



July 11, 2006

# Consolidated Financial Results for the Three-Month Period Ended May 31, 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

## 1. Matters Concerning the Preparation of the Quarterly Financial Results

Adoption of Simplified Accounting Method : Applied  
 Changes in Accounting Method : None  
 Changes in the Scope of Consolidation : The number of consolidated subsidiaries decreased by 1  
 ( There are no applicable investments that are accounted for using the equity method. )

## 2. Business Results for the Current First Quarter (from March 1, 2006 to May 31, 2006)

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

	Revenues from Operations [ Net sales ]	Operating Income	Ordinary Income
First Quarter Ended May 31, 2006	83,682 11.1% [ 81,456 11.1% ]	2,336 ( 32.4% )	2,409 ( 30.7% )
First Quarter Ended May 31, 2005	75,305 5.0% [ 73,330 4.9% ]	3,456 ( 4.5% )	3,474 ( 4.1% )
Prior Fiscal Year	314,909 7.8% [ 306,639 7.7% ]	14,088 ( 2.0% )	14,170 0.0%
	Net Income	Net Income per Share	Diluted Net Income per Share
First Quarter Ended May 31, 2006	1,371 ( 31.0% )	27.11 (yen)	(yen)
First Quarter Ended May 31, 2005	1,987 ( 1.9% )	39.42 (yen)	(yen)
Prior Fiscal Year	7,364 ( 5.6% )	144.73 (yen)	(yen)

(Notes)

- 1) All amounts less than one million yen have been disregarded.
- 2) Percentages above represent increase/decrease over prior fiscal year.

(2) Financial Position (millions of yen, except per share amounts)

	Total Assets	Net assets	Ratio of Net assets to Total Assets	Net assets per Share
May 31, 2006	155,225	123,419	79.5%	2,439.84 (yen)
May 31, 2005	145,315	118,069	81.3%	2,341.52 (yen)
February 28, 2006	151,808	123,581	81.4%	2,441.30 (yen)

(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 (Year)
First Quarter Ended May 31, 2006	4,266	( 5,607 )	( 1,030 )	16,876
First Quarter Ended May 31, 2005	4,051	( 2,942 )	( 874 )	30,487
Prior Fiscal Year	13,106	( 15,503 )	( 8,609 )	19,247

## 3. Business Outlook for the Fiscal Year Ending February 28, 2007 (From March 1, 2006 to February 28, 2007)

(millions of yen)

	Revenues from Operations [ Net Sales ]	Operating Income	Ordinary Income	Net Income
Semi-Annual Period	177,300 16.7% [ 172,700 16.8% ]	6,950 ( 1.5% )	7,000 ( 1.1% )	3,820 0.9%
Entire Year	- - [ - - ]	- -	- -	- -

(Reference) Expected net income per share for the year ending February 28, 2007: - yen  
 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.

Because York-Benimaru Co., Ltd. is going to be delisted from the Tokyo Stock Exchange due to stock-for-stock exchange in late August 2006, Business Outlook for Entire Year was not disclosed.

## CONDENSED CONSOLIDATED BALANCE SHEETS

(millions of yen)

	May 31, 2006		May 31, 2005		Increase (decrease)		February 28, 2006	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>ASSETS</b>								
<b>Current Assets</b>	<b>45,401</b>	<b>29.2</b>	<b>58,942</b>	<b>40.6</b>	<b>(13,541)</b>	<b>(23.0)</b>	<b>45,356</b>	<b>29.9</b>
Cash and bank deposits	16,879		29,490		(12,611)		19,250	
Accounts receivable	776		595		180		567	
Securities	-		999		(999)		-	
Inventories	8,358		6,664		1,693		7,613	
Deferred income taxes	2,154		2,072		81		1,498	
Deposits held by financial service company	11,000		14,000		(3,000)		11,000	
Other current assets	6,232		5,118		1,113		5,427	
<b>Non-current Assets</b>	<b>109,823</b>	<b>70.8</b>	<b>86,373</b>	<b>59.4</b>	<b>23,450</b>	<b>27.2</b>	<b>106,451</b>	<b>70.1</b>
<b>Property and equipment</b>	<b>73,129</b>	<b>47.1</b>	<b>61,367</b>	<b>42.2</b>	<b>11,761</b>	<b>19.2</b>	<b>69,244</b>	<b>45.6</b>
Buildings and structures	32,822		29,788		3,034		33,032	
Machinery	1,056		954		102		1,013	
Furniture and equipment	3,079		2,034		1,044		2,760	
Land	26,281		24,941		1,340		26,321	
Construction in progress	9,889		3,649		6,240		6,116	
<b>Intangible assets</b>	<b>3,552</b>	<b>2.3</b>	<b>1,446</b>	<b>1.0</b>	<b>2,106</b>	<b>145.6</b>	<b>3,655</b>	<b>2.4</b>
<b>Investments and other assets</b>	<b>33,141</b>	<b>21.4</b>	<b>23,558</b>	<b>16.2</b>	<b>9,583</b>	<b>40.7</b>	<b>33,552</b>	<b>22.1</b>
Investments in securities	9,876		2,453		7,423		10,728	
Deferred income taxes	1,113		1,349		(235)		1,015	
Long-term leasehold deposits	18,178		16,906		1,272		17,629	
Other	4,579		3,455		1,123		4,784	
Allowance for doubtful accounts	(606)		(606)		-		(606)	
<b>TOTAL ASSETS</b>	<b>155,225</b>	<b>100.0</b>	<b>145,315</b>	<b>100.0</b>	<b>9,909</b>	<b>6.8</b>	<b>151,808</b>	<b>100.0</b>

(millions of yen)

	May 31, 2006		May 31, 2005		Increase (decrease)		February 28, 2006	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>LIABILITIES</b>								
<b>Current Liabilities</b>	<b>29,239</b>	<b>18.8</b>	<b>25,487</b>	<b>17.5</b>	<b>3,751</b>	<b>14.7</b>	<b>26,010</b>	<b>17.1</b>
Accounts payable	15,815		13,615		2,199		13,344	
Income taxes payable	1,636		2,079		(442)		2,669	
Allowance for bonuses to employees	2,618		2,509		109		1,420	
Other	9,168		7,283		1,885		8,575	
<b>Non-current Liabilities</b>	<b>2,566</b>	<b>1.7</b>	<b>1,758</b>	<b>1.2</b>	<b>808</b>	<b>46.0</b>	<b>2,216</b>	<b>1.5</b>
Accrued pension and severance costs	57		34		22		57	
Allowance for retirement benefits to directors and corporate auditors	724		648		75		699	
Other	1,784		1,074		710		1,459	
<b>TOTAL LIABILITIES</b>	<b>31,805</b>	<b>20.5</b>	<b>27,245</b>	<b>18.7</b>	<b>4,560</b>	<b>16.7</b>	<b>28,227</b>	<b>18.6</b>
<b>NET ASSETS</b>								
<b>Shareholders' equity</b>	<b>121,858</b>	<b>78.5</b>	<b>116,924</b>	<b>80.5</b>	<b>4,933</b>	<b>4.2</b>	<b>121,633</b>	<b>80.1</b>
Paid-in capital	9,927		9,927				9,927	
Capital surplus	12,999		12,839		160		12,839	
Retained earnings	99,082		94,681		4,400		99,015	
Treasury stock	(151)		(524)		372		(148)	
<b>Valuation and translation adjustments</b>	<b>1,560</b>	<b>1.0</b>	<b>1,144</b>	<b>0.8</b>	<b>416</b>	<b>36.3</b>	<b>1,947</b>	<b>1.3</b>
Net unrealized gains on available-for-sale securities	1,531		1,144		386		1,917	
Translation adjustments	29				29		29	
<b>Minority interests</b>		<b>-</b>		<b>-</b>		<b>-</b>		<b>-</b>
<b>TOTAL NET ASSETS</b>	<b>123,419</b>	<b>79.5</b>	<b>118,069</b>	<b>81.3</b>	<b>5,349</b>	<b>4.5</b>	<b>123,581</b>	<b>81.4</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>155,225</b>	<b>100.0</b>	<b>145,315</b>	<b>100.0</b>	<b>9,909</b>	<b>6.8</b>	<b>151,808</b>	<b>100.0</b>

## CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(millions of yen)

	First Quarter Ended May 31, 2006		First Quarter Ended May 31, 2005		Increase (decrease)		Prior Fiscal Year	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>Operating income and expenses</b>								
Revenues from operations	[83,682]		[75,305]		[8,376]	11.1	[314,909]	
Net sales	81,456	100.0	73,330	100.0	8,125	11.1	306,639	100.0
Cost of sales	58,354	71.6	52,232	71.2	6,121	11.7	218,118	71.1
<b>Gross profit</b>	<b>23,102</b>	<b>28.4</b>	<b>21,098</b>	<b>28.8</b>	<b>2,004</b>	<b>9.5</b>	<b>88,520</b>	<b>28.9</b>
Revenues from other operations	2,225	2.7	1,974	2.7	251	12.7	8,269	2.7
<b>Operating gross profit</b>	<b>25,328</b>	<b>31.1</b>	<b>23,072</b>	<b>31.5</b>	<b>2,255</b>	<b>9.8</b>	<b>96,790</b>	<b>31.6</b>
Selling, general and administrative expenses	22,991	28.2	19,615	26.8	3,375	17.2	82,701	27.0
<b>Operating income</b>	<b>2,336</b>	<b>2.9</b>	<b>3,456</b>	<b>4.7</b>	<b>(1,119)</b>	<b>(32.4)</b>	<b>14,088</b>	<b>4.6</b>
<b>Non-operating income and expenses</b>								
Non-operating income	99	0.1	90	0.1	9	10.8	262	0.1
Non-operating expenses	26	0.0	71	0.1	(44)	(62.4)	179	0.1
<b>Ordinary income</b>	<b>2,409</b>	<b>3.0</b>	<b>3,474</b>	<b>4.7</b>	<b>(1,065)</b>	<b>(30.7)</b>	<b>14,170</b>	<b>4.6</b>
<b>Special gains and losses</b>								
Special gains	99	0.1	-	-	99	-	22	0.0
Special losses	22	0.0	34	0.0	(11)	(32.7)	1,331	0.4
<b>Income before income taxes</b>	<b>2,486</b>	<b>3.1</b>	<b>3,440</b>	<b>4.7</b>	<b>(954)</b>	<b>(27.7)</b>	<b>12,861</b>	<b>4.2</b>
Income taxes - current	1,612	2.0	1,989	2.7	(376)	(18.9)	5,571	1.8
Income taxes - deferred	(498)	(0.6)	(536)	(0.7)	38	(7.1)	(74)	(0.0)
<b>Net income for the period (year)</b>	<b>1,371</b>	<b>1.7</b>	<b>1,987</b>	<b>2.7</b>	<b>(616)</b>	<b>(31.0)</b>	<b>7,364</b>	<b>2.4</b>

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(millions of yen)

	First Quarter Ended May 31, 2006	First Quarter Ended May 31, 2005	Prior Fiscal Year
<b>Cash flows from operating activities:</b>			
Income before income taxes	2,486	3,440	12,861
Depreciation and amortization	1,462	1,194	5,267
Increase in allowance for bonus to employees	1,198	1,249	119
Increase in accounts receivable	(208)	(138)	(103)
Increase in inventories	(745)	(217)	(451)
Increase in accounts payable	2,470	1,714	(15)
Other, net	173	(84)	1,507
Sub-total	6,835	7,158	19,186
Income taxes paid	(2,619)	(3,142)	(6,203)
Other, net	50	35	123
<b>Net cash provided by operating activities</b>	<b>4,266</b>	<b>4,051</b>	<b>13,106</b>
<b>Cash flows from investing activities:</b>			
Increase in deposits held by financial service company	-	(1,000)	2,000
Acquisition of property and equipment	(5,484)	(1,753)	(10,048)
Acquisition of intangible assets	(103)	(61)	(248)
Acquisition of investments in securities	-	-	(7,195)
Proceeds from sale of investments in securities	312	-	215
Refund of leasehold deposits	239	29	810
Proceeds from acquisition of investment in a subsidiary	-	-	1,058
Other, net	(571)	(157)	(2,094)
<b>Net cash used in investing activities</b>	<b>(5,607)</b>	<b>(2,942)</b>	<b>(15,503)</b>
<b>Cash flows from financing activities:</b>			
Repayment of short-term loans	(60)	-	(1,871)
Acquisition of treasury stock	(2)	(1)	(4,741)
Cash dividends paid	(968)	(873)	(1,936)
Other, net	0	-	(60)
<b>Net cash used in financing activities</b>	<b>(1,030)</b>	<b>(874)</b>	<b>(8,609)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Decrease in cash and cash equivalents</b>	<b>(2,371)</b>	<b>234</b>	<b>(11,005)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>19,247</b>	<b>30,252</b>	<b>30,252</b>
<b>Cash and cash equivalents at end of period (year)</b>	<b>16,876</b>	<b>30,487</b>	<b>19,247</b>