



April 07, 2005

Consolidated Financial Results for the Fiscal Year Ended February 28, 2005 YORK-BENIMARU CO., LTD.

-- Securities Code No. 8188

-- URL <http://www.yorkbeni.co.jp>

-- The Company's shares are listed on the First Section of the Tokyo Stock Exchange.

-- Address: 18-2, Asahi 2-chome, Koriyama, Fukushima, 963-8543, Japan

-- Date of the meeting of the Board of Directors to settle consolidated accounts: April 7, 2005

-- U.S. GAAP is not applied.

1. Business Results for the Current Fiscal Year (from March 1, 2004 to February 28, 2005)

(1) Results of Operations

(Millions of yen, except per share amounts)

	Revenues from Operations [Net sales]		Operating Income		Ordinary Income	
Current Fiscal Year	292,142	2.8%	14,374	8.2%	14,164	6.0%
	[284,787	2.8%]				
Prior Fiscal Year	284,058	4.9%	13,284	11.6%	13,367	11.3%
	[277,092	4.8%]				
	Net Income		Net Income per Share		Diluted Net Income per Share	
Current Fiscal Year	7,799	5.3%	153.13	(yen)		(yen)
Prior Fiscal Year	7,405	7.3%	145.41	(yen)		(yen)
	Ratio of Net Income to Shareholders' Equity		Ratio of Ordinary Income to Total Assets		Ratio of Ordinary Income to Net Sales	
Current Fiscal Year	6.8%		10.2%		5.0%	
Prior Fiscal Year	6.8%		10.2%		4.8%	

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

2. Equity in earnings of affiliates: Current fiscal year: - million yen
Prior fiscal year: - million yen

3. Average number of shares outstanding: Current fiscal year: 50,426,190 shares
Prior fiscal year: 50,428,379 shares

4. There is a change in accounting policies.

5. Percentages above represent increase/decrease over prior fiscal year unless otherwise stated.

(2) Financial Position

(Millions of yen, except per share amounts)

	Total Assets	Shareholders' Equity	Ratio of Shareholders' Equity to Total Assets	Shareholders' Equity per Share
February 28, 2005	141,588	117,301	82.8%	2,324.73 (yen)
February 29 2004	135,340	111,201	82.2%	2,203.75 (yen)

Note: Number of outstanding shares at end of the fiscal year: Current fiscal year: 50,424,662 shares
Prior fiscal year: 50,427,666 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 Year
Current Fiscal Year	12,362	(17,469)	(1,723)	30,252
Prior Fiscal Year	15,340	(15,980)	(1,642)	37,083

(4) Matters Concerning Consolidated Subsidiaries and Investments in the Companies that are Accounted for Using the Equity Method

-The number of consolidated subsidiaries: 2
-The number of non-consolidated subsidiaries for which the equity method is applied: 0
-The number of affiliated companies accounted for using the equity method: 1

(5) Changes in the Scope of Consolidation

-The number of affiliated companies accounted for using the equity method increased by 1.

2. Business Outlook for the Fiscal Year Ending February 28, 2006 (From March 1, 2005 to February 28, 2006)

(Millions of yen)

	Revenues from Operations [Net Sales]	Operating Income	Ordinary Income	Net Income
Interim Period	154,200 5.9% [150,300 5.8%]	7,100 3.8%	7,100 3.5%	3,700 (3.3%)
Entire Year	308,100 5.5% [300,000 5.3%]	14,700 2.3%	14,800 4.5%	8,000 2.6%

(Reference) Expected net income per share for the year ending February 28, 2006: 158.65 yen

Note: Percentages above represent increase/decrease over prior fiscal year.

Forward-Looking Statements

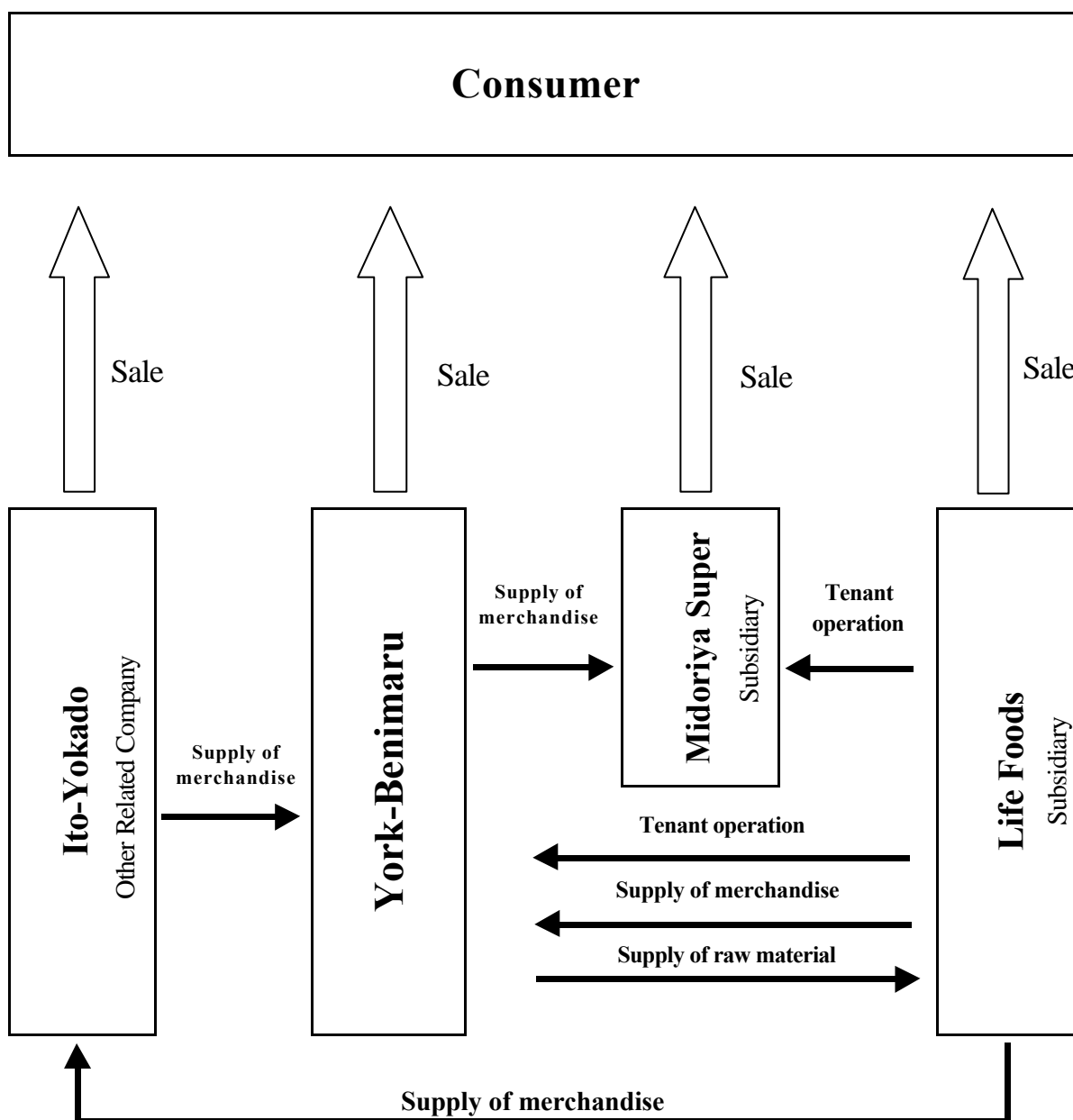
This document contains certain statements based on York-Benimaru's current plans, estimates and strategies; all statements that are not of historical fact are forward-looking statements. These statements represent the judgements and hypotheses of the Company's management based currently available information. It is possible that the Company's future performance will differ significantly from the contents of these forward-looking statements. Accordingly, there is no assurance that the forward-looking statements in this document will prove to be accurate.

GROUP ORGANIZATION

The Group is comprised of York-Benimaru Co., Ltd. and two subsidiaries and one affiliated company accounted for using the equity method and is engaged in the retail and food processing business as a member of the Ito-Yokado Group.

Retail business York-Benimaru is engaged in sales of primarily food, apparel, and household goods. Some merchandise are purchased from Ito-Yokado and Life Foods Co., Ltd. based on agreements on the business tie-up. Midoriya Super is engaged in sales of primarily food and household goods. Some merchandise are purchased from York-Benimaru.

Food Processing business Life Foods Co., Ltd. processes *Sozai* and private brand food products (Tofu, Konnyaku, etc.) and supplies to York-Benimaru.



Note: Beijing Wang fu jing Yokado Commercial Co., Ltd. is an affiliated company accounted for using the equity method.

CONSOLIDATED BALANCE SHEETS

(Millions of yen)

	February 28, 2005		February 29, 2004		Increase (decrease)
	Amount	%	Amount	%	
ASSETS					
Current Assets	56,228	39.7	57,261	42.3	(1,032)
Cash and bank deposits	26,256		37,086		(10,830)
Accounts receivable	457		395		61
Securities	3,999		-		3,999
Inventories	6,447		6,331		116
Prepaid expenses	705		519		185
Deferred income taxes	1,542		1,416		125
Deposits held at financial service company	13,000		8,000		5,000
Other current assets	3,819		3,511		308
Non-current Assets	85,360	60.3	78,078	57.7	7,281
Property and equipment	60,188	42.5	52,441	38.7	7,747
Buildings and structures	29,374		29,847		(472)
Machinery	976		1,031		(54)
Furniture and equipment	1,978		1,584		393
Land	24,787		18,872		5,915
Construction in progress	3,071		1,106		1,965
Intangible assets	1,547	1.1	1,992	1.5	(444)
Goodwill	196		275		(78)
Other	1,350		1,716		(366)
Investments and other assets	23,623	16.7	23,644	17.5	(21)
Investments in securities	2,756		2,626		130
Long-term loans receivable	447		326		120
Long-term prepaid expenses	2,220		1,886		333
Deferred income taxes	1,222		1,238		(16)
Long-term leasehold deposits	16,831		15,951		879
Other	751		1,918		(1,166)
Allowance for doubtful accounts	(606)		(303)		(303)
TOTAL ASSETS	141,588	100.0	135,340	100.0	6,248

(Millions of yen)

	February 28, 2005		February 29, 2004		Increase (decrease)
	Amount	%	Amount	%	
LIABILITIES					
Current Liabilities	22,531	15.9	22,640	16.7	(108)
Accounts payable	11,901		12,009		(107)
Income taxes payable	3,233		3,353		(120)
Accrued expenses	1,824		1,885		(61)
Allowance for bonuses to employees	1,260		1,213		46
Other	4,312		4,177		135
Non-current Liabilities	1,755	1.3	1,497	1.1	258
Accrued pension and severance costs	36		288		(252)
Allowance for retirement benefits to directors and corporate auditors	633		544		88
Other	1,085		664		421
TOTAL LIABILITIES	24,287	17.2	24,138	17.8	149
MINORITY INTERESTS	-	-	-	-	-
SHAREHOLDERS' EQUITY					
Common stock	9,927	7.0	9,927	7.4	-
Capital surplus	12,839	9.1	12,839	9.5	0
Retained earnings	93,729	66.2	87,716	64.8	6,012
Net unrealized gains on available-for-sale securities	1,327	0.9	1,232	0.9	95
Treasury stock	(522)	(0.4)	(513)	(0.4)	(8)
TOTAL SHAREHOLDERS' EQUITY	117,301	82.8	111,201	82.2	6,099
TOTAL LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY	141,588	100.0	135,340	100.0	6,248

CONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

	Current Fiscal Year		Prior Fiscal Year		Increase (decrease)	% of prior fiscal year
	Amount	%	Amount	%	Amount	
Operating income and expenses						%
[Revenues from operations]	[292,142]		[284,058]		[8,083]	102.8
Net sales	284,787	100.0	277,092	100.0	7,694	102.8
Cost of sales	202,840	71.2	198,627	71.7	4,213	102.1
Gross profit	81,946	28.8	78,465	28.3	3,481	104.4
Revenues from other operations	7,354	2.5	6,966	2.5	388	105.6
Revenue from commission fee	6,394		6,106			
Rental revenue on real estate	960		859			
Operating gross profit	89,301	31.3	85,431	30.8	3,870	104.5
Selling, general and administrative expenses	74,927	26.3	72,146	26.0	2,780	103.9
Operating income	14,374	5.0	13,284	4.8	1,089	108.2
Non-operating income and expenses						
Non-operating income	181	0.1	152	0.0	29	119.4
Interest income	83		48			
Dividend income	23		22			
Other	75		80			
Non-operating expenses	391	0.1	69	0.0	322	561.2
Provision for allowance for doubtful accounts	303		-			
Other	88		69			
Ordinary income	14,164	5.0	13,367	4.8	797	106.0
Special gains and losses						
Special gains	11	0.0	10	0.0	0	108.7
Gain on sale of property and equipment	7		10			
Other	3		0			
Special losses	326	0.1	288	0.1	37	113.1
Loss on sale of property and equipment	7		0			
Loss on disposal of property and equipment	163		142			
Casualty loss	-		116			
Other	155		29			
Income before income taxes	13,849	4.9	13,089	4.7	760	105.8
Income taxes - current	6,222	2.2	5,918	2.1	304	
Income taxes - deferred	(172)	(0.0)	(234)	(0.1)	61	
Net income	7,799	2.7	7,405	2.7	394	105.3

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

(Millions of yen)

	Current Fiscal Year	Prior Fiscal Year	Increase (decrease)
CAPITAL SURPLUS			
Balance of capital surplus at beginning of year	12,839	12,839	-
Increase in capital surplus	0	-	0
Gain on sales of treasury stock	0	-	0
Decrease in capital surplus	-	-	-
Balance of capital surplus at end of year	12,839	12,839	0
RETAINED EARNINGS			
Balance of retained earnings at beginning of year	87,716	82,018	5,697
Increase in retained earnings	7,799	7,405	394
Net income	7,799	7,405	394
Decrease in retained earnings	1,786	1,707	79
Cash dividends	1,714	1,638	75
Bonuses to directors and corporate auditors	71	68	3
Loss on sales of treasury stock	-	0	(0)
Balance of retained earnings at end of year	93,729	87,716	6,012

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of yen)

	Current Fiscal Year	Prior Fiscal Year	Increase (decrease)
Cash flows from operating activities:			
Income before income taxes	13,849	13,089	760
Depreciation and amortization	5,226	5,313	(86)
Amortization of goodwill	78	78	-
Increase in accrued bonuses	46	87	(41)
Reversal of accrued pension and severance costs	(252)	(54)	(198)
Increase in allowance for retirement benefits to directors and corporate auditors	88	30	58
Interest and dividend income	(106)	(71)	(35)
Loss on disposal of property and equipment	171	142	28
Gain on sale of property and equipment	(7)	(10)	2
Increase in accounts receivable	(61)	(132)	70
Increase in inventories	(116)	(53)	(62)
(Decrease) increase in accounts payable	(107)	993	(1,101)
Other, net	(199)	835	(1,034)
Sub-total	18,609	20,249	(1,640)
Interest and dividends received	96	71	25
Income taxes paid	(6,343)	(4,980)	(1,363)
Net cash provided by operating activities	12,362	15,340	(2,978)
Cash flows from investing activities:			
Increase in time deposits	(3)	(3)	-
Decrease in time deposits	3	2	0
Increase in deposits held at financial service company	(5,000)	(8,000)	3,000
Acquisition of property and equipment	(11,684)	(6,141)	(5,543)
Proceeds from sale of property and equipment	88	92	(3)
Payment for disposal of property and equipment	(19)	(29)	10
Acquisition of intangible assets	(298)	(518)	220
Proceeds from sale of investments in securities	42	2	39
Increase in loans receivable	(991)	(186)	(804)
Collection of loans receivable	916	71	845
Payment of leasehold deposits	(1,630)	(1,658)	28
Refund of leasehold deposits	562	725	(162)
Other, net	543	(337)	881
Net cash used in investing activities	(17,469)	(15,980)	(1,489)
Cash flows from financing activities:			
Cash dividends paid	(1,714)	(1,639)	(75)
Other, net	(8)	(3)	(5)
Net cash used in financing activities	(1,723)	(1,642)	(81)
Effect of exchange rate changes on cash and cash equivalents	-	-	-
Decrease in cash and cash equivalents	(6,830)	(2,281)	(4,548)
Cash and cash equivalents at beginning of year	37,083	39,365	(2,281)
Cash and cash equivalents at end of year	30,252	37,083	(6,830)

Significant Accounting Policies for the Preparation of Financial Statements

1. Principles of consolidation
The consolidated financial statements include the accounts of York-Benimaru Co., Ltd. (the "Company") and two subsidiaries, Life Foods Co., Ltd. and Midoriya Super Co., Ltd.
2. Application of the equity method of accounting for investments
Beijing Wang fujing Yokado Commercial Co., Ltd was newly included in the scope of applying the equity method in the current fiscal year as York-Benimaru newly invested.
3. Fiscal year-end of consolidated subsidiaries
The fiscal year-end of all consolidated subsidiaries is the same as the Company.
4. Summary of significant accounting principles
 - (a) Valuation method for major assets
 - (1) Valuation method for inventories
Merchandise held by the Company, except for that described below, is valued at the lower of cost or market value; cost is determined by the retail method.
Merchandise held by one of consolidated subsidiaries is valued at cost determined by the retail method.
Fresh foods merchandise is valued at cost, determined by the last purchase price method.
Merchandise held at distribution centers is valued at cost, determined by the first-in first-out method.
Other inventories are valued at cost, determined by the last purchase price method.
 - (2) Valuation method for securities
Held-to-maturity debt securities are carried at amortized cost.

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

() 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 shareholders' equity at a net-of-tax amount. Cost of sales is determined by the moving-average method.

() Securities, whose fair value is not available, are valued at cost, determined by the moving-average method.
 - (b) Depreciation and amortization
 - (1) Property and equipment
Depreciation expenses are computed using the declining-balance method.
One subsidiary computes its depreciation expenses for buildings acquired after April 1, 1998, using the straight-line method.
 - (2) Intangible assets
Amortization expenses for intangible assets are computed using the straight-line method.
Software is amortized using the straight-line method over an estimated useful life of 5 years.
 - (c) Allowances
 - (1) Allowance for doubtful accounts
An allowance for doubtful accounts is provided against potential losses on collection at an amount measured using a historical bad debt ratio, plus an amount individually measured on collectibility of receivables that are expected to be uncollectible due to bad financial condition or insolvency.

(2) Allowance for bonuses to employees

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

(3) Allowance for accrued pension and severance costs

An allowance for accrued pension and severance costs is provided for at the amount incurred during the year, which is based on the estimated present value of the projected benefit obligations less the estimated fair value of plan assets at the end of the year.

Unrecognized prior service costs are amortized on a straight-line basis over the period of 5 years from the year in which they arise.

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

(Additional Information)

Following approval from Japan's Ministry of Health, Labour and Welfare on September 1, 2004, "Ito-Yokado Group Employee Pension Fund", which the Company participates in, was transferred to "IY Group Employees' Pension Fund" based on the "Defined Benefit Corporate Pension Plan Act". Following the transition, retirement benefits plan was revised. As a result, Unrecognized prior service costs of ¥489 million (Decrease) were recognized.

(4) 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.

(d) Leases

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

(e) Other accounting policies for the preparation of financial statements

Accounting for consumption taxes

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

5. Valuation of assets and liabilities of consolidated subsidiaries

All assets and liabilities of the consolidated subsidiaries, including the portion attributable to minority interests, are valued at fair value applicable to the respective dates when the subsidiaries were initially consolidated.

6. Goodwill

Goodwill, representing the difference between the cost of an investment in a subsidiary and the fair value of the Company's share of the net assets of the subsidiary, is treated as an asset or a liability, as the case may be, and is amortized over a period of five years on a straight-line basis.

7. Appropriation of retained earnings

The accompanying consolidated statements of retained earnings have been prepared based on the appropriation of retained earnings approved during the year.

8. Cash and cash equivalents

Cash and cash equivalents in the accompanying consolidated statements of cash flows are composed of cash on hand, bank deposits which can be withdrawn at any time, and short-term investments with an original maturity of three months or less, which are considered to represent a low risk of market price fluctuation.

Change in Accounting Policies

Impairment losses

On August 9, 2002, the Business Accounting Council issued an "Accounting Standard of Accounting for Impairment of Fixed Assets", and on October 31, 2003, the Accounting Standards Board of Japan issued Financial Accounting Standards Guidance No.6, "Implementation Guidance for Accounting Standards for Impairment of Fixed Assets".

These new pronouncements are effective for fiscal years beginning on or after April 1, 2005 with early adoption permitted for fiscal years ending on or after March 31, 2004.

The Company early adopted the new accounting standard for impairment of fixed assets for the fiscal year beginning on March 1, 2004. As a result, the adoption of this standard did not have material impact on the Company's result of operations.

Notes to Consolidated Financial Statements

Consolidated Balance Sheets;

(Millions of yen)

	As of February 28, 2005	As of February 29, 2004
1. Accumulated depreciation of property and equipment	55,365	51,765
2. Contingent liabilities for guarantee	27	55

Consolidated Statements of Income;

1. Major items included in "Selling, general and administrative expenses" are as follows:

(Millions of yen)

	For the year ended February 28, 2005	For the year ended February 29, 2004
Salaries and bonuses	32,196	30,468
Provision for allowance for bonuses to employees	1,238	1,194

2. Cost of sales includes the difference between the retail method at average cost and the retail method at lower of cost or market.

(Millions of yen)

	For the year ended February 28, 2005	For the year ended February 29, 2004
Difference between the retail method at average cost and the retail method at lower of cost or market	1,191	1,081

3. The components of "Gain on sale of property and equipment" are as follows:

(Millions of yen)

	For the year ended February 28, 2005	For the year ended February 29, 2004
Idle land	7	10

4. The components of "Loss on sale of property and equipment" are as follows:

(Millions of yen)

	For the year ended February 28, 2005	For the year ended February 29, 2004
Idle building	-	0
machinery	7	-

5. The components of "Loss on disposal of property and equipment" are as follows:

(Millions of yen)

	For the year ended February 28, 2005	For the year ended February 29, 2004
Buildings and structures	95	103
Furniture and equipment	67	38
Total	163	142

Consolidated Statements of Cash Flows;

Reconciliation of cash and cash equivalents in the consolidated statements of cash flows and account balances in the consolidated balance sheets.

(Millions of yen)

	As of February 28, 2005	As of February 29, 2004
Cash and bank deposits	26,256	37,086
Time deposits with an original maturity of more than three months	(3)	(3)
Securities	3,999	-
Cash and cash equivalents	30,252	37,083

Segment Information

1. Business segment information

Business segment information both for the year ended February 29, 2004 and February 28, 2005 have not been disclosed because revenues from operations, operating income and total assets of the supermarket chain business constituted over 90% of the consolidated totals, respectively.

2. Geographic segment information

The Company has no overseas consolidated subsidiaries both for the year ended February 29, 2004 and February 28, 2005.

3. Overseas sales

The Company has no overseas sales both for the year ended February 29, 2004 and February 28, 2005.

Leases

1. Financial lease contracts other than those by which the ownership of the leased assets is to be transferred to lessee.

(1) Acquisition cost, accumulated depreciation and net book value, including the interest portion, are summarized as follows:

(Millions of yen)

	As of February 28, 2005	As of February 29, 2004
Furniture and equipment:		
Acquisition cost	6,660	6,423
Accumulated depreciation	3,302	3,012
Net book value	3,358	3,410

(2) The amounts of outstanding future lease payments, including the interest portion, are summarized as follows:

(Millions of yen)

	As of February 28, 2005	As of February 29, 2004
Within one year	1,281	1,227
Over one year	2,076	2,183
Total	3,358	3,410

(3) Lease payments and depreciation expense are as follows:

(Millions of yen)

	For the year ended February 28, 2005	For the year ended February 29, 2004
Lease payments	1,369	1,513
Depreciation expense	1,369	1,513

(4) Depreciation expense is computed using the straight-line method over the lease term of the leased assets assuming no residual value.

2. Operating leases

The amounts of outstanding future lease payments, including the interest portion, are summarized as follows:

(Millions of yen)

	As of February 28, 2005	As of February 29, 2004
Within one year	206	71
Over one year	2,847	-
Total	3,054	71

All amounts less than one million yen have been disregarded.

Related party transactions

(As of and for the year ended February 29, 2004)

Directors and major shareholders

Companies which our directors and their relatives own majority part of the company's shares.

(Millions of yen)

Name	Address	Common stock	Business	Percentage of equity ownership	Detail of relationship		Transaction	Amount of transaction	Name of account on book	Balance at year-end
					Number of directors assigned	Business relationship				
Aoki Seimenjo Co., Ltd.	Koriyama, Fukushima	10	Processing and supplying noodles	Direct: 59.1% A relative of York-Benimaru's COO	None	Purchase of products	Purchase of products	279	Accounts payable- trade	12
Koriyama Kanko Kotsu Co., Ltd	Koriyama, Fukushima	20	Transportation	Direct: 57.0% A relative of York-Benimaru's COO	None	Taxi and surrogate driving service	Payment of fare	24	Accounts payable- other	2
Global Food Service Co., Ltd	Ohta, Tokyo	10	Estate agency	Direct: 100.0% A relative of York-Benimaru's corporate auditor	None	Consulting service	Payment of fee	30	-	-

Terms of transactions: Transactions with the companies above are arm's length transactions.

Note:

Figures in "Amount of transaction" do not include consumption taxes and figures in "Balance at year-end" include consumption taxes.

Affiliated company

A subsidiary of the other related company

(Millions of yen)

Name	Address	Common stock	Business	Percentage of equity ownership	Detail of relationship		Transaction	Amount of transaction	Name of account on book	Balance at year-end
					Number of directors assigned	Business relationship				
IYG Financial Center Co., Ltd.	Chiyoda, Tokyo	10	Management of IY Group funds	-	1	Deposits of funds	Deposits of funds (Net)	5,000	Deposits held at financial service company	13,000

Terms of transactions:

Terms of transactions with IYG Financial Center Co., Ltd. are fairly determined based on the market interest rates and etc. into consideration.

Note:

Figures in "Amount of transaction" do not include consumption taxes and figures in "Balance at year-end" include consumption taxes.

Deferred income taxes

For the year ended February 28, 2005

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)

Deferred tax assets:	
Enterprise tax payable	262
Allowance for bonuses to employees	501
Non-deductible portion of depreciation on property and equipment	204
Allowance for retirement benefits to directors and corporate auditors	252
Valuation loss on inventories based on lower of cost or market value	474
Amortization of lease tenant rights	1,247
Loss on disposal of property and equipment	122
Loss on discontinuance of development	396
Provision for allowance for doubtful accounts	241
Other	162
Subtotal	3,866
Deferred tax liabilities:	
Provision for deferred gain on sale of property and equipment	223
Net unrealized gains on available-for-sale securities	877
Subtotal	1,101
Deferred tax assets, net	2,764

2. The reconciliation between the statutory tax rate and the effective tax rate for the year ended February 28, 2005 is as follows:

Statutory tax rate	41.1%
Adjustments:	
Per capita levy of local resident taxes	1.7
Other	0.9
Effective tax rate	43.7%

Securities Information

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

(Millions of yen)

	Description	As of February 28, 2005			As of February 29, 2004		
		Acquisition cost	Book value	Net unrealized gains/(losses)	Acquisition cost	Book value	Net unrealized gains/(losses)
Securities, book value exceeding acquisition cost	Equity securities	494	2,700	2,205	487	2,533	2,046
	Subtotal	494	2,700	2,205	487	2,533	2,046
Securities, book value not exceeding acquisition cost	Equity securities	-	-	-	9	9	-
	Subtotal	-	-	-	9	9	-
	Total	494	2,700	2,205	497	2,543	2,046

2. Available-for-sale securities sold

(Millions of yen)

	For the year ended February 28, 2005			For the year ended February 29, 2004		
	Amount sold	Total gain on sales	Total loss on sales	Amount sold	Total gain on sales	Total loss on sales
Total	42	3	-	2	0	0

3. Major securities which are not subject to revaluation

(Millions of yen)

	Description	As of February 28, 2005	As of February 29, 2004
		Book value	Book value
Held-to-maturity debt	Commercial Paper	3,999	-
Available-for-sale securities	Unlisted securities (excluding the OTC securities)	56	82
	Total	4,056	82

4. Redemption schedule of held-to-maturity debt securities

(Millions of yen)

	As of February 28, 2005				As of February 29, 2004			
	Within one year	Over one year within five years	Over five years within ten years	Over ten years	Within one year	Over one year within five years	Over five years within ten years	Over ten years
Commercial Paper	3,999	-	-	-	-	-	-	-

Derivative Transactions

There were no derivative transactions for the year ended February 28, 2005 and February 29, 2004.

Accounting for Retirement Benefits

1. Retirement benefit plans

The Company and one of its consolidated subsidiaries have participated in the Ito-Yokado Group Employee Pension Fund.

Following approval from Japan's Ministry of Health, Labour and Welfare on September 1, 2004, "Ito-Yokado Group Employee Pension Fund", which the Company participates in, was transferred to "IY Group Employees' Pension Fund" based on the "Defined Benefit Corporate Pension Plan Act". Following the transition, retirement benefits plan was revised. The Company and one of its consolidated subsidiaries have changed the calculation method of defined benefit obligations to the Point system.

2. Accrued pension and severance costs are analyzed as follows:

(Millions of yen)

	As of February 28, 2005	As of February 29, 2004
Projected benefit obligations	13,536	13,739
Plan assets	13,119	13,610
Unrecognized actuarial differences	1,017	(159)
Unrecognized prior service costs	(489)	-
Accrued pension and severance costs	36	288
Pepaid pension and severance costs	147	-

Note:

One of consolidated subsidiaries adopted the conventional method in calculating accrued pension and severance costs.

3. The components of net pension expense relating to retirement benefits are as follows:

(Millions of yen)

	For the year ended February 28, 2005	For the year ended February 29, 2004
Service cost (Notes 1, 2)	854	980
Interest cost	337	324
Expected return on plan assets	(476)	(401)
Amortization of unrecognized prior service costs	(54)	-
Amortization of unrecognized actuarial differences	(5)	116

Notes

- The employee contribution is excluded from the service cost.
- Pension expense of one of consolidated subsidiaries adopted the conventional method in calculating accrued pension and severance costs is included in service cost.

4. Assumptions used in calculation of accrued pension and severance costs and net pension expense are as follows:

	As of and for the year ended February 28, 2005	As of and for the year ended February 29, 2004
Discount rate	2.5 %	2.5 %
Expected return on plan assets	3.5 %	3.5 %
Method of allocating the projected benefits to periods of service	Point basis	Benefit formula basis
Amortization of unrecognized prior service costs	5 year S	5 years
Amortization of unrecognized actuarial differences	10 years	10 years

Breakdown of Sales by Product Category (Consolidated)

(Millions of yen)

	Current Fiscal Year		Prior fiscal year		% of prior fiscal year (%)
	Sales	%	Sales	%	
Fresh Foods	84,257	29.6	81,865	29.5	102.9
Processed Foods	61,115	21.5	54,941	19.8	111.2
Daily Foods	52,178	18.3	48,357	17.5	107.9
Delicatessen	33,774	11.8	33,037	11.9	102.2
Foods Total	231,326	81.2	218,202	78.7	106.0
Apparel	19,453	6.8	20,256	7.3	96.0
Household Goods	18,071	6.4	18,772	6.8	96.3
Other Business	15,935	5.6	19,859	7.2	80.2
Total	284,787	100.0	277,092	100.0	102.8

1. Sales of *sozai* prepared dishes, sushi, bakery foods, and fast-food items are included in the Delicatessen category.
2. Sales of tenants are included in the Other Business category.
3. Consumption taxes are excluded from the amounts above.

Breakdown of Sales by Product Category (Non-consolidated)

(Millions of yen)

	Current Fiscal Year		Prior fiscal year		% of prior fiscal year (%)
	Sales	%	Sales	%	
Fresh Foods	83,017	29.6	80,590	29.5	103.0
Processed Foods	59,978	21.4	53,785	19.7	111.5
Daily Foods	51,068	18.2	47,345	17.4	107.9
Foods Total	194,065	69.2	181,722	66.6	106.8
Apparel	19,453	6.9	20,256	7.4	96.0
Household Goods	17,779	6.3	18,470	6.8	96.3
Other Business	49,297	17.6	52,441	19.2	94.0
Total	280,595	100.0	272,890	100.0	102.8

Consumption taxes are excluded from the amounts above.