



April 12, 2006

Non-consolidated Financial Results for the Fiscal Year Ended February 28, 2006 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 approve accounts: April 12, 2006
- Date of the ordinary general meeting of shareholders: May 19, 2006
- The Company has a policy of paying interim dividends.

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

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

| | Revenues from Operations [Net sales] | Operating Income | Ordinary Income |
|---------------------|--|---|--|
| Current Fiscal Year | 297,445 3.3% | 11,412 (5.1%) | 11,921 0.7% |
| Prior Fiscal Year | 287,833 2.9% | 12,024 9.1% | 11,835 6.4% |
| | [289,393 3.1%] | | |
| | [280,595 2.8%] | | |
| | Net Income | Net Income per Share | Diluted Net Income per Share |
| Current Fiscal Year | 6,716 2.6% | 132.42 (yen) | (yen) |
| Prior Fiscal Year | 6,545 5.8% | 128.60 (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 | 6.5% | 9.5% | 4.1% |
| Prior Fiscal Year | 6.6% | 9.8% | 4.2% |

- Notes:
- All amounts less than one million yen have been disregarded.
 - Average number of shares outstanding: Current Fiscal year: 50,283,132 shares
Prior Fiscal year: 50,426,190 shares
 - There is no change in accounting policies.
 - Percentages above represent increase/decrease over prior fiscal year unless otherwise stated.

(2) Dividends

| | Total Dividends per Share | Interim Dividends per Share | Year-End Dividends per Share |
|---------------------|-------------------------------|-------------------------------|---|
| Current Fiscal Year | Cash dividends 41.00 (yen) | Cash dividends 20.00 (yen) | Cash dividends 21.00 (yen) |
| Prior Fiscal Year | 35.50 (yen) | 16.50 (yen) | 19.00 (yen) |
| | Total Dividends for the Year | Payout Ratio | Ratio of Dividends to Shareholders' Equity |
| Current Fiscal Year | 2,040 (million yen) | 30.4 % | 2.0 % |
| Prior Fiscal Year | 1,790 (million yen) | 27.4 % | 1.8 % |

(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, 2006 | 126,977 | 104,192 | 82.1% | 2,058.60 (yen) |
| February 28, 2005 | 123,412 | 101,654 | 82.4% | 2,014.78 (yen) |

- Note: Number of shares outstanding at end of the fiscal year: Current Fiscal year: 50,585,534 shares
Prior Fiscal year: 50,424,662 shares
- Number of Treasury stock at end of the fiscal year: Current Fiscal year: 49,001 shares
Prior Fiscal year: 209,873 shares

NON-CONSOLIDATED BALANCE SHEETS

(Millions of yen)

| | February 28, 2006 | | February 28, 2005 | | Increase (Decrease) |
|--|-------------------|--------------|-------------------|--------------|------------------------|
| | Amount | % | Amount | % | |
| ASSETS | | | | | |
| Current Assets | 37,528 | 29.6 | 45,412 | 36.8 | (7,884) |
| Cash and bank deposits | 16,669 | | 21,220 | | (4,550) |
| Accounts receivable, trade | 505 | | 423 | | 82 |
| Marketable securities | - | | 3,999 | | (3,999) |
| Merchandise | 6,407 | | 6,014 | | 393 |
| Suppliers | 24 | | 13 | | 10 |
| Prepaid expenses | 961 | | 539 | | 421 |
| Deferred income taxes | 1,258 | | 1,382 | | (124) |
| Short-term loans receivable | 1,162 | | 168 | | 993 |
| Deposits held by financial service company | 6,000 | | 8,000 | | (2,000) |
| Accounts receivable, other | 3,430 | | 2,560 | | 869 |
| Advance payments | 65 | | 65 | | (0) |
| Other | 1,043 | | 1,023 | | 20 |
| Non-current Assets | 89,449 | 70.4 | 78,000 | 63.2 | 11,449 |
| Property and equipment | 57,083 | 44.9 | 52,606 | 42.6 | 4,476 |
| Buildings | 21,389 | | 20,711 | | 677 |
| Structures | 4,317 | | 3,978 | | 338 |
| Vehicles | 0 | | 0 | | (0) |
| Furniture, fixtures and Equipment | 1,837 | | 1,217 | | 620 |
| Land | 24,101 | | 23,627 | | 473 |
| Construction in progress | 5,438 | | 3,071 | | 2,366 |
| Intangible assets | 603 | 0.5 | 1,109 | 0.9 | (505) |
| Software | 574 | | 1,075 | | (501) |
| Other | 29 | | 33 | | (4) |
| Investments and other assets | 31,762 | 25.0 | 24,284 | 19.7 | 7,477 |
| Investments in securities | 4,771 | | 511 | | 4,260 |
| Investments in securities of subsidiaries | 6,036 | | 3,209 | | 2,827 |
| Investments | 1 | | 1 | | - |
| Investments in an affiliate | 256 | | 256 | | - |
| Long-term loans receivable | 274 | | 447 | | (172) |
| Long-term prepaid expenses | 2,644 | | 2,213 | | 430 |
| Deferred income taxes | 902 | | 1,144 | | (241) |
| Long-term leasehold deposits | 16,815 | | 16,641 | | 173 |
| Advances for store construction | 665 | | 466 | | 199 |
| Allowance for doubtful accounts | (606) | | (606) | | - |
| TOTAL ASSETS | 126,977 | 100.0 | 123,412 | 100.0 | 3,565 |

(Millions of yen)

| | February 28, 2006 | | February 28, 2005 | | Increase (Decrease) |
|---|-------------------|--------------|-------------------|--------------|------------------------|
| | Amount | % | Amount | % | |
| LIABILITIES | | | | | |
| Current Liabilities | 21,022 | 16.5 | 20,269 | 16.4 | 752 |
| Accounts payable, trade | 11,781 | | 11,478 | | 303 |
| Accounts payable, other | 3,821 | | 2,984 | | 836 |
| Income taxes payable | 2,007 | | 2,749 | | (742) |
| Accrued expenses | 1,882 | | 1,686 | | 195 |
| Deposits received | 313 | | 270 | | 43 |
| Deferred revenues | 92 | | 77 | | 14 |
| Allowance for bonuses to employees | 1,125 | | 1,024 | | 101 |
| Non-current Liabilities | 1,763 | 1.4 | 1,487 | 1.2 | 275 |
| Long-term deposits received | 1,301 | | 1,081 | | 219 |
| Accrued pension and severance costs | - | | 1 | | (1) |
| Allowance for retirement benefits to directors and corporate auditors | 461 | | 404 | | 56 |
| TOTAL LIABILITIES | 22,785 | 17.9 | 21,757 | 17.6 | 1,027 |
| SHAREHOLDERS' EQUITY | | | | | |
| Common stock | 9,927 | 7.8 | 9,927 | 8.0 | - |
| Capital surplus | 12,445 | 9.8 | 12,445 | 10.1 | (0) |
| Retained earnings | 80,062 | 63.1 | 78,482 | 63.6 | 1,579 |
| Net unrealized gains on available-for-sale securities | 1,905 | 1.5 | 1,321 | 1.1 | 583 |
| Treasury stock | (148) | (0.1) | (522) | (0.4) | 374 |
| TOTAL SHAREHOLDERS' EQUITY | 104,192 | 82.1 | 101,654 | 82.4 | 2,537 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 126,977 | 100.0 | 123,412 | 100.0 | 3,565 |

NON-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 | [297,445] | | [287,833] | | [9,612] | 103.3 |
| Net sales | 289,393 | 100.0 | 280,595 | 100.0 | 8,798 | 103.1 |
| Cost of sales | 220,542 | 76.2 | 214,250 | 76.4 | 6,292 | 102.9 |
| Gross profit | 68,851 | 23.8 | 66,344 | 23.6 | 2,506 | 103.8 |
| Other operating revenue | 8,051 | 2.8 | 7,237 | 2.6 | 814 | 111.2 |
| Revenue from commission fee | 6,518 | | 6,162 | | | |
| Rental revenue on real estate | 1,533 | | 1,074 | | | |
| Gross profit from operations | 76,902 | 26.6 | 73,582 | 26.2 | 3,320 | 104.5 |
| Selling, general and administrative expenses | 65,489 | 22.6 | 61,558 | 21.9 | 3,931 | 106.4 |
| Operating income | 11,412 | 3.9 | 12,024 | 4.3 | (611) | 94.9 |
| Non-operating income and expenses | | | | | | |
| Non-operating income | 611 | 0.2 | 199 | 0.0 | 412 | 307.1 |
| Interest income | 94 | | 79 | | | |
| Dividends income | 418 | | 58 | | | |
| Miscellaneous incomes | 98 | | 61 | | | |
| Non-operating expenses | 103 | 0.0 | 388 | 0.1 | (284) | 26.6 |
| Bad debt loss | 59 | | - | | | |
| Provision for allowance for doubtful accounts | - | | 303 | | | |
| Miscellaneous expenses | 43 | | 84 | | | |
| Ordinary income | 11,921 | 4.1 | 11,835 | 4.2 | 86 | 100.7 |
| Special gains and losses | | | | | | |
| Special gains | 20 | 0.0 | 9 | 0.0 | 10 | 206.3 |
| Gain on sale of property and equipment | 20 | | 7 | | | |
| Gain on sale of investments in securities | 0 | | 2 | | | |
| Special losses | 834 | 0.3 | 238 | 0.1 | 595 | 349.9 |
| Loss on sale of property and equipment | 86 | | - | | | |
| Loss on disposal of property and equipment | 125 | | 83 | | | |
| Costs in relation to system integration | 545 | | - | | | |
| Other | 76 | | 155 | | | |
| Income before income taxes | 11,107 | 3.8 | 11,606 | 4.1 | (498) | 95.7 |
| Income taxes - current | 4,411 | 1.5 | 5,262 | 1.9 | (850) | |
| Income taxes - deferred | (19) | (0.0) | (200) | (0.1) | 180 | |
| Net income for the year | 6,716 | 2.3 | 6,545 | 2.3 | 171 | 102.6 |
| Retained earnings brought forward | 7,773 | | 7,062 | | | |
| Interim dividends | 978 | | 832 | | | |
| Loss on sale of treasury stock | 3,139 | | - | | | |
| Unappropriated retained earnings | 10,371 | | 12,775 | | | |

Proposal for Appropriation of Retained Earnings

(Millions of yen)

| | For the Fiscal Year ended February 28, 2006 | For the Fiscal Year ended February 28, 2005 | Increase (Decrease) |
|--|--|--|------------------------|
| Unappropriated retained earnings | 10,371 | 12,775 | (2,404) |
| Reversal of deferred gain on sale of property and equipment | 15 | 16 | (1) |
| Subtotal | 10,386 | 12,791 | (2,405) |
| The above shall be appropriated as follows: | | | |
| Cash dividends | 1,062 | 958 | 104 |
| { Dividends per share } | { 21.00 } | { 19.00 } | |
| Bonuses to directors and corporate auditors | 57 | 60 | (2) |
| { Portion to corporate auditors } | { 6 } | { 6 } | - |
| General reserve | 2,000 | 4,000 | (2,000) |
| Unappropriated retained earnings carried forward | 7,266 | 7,773 | (506) |

Notes:

1. The company paid ¥978 million (20.00 yen per share) as interim dividends on November 15, 2005
2. Reversal of deferred gain on sale of property and equipment is treated in accordance with the regulations of Special Taxation Measures Law.
3. All amounts less than one million yen have been disregarded.

Significant Accounting Policies for the Preparation of Financial Statements

(a) Valuation method of major assets

(1) Valuation method of securities

Investments in securities of subsidiaries and investments in an affiliate are valued at cost, determined using the moving-average method.

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 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.

(2) Valuation method of inventories

Fresh foods merchandise is valued at cost. Cost is determined by the last purchase price method.

Merchandise held at stores, other than Fresh foods merchandise is valued at the lower of cost or market value. Cost is determined by the retail method.

Merchandise held at distribution centers is valued at cost. Cost is determined by the first-in first-out method.

Suppliers are valued at cost. Cost is determined by the last purchase price method.

(b) Depreciation and amortization

(1) Property and equipment

Depreciation expenses are computed on the declining-balance method.

(2) Intangible assets

Amortization expenses for intangible assets are computed on the straight-line method.

Software is amortized on 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 the 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 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.

(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 the lessee are accounted for as operating leases.

(e) Accounting for consumption taxes

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

Additional Information

The Corporation Size-based Enterprise Tax system was effective for 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 ¥218 million.

Notes to Non-consolidated Financial Statements

Non-consolidated Balance Sheets;

(Millions of yen)

| | As of February 28, 2006 | As of February 28, 2005 |
|---|-------------------------|-------------------------|
| 1. Accumulated depreciation of property and equipment | 48,004 | 46,749 |
| 2. Liabilities due to the related companies Accounts payable - trade | 1,280 | 1,269 |
| 3. Guarantees | 11 | 23 |
| 4. Number of authorised shares | 100,000,000 shares | 100,000,000 shares |
| 5. Net assets resulted from revaluing assets at fair market value as stipulated in Article 124, item 3 of the Enforcement Regulations of the Japanese Commercial Code | 1,905 | 1,321 |

Non-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, 2006 | For the year ended February 28, 2005 |
|--|---|---|
| Salaries and bonuses | 26,055 | 24,301 |
| Provision for allowance for bonuses to employees | 1,125 | 1,024 |
| Land and building rent | 5,903 | 5,427 |
| Store maintenance and repair | 3,883 | 3,840 |
| Depreciation expense | 3,884 | 3,970 |
| Utilities expense | 3,983 | 3,705 |
| Delivery expense | 4,153 | 4,086 |

2. 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 year ended February 28, 2006 | For the year ended February 28, 2005 |
|---------------|---|---|
| Net sales | 49,734 | 49,297 |
| Cost of sales | 45,151 | 44,775 |
| Gross profit | 4,582 | 4,522 |

3. Net purchases for the year include the purchases from the related companies as follows:

(Millions of yen)

| | For the year ended February 28, 2006 | For the year ended February 28, 2005 |
|--|---|---|
| Net purchases from the related companies | 38,287 | 36,799 |

4. Cost of sales includes the difference between the "retail method at average cost" and the "retail method at lower of cost or market" as follows:

(Millions of yen)

| | For the year ended February 28, 2006 | For the year ended February 28, 2005 |
|---|---|---|
| Difference between the "retail method at average cost" and the "retail method at lower of cost or market" | 1,313 | 1,178 |

5. Major items included in "Gain on sale of property and equipment" are as follows:

(Millions of yen)

| | For the year ended February 28, 2006 | For the year ended February 28, 2005 |
|------|---|---|
| Land | 20 | 7 |

6. Major items included in "Loss on sale of property and equipment" are as follows:

(Millions of yen)

| | For the year ended February 28, 2006 | For the year ended February 28, 2005 |
|-----------------------------------|---|---|
| Land | 18 | - |
| Buildings | 53 | - |
| Structures | 10 | - |
| Furniture, fixtures and equipment | 4 | - |
| Total | 86 | - |

7. Major items included in "Loss on disposal of property and equipment" are as follows:

(Millions of yen)

| | For the year ended February 28, 2006 | For the year ended February 28, 2005 |
|-----------------------------------|---|---|
| Buildings | 68 | 48 |
| Structures | 2 | 0 |
| Furniture, fixtures and equipment | 54 | 34 |
| Total | 125 | 83 |

8. Transaction with related companies are as follows:

(Millions of yen)

| | For the year ended February 28, 2006 | For the year ended February 28, 2005 |
|--|---|---|
| Interest income from the related companies | 0 | - |
| Dividend income from the related companies | 413 | 53 |
| Loss on sale of property and equipment from transaction with related companies | 70 | - |

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, 2006 | As of February 28, 2005 |
|------------------------------------|-------------------------|-------------------------|
| Furniture, fixtures and equipment: | | |
| Acquisition cost | 6,880 | 6,546 |
| Accumulated depreciation | 3,478 | 3,231 |
| Net book value | 3,401 | 3,315 |

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

(Millions of yen)

| | As of February 28, 2006 | As of February 28, 2005 |
|-----------------|-------------------------|-------------------------|
| Within one year | 1,263 | 1,255 |
| Over one year | 2,138 | 2,060 |
| Total | 3,401 | 3,315 |

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

(Millions of yen)

| | For the year ended February 28, 2006 | For the year ended February 28, 2005 |
|----------------------|---|---|
| Lease payments | 1,426 | 1,340 |
| Depreciation expense | 1,426 | 1,340 |

(4) Depreciation expense is computed using the straight-line method over the lease term 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, 2006 | As of February 28, 2005 |
|-----------------|-------------------------|-------------------------|
| Within one year | 313 | 206 |
| Over one year | 4,313 | 2,847 |
| Total | 4,627 | 3,054 |

All amounts less than one million yen have been disregarded.

Securities Information

There were no investment in securities of subsidiaries and no investment an affiliate whose fair value was available for the year ended February 28, 2006 and 2005.

Deferred income taxes

For the year ended February 28, 2006

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 | 159 |
| Allowance for bonuses to employees | 447 |
| Depreciation and amortization | 250 |
| Allowance for retirement benefits to directors and corporate auditors | 183 |
| Valuation loss on inventories based on lower of cost or market value | 522 |
| Amortization of right of leasehold | 1,286 |
| Loss on disposal of property and equipment | 85 |
| Loss on discontinuance of development | 396 |
| Bad debt loss | 241 |
| Other | 190 |
| Subtotal | 3,764 |
| Deferred tax liabilities: | |
| Prepaid pension cost | 130 |
| Provision for deferred gain on sale of property and equipment | 213 |
| Net unrealized gains on available-for-sale securities | 1,259 |
| Subtotal | 1,603 |
| Deferred tax assets, net | 2,160 |

2. The reconciliation between the statutory tax rate and the effective tax rate for the year ended February 28, 2006 is as follows:

| | |
|---------------------------|---------|
| Statutory tax rate | 39.8% |
| Adjustments: | |
| Inhabitant tax per capita | 1.8 |
| Dividends income | (1.5) |
| Other | (0.6) |
| Effective tax rate | 39.5% |

Subsequent events

(The Stock-for-stock Exchange Agreement with Seven & I Holdings Co., Ltd.)

The board of directors of the Company approved a resolution that the Company would become a wholly owned subsidiary of Seven & I Holdings Co., Ltd. (the "Holding company") by means of stock-for-stock exchange, and the Company entered into a Stock-for-stock Exchange Agreement with the Holding company. There are descriptions for details in the Notes to Consolidated Financial Statements (Subsequent Events).