

Semiannual Consolidated Financial Results for the Six-Month Period Ended August 31, 2004

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: October 7, 2004
- U.S. GAAP is not applied.

1. Business Results for the Current Interim Period (from March 1, 2004 to August 31, 2004)

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

	Revenues from Operations [Net sales]		Operating Income		Ordinary Income	
Current Interim Period	145,658	1.8%	6,837	8.9%	6,861	8.5%
	[142,022	1.7%]				
Prior Year's Interim Period	143,144	6.7%	6,280	1.3%	6,322	0.9%
	[139,636	6.5%]				
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 Interim Period	3,827	8.4%	75.90	(yen)	-	(yen)
Prior Year's Interim Period	3,531	0.1%	70.03		-	
Prior Fiscal Year	7,405	7.3%	145.41	(yen)	-	(yen)

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

2. Equity in earnings of affiliates:
- | | |
|------------------------------|---------------|
| Current interim period: | - million yen |
| Prior year's interim period: | - million yen |
| Prior fiscal year: | - million yen |
3. Average number of shares outstanding:
- | | |
|------------------------------|-------------------|
| Current interim period: | 50,427,035 shares |
| Prior year's interim period: | 50,428,756 shares |
| Prior fiscal year: | 50,428,379 shares |
4. There is no change in accounting policies.
5. Percentages above represent increase/decrease over Prior Year's Interim period/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
August 31, 2004	141,147	114,066	80.8%	2,262.04 (yen)
August 31, 2003	133,020	107,864	81.1%	2,138.95
February 29, 2004	135,340	111,201	82.2%	2,203.75 (yen)

Note: Number of outstanding shares at end of period:

Current interim period:	50,426,476 shares
Prior year's interim period:	50,428,672 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 Period
Current Interim Period	8,046	(12,263)	(886)	31,979
Prior Year's Interim Period	9,129	(4,764)	(832)	42,897
Prior Fiscal Year	15,340	(15,980)	(1,642)	37,083

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

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

(5) Changes in the Scope of Consolidation

- There is no change in the scope of consolidation.

2. Business Outlook for the Fiscal Year Ending February 28, 2005 (From March 1, 2004 to February 28, 2005)

(Millions of yen)

	Revenues from Operations [Net Sales]	Operating Income	Ordinary Income	Net Income
Entire Year	292,400 2.9% [285,300 3.0%]	13,900 4.6%	14,000 4.7%	7,780 5.1%

(Reference) Expected net income per share for the year ending February 28, 2005: 154.28 yen

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

Forward-Looking Statements

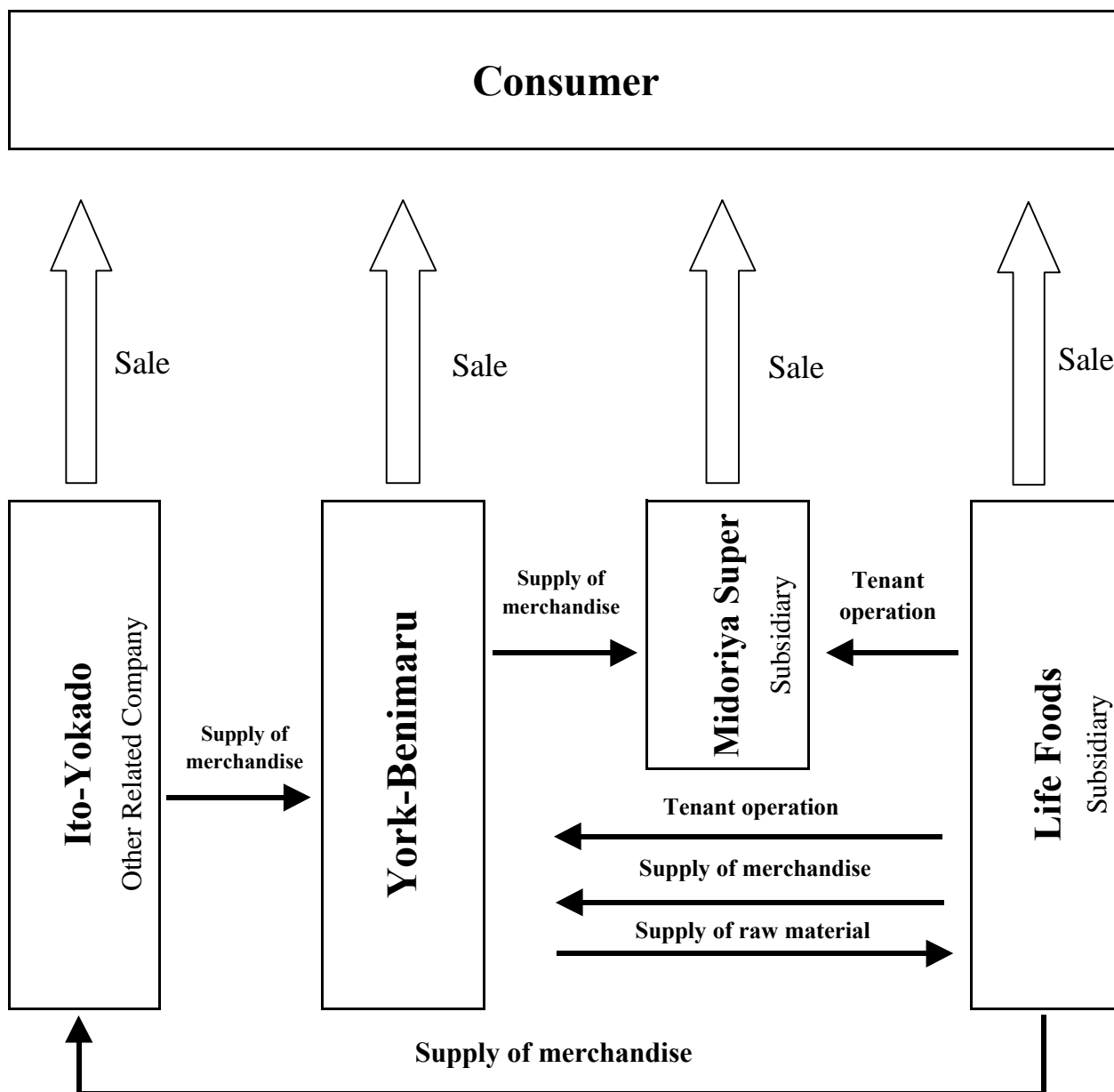
This document contains certain statements based on York-Benimaru's current plans, estimates and strategies; all statements that are not of historical fact are forward-looking statements. These statements represent the judgements and hypotheses of the Company's management based currently available information. 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 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 is 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 is 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.



CONSOLIDATED BALANCE SHEETS

(Millions of yen)

	August 31, 2004		August 31, 2003		February 29, 2004	
	Amount	%	Amount	%	Amount	%
ASSETS						
Current Assets	58,177	41.2	55,407	41.7	57,261	42.3
Cash and bank deposits	31,982		42,900		37,086	
Accounts receivable	489		422		395	
Inventories	6,091		6,205		6,331	
Deposits held by financial service company	13,000		-		8,000	
Other	6,613		5,890		5,447	
Allowance for doubtful accounts	-		(11)		-	
Non-current Assets	82,969	58.8	77,612	58.3	78,078	57.7
Property and equipment	57,445	40.7	52,049	39.1	52,441	38.7
Buildings and structures	29,231		31,098		29,847	
Land	24,248		17,410		18,872	
Other	3,965		3,541		3,722	
Intangible assets	1,815	1.3	2,180	1.6	1,992	1.5
Goodwill	236		315		275	
Other	1,579		1,865		1,716	
Investments and other assets	23,708	16.8	23,381	17.6	23,644	17.5
Long-term leasehold deposits	15,817		15,735		15,951	
Other	8,194		7,949		7,996	
Allowance for doubtful accounts	(303)		(303)		(303)	
TOTAL ASSETS	141,147	100.0	133,020	100.0	135,340	100.0

(Millions of yen)

	August 31, 2004		August 31, 2003		February 29, 2004	
	Amount	%	Amount	%	Amount	%
LIABILITIES						
Current Liabilities	25,440	18.0	23,667	17.8	22,640	16.7
Accounts payable	13,988		14,092		12,009	
Income taxes payable	3,092		2,883		3,353	
Accrued bonuses to employees	1,492		1,235		1,213	
Other	6,867		5,456		6,062	
Non-current Liabilities	1,639	1.2	1,488	1.1	1,497	1.1
Accrued pension and severance costs	234		333		288	
Allowance for retirement benefits to directors and corporate auditors	578		532		544	
Other	826		622		664	
TOTAL LIABILITIES	27,080	19.2	25,156	18.9	24,138	17.8
MINORITY INTERESTS	-	-	-	-	-	-
SHAREHOLDERS' EQUITY						
Common stock	9,927	7.0	9,927	7.5	9,927	7.4
Capital surplus	12,839	9.1	12,839	9.7	12,839	9.5
Retained earnings	90,589	64.2	84,649	63.6	87,716	64.8
Net unrealized gains on available-for-sale securities	1,227	0.9	958	0.7	1,232	0.9
Treasury stock	(517)	(0.4)	(511)	(0.4)	(513)	(0.4)
TOTAL SHAREHOLDERS' EQUITY	114,066	80.8	107,864	81.1	111,201	82.2
TOTAL LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY	141,147	100.0	133,020	100.0	135,340	100.0

CONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

	Current Inrerim Period		Prior Year's Inrerim Period		Prior Fiscal Year	
	Amount	%	Amount	%	Amount	%
Operating income and expenses						
[Revenues from operations]	[145,658]		[143,144]		[284,058]	
Net sales	142,022	100.0	139,636	100.0	277,092	100.0
Cost of sales	101,573	71.5	100,816	72.2	198,627	71.7
Gross profit	40,449	28.5	38,819	27.8	78,465	28.3
Revenues from other operations	3,635	2.5	3,507	2.5	6,966	2.5
Revenue from commission fee	3,190		3,089		6,106	
Rental revenue on real estate	445		417		859	
Operating gross profit	44,084	31.0	42,327	30.3	85,431	30.8
Selling, general and administrative expenses	37,247	26.2	36,046	25.8	72,146	26.0
Operating income	6,837	4.8	6,280	4.5	13,284	4.8
Non-operating income and expenses						
Non-operating income	79	0.0	73	0.0	152	0.0
Interest income	38		29		48	
Dividend income	13		12		22	
Other	27		30		80	
Non-operating expenses	55	0.0	31	0.0	69	0.0
Ordinary income	6,861	4.8	6,322	4.5	13,367	4.8
Special gains and losses						
Special gains	3	0.0	-	-	10	0.0
Gain on sale of property and equipment	0		-		10	
Gain on sale of investments in securities	3		-		0	
Special losses	69	0.0	66	0.0	288	0.1
Loss on sale of property and equipment	-		-		0	
Loss on disposal of property and equipment	58		51		142	
Casualty loss	-		-		116	
Other	11		14		29	
Income before income taxes	6,794	4.8	6,256	4.5	13,089	4.7
Income taxes - current	3,142	2.2	2,883	2.1	5,918	2.1
Income taxes - deferred	(175)	(0.1)	(158)	(0.1)	(234)	(0.1)
Net income	3,827	2.7	3,531	2.5	7,405	2.7

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

(Millions of yen)

	Current Interim Period	Prior Year's Interim Period	Prior Fiscal Year
CAPITAL SURPLUS			
Balance of capital surplus at beginning of period (year)	12,839	12,839	12,839
Increase in capital surplus	0	-	-
Gain on sales of treasury stock	0	-	-
Decrease in capital surplus	-	-	-
Balance of capital surplus at end of period (year)	12,839	12,839	12,839
RETAINED EARNINGS			
Balance of retained earnings at beginning of period (year)	87,716	82,018	82,018
Increase in retained earnings	3,827	3,531	7,405
Net income	3,827	3,531	7,405
Decrease in retained earnings	954	900	1,707
Cash dividends	882	832	1,638
Bonuses to directors and corporate auditors	71	68	68
Loss on sales of treasury stock	-	0	0
Balance of retained earnings at end of period (year)	90,589	84,649	87,716

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of yen)

	Current Interim Period	Prior Year's Interim Period	Prior Fiscal Year
Cash flows from operating activities:			
Income before income taxes	6,794	6,256	13,089
Depreciation and amortization	2,512	2,609	5,313
Amortization of goodwill	39	39	78
Increase in accrued bonuses to employees	278	109	87
Reversal of accrued pension and severance costs	(54)	(9)	(54)
Increase in allowance for retirement benefits to directors and corporate auditors	33	18	30
Interest and dividend income	(51)	(42)	(71)
Loss on disposals of property and equipment	58	51	142
Gain on sale of property and equipment	(0)	-	(10)
Increase in accounts receivable	(94)	(158)	(132)
(Increase) decrease in inventories	240	72	(53)
Increase in accounts payable	1,978	3,076	993
Other, net	(332)	(517)	835
Sub-total	11,402	11,503	20,249
Interest and dividends received	48	42	71
Income taxes paid	(3,403)	(2,417)	(4,980)
Net cash provided by operating activities	8,046	9,129	15,340
Cash flows from investing activities:			
Increase in time deposit	-	(0)	(3)
Decrease in time deposit	-	-	2
Increase in deposits held by financial service company	(5,000)	-	(8,000)
Acquisition of property and equipment	(6,868)	(4,873)	(6,141)
Proceeds from sales of property and equipment	1	-	92
Payment for disposal of property and equipment	(5)	-	(29)
Acquisition of intangible assets	(262)	(344)	(518)
Proceeds from sales of investments in securities	42	-	2
Payment in loans receivable	(810)	(166)	(186)
Collection of loans receivable	904	30	71
Payment of leasehold deposits	(171)	(51)	(1,658)
Refund of leasehold deposits	197	445	725
Other, net	(290)	196	(337)
Net cash used in investing activities	(12,263)	(4,764)	(15,980)
Cash flows from financing activities:			
Cash dividends paid	(882)	(831)	(1,639)
Other, net	(3)	(0)	(3)
Net cash used in financing activities	(886)	(832)	(1,642)
Effect of exchange rate changes on cash and cash equivalents	-	-	-
Net (decrease) increase in cash and cash equivalents	(5,103)	3,532	(2,281)
Cash and cash equivalents at beginning of the period (year)	37,083	39,365	39,365
Cash and cash equivalents at end of the period (year)	31,979	42,897	37,083

Significant Accounting Policies for the Preparation of Semi-annual 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

There were no applicable investments.

3. Six-month period-end of consolidated subsidiaries

The six-month period-end of the consolidated subsidiaries are the same as the Company.

4. Summary of significant accounting policies

(a) Valuation method of major assets

(1) Valuation method of 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 the 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 of securities

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 the quoted market price prevailing at the end of the interim period. Net unrealized gains or losses on these securities are reported as a separate component in 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 expense is computed using the declining-balance method.

One subsidiary computes depreciation expense of buildings acquired after April 1, 1998, using the straight-line method.

(2) Intangible assets

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

Software is amortized using the straight-line method over its estimated useful life (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) Accrued bonuses to employees

An accrued bonuses to employees is provided 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 at the amount incurred during the interim period, which is based on the present value of the projected benefit obligation less the estimated fair value of plan assets at the end of the interim period. Unrecognized actuarial differences are amortized on a straight-line basis over a period of 10 years from the next year in which they arise.

(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 for which the ownership of the leased assets is to be transferred to lessee, are accounted for as operating leases.

(e) Other accounting policies for the preparation of Semi-annual 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.

Accounting for income taxes -current and income taxes -deferred

Income taxes -current and Income taxes -deferred for the interim period were computed assuming the effects of a reversal of the Reserve for accelerated depreciation of property and equipment, at the current year end.

5. 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 are able to 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.

Notes to Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

	As of August 31, 2004	As of August 31, 2003	As of February 29, 2004
1. Accumulated depreciation of property and equipment	53,546	49,792	51,765
2. Contingent liabilities	40	69	55

Consolidated Statements of Income

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

(Millions of yen)

	For the six-month period ended August 31, 2004	For the six-month period ended August 31, 2003	For the year ended February 29, 2004
Advertisement and decoration expenses	1,467	1,496	2,954
Salaries and wages	15,121	14,496	30,468
Accrued bonuses to employees	1,473	1,227	1,194
Depreciation expense	2,303	2,368	4,963
Rent expense	2,701	2,590	5,260
Utilities expense	2,187	2,076	4,197

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

(Millions of yen)

	For the six-month period ended August 31, 2004	For the six-month period ended August 31, 2003	For the year ended February 29, 2004
Idle land	0	-	10

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

(Millions of yen)

	For the six-month period ended August 31, 2004	For the six-month period ended August 31, 2003	For the year ended February 29, 2004
Idle building	-	-	0

4. The components of "Loss on disposal of property and equipment", which resulted mainly from store closing and renewal of stores, are as follows:

(Millions of yen)

	For the six-month period ended August 31, 2004	For the six-month period ended August 31, 2003	For the year ended February 29, 2004
Buildings and structures	45	49	103
Furniture and equipment	12	1	38
Total	58	51	142

Consolidated Statements of Cash Flows

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

(Millions of yen)

	As of August 31, 2004	As of August 31, 2003	As of February 29, 2004
Cash and bank deposits	31,982	42,900	37,086
Time deposits with an original maturity of more than three months	(3)	(3)	(3)
Cash and cash equivalents	31,979	42,897	37,083

Segment Information

1. Business segment information

Business segment information 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.

3. Overseas sales

The Company has no overseas sales.

Leases

1. Financial lease contracts other than those for 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 August 31, 2004	As of August 31, 2003	As of February 29, 2004
Furniture and equipment:			
Acquisition cost	6,333	6,746	6,423
Accumulated depreciation	2,973	3,200	3,012
Net book value	3,359	3,546	3,410
Machinery:			
Acquisition cost	-	703	-
Accumulated depreciation	-	671	-
Net book value	-	32	-
Total:			
Acquisition cost	6,333	7,450	6,423
Accumulated depreciation	2,973	3,871	3,012
Net book value	3,359	3,578	3,410

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

(Millions of yen)

	As of August 31, 2004	As of August 31, 2003	As of February 29, 2004
Within one year	1,250	1,266	1,227
Over one year	2,109	2,312	2,183
Total	3,359	3,578	3,410

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

(Millions of yen)

	For the six-month period ended August 31, 2004	For the six-month period ended August 31, 2003	For the year ended February 29, 2004
Lease payments	658	1,057	1,513
Depreciation expense	658	1,057	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 August 31, 2004	As of August 31, 2003	As of February 29, 2004
Within one year	21	98	71
Over one year	-	21	-
Total	21	120	71

Securities Information

For the six-month period ended August 31, 2004

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

(Millions of yen)

	Acquisition cost	Book value	Net unrealized gains/(losses)
Equity securities	494	2,534	2,039

2. Major securities whose fair value is not available

(Millions of yen)

	Book value
Available-for-sale securities	
Unlisted securities (excluding OTC securities)	43

For the six-month period ended August 31, 2003

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

(Millions of yen)

	Acquisition cost	Book value	Net unrealized gains/(losses)
Equity securities	508	2,100	1,592

2. Major securities whose fair value is not available

(Millions of yen)

	Book value
Available-for-sale securities	
Unlisted securities (excluding OTC securities)	82

For the year ended February 29, 2004

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

(Millions of yen)

	Acquisition cost	Book value	Net unrealized gains/(losses)
Equity securities	497	2,543	2,046

2. Major securities whose fair value is not available

(Millions of yen)

	Book value
Available-for-sale securities	
Unlisted securities (excluding OTC securities)	82

Derivative Transactions

There were no derivative transactions for the six-month periods ended August 31, 2004 and 2003 and for the year ended February 29, 2004

Breakdown of Sales by Product Category (Consolidated)

(Millions of yen)

	Current interim period		% of corresponding prior period	Prior interim period		Prior Fiscal Year	
	Sales	%		Sales	%	Sales	%
Fresh Foods	41,674	29.3	100.6	41,441	29.7	81,865	29.5
Processed Foods	30,545	21.5	111.0	27,527	19.7	54,941	19.8
Daily Foods	25,790	18.2	107.1	24,070	17.2	48,357	17.5
Delicatessen	16,971	12.0	100.9	16,822	12.1	33,037	11.9
Foods Total	114,982	81.0	104.7	109,862	78.7	218,202	78.7
Apparel	9,726	6.8	98.4	9,880	7.1	20,256	7.3
Household Goods	9,053	6.4	94.7	9,555	6.8	18,772	6.8
Other Business	8,259	5.8	79.9	10,338	7.4	19,859	7.2
Total	142,022	100.0	101.7	139,636	100.0	277,092	100.0

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 schedule above.

Breakdown of Sales by Product Category (Non-consolidated)

(Millions of yen)

	Current interim period		% of corresponding prior period	Prior interim period		Prior Fiscal Year	
	Sales	%		Sales	%	Sales	%
Fresh Foods	41,045	29.3	100.6	40,782	29.7	80,590	29.5
Processed Foods	29,965	21.4	111.3	26,931	19.6	53,785	19.7
Daily Foods	25,262	18.1	106.8	23,648	17.2	47,345	17.4
Foods Total	96,272	68.8	105.4	91,362	66.5	181,722	66.6
Apparel	9,726	6.9	98.4	9,880	7.2	20,256	7.4
Household Goods	8,904	6.4	94.7	9,403	6.8	18,470	6.8
Other Business	24,998	17.9	93.2	26,824	19.5	52,441	19.2
Total	139,902	100.0	101.8	137,470	100.0	272,890	100.0

1. Sales of tenants are included in the Other Business category.
2. Consumption taxes are excluded from the schedule above.