

Semiannual Non-consolidated Financial Results for the Six-Month Period Ended August 31, 2004 YORK-BENIMARU CO., LTD.

October 7, 2004

- 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 accounts: October 7, 2004
- Starting date of payment of interim cash dividends: November 15, 2004
- The Company has a policy of paying interim dividends.

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	143,465	1.8%	5,576	11.6%	5,629	11.0%
	[139,902	1.8%]				
Prior Year's Interim Period	140,935	5.2%	4,998	(1.5%)	5,072	(2.0%)
	[137,470	4.9%]				
Prior Fiscal Year	279,777	4.2%	11,024	5.5%	11,122	5.1%
	[272,890	4.0%]				
	Net Income		Net Income per Share			
Current Interim Period	3,170	11.6%	62.87 (yen)			
Prior Year's Interim Period	2,840	(3.4%)	56.34			
Prior Fiscal Year	6,186	1.0%	121.59 (yen)			

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

2. 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

3. There is no change in accounting policies.

4. Percentages above represent increase/decrease over Prior Year's Interim period/fiscal year, unless otherwise stated.

(2) Dividends

	Interim Dividends per Share	Year-End Dividends per Share
	Cash dividends	Cash dividends
Current Interim Period	16.50 (yen)	- (yen)
Prior Year's Interim Period	16.00	-
Prior Fiscal Year	- (yen)	33.50 (yen)

(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	123,209	99,016	80.4%	1,963.59 (yen)
August 31, 2003	116,766	93,984	80.5%	1,863.71
February 29, 2004	118,041	96,793	82.0%	1,918.38 (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

Number of Treasury stock shares at end of period: Current interim period: 208,059 shares
Prior year's interim period: 205,863 shares
Prior fiscal year: 206,869 shares

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
Entire Year	288,200 3.0% [281,100 3.0%]	11,470 4.0%	11,600 4.3%
	Net Income	Interim Dividends per Share	Year-End Dividends per Share
Entire Year	6,500 5.1%	17.00 (yen)	33.50 (yen)

(Reference) Expected net income per share for the year ending February 28, 2005: 128.90 yen

Note: Percentages above represent increase/decrease over preceding 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.

NON-CONSOLIDATED BALANCE SHEETS

(Millions of yen)

	August 31, 2004		August 31, 2003		February 29, 2004	
	Amount	%	Amount	%	Amount	%
ASSETS						
Current Assets	47,999	39.0	47,420	40.6	47,752	40.5
Cash and bank deposits	27,574		35,468		28,049	
Accounts receivable	465		378		352	
Inventories	5,731		5,769		5,979	
Deposits held by financial service company	8,000		-		8,000	
Other	6,227		5,815		5,370	
Allowance for doubtful accounts	-		(11)		-	
Non-current Assets	75,209	61.0	69,345	59.4	70,288	59.5
Property and equipment	49,574	40.2	43,849	37.5	44,609	37.8
Buildings and structures	20,591		21,743		20,950	
Land	23,089		16,295		17,712	
Other	5,893		5,810		5,946	
Intangible assets	1,293	1.0	1,587	1.4	1,441	1.2
Investments and other assets	24,341	19.8	23,909	20.5	24,237	20.5
Long-term leasehold deposits	15,627		15,708		15,759	
Other	9,017		8,503		8,780	
Allowance for doubtful accounts	(303)		(303)		(303)	
TOTAL ASSETS	123,209	100.0	116,766	100.0	118,041	100.0

(Millions of yen)

	August 31, 2004		August 31, 2003		February 29, 2004	
	Amount	%	Amount	%	Amount	%
LIABILITIES						
Current Liabilities	22,799	18.5	21,679	18.6	19,997	16.9
Accounts payable	13,591		13,720		11,622	
Income taxes payable	2,600		2,368		2,670	
Accrued bonuses to employees	1,271		1,058		991	
Other	5,337		4,532		4,714	
Non-current Liabilities	1,392	1.1	1,103	0.9	1,249	1.1
Accrued pension and severance costs	199		147		231	
Allowance for retirement benefits to directors and corporate auditors	370		336		357	
Other	822		618		660	
TOTAL LIABILITIES	24,192	19.6	22,782	19.5	21,247	18.0
SHAREHOLDERS' EQUITY						
Common stock	9,927	8.1	9,927	8.5	9,927	8.4
Capital surplus	12,445	10.1	12,445	10.7	12,445	10.6
Additional paid-in capital	12,445		12,445		12,445	
Other capital surplus	0		-		-	
Retained earnings	75,940	61.6	71,168	60.9	73,707	62.4
Legal reserve	2,186		2,186		2,186	
General reserve	63,521		60,530		60,530	
Unappropriated retained earnings	10,232		8,451		10,990	
Net unrealized gains on available-for-sale securities	1,221	1.0	953	0.8	1,227	1.0
Treasury stock	(517)	(0.4)	(511)	(0.4)	(513)	(0.4)
TOTAL SHAREHOLDERS' EQUITY	99,016	80.4	93,984	80.5	96,793	82.0
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	123,209	100.0	116,766	100.0	118,041	100.0

NON-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]	[143,465]		[140,935]		[279,777]	
Net sales	139,902	100.0	137,470	100.0	272,890	100.0
Cost of sales	107,300	76.7	106,254	77.3	209,617	76.8
Gross profit	32,601	23.3	31,216	22.7	63,273	23.2
Revenues from other operations	3,562	2.6	3,464	2.5	6,887	2.5
Revenue from commission fee	3,061		2,996		5,922	
Rental revenue on real estate	501		468		964	
Gross operating profit	36,164	25.9	34,681	25.2	70,160	25.7
Selling, general and administrative expenses	30,587	21.9	29,683	21.6	59,135	21.7
Operating income	5,576	4.0	4,998	3.6	11,024	4.0
Non-operating income and expenses						
Non-operating income	107	0.1	103	0.1	164	0.1
Interest income	36		29		48	
Dividend income	49		48		57	
Miscellaneous income	21		25		57	
Non-operating expenses	54	0.1	29	0.0	66	0.0
Miscellaneous expenses	54		29		66	
Ordinary income	5,629	4.0	5,072	3.7	11,122	4.1
Special gains and losses						
Special gains	1	0.0	-	-	10	0.0
Special losses	25	0.0	15	0.0	211	0.1
Loss on disposal of property and equipment	13		10		76	
Casualty loss	-		-		107	
Other	11		5		26	
Income before income taxes	5,606	4.0	5,056	3.7	10,921	4.0
Income taxes - current	2,621	1.9	2,358	1.7	4,969	1.8
Income taxes - deferred	(185)	(0.2)	(142)	(0.1)	(233)	(0.1)
Net income	3,170	2.3	2,840	2.1	6,186	2.3
Retained earnings brought forward	7,062		5,610		5,610	
Interim dividends	-		-		806	
Loss on sales of treasury stock	-		0		0	
Unappropriated retained earnings	10,232		8,451		10,990	

Significant Accounting Policies for the Preparation of Semi-annual Financial Statements

(a) Valuation method of major assets

(1) Valuation method of inventories

Merchandise, except for that described below, is valued at the lower of cost or market value; cost is 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.

(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.

(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.

Consumption taxes paid and consumption taxes received were netted, and were included in Current Liabilities - Other.

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.

Notes to Non-consolidated Financial Statements

Non-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	45,438	42,670	44,075
2. Contingent liabilities	33	49	43

Non-consolidated Statements of Income

1. Net sales includes sales by tenants based on agreements with the tenants. Sales, cost of sales and gross profit relating to the tenant sales which are included in the accompanying statements of income 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
Net sales	24,998	26,824	52,441
Cost of sales	22,707	24,436	47,788
Gross profit	2,291	2,387	4,652

2. 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
Depreciation expense			
-Property and equipment	1,422	1,500	3,065
-Intangible assets	351	280	553

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	6,219	6,639	6,308
Accumulated depreciation	2,916	3,162	2,969
Net book value	3,302	3,477	3,339

(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	1,222	1,209	1,199
Over one year	2,080	2,268	2,140
Total	3,302	3,477	3,339

(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	644	979	1,387
Depreciation expense	644	979	1,387

(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

There were no subsidiaries or affiliates whose fair value are available for the six-month periods ended August 31, 2004, 2003 and for the year ended February 29, 2004.