

# Semiannual Consolidated Financial Results for the Six-Month Period Ended August 31, 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 Board of Directors' meeting to approve the consolidated accounts: October 6, 2005
- U.S. GAAP is not applied.

### 1. Business Results for the Current Interim Period (from March 1, 2005 to August 31, 2005)

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

	Revenues from Operations [ Net sales ]		Operating Income		Ordinary Income	
	Current Interim Period	151,912	4.3%	7,053	3.2%	7,078
	[ 147,907	4.1% ]				
Prior Year's Interim Period	145,658	1.8%	6,837	8.9%	6,861	8.5%
	[ 142,022	1.7% ]				
Prior Fiscal Year	292,142	2.8%	14,374	8.2%	14,164	6.0%
	[ 284,787	2.8% ]				
	Net Income		Net Income per Share		Diluted Net Income per Share	
Current Interim Period	3,786	(1.1%)	75.77	(yen)	-	(yen)
Prior Year's Interim Period	3,827	8.4%	75.90		-	
Prior Fiscal Year	7,799	5.3%	153.13	(yen)	-	(yen)

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

2. Equity in earnings (losses) of affiliates:
- |                              |                  |
|------------------------------|------------------|
| Current interim period:      | (17) million yen |
| Prior year's interim period: | - million yen    |
| Prior fiscal year:           | - million yen    |
3. Average number of shares outstanding:
- |                              |                   |
|------------------------------|-------------------|
| Current interim period:      | 49,980,237 shares |
| Prior year's interim period: | 50,427,035 shares |
| Prior fiscal year:           | 50,426,190 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, 2005	142,858	115,293	80.7%	2,357.41 (yen)
August 31, 2004	141,147	114,066	80.8%	2,262.04
February 28, 2005	141,588	117,301	82.8%	2,324.73 (yen)

Note: Number of outstanding shares at end of period:

Current interim period:	48,906,821 shares
Prior year's interim period:	50,426,476 shares
Prior fiscal year:	50,424,662 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	8,708	( 9,620 )	( 5,654 )	23,685
Prior Year's Interim Period	8,046	( 12,263 )	( 886 )	31,979
Prior Fiscal Year	12,362	( 17,469 )	( 1,723 )	30,252

#### (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 accounted for using the equity method: 0
- The number of affiliated companies accounted for using the equity method: 1

#### (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, 2006 (From March 1, 2005 to February 28, 2006)

(Millions of yen)

	Revenues from Operations [ Net Sales ]	Operating Income	Ordinary Income	Net Income
Entire Year	318,200 8.9% [ 310,000 8.9%]	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: 158.14 yen

(It was computed using an expected number of outstanding shares at end of the fiscal year ended

February 28, 2006: 50,586,821 shares)

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

**Forward-Looking Statements**

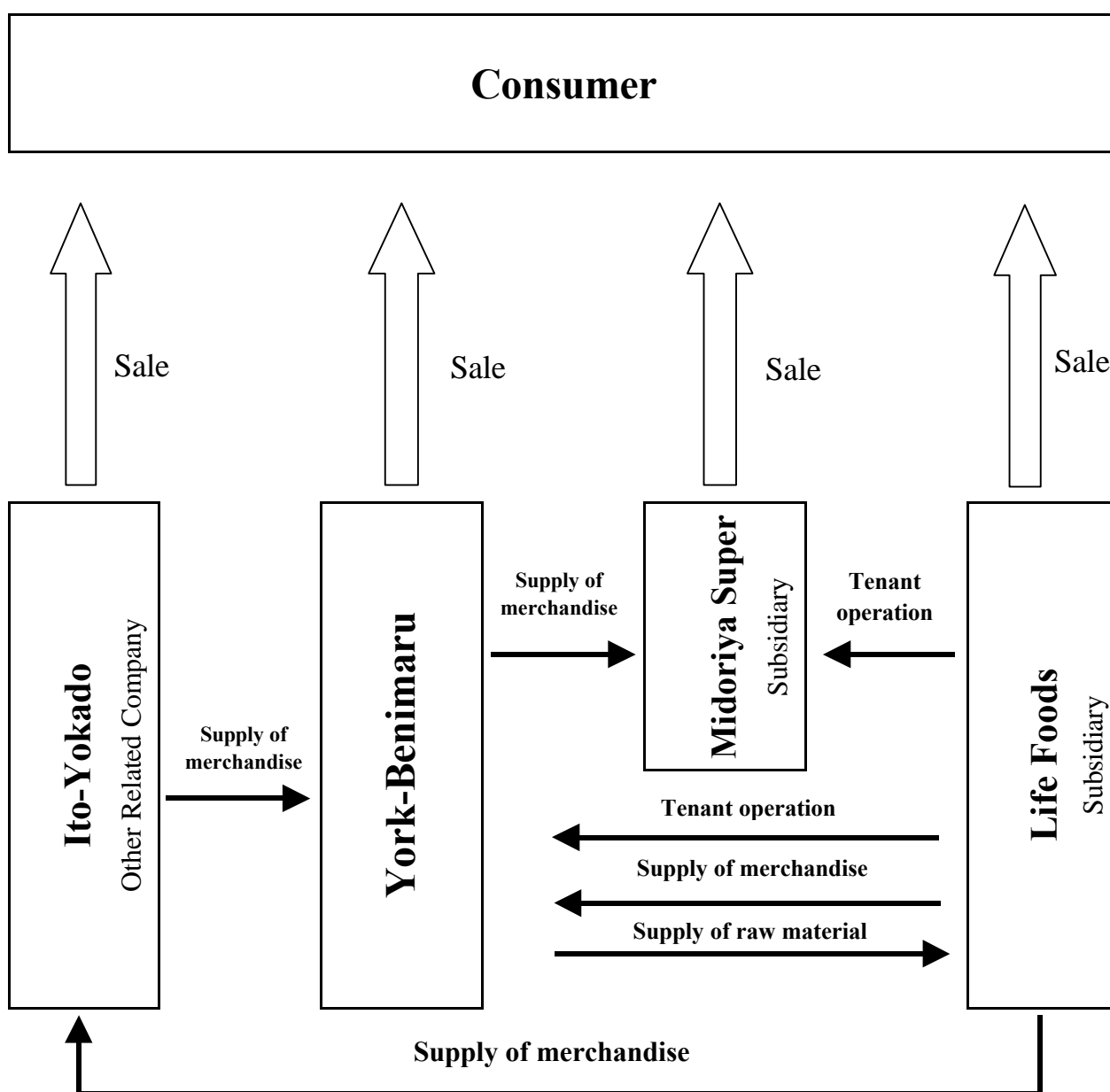
This document contains certain statements based on York-Benimaru's current plans, estimates and strategies; all statements that are not of historical fact are forward-looking statements. These statements represent the judgements and hypotheses of the Company's management based on currently available 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. , two consolidated subsidiaries and one affiliate accounted for using the equity method, and is engaged in the retail and food processing business as a member of the Seven & i HLDGS. 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.



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)

	August 31, 2005		August 31, 2004		February 28, 2005	
	Amount	%	Amount	%	Amount	%
<b>ASSETS</b>						
<b>Current Assets</b>	<b>52,544</b>	<b>36.8</b>	<b>58,177</b>	<b>41.2</b>	<b>56,228</b>	<b>39.7</b>
Cash and bank deposits	23,688		31,982		26,256	
Accounts receivable	616		489		457	
Securities	-		-		3,999	
Inventories	6,380		6,091		6,447	
Deposits held by financial service company	14,500		13,000		13,000	
Other	7,358		6,613		6,067	
<b>Non-current Assets</b>	<b>90,313</b>	<b>63.2</b>	<b>82,969</b>	<b>58.8</b>	<b>85,360</b>	<b>60.3</b>
<b>Property and equipment</b>	<b>61,356</b>	<b>42.9</b>	<b>57,445</b>	<b>40.7</b>	<b>60,188</b>	<b>42.5</b>
Buildings and structures	30,050		29,231		29,374	
Land	24,957		24,248		24,787	
Other	6,349		3,965		6,026	
<b>Intangible assets</b>	<b>993</b>	<b>0.7</b>	<b>1,815</b>	<b>1.3</b>	<b>1,547</b>	<b>1.1</b>
Goodwill	157		236		196	
Other	836		1,579		1,350	
<b>Investments and other assets</b>	<b>27,962</b>	<b>19.6</b>	<b>23,708</b>	<b>16.8</b>	<b>23,623</b>	<b>16.7</b>
Long-term leasehold deposits	16,609		15,817		16,831	
Other	11,959		8,194		7,398	
Allowance for doubtful accounts	(606)		(303)		(606)	
<b>TOTAL ASSETS</b>	<b>142,858</b>	<b>100.0</b>	<b>141,147</b>	<b>100.0</b>	<b>141,588</b>	<b>100.0</b>

(Millions of yen)

	August 31, 2005		August 31, 2004		February 28, 2005	
	Amount	%	Amount	%	Amount	%
<b>LIABILITIES</b>						
<b>Current Liabilities</b>	<b>25,617</b>	<b>17.9</b>	<b>25,440</b>	<b>18.0</b>	<b>22,531</b>	<b>15.9</b>
Accounts payable	14,243		13,988		11,901	
Income taxes payable	3,222		3,092		3,233	
Accrued bonuses to employees	1,572		1,492		1,260	
Other	6,578		6,867		6,136	
<b>Non-current Liabilities</b>	<b>1,947</b>	<b>1.4</b>	<b>1,639</b>	<b>1.2</b>	<b>1,755</b>	<b>1.3</b>
Accrued pension and severance costs	36		234		36	
Allowance for retirement benefits to directors and corporate auditors	665		578		633	
Other	1,245		826		1,085	
<b>TOTAL LIABILITIES</b>	<b>27,564</b>	<b>19.3</b>	<b>27,080</b>	<b>19.2</b>	<b>24,287</b>	<b>17.2</b>
<b>MINORITY INTERESTS</b>	-	-	-	-	-	-
<b>SHAREHOLDERS' EQUITY</b>						
<b>Common stock</b>	<b>9,927</b>	<b>7.0</b>	<b>9,927</b>	<b>7.0</b>	<b>9,927</b>	<b>7.0</b>
<b>Capital surplus</b>	<b>12,839</b>	<b>9.0</b>	<b>12,839</b>	<b>9.1</b>	<b>12,839</b>	<b>9.1</b>
<b>Retained earnings</b>	<b>96,480</b>	<b>67.5</b>	<b>90,589</b>	<b>64.2</b>	<b>93,729</b>	<b>66.2</b>
<b>Net unrealized gains on available-for-sale securities</b>	<b>1,256</b>	<b>0.9</b>	<b>1,227</b>	<b>0.9</b>	<b>1,327</b>	<b>0.9</b>
<b>Cumulative translation adjustments</b>	<b>9</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Treasury stock</b>	<b>(5,219)</b>	<b>(3.7)</b>	<b>(517)</b>	<b>(0.4)</b>	<b>(522)</b>	<b>(0.4)</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>115,293</b>	<b>80.7</b>	<b>114,066</b>	<b>80.8</b>	<b>117,301</b>	<b>82.8</b>
<b>TOTAL LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY</b>	<b>142,858</b>	<b>100.0</b>	<b>141,147</b>	<b>100.0</b>	<b>141,588</b>	<b>100.0</b>

## CONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

	Current Inrerim Period		Prior Year's Inrerim Period		Prior Fiscal Year	
	Amount	%	Amount	%	Amount	%
<b>Operating income and expenses</b>						
[ Revenues from operations ]	[ 151,912 ]		[ 145,658 ]		[ 292,142 ]	
Net sales	147,907	100.0	142,022	100.0	284,787	100.0
Cost of sales	105,165	71.1	101,573	71.5	202,840	71.2
<b>Gross profit</b>	<b>42,742</b>	<b>28.9</b>	<b>40,449</b>	<b>28.5</b>	<b>81,946</b>	<b>28.8</b>
Revenues from other operations	4,004	2.7	3,635	2.5	7,354	2.5
Revenue from commission fee	3,379		3,190		6,394	
Rental revenue on real estate	625		445		960	
<b>Operating gross profit</b>	<b>46,747</b>	<b>31.6</b>	<b>44,084</b>	<b>31.0</b>	<b>89,301</b>	<b>31.3</b>
Selling, general and administrative expenses	39,694	26.8	37,247	26.2	74,927	26.3
<b>Operating income</b>	<b>7,053</b>	<b>4.8</b>	<b>6,837</b>	<b>4.8</b>	<b>14,374</b>	<b>5.0</b>
<b>Non-operating income and expenses</b>						
<b>Non-operating income</b>	<b>132</b>	<b>0.1</b>	<b>79</b>	<b>0.0</b>	<b>181</b>	<b>0.1</b>
Interest income	50		38		83	
Dividend income	12		13		23	
Other	68		27		75	
<b>Non-operating expenses</b>	<b>106</b>	<b>0.1</b>	<b>55</b>	<b>0.0</b>	<b>391</b>	<b>0.1</b>
<b>Ordinary income</b>	<b>7,078</b>	<b>4.8</b>	<b>6,861</b>	<b>4.8</b>	<b>14,164</b>	<b>5.0</b>
<b>Special gains and losses</b>						
<b>Special gains</b>	-	-	3	0.0	11	0.0
Gain on sale of property and equipment	-		0		7	
Gain on sale of investments in securities	-		3		3	
<b>Special losses</b>	<b>535</b>	<b>0.4</b>	<b>69</b>	<b>0.0</b>	<b>326</b>	<b>0.1</b>
Loss on sale of property and equipment	0		-		7	
Loss on disposal of property and equipment	535		58		163	
Other	-		11		155	
<b>Income before income taxes</b>	<b>6,542</b>	<b>4.4</b>	<b>6,794</b>	<b>4.8</b>	<b>13,849</b>	<b>4.9</b>
Income taxes - current	3,050	2.0	3,142	2.2	6,222	2.2
Income taxes - deferred	( 293 )	( 0.2 )	( 175 )	( 0.1 )	( 172 )	( 0.0 )
<b>Net income</b>	<b>3,786</b>	<b>2.6</b>	<b>3,827</b>	<b>2.7</b>	<b>7,799</b>	<b>2.7</b>

## CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

(Millions of yen)

	Current Interim Period	Prior Year's Interim Period	Prior Fiscal Year
<b>CAPITAL SURPLUS</b>			
<b>Balance of capital surplus at beginning of period (year)</b>	<b>12,839</b>	<b>12,839</b>	<b>12,839</b>
<b>Increase in capital surplus</b>	-	0	0
Gain on sales of treasury stock	-	0	0
<b>Decrease in capital surplus</b>	-	-	-
<b>Balance of capital surplus at end of period (year)</b>	<b>12,839</b>	<b>12,839</b>	<b>12,839</b>
<b>RETAINED EARNINGS</b>			
<b>Balance of retained earnings at beginning of period (year)</b>	<b>93,729</b>	<b>87,716</b>	<b>87,716</b>
<b>Increase in retained earnings</b>	<b>3,786</b>	<b>3,827</b>	<b>7,799</b>
Net income	3,786	3,827	7,799
<b>Decrease in retained earnings</b>	<b>1,035</b>	<b>954</b>	<b>1,786</b>
Cash dividends	958	882	1,714
Bonuses to directors and corporate auditors	77	71	71
<b>Balance of retained earnings at end of period (year)</b>	<b>96,480</b>	<b>90,589</b>	<b>93,729</b>

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of yen)

	Current Interim Period	Prior Year's Interim Period	Prior Fiscal Year
<b>Cash flows from operating activities:</b>			
Income before income taxes	6,542	6,794	13,849
Depreciation and amortization	2,467	2,512	5,226
Amortization of goodwill	39	39	78
Equity in losses of affiliates	17	-	-
Increase in accrued bonuses to employees	312	278	46
Increase in (reversal of) accrued pension and severance costs	0	(54)	(252)
Increase in allowance for retirement benefits to directors and corporate auditors	31	33	88
Interest and dividend income	(63)	(51)	(106)
Loss on sale or disposals of property and equipment	535	58	171
Gain on sale of property and equipment	-	(0)	(7)
Increase in accounts receivable	(159)	(94)	(61)
Decrease (increase) in inventories	66	240	(116)
Increase (decrease) in accounts payable	2,341	1,978	(107)
Other, net	(431)	(332)	(199)
Sub-total	11,701	11,402	18,609
Interest and dividends received	66	48	96
Income taxes paid	(3,060)	(3,403)	(6,343)
<b>Net cash provided by operating activities</b>	<b>8,708</b>	<b>8,046</b>	<b>12,362</b>
<b>Cash flows from investing activities:</b>			
Increase in time deposit	-	-	(3)
Decrease in time deposit	-	-	3
Increase in deposits held by financial service company	(1,500)	(5,000)	(5,000)
Acquisition of property and equipment	(3,523)	(6,868)	(11,684)
Proceeds from sales of property and equipment	0	1	88
Payment for disposal of property and equipment	(26)	(5)	(19)
Acquisition of intangible assets	(138)	(262)	(298)
Proceeds from sales of intangible assets	20	-	-
Acquisition of investments in securities	(4,345)	-	-
Proceeds from sales of investments in securities	13	42	42
Payment for loans receivable	(69)	(810)	(991)
Collection of loans receivable	112	904	916
Payment of leasehold deposits	(49)	(171)	(1,630)
Refund of leasehold deposits	112	197	562
Other, net	(226)	(290)	543
<b>Net cash used in investing activities</b>	<b>(9,620)</b>	<b>(12,263)</b>	<b>(17,469)</b>
<b>Cash flows from financing activities:</b>			
Acquisition of treasury stock	(4,696)	-	-
Cash dividends paid	(957)	(882)	(1,714)
Other, net	-	(3)	(8)
<b>Net cash used in financing activities</b>	<b>(5,654)</b>	<b>(886)</b>	<b>(1,723)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(6,567)</b>	<b>(5,103)</b>	<b>(6,830)</b>
<b>Cash and cash equivalents at beginning of the period (year)</b>	<b>30,252</b>	<b>37,083</b>	<b>37,083</b>
<b>Cash and cash equivalents at end of the period (year)</b>	<b>23,685</b>	<b>31,979</b>	<b>30,252</b>



## **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**

Beijing Wang fujing Yokado Commercial Co., Ltd was included in the scope of applying the equity method. Its year-end date is December 31 and the six-month period-end date is June 30.

### **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 one subsidiary 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**

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 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 of the shareholders' equity at a net-of-tax amount. Cost of sales is 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 ).

##### **(3) Long-term prepaid expenses**

Amortization expense of long-term prepaid expenses is computed using the straight-line method.

#### **(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 fiscal 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 and one consolidated subsidiary participate 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 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.

**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.

## **Change in Accounting Policies**

**Prior Fiscal Year ( for the year ended February 28, 2005 )**

**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 any impact on the Company's result of operations.

## Notes to Consolidated Financial Statements

### *Consolidated Balance Sheets*

(Millions of yen)

	As of August 31, 2005	As of August 31, 2004	As of February 28, 2005
1. Accumulated depreciation of property and equipment	56,840	53,546	55,365
2. Contingent liabilities	18	40	27

### *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, 2005	For the six-month period ended August 31, 2004	For the year ended February 28, 2005
Advertisement and decoration expenses	1,577	1,467	3,022
Salaries and wages	16,257	15,121	32,196
Accrued bonuses to employees	1,550	1,473	1,238
Depreciation expense	2,284	2,303	4,798
Rent expense	2,944	2,701	5,535
Utilities expense	2,280	2,187	4,459

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, 2005	For the six-month period ended August 31, 2004	For the year ended February 28, 2005
Idle land	-	0	7

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, 2005	For the six-month period ended August 31, 2004	For the year ended February 28, 2005
Idle land	0	-	-
Machinery	-	-	7

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

(Millions of yen)

	For the six-month period ended August 31, 2005	For the six-month period ended August 31, 2004	For the year ended February 28, 2005
Buildings and structures	35	45	95
Software	383	-	-
Furniture and equipment, and others	116	12	67
Total	535	58	163

5. The components of "Special losses - Other" are as follows

(Millions of yen)

	For the six-month period ended August 31, 2005	For the six-month period ended August 31, 2004	For the year ended February 28, 2005
Estimated amounts of loss on disposal of property and equipment", which resulted mainly from store closing and renewal of stores	-	-	155

6. 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 provision for deferred gain on sale of property and equipment, at the current year-end.

*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, 2005	As of August 31, 2004	As of February 28, 2005
Cash and bank deposits	23,688	31,982	26,256
Time deposits with an original maturity of more than three months	(3)	(3)	(3)
Securities	-	-	3,999
Cash and cash equivalents	23,685	31,979	30,252

## **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. Information for 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 of leased assets, including the interest portion, are summarized as follows:

(Millions of yen)

	As of August 31, 2005	As of August 31, 2004	As of February 28, 2005
Furniture and equipment:			
Acquisition cost	6,736	6,333	6,660
Accumulated depreciation	3,508	2,973	3,302
Net book value	3,227	3,359	3,358

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

(Millions of yen)

	As of August 31, 2005	As of August 31, 2004	As of February 28, 2005
Within one year	1,264	1,250	1,281
Over one year	1,962	2,109	2,076
Total	3,227	3,359	3,358

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

(Millions of yen)

	For the six-month period ended August 31, 2005	For the six-month period ended August 31, 2004	For the year ended February 28, 2005
Lease payments	715	658	1,369
Depreciation expense	715	658	1,369

(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, 2005	As of August 31, 2004	As of February 28, 2005
Within one year	206	21	206
Over one year	2,744	-	2,847
Total	2,950	21	3,054

## **Securities Information**

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

(Millions of yen)

Description	As of August 31, 2005			As of August 31, 2004			As of February 28, 2005		
	Acquisition cost	Book value	Net unrealized gains/(losses)	Acquisition cost	Book value	Net unrealized gains/(losses)	Acquisition cost	Book value	Net unrealized gains/(losses)
Equity securities	494	2,581	2,086	494	2,534	2,039	494	2,700	2,205

### 2. Major securities which are not subject to revaluation

(Millions of yen)

Description	As of August 31, 2005		As of August 31, 2004		As of February 28, 2005	
	Book value		Book value		Book value	
Held-to-maturity debt securities Commercial Paper	-		-		3,999	
Available-for-sale securities Unlisted securities (excluding the OTC securities)	4,389		43		56	
Total	4,389		43		4,056	

### 3. Redemption schedule of held-to-maturity debt securities

(Millions of yen)

Description	As of August 31, 2005				As of August 31, 2004				As of February 28, 2005			
	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	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 six-month periods ended August 31, 2005 and 2004 and for the year ended February 28, 2005

## **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	43,316	29.3	103.9	41,674	29.3	84,257	29.6
Processed Foods	32,746	22.1	107.2	30,545	21.5	61,115	21.5
Daily Foods	27,261	18.4	105.7	25,790	18.2	52,178	18.3
Delicatessen	17,959	12.2	105.8	16,971	12.0	33,774	11.8
Foods Total	121,283	82.0	105.5	114,982	81.0	231,326	81.2
Apparel	9,729	6.6	100.0	9,726	6.8	19,453	6.8
Household Goods	9,200	6.2	101.6	9,053	6.4	18,071	6.4
Other Business	7,694	5.2	93.1	8,259	5.8	15,935	5.6
Total	147,907	100.0	104.1	142,022	100.0	284,787	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	42,686	29.3	104.0	41,045	29.3	83,017	29.6
Processed Foods	32,161	22.0	107.3	29,965	21.4	59,978	21.4
Daily Foods	26,667	18.3	105.6	25,262	18.1	51,068	18.2
Foods Total	101,514	69.6	105.4	96,272	68.8	194,065	69.2
Apparel	9,729	6.8	100.0	9,726	6.9	19,453	6.9
Household Goods	9,045	6.2	101.6	8,904	6.4	17,779	6.3
Other Business	25,410	17.4	101.6	24,998	17.9	49,297	17.6
Total	145,700	100.0	104.1	139,902	100.0	280,595	100.0

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