

Semiannual Non-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 accounts: October 6, 2005
- Starting date of payment of interim cash dividends: November 15, 2005
- The Company has a policy of paying interim dividends.
- The Company applies a unit share system. (1 unit=100 shares)

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	149,647 4.3% [145,700 4.1%]	5,616 0.7%	5,691 1.1%
Prior Year's Interim Period	143,465 1.8% [139,902 1.8%]	5,576 11.6%	5,629 11.0%
Prior Fiscal Year	287,833 2.9% [280,595 2.8%]	12,024 9.1%	11,835 6.4%
	Net Income	Net Income per Share	
Current Interim Period	3,041 (4.1%)	60.84 (yen)	
Prior Year's Interim Period	3,170 11.6%	62.87	
Prior Fiscal Year	6,545 5.8%	128.60 (yen)	

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

2. 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

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	20.00 (yen)	- (yen)
Prior Year's Interim Period	16.50	-
Prior Fiscal Year	- (yen)	35.50 (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, 2005	123,560	98,910	80.0%	2,022.42 (yen)
August 31, 2004	123,209	99,016	80.4%	1,963.59
February 28, 2005	123,412	101,654	82.4%	2,014.78 (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

Number of Treasury stock shares at end of period: Current interim period: 1,727,714 shares
Prior year's interim period: 208,059 shares
Prior fiscal year: 209,873 shares

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
Entire Year	301,500 4.7% [293,300 4.5%]	12,300 2.3%	12,500 5.6%
	Net Income	Interim Dividends per Share	Year-End Dividends per Share
Entire Year	6,800 3.9%	21.00 (yen)	41.00 (yen)

(Reference) Expected net income per share for the year ending February 28, 2006: 134.42 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 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 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.

NON-CONSOLIDATED BALANCE SHEETS

(Millions of yen)

	August 31, 2005		August 31, 2004		February 28, 2005	
	Amount	%	Amount	%	Amount	%
ASSETS						
Current Assets	40,414	32.7	47,999	39.0	45,412	36.8
Cash and bank deposits	18,854		27,574		21,220	
Accounts receivable	558		465		423	
Securities	-		-		3,999	
Inventories	6,035		5,731		6,028	
Deposits held by financial service company	8,000		8,000		8,000	
Other	6,966		6,227		5,740	
Non-current Assets	83,146	67.3	75,209	61.0	78,000	63.2
Property and equipment	53,835	43.6	49,574	40.2	52,606	42.6
Buildings and structures	21,189		20,591		20,711	
Land	23,798		23,089		23,627	
Other	8,848		5,893		8,267	
Intangible assets	631	0.5	1,293	1.0	1,109	0.9
Investments and other assets	28,678	23.2	24,341	19.8	24,284	19.7
Long-term leasehold deposits	16,430		15,627		16,641	
Other	12,854		9,017		8,249	
Allowance for doubtful accounts	(606)		(303)		(606)	
TOTAL ASSETS	123,560	100.0	123,209	100.0	123,412	100.0

(Millions of yen)

	August 31, 2005		August 31, 2004		February 28, 2005	
	Amount	%	Amount	%	Amount	%
LIABILITIES						
Current Liabilities	22,970	18.6	22,799	18.5	20,269	16.4
Accounts payable	13,788		13,591		11,478	
Income taxes payable	2,604		2,600		2,749	
Accrued bonuses to employees	1,317		1,271		1,024	
Other	5,260		5,337		5,018	
Non-current Liabilities	1,680	1.4	1,392	1.1	1,487	1.2
Accrued pension and severance costs	-		199		1	
Allowance for retirement benefits to directors and corporate auditors	435		370		404	
Other	1,244		822		1,081	
TOTAL LIABILITIES	24,650	20.0	24,192	19.6	21,757	17.6
SHAREHOLDERS' EQUITY						
Common stock	9,927	8.0	9,927	8.1	9,927	8.0
Capital surplus	12,445	10.1	12,445	10.1	12,445	10.1
Additional paid-in capital	12,445		12,445		12,445	
Other capital surplus	0		0		0	
Retained earnings	80,505	65.1	75,940	61.6	78,482	63.6
Legal reserve	2,186		2,186		2,186	
General reserve	67,505		63,521		63,521	
Unappropriated retained earnings	10,814		10,232		12,775	
Net unrealized gains on available-for-sale securities	1,250	1.0	1,221	1.0	1,321	1.1
Treasury stock	(5,219)	(4.2)	(517)	(0.4)	(522)	(0.4)
TOTAL SHAREHOLDERS' EQUITY	98,910	80.0	99,016	80.4	101,654	82.4
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	123,560	100.0	123,209	100.0	123,412	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]	[149,647]		[143,465]		[287,833]	
Net sales	145,700	100.0	139,902	100.0	280,595	100.0
Cost of sales	111,446	76.5	107,300	76.7	214,250	76.4
Gross profit	34,254	23.5	32,601	23.3	66,344	23.6
Revenues from other operations	3,947	2.7	3,562	2.6	7,237	2.6
Revenue from commission fee	3,259		3,061		6,162	
Rental revenue on real estate	688		501		1,074	
Gross operating profit	38,201	26.2	36,164	25.9	73,582	26.2
Selling, general and administrative expenses	32,585	22.3	30,587	21.9	61,558	21.9
Operating income	5,616	3.9	5,576	4.0	12,024	4.3
Non-operating income and expenses						
Non-operating income	162	0.1	107	0.1	199	0.0
Interest income	46		36		79	
Dividend income	48		49		58	
Miscellaneous income	66		21		61	
Non-operating expenses	86	0.1	54	0.1	388	0.1
Provision for allowance for doubtful accounts	-		-		303	
Miscellaneous expenses	86		54		84	
Ordinary income	5,691	3.9	5,629	4.0	11,835	4.2
Special gains and losses						
Special gains	-	-	1	0.0	9	0.0
Special losses	478	0.3	25	0.0	238	0.1
Loss on disposal of property and equipment	477		13		83	
Other	0		11		155	
Income before income taxes	5,213	3.6	5,606	4.0	11,606	4.1
Income taxes - current	2,446	1.7	2,621	1.9	5,262	1.9
Income taxes - deferred	(274)	(0.2)	(185)	(0.2)	(200)	(0.1)
Net income	3,041	2.1	3,170	2.3	6,545	2.3
Retained earnings brought forward	7,773		7,062		7,062	
Interim dividends	-		-		832	
Unappropriated retained earnings	10,814		10,232		12,775	

Significant Accounting Policies for the Preparation of (Semi-)Annual financial statements

(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.
- 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

Investments in subsidiaries are valued at cost, determined using the moving-average method.

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.

() 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).

(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 ¥522 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.

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

Notes to Non-consolidated Financial Statements

Non-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	47,854	45,438	46,749
2. Contingent liabilities	16	33	23

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, 2005	For the six-month period ended August 31, 2004	For the year ended February 28, 2005
Net sales	25,410	24,998	49,297
Cost of sales	23,081	22,707	44,775
Gross profit	2,329	2,291	4,522

2. Depreciation and amortization 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
-Property and equipment	1,521	1,422	3,044
-Intangible assets	366	351	925
Total	1,887	1,773	3,970

3. 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.

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	6,622	6,219	6,546
Accumulated depreciation	3,423	2,916	3,231
Net book value	3,199	3,302	3,315

(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	1,241	1,222	1,255
Over one year	1,957	2,080	2,060
Total	3,199	3,302	3,315

(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	701	644	1,340
Depreciation expense	701	644	1,340

(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

There were no subsidiaries or affiliates whose fair value are available for the six-month periods ended August 31, 2005, 2004 and for the year ended February 28, 2005.