498	
[Dividends per share]	[16.25 yen]	[15.50 yen]	
Bonuses to directors and corporate auditors	19	26	
[Portion to corporate auditors]	[2]	[2]	
Reserve for deferred gain on sale of property and equipment	72	-	
Unappropriated retained earnings carried forward	2,413	2,738	(325)

Notes :

1. 525 million yen (16.25 yen per share) was paid as interim cash dividends on November 8, 2001.
2. Reversal of deferred gain on sale of property and equipment is treated in accordance with the regulation of the Special Taxation Measures Law.
Deferred gain on sale of property and equipment reflects the change of statutory effective tax rate in relation to the amendment of the Local Tax Law.
3. All amounts less than one million yen have been disregarded.

Significant Accounting Policies for the preparation of Financial Statements

1. Valuation method of Securities

Available-for-sale securities are classified into two categories: () fair value is available and () fair value is not available.

(i) Securities, whose fair value is available, are valued at quoted market price prevailing at the end of the fiscal year.

Net unrealized gains or losses on these securities are reported as a separate component of the shareholder's equity at a net-of-tax amount. Cost of sales are determined by the moving average method.

(ii) Securities, whose fair value is not available, are valued at cost, determined by the moving-average method.

2. Valuation method of Inventories

Foods, merchandise and suppliers are valued at cost, determined by the last purchase price method.

3. Depreciation and amortization

(i) Depreciation expenses of property and equipment are computed principally using the declining-balance method at rates based on the estimated useful lives.

(ii) Amortization expense of intangible assets is computed using the straight-line method. Software is amortized using the straight-line method over an estimated useful life of 5 years.

4. Allowances

Allowance for bonuses to employees

An allowance for bonuses to employees is provided at the amount expected to be paid in respect of the calculation period ended on the balance sheet date.

Allowance for accrued pension and severance costs

An allowance for bonuses to employees is provided at the amount expected to be paid in respect of the estimated present value of the projected benefit obligation less the estimated fair value of plan assets at the end of the fiscal year.

Prior service costs are amortized on a straight-line basis over the period of 10 years.

Unrecognized actuarial differences are amortized on a straight-line basis over the period of 10 years from the next year in which they arise.

Allowance for retirement benefits to directors and corporate auditors

An allowance for retirement benefits to directors and corporate auditors is provided in accordance with the Company's internal policy.

5. Leases

All finance lease contracts other than those by which the ownership of the leased assets is to be transferred to lessees are accounted for as operating lease.

6. Cash and cash equivalents

Cash and cash equivalents in the accompanying statements of cash flows are composed of cash on hand, bank deposits which are able to be withdrawn at any time, and short-term investments with an original maturity of three months or less from the date of acquisition, that are liquid, readily convertible and are subject to minimum risk of price fluctuation.

7. Accounting for consumption taxes

Consumption taxes are separately accounted for, and are excluded from the amounts of the underlying income and expense transactions.

Notes to nonconsolidated Financial Statements

<Nonconsolidated Balance Sheets>

		(Millions of yen)
		As of February 28, 2006
1.	Accumulated depreciation of property and equipment	27,087
2.	Gurantees	0
3.	Net assets resulted from revaluating assets at fair value as stipulated in Article 124, item 3 of the Enforcement Regulations of the Japanese	285
4.	Number of shares authorized: common stock	97,000,000 shares
	Number of shares outstanding: common stock	32,356,610 shares

<Nonconsolidated Statements of Income>

		(Millions of yen, except for per share amount)
		Current Fiscal Year
1.	Major items included in "Selling, general and administrative expenses" are as follows:	
	Salaries and wages:	29,256
	Land and Building rent:	10,055
	Utility expenses:	5,024
	Depreciation and amortization:	2,050
	Legal welfare expenses	2,008
2.	Impairment losses	457
	The Company groups its fixed assets by store which is the minimum cash-generating unit. Impairment losses are carrying amounts in excess of the recoverable value of asset group which have made consecutive operating losses. Impairment losses of ¥ 457 million (Building, ¥ 348 million, Structures ¥ 59 million and Furniture, fixtures and equipment ¥ 49 million) were recognized and recorded in "Imparement loss" (special losses) in the accompanying consolidated statements of income.	
	Value in use was calculated by discounting estimated future cash flows to which the 6.0% discount rate was applied, and used as the	
3.	Items included in "Gain from sales of property and equipment" are as follows:	
	Buildings:	0
	Land:	332
	Total	333
4.	Net income per share	24.74

<Nonconsolidated Statements of Cash flows>

Reconciliation of cash and cash equivalents in nonconsolidated statements of cash flows and account balances in nonconsolidated balance sheets

		(Millions of yen)
		As of February 28, 2006
	Cash and bank deposits	28,545
	Cash and cash equivalents	28,545

<Additional Information>

The Corporation Size-based Enterprise Tax system was effective from fiscal year beginning on or after April 1, 2004. For the year ended February 28, 2006, a corporation size-based enterprise tax was recorded as selling, general and administrative expenses, in accordance with the "Disclosure on the Statement of Income for the Corporation Size-based Enterprise Tax" (Practical Issues Task Force Report No.12, February 13, 2004, issued by Accounting Standards Board in Japan).

As a result, selling, general and administrative expenses increased by 228 million yen and operating income, ordinary income and income before income taxes decreased by 228 million yen, respectively.

Leases

1. Information for finance leases other than those by which the owner of the leased assets is to be transferred to lessee

(1) As lessee

- () Acquisition cost, accumulated depreciation and net book value of leased assets are summarized as follows:
Furniture, fixtures and equipment

	(Millions of yen)	
	<u>As of February 28,</u>	<u>As of February 28,</u>
	<u>2006</u>	<u>2005</u>
Acquisition cost	6,403	5,623
<u>Accumulated depreciation</u>	<u>2,446</u>	<u>2,749</u>
Net book value	3,957	2,874

- () The amounts of outstanding future lease payments are summarized as follows: (Millions of yen)

	<u>As of February 28,</u>	<u>As of February 28,</u>
	<u>2006</u>	<u>2005</u>
Within one year	1,134	855
<u>Over one year</u>	<u>2,874</u>	<u>2,059</u>
Total	4,009	2,915

- () Lease payments, depreciation expenses and interest expense are as follows:

	(Millions of yen)	
	<u>Current Fiscal Year</u>	<u>Prior Fiscal Year</u>
Lease payments	1,059	1,133
Depreciation expenses	1,002	1,073
Interest expense	69	65

- () Depreciation method and calculation method of interest portion:

- Depreciation expense is computed using the straight-line method over the lease term with no residual value.
- Interest expense is calculated as the total lease payments less the original acquisition cost of leased equipments. Allocation of interest expense to each period is using the interest method.

2. Operating leases

The amounts of outstanding future lease payments are summarized as follows:

	(Millions of yen)	
	<u>As of February 28,</u>	<u>As of February 28,</u>
	<u>2006</u>	<u>2005</u>
Within one year	133	247
<u>Over one year</u>	<u>226</u>	<u>759</u>
Total	360	1,007

Securities Information

As of and for the Fiscal year ended February 28, 2006

1. Available-for-sale securities (fair value is available)

(Millions of yen)

	Description	Acquisition cost	Book value	Difference
Securities with book value exceeding acquisition cost	Equity securities	130	616	485
	Sub-Total	130	616	485
Securities with book value not exceeding acquisition cost	Equity securities	31	26	(4)
	Sub-Total	31	26	(4)
Total		162	643	480

2. Available-for-sale securities sold during the fiscal year ended February 28, 2006

(Millions of yen)

	Sales value	Total amount of gain on sales	Total amount of loss on sales
Total	592	246	-

3. Major securities which are not subject to revaluation

(Millions of yen)

	Book value
Available-for-sale securities	
Unlisted securities (excluding OTC securities)	40

As of and for the Fiscal year ended February 28, 2005

1. Available-for-sale securities (fair value is available)

(Millions of yen)

	Description	Acquisition cost	Book value	Difference
Securities with book value exceeding acquisition cost	Equity securities	130	354	223
	Sub-Total	130	354	223
Securities with book value not exceeding acquisition cost	Equity securities	31	21	(9)
	Sub-Total	31	21	(9)
Total		162	375	213

2. Available-for-sale securities sold during the fiscal year ended February 28, 2005

(Millions of yen)

	Sales value	Total amount of gain on sales	Total amount of loss on sales
Total	6	4	-

3. Major securities which are not subject to revaluation

(Millions of yen)

	Book value
Available-for-sale securities	
Unlisted securities (excluding OTC securities)	40

Derivative Transactions

There were no derivative transactions for the years ended February 28, 2006 and 2005.

Related party transactions

(As of and for the Fiscal year ended February 28, 2006)

1.Directors and major shareholders

(Millions of yen)

Relationship	Name	Location	Common stock	Business	Detail of relationship			Transaction		Resulting account	
					Percentage of equity ownership	Number of directors assigned	Business relationship	Transaction	Transaction amount	Accounts	Balance at year-end
Directors and their close relatives	Toshiyuki Nukui	-	-	Brother of wife of Masashi Goto, Director of the Company	-	-	-	Lease of land for store parking	2	Prepaid expenses	0
Companies which our directors or their close relatives own majority portion of the company's voting rights	Maruko Co.,Ltd.	Higashi Kurume City, Tokyo	10	Lease and management of real estate	Close relative of Mr.Masashi Goto, Director of the Company. Directly holds 100%	None	Lease of real estate	Lease of store buildings	13	Prepaid expenses Long-term leasehold deposits	1 3
	Kurume Interior Co.,Ltd	Higashi Kurume City, Tokyo	10	Interior business and sale of office furniture	Close relative of Mr.Masashi Goto, Director of the Company. Directly holds 100%	None	Purchase of office furniture	Purchase of office furniture	5	Accounts payable, other	0

Note: The terms and conditions of the above transactions are on an arm's-length basis. Consumption taxes were excluded from transaction amount, prepaid expenses to Toshiyuki Nukui and long-term leasehold deposits. Other balances at year end included consumption taxes.

2.Affiliates

(Millions of yen)

Relationship	Name	Location	Common stock	Business	Detail of relationship			Transaction		Resulting account	
					Percentage of equity ownership	Number of directors assigned	Business relationship	Transaction	Transaction amount	Accounts	Balance at year-end
Sub-subsidiaries of parent company	Seven & i Financial Center Co., Ltd	Chiyoda ward, Tokyo	10	Cash management for the group companies	-	1	Cash deposit	Cash deposit	20,000	Deposits held by financial service company	10,000

Note: The terms and conditions of the above transaction are on arm's-length basis. The above transaction amounts do not include consumption taxes.

(As of and for the Fiscal year ended February 28, 2005)

1.Directors and major shareholders

(Millions of yen)

Relationship	Name	Location	Common stock	Business	Detail of relationship			Transaction		Resulting account	
					Percentage of equity ownership	Number of directors assigned	Business relationship	Transaction	Transaction amount	Accounts	Balance at year-end
Directors and their close relatives	Shigeo Nukui	Higashi Kurume City, Tokyo	-	Father of wife of Masashi Goto, Director of the Company	-	-	-	Lease of land for store parking	0	Prepaid expenses	0
	Toshiyuki Nukui	Higashi Kurume City, Tokyo	-	Brother of wife of Masashi Goto, Director of the Company	-	-	-	Lease of land for store parking	1	Prepaid expenses	0
Companies which our directors or their close relatives own majority portion of the company's voting rights	Maruko Co.,Ltd.	Higashi Kurume City, Tokyo	10	Lease and management of real estate	Close relative of Mr.Masashi Goto, Director of the Company, Directly holds 100%	None	Lease of real estate	Lease of store buildings	13	Prepaid expenses Long-term leasehold deposits	1 3
	Kurume Interior Co.,Ltd	Higashi Kurume City, Tokyo	10	Interior business and sale of office furniture	Close relative of Mr.Masashi Goto, Director of the Company, Directly holds 100%	None	Purchase of office furniture	Purchase of office furniture	5	Accounts payable, other	0

Note: The terms and conditions of the above transactions are on an arm's-length basis. Consumption taxes were excluded from transaction amount, prepaid expenses to Shigeo Nukui, Toshiyuki Nukui and long-term leasehold deposits. Other balances at year end included consumption taxes.

2.Affiliates

(Millions of yen)

Relationship	Name	Location	Common stock	Business	Detail of relationship			Transaction		Resulting account	
					Percentage of equity ownership	Number of directors assigned	Business relationship	Transaction	Transaction amount	Accounts	Balance at year-end
Subsidiaries of parent company	IY bank Co., Ltd.	Chiyoda ward, Tokyo	61,000	Banking	-	None	Bank deposit	Certificate of deposit	10,000	Cash and bank deposits	5,000
	IYG Financial Center Co., Ltd.	Minato ward, Tokyo	10	Cash management for the group companies	-	1	Cash deposit	Cash deposit	20,000	Deposits held by financial service company	10,000

Note: The terms and conditions of the above transaction are on arm's-length basis. The above transaction amounts do not include consumption taxes.

Deferred income taxes

1. The tax effects of temporary differences that give rise to the significant components of deferred tax assets and liabilities are as follows:

	(Millions of yen)	
	As of February 28, 2006	As of February 28, 2005
Deferred tax assets:		
Depreciation and amortization	264	212
Allowance for bonuses to employees	223	251
Accrued pension and severance costs	113	140
Allowance for retirement benefits to directors and corporate auditors	114	116
Impairment losses	238	92
Enterprise tax payable	161	61
Other	<u>101</u>	<u>137</u>
Total deferred tax assets	1,216	1,012
Deferred tax liabilities:		
Reserve for deferred gain on sale of property and equipment	(49)	(5)
Net unrealized gains on available-for-sale securities	<u>(197)</u>	<u>(86)</u>
Total deferred tax liabilities	<u>(247)</u>	<u>(92)</u>
Deferred tax assets, net	969	920

2. The reconciliation between the statutory tax rate and the effective tax rate is as follows:

	As of February 28, 2006	As of February 28, 2005
	%	%
Statutory tax rate	40.7	42.1
Adjustments:		
Inhabitant taxes per capita	14.9	10.3
Other	<u>1.4</u>	<u>0.7</u>
Effective tax rate	57.0	53.1

Equity in earnings of affiliate

There were no affiliates that should be accounted for by equity method for the years ended February 28, 2006 and 2005.

Accounting for Retirement Benefits

1 Retirement benefit plans

The company has a corporate pension fund plan, which are the defined benefit pension plans. A premium on employees' retirement benefit may be added upon retirement of the employees. The basis of the calculation of the defined benefit obligations is the method of the accumulated benefit obligations including the interest cost (the Point system).

2 Projected retirement benefit obligations

(Millions of yen)

	As of February 28, 2006	As of February 28, 2005
Projected benefit obligations	7,876	8,101
Plan assets	7,998	7,116
Accrued pension and severance costs	277	345
Unrecognized prior service costs	782	874
Unrecognized actuarial differences	(1,181)	(235)

3 Net periodical pension expense

(Millions of yen)

	For the fiscal year ended February 28, 2006	For the fiscal year ended February 28, 2005
Net pension expense	661	805
Service cost	601	654
Interest cost	202	188
Expected return on plan assets	249	216
Amortization of unrecognized prior service costs	92	46
Amortization of unrecognized actuarial differences	1	63
Additional retirement allowance paid temporarily	14	70

4 Assumptions used in accounting for accrued pension and severance costs:

	As of and for the fiscal year ended February 28, 2006	As of and for the fiscal year ended February 28, 2005
Discount rate	2.5%	2.5%
Expected rate of return on plan assets	3.5%	3.5%
Allocation method of estimated total retirement benefits	Point basis	Point basis
Periods over which the prior service costs are amortized	10 years	10 years
Periods over which the actuarial differences are amortized	10 years	10 years
	(Actuarial differences are amortized on a straight-line basis from the next year in which they arise over the period which is shorter than the average remaining service period of the eligible employees.)	(Actuarial differences are amortized on a straight-line basis from the next year in which they arise over the period which is shorter than the average remaining service period of the eligible employees.)

A seating capacity and an accommodation actual result

	For the Fiscal Year ended February 28, 2006				For the Fiscal Year ended February 28, 2005			
	Number of seats	% of the prior fiscal year	Number of people	% of the prior fiscal year	Number of seats	% of the prior fiscal year	Number of people	% of the prior fiscal year
	Thousand seats	%	Thousand people	%	Thousand seats	%	Thousand people	%
Tokyo	6,147	99.6	28,635	97.8	6,173	101.7	29,272	101.9
Kanagawa	4,031	100.3	16,631	95.2	4,017	95.2	17,476	96.4
Chiba	2,690	99.2	10,057	96.6	2,711	99.5	10,408	99.4
Saitama	2,132	99.1	7,682	97.2	2,151	100.9	7,906	100.9
Total	15,000	99.6	63,005	96.8	15,052	99.4	65,062	99.9
Fukushima	817	100.0	3,037	99.4	817	99.7	3,055	97.5
Total	817	100.0	3,037	99.4	817	99.7	3,055	97.5
Ibaraki	771	99.7	2,359	95.2	773	94.9	2,478	92.5
Tochigi	406	100.0	1,517	98.1	405	95.9	1,547	93.4
Gunma	566	97.0	1,976	95.3	584	99.7	2,073	96.5
Total	1,743	98.9	5,852	96.0	1,762	96.7	6,098	94.0
Yamanashi	390	100.0	1,265	95.2	390	99.7	1,328	96.3
Nagano	603	99.9	2,249	95.1	603	99.7	2,364	98.6
Total	993	99.9	3,514	95.2	993	99.7	3,692	97.8
Gifu	382	106.5	1,418	91.4	358	105.7	1,552	107.8
Shizuoka	764	108.1	3,089	97.4	706	93.9	3,172	99.7
Aichi	2,375	110.7	10,050	105.8	2,146	104.4	9,498	102.2
Mie	337	108.2	1,429	104.9	311	112.0	1,362	106.5
Total	3,858	109.6	15,986	102.6	3,521	103.0	15,584	102.6
Osaka	574	100.9	2,491	96.8	568	99.7	2,573	97.0
Hyogo	254	100.1	1,097	95.4	254	90.1	1,150	89.4
Total	828	100.7	3,588	96.4	822	96.5	3,723	94.6
Grand total	23,239	101.2	94,982	97.7	22,967	99.6	97,214	99.5

Sales status

	For the Fiscal Year ended February 28, 2006					For the Fiscal Year ended February 28, 2005				
	Net Sales					Net Sales				
	A dish and tea drinking	Shop front goods	Total	% of the prior fiscal year	Number of restaurant	A dish and tea drinking	Shop front goods	Total	% of the prior fiscal year	Number of restaurant
	Millions of yen	Millions of yen	Millions of yen	%	stores	Millions of yen	Millions of yen	Millions of yen	%	stores
Tokyo	28,026	927	28,953	97.9	153	28,649	917	29,566	103.5	155
Kanagawa	16,321	573	16,894	95.7	98	17,072	578	17,650	98.0	101
Chiba	9,996	364	10,360	97.4	67	10,287	355	10,642	101.0	67
Saitama	7,489	274	7,763	97.9	54	7,660	272	7,932	102.2	54
Total	61,832	2,138	63,970	97.2	372	63,668	2,122	65,790	101.4	377
Fukushima	2,617	103	2,720	95.7	20	2,738	103	2,841	97.7	20
Total	2,617	103	2,720	95.7	20	2,738	103	2,841	97.7	20
Ibaraki	2,370	90	2,460	95.4	19	2,490	89	2,579	94.0	19
Tochigi	1,457	52	1,509	97.7	10	1,495	50	1,545	94.8	10
Gunma	1,897	70	1,967	95.6	14	1,987	70	2,057	97.8	14
Total	5,724	212	5,936	96.0	43	5,972	209	6,181	95.4	43
Yamanashi	1,288	48	1,336	96.6	9	1,335	47	1,382	97.2	9
Nagano	2,157	72	2,229	96.4	15	2,239	73	2,312	99.1	15
Total	3,445	120	3,565	96.5	24	3,574	120	3,694	98.4	24
Gifu	1,217	48	1,265	92.0	10	1,320	55	1,375	109.6	11
Shizuoka	2,943	103	3,046	98.1	22	3,005	101	3,106	100.7	19
Aichi	8,943	361	9,304	107.4	61	8,333	329	8,662	103.4	57
Mie	1,283	49	1,332	105.7	10	1,217	43	1,260	108.4	8
Total	14,386	561	14,947	103.8	103	13,875	528	14,403	103.8	95
Osaka	2,216	100	2,316	97.0	15	2,288	100	2,388	98.4	14
Hyogo	978	41	1,019	95.9	6	1,021	42	1,063	91.6	6
Total	3,194	141	3,335	96.6	21	3,309	142	3,451	96.2	20
Grand total	91,198	3,275	94,473	98.0	583	93,136	3,224	96,360	100.9	579

Purchase Status

		For the Fiscal Year ended February 28, 2006		For the Fiscal Year ended February 28, 2005	
		Amount of goods purchased	% of the prior fiscal year	Amount of goods purchased	% of the prior fiscal year
		millions of yen	%	millions of yen	%
Raw material	Cereals	3,703	84.9	4,360	95.9
	Marine products	3,132	125.0	2,506	104.8
	Meat	5,072	100.9	5,024	102.6
	Vegetables and fruits	4,678	89.9	5,202	106.0
	Processed food	5,832	98.2	5,938	103.5
	Others	6,398	102.2	6,261	99.8
Total		28,815	98.4	29,293	101.9
Merchandise	Shop front goods	2,657	101.6	2,616	102.6
Total		31,472	98.6	31,909	101.9