

**Consolidated Financial Results for the Year Ended February 28, 2009**  
**YOSHINOYA HOLDINGS CO.,LTD.**

Tokyo, Japan

April 14, 2009

Securities code: 9861  
 Shares listed: Tokyo Stock Exchange  
 URL: <http://www.yoshinoya-holdings.com>  
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 Scheduled date of the Ordinary General Meeting of Shareholders: May 28, 2009  
 Scheduled date of start of dividend payment: May 29, 2009  
 Scheduled date of filing of the annual securities report: May 29, 2009

(Amounts less than ¥1 million are truncated.)

1. Consolidated Performance for the year ended February 28, 2009 (From March 1, 2008, to February 28, 2009)

(1) Consolidated operating performance

(Millions of yen)

(Figures shown in percentages are rates of change from the previous fiscal year.)

	Net sales		Operating profit		Ordinary income		Net income	
Year ended Feb. 28, 2009	174,249	11.9 (%)	3,582	-42.4 (%)	4,340	-41.1 (%)	208	12.0 (%)
Year ended Feb. 28, 2008	155,779	14.9 (%)	6,222	68.6 (%)	7,372	74.8 (%)	186	-91.1 (%)

	Net income per share	Diluted net income per share	Ratio of net income to shareholders' equity	Ratio of ordinary income to total assets	Ratio of operating profit to net sales
Year ended Feb. 28, 2009	331.00 (yen)	331.00 (yen)	0.3 (%)	4.1 (%)	2.1 (%)
Year ended Feb. 28, 2008	296.00 (yen)	296.00 (yen)	0.3 (%)	7.3 (%)	4.0 (%)

(Reference) Profit/(loss) on investment by the equity method of accounting

Year ended Feb. 28, 2009 ¥63 million  
 Year ended Feb. 28, 2008 ¥25 million

(2) Consolidated financial position

(Millions of yen)

	Total assets	Net assets	Equity ratio	Net assets per share
Year ended Feb. 28, 2009	112,406	72,678	60.3 (%)	107,429.00 (yen)
Year ended Feb. 28, 2008	100,856	75,094	69.0 (%)	110,173.00 (yen)

(Reference) Shareholders' equity

Year ended Feb. 28, 2009 ¥67,826 million  
 Year ended Feb. 28, 2008 ¥69,558 million

(3) Consolidated 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 year
Year ended Feb. 28, 2009	7,725	(10,769)	(794)	19,774
Year ended Feb. 28, 2008	8,749	(9,318)	(1,606)	23,691

2. Dividend Status

(Record Date)	Dividend per share					Total cash dividends (Annually)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Annual			
Unit	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended Feb. 28, 2008	—	900.00	—	1,100.00	2,000.00	1,262	675.7	1.8
Year ended Feb. 28, 2009	—	1,000.00	—	1,000.00	2,000.00	1,262	604.2	1.8
Year ending Feb. 28, 2010 (Forecast)	—	1,000.00	—	1,000.00	2,000.00		—	

3. Forecast for the year ending February 28, 2010 (From March 1, 2009, to February 28, 2010)

(Millions of yen)

(Figures shown in percentages are rates of change from the previous corresponding period.)

	Net sales		Operating profit		Ordinary income		Net income		Net Income per share
Six months ending Aug. 31, 2009	97,500	22.5 (%)	1,400	-30.2 (%)	1,500	-39.8 (%)	(200)	—	(317.00) (yen)
Full year	200,000	14.8 (%)	4,200	17.2 (%)	4,400	1.4 (%)	250	19.6 (%)	396.00 (yen)

4. Others

(1) Significant changes of subsidiaries during the period (including changes of specified subsidiaries in scope of consolidation): Yes

Newly consolidated: one company (Don Co., Ltd.)

Excluded: None

(2) Change in accounting policies, procedures, disclosures, etc., for the preparation of the consolidated financial statements (Matters to be stated in the “Changes of Significant Items to the Basis of Preparation for the Consolidated Financial Statements”)

1) Changes due to revision of accounting standards, etc.: None

2) Changes other than 1): None

(3) Number of issued shares (common stock)

1) Number of issued shares at end of year (including treasury shares)

Year ended Feb. 28, 2009: 662,405 shares

Year ended Feb. 28, 2008: 662,405 shares

2) Number of treasury shares at end of year

Year ended Feb. 28, 2009: 31,046 shares

Year ended Feb. 28, 2008: 31,045 shares

**(Reference) Overview of Non-Consolidated Performance**

1. Non-Consolidated Performance in FY2008 (From March 1, 2008, to February 28, 2009)

(1) Non-consolidated operating performance

(Millions of yen)

(Figures shown in percentages are rates of change from the previous fiscal year.)

	Net sales		Operating profit		Ordinary income		Net income	
Year ended Feb. 28, 2009	3,881	-92.7 (%)	2,067	-49.7 (%)	2,247	-52.5 (%)	(631)	—
Year ended Feb. 28, 2008	53,348	-27.4 (%)	4,106	59.2 (%)	4,729	37.7 (%)	(2,075)	—

(Yen)

	Net income per share	Diluted net income per share
Year ended Feb. 28, 2009	(999.00)	—
Year ended Feb. 28, 2008	(3,289.00)	—

(2) Non-consolidated financial position

(Millions of yen)

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
Year ended Feb. 28, 2009	64,633	63,818	98.7 (%)	101,081.00 (yen)
Year ended Feb. 28, 2008	67,828	65,804	97.0 (%)	104,227.00 (yen)

(Reference) Shareholders' equity

Year ended Feb. 28, 2009 ¥63,818 million

Year ended Feb. 28, 2008 ¥65,777 million

**\* Summaries for relevant use of forecasts and other specific affairs**

- These projected performance figures above are based on information available to the management of YOSHINOYA HOLDINGS CO.,LTD. (the “Company”), as of the day the above data was released. Actual financial results may differ materially from the forecasts due to various uncertain factors.
- The information regarding non-consolidated performance forecasts is not disclosed because its impact on consolidated values is minor and immaterial.

## 1. Operating Results

### (1) Analysis of Business Results

#### 1) Overview of operating results for the year ended February 28, 2009

In FY2008 ended February 28, 2009, the business environment surrounding the restaurant industry has entered a recession phase since the autumn of 2008, largely affected by the confusion of financial markets, which was triggered by the subprime mortgage crisis. Moreover, consumer confidence has worsened, reflecting the sluggish real income of consumers. Consequently, the business environment has more harshened due to the intensifying competition to acquire loyal customers in the restaurant industry. In these difficult business circumstances, the Yoshinoya Group (the "Group") consistently addressed diverse actions by effectively utilizing the management resources of different group companies to maximize the corporate value of the Group.

For FY2008, consolidated net sales increased by ¥18,470 million, or 11.9% on a year-over-year basis, to ¥174,249 million, which were augmented by the inclusion of Don Co., Ltd., as a consolidated subsidiary in the second half of the year. However, operating profit decreased by ¥2,640 million, or 42.4%, to ¥3,582 million, and ordinary income decreased by ¥3,031 million, or 41.1%, to ¥4,340 million, affected by the hike of raw material prices and the adverse impact of sluggish consumption. Nevertheless, net income increased by ¥22 million, or 12.0%, to ¥208 million.

Business results by business segment were as follows:

#### (Beef bowl business)

In this business segment, the Group was active in opening new domestic stores by YOSHINOYA CO., LTD., the main pillar of the "Domestic Yoshinoya Business," along with overseas stores by its group companies in the "Overseas Yoshinoya Business," in anticipation of further growth.

In Japan, beginning from the year under review, YOSHINOYA CO., LTD. implemented table-service-type stores especially for suburban restaurants and increased the number of outlets in this format to 303 stores including new and renovated ones. It opened 81 new stores and closed 15 unprofitable stores in the year under review. As a result, it had a total of 1,102 stores domestically.

Overseas, YOSHINOYA AMERICA Group conducted aggressive franchising activity to recruit franchisees, thereby opening six new franchised stores. In China, FUJIAN YOSHINOYA FAST FOODS CO. LTD., a joint venture we established during FY2008, opened three new stores. As for overall store development including other regions, we opened 60 new stores and closed 11 unprofitable stores. As a result, overseas Yoshinoya stores totaled 350 for an aggregate of 1,452 Yoshinoya-brand chain stores worldwide as of February 28, 2009.

As a result of the factors described above, net sales of the beef bowl business increased by ¥2,480 million, or 2.5% on a year-over-year basis, to ¥103,533 million, whereas operating profit decreased by ¥543 million, or 7.8%, to ¥6,435 million.

#### (Sushi-related business)

In the take-out service category, existing Kyotaru stores performed firmly, as net sales edged up by 0.3% on a year-over-year basis, through sales promotions such as the focused sales of *edomae* sushi in the evening. In the eat-in service category, we withdrew from the family restaurant business and opened two sushi-go-round restaurants, Uoemon, featuring flat dish price of ¥105 each. We opened 14 new stores and closed 42 unprofitable stores in the year under review. As a result, our stores operated in this segment totaled 368 as of February 28, 2009.

As a result, net sales of the sushi-related business decreased by ¥987 million, or 3.1%, to ¥30,739 million and we recorded an operating loss of ¥389 million, compared with operating profit of ¥216 million for the previous fiscal year.

#### (Snack business)

Peterpan Comoco Co., Ltd. revised its product prices for *taiyaki* (cakes filled with sweet bean paste) and *takoyaki* (grilled octopus dumplings) at Hitokuchi Chaya, its mainstay fast-food outlets in July 2008 and conducted a half-price *taiyaki* discount sale to revitalize existing stores. As a result of 21 new openings and the closing of 20 unprofitable stores, its stores totaled 273. The stores operated in this segment, including those of SHINKINE CO., LTD., totaled 300 as of February 28, 2009.

As a result, net sales of the snack business decreased by ¥209 million, or 2.6%, to ¥7,960 million, and operating profit increased by ¥3 million, or 19.2%, to ¥20 million.

#### (Other restaurant business)

Don Co., Ltd., in its "Steak no Don" brand store category, established drink bar corners in all the Steak no Don restaurants in west Japan, and newly added "DonDon Hamburger" and other selection menus that allow customers to select an assortment items. As for its "Steak House Volks" brand store category, the Bread Bar, which has become increasingly popular, was installed at nine Volks stores. A "Shabu Shabu Don Tei" brand store was newly opened. As a result of closing one store due to the expiry of an agreement, the number of steak restaurants in this chain totaled 189 as of February 28, 2009.

Hanamaru, Inc. improved its net sales at existing stores, up 3.0% on a year-over-year basis by sales of *udon* pass tickets at its chain stores located in shopping centers and the extension of breakfast service hours. As a result of opening 50 stores and closing six unprofitable stores, its stores totaled 253 as of February 28, 2009.

R-1 CO., LTD. strove to improve its sales through refinement of its core products and distribution of service coupons as measures to increase the number of guests and reduced costs through improvement in productivity at its plants and other facilities. As a result of closing 35 unprofitable stores without a new opening, its stores totaled 77 as of February 28, 2009.

The total of stores and restaurants including those operated by SENKICHI CO., LTD. and SHANGHAI EXPRESS CO., LTD., and "Okazu no Hana" stands for prepared dishes in addition to those operated by Don, Hanamaru and R-1, was 580 as of February 28, 2009.

As a result, net sales of the other restaurant business leaped by ¥17,099 million, or 127.8%, to ¥30,474 million, whereas an operating loss of ¥1,348 million was recorded compared with an operating loss of ¥911 million for the previous fiscal year.

(Other business)

MR SERVICE CO., LTD. increased its net sales by extending transactions to those with partners outside the Group, apart from orders by YOSHINOYA CO., LTD. for the construction of new stores and the maintenance of existing ones. CONSTANTS CO., LTD. was engaged mainly in real estate management operations of the group companies.

As a result, net sales of the other business increased by ¥2,344 million, or 50.9% on a year-over-year basis, to ¥6,953 million, and operating profit jumped by ¥359 million, or 230.0%, to ¥515 million.

## 2) Outlook for the fiscal year ending February 2010

Economic prospects for the next fiscal year indicate that consumer confidence will likely continue to weaken for the time being given the uncertain outlook for economic recovery due to the anticipated slump in the Japanese economy.

In these harsh circumstances, however, we will attempt to maximize the corporate value of the Group by addressing the group-wide theme of "Focus" for future growth toward the realization of quality- and profitability-oriented management.

In the beef bowl business, we will actively increase openings of table-service-type stores for the domestic Yoshinoya business while developing new criteria that should contribute to enabling optimum allocation of those stores and conventional counter-type stores. In addition, we intend to increase sales and profit by reviewing the menu configuration to better respond to localized features such as site location and core customer layers. For overseas operations, we established YOSHINOYA INTERNATIONAL CO., LTD. on February 5, 2009, to achieve swifter decision-making on planning and execution of overseas strategies and further improvement of managerial efficiency. We will be accelerating further development of the global Yoshinoya businesses especially in East Asia, including China and Southeast Asia, while drawing on the overseas business deployment know-how that has been accumulated by the Group.

As for the sushi-related business, we intend to improve the earnings structure of relevant stores by promoting sales of *edomae* sushi in the take-out service category. In the eat-in service category, we will focus on the opening of the "Uoemon" format sushi-go-round restaurants featuring flat dish price of ¥105 each.

In the snack business, Peterpan Comoco will continue to develop new business formats to promote new openings.

As for the other restaurant business, Don will continue to restructure the "Steak no Don" brand stores. Meanwhile, Don intends to proactively develop a new growth stage by increasing openings of the "Shabu Shabu Don Tei" brand stores. Hanamaru will endeavor to raise its earnings capability at each store and improve the value of the core *udon* menus. R-1 will continue to practice structural reforms of its overall business and, at the same time, focus its efforts on improving business performance through enhanced cost reduction.

In the other business, MR SERVICE plans to expand its transactions with new business partners other than YOSHINOYA.

On the condition that all the above measures are smoothly carried out, the Group anticipates net sales of ¥200.0 billion, up 14.8% on a year-over-year basis, operating profit of ¥4,200 million, up 17.2%, ordinary income of ¥4,400 million, up 1.4%, and net income of ¥250 million, up 19.6%, on a consolidated basis for the year ending February 28, 2010.

The earnings outlook figures above are based on certain conditions judged reasonable according to the information available to the Group up to the day the above data was released. Please be aware that actual financial results may differ from the forecast values due to various uncertain factors.

## (2) Analysis of Financial Position

Total assets at end of FY2008 rose ¥11,550 million from the end of the previous fiscal year to ¥112,406 million, total liabilities increased by ¥13,966 million to ¥39,728 million and net assets decreased by ¥2,416 million to ¥72,678 million on a consolidated basis.

Consolidated cash flow conditions were as described below.

Cash and cash equivalents at end of FY2008 amounted to ¥19,774 million, a decline of ¥3,917 million from those at beginning of the fiscal year, after adding the effect of exchange rate changes on cash and cash equivalents.

### 1) Cash flows from operating activities

Net cash provided by operating activities in the fiscal year under review totaled ¥7,725 million, a decline of ¥1,024 million compared with that of the previous fiscal year, reflecting such factors as a ¥1,067 million loss on retirement and sales of fixed assets, a ¥172 million decrease in accrued pension cost, ¥5,102 million in depreciation and amortization and a ¥1,476 million impairment loss. A principal contributor to this year-over-year decline was a decrease of ¥604 million in extraordinary loss from the previous fiscal year.

### 2) Cash flows from investing activities

Net cash used in investing activities in the fiscal year under review totaled ¥10,769 million, a decline of ¥1,450 million compared with that of the previous fiscal year, reflecting such factors as ¥681 million in proceeds from collections on guarantee money deposited, a total of ¥12,231 million in the purchase of property, plant and equipment and the acquisition of intangible fixed assets and ¥1,126 million in guarantee money deposited.

### 3) Cash flows from financing activities

Net cash used in financing activities in the fiscal year under review totaled ¥794 million, an increase of ¥811 million compared with that of the previous fiscal year, reflecting such factors as ¥3,350 million in proceeds from long-term debt, ¥1,321 million in cash dividends paid and ¥2,307 million in the repayment of long-term debt.

A summary of cash flow-related indices is as follows:

	FY2005	FY2006	FY2007	FY2008
Equity ratio (%)	70.3	70.1	69.0	60.3
Market value-based equity ratio (%)	119.5	125.1	109.5	61.6
Debt redemption (years)	1.1	0.8	0.4	1.9
Interest coverage ratio (times)	36.1	74.0	96.9	38.8

(Calculation method)

Equity ratio = Shareholders' equity/Total assets

Market value-based equity ratio = Total market value/Total assets

Debt redemption = Interest-bearing debt/Operating cash flows

Interest coverage ratio = Operating cash flows/Interest payment

Notes:

1. Each index is calculated based on consolidated financial figures.
2. Total market value is calculated by multiplying the closing stock price at end of year by the number of issued and outstanding shares at end of year.
3. Operating cash flows are the value stated as "Cash flows from operating activities" in the consolidated statements of cash flows. Interest-bearing debt represents the liabilities for which interest is paid on all the liabilities posted in the consolidated balance sheets. Interest payment corresponds to the amount of "Interest paid" in the consolidated statement of cash flows.

### (3) Basic Policy for Distribution of Profit and Dividends for FY2008 and FY2009

The Group follows a basic policy of distributing profits to its shareholders in an appropriate manner by continuously raising its corporate value via sound business operations. To that end, the Group considers that increases in ROE (return on equity) and EPS (earnings per share) would be critical management challenges for the return of interests to its shareholders and is committed to determining dividends from surplus by giving due consideration to its operating results and the business environment. Based on this policy, the Group intends to effectively apply its internal reserve to loans and investments for M&A projects to gain larger scale and reinforce the business foundations of the group companies.

The Company intends to distribute a year-end dividend of ¥1,000 per share for FY2008, thereby achieving an annual dividend of ¥2,000 per share together with the interim dividend of ¥1,000 per share.

### (4) Risk Factors on Business

The following describe several risk factors that might potentially have effects on the operating performance, financial conditions, stock prices, etc., of the Group. The forward-looking statements in this document were determined by the Group as of February 28, 2009.

#### 1) Risk related to the procurement of raw materials

The prohibition on the import of beef produced in the United States was lifted in July 2006 on the condition that "beef shall be from cattle less than 20 months old and the SRM (specified risk materials) shall be removed." However, the volume procurable remains restrictive and the issue continues to have a considerable impact on the beef bowl business. Although we intend to increase risk-hedging efforts in the development of new production areas and the diversification of procurement, difficulties in ensuring the required quantities of raw materials might be caused or purchase prices may rise due to the occurrence of any epidemic, unseasonal weather, a natural disaster or others as food ingredients used by the group companies are considerably diversified.

Approximately 60% of the raw materials used in our mainstay beef bowl business are imported, and the importation of U.S.-produced beef is conducted through dollar-denominated transactions. Despite our efforts to avoid exchange risk with measures such as forward exchange contracts, fluctuating foreign exchange rates could adversely affect the Group's business performance by a rise in the cost of sales in case of the hefty depreciation of the yen.

#### 2) High dependency on the beef bowl business

Net sales of the beef bowl business account for as high as 59.4% of the consolidated net sales of the Group. Although we will focus on developing another core business to reduce such a dependency on a sole business, the high ratio of dependency on the beef bowl business will continue in the years ahead. Consequently, the business performance of the beef bowl business could have a hefty impact on the Group's overall business performance.

#### 3) Safety management of foods

The Group pays maximum attention to hygiene and health management to provide safe food products to customers. Should any hygiene issue such as a mass food poisoning occur, the damaged corporate image and/or possible payment of compensation for damages could have a serious impact on the Group's business performance. In response to a series of scandals around false product labeling, consumers are increasingly focused on food safety. As a result, should legal restrictions on safety management change in the future, the Group might incur certain expenditures to cope with such legislative changes.

4) Risk regarding an impairment loss

The Group recorded an impairment loss of ¥1,476 million for the year ended February 28, 2009. Should a further impairment loss arise from a decline in the land price trend and/or the income situation of any subsidiaries, the Group's business performance might be affected.

5) Country risk related to overseas business development

Country-related risk factors such as political situation, economy, legal restrictions and business customs, which are proper to the country where any of our subsidiaries operate, could have an adverse impact on the Group's overall business performance.

6) Competition risk

Although the overall market scale of the catering industry remained flat in these years, the number of restaurants is still increasing. In addition, competition in the market has been even intensifying by entries from other industries such as sales of bento lunch boxes and prepared food products at the convenience chain stores. Although the Group intends to aggressively promote several initiatives to raise net sales by encouraging further corporate development of its consolidated subsidiaries and affiliates and an active presence overseas, the overall growth rate of net sales of the Group might slow.

7) Dependency on rental properties of stores

The Group has lease contracts for its offices and most of its store properties. Although the term of the lease contracts can be renewed by agreement with the respective lessors, some of them might be cancelled due to conditions on the lessor side. There is also an uncollectibility risk for a part of the guarantee money deposited to lessors, which totaled ¥16,938 million as of February 28, 2009.

8) Legal restrictions

The Group is subject to various legal restrictions and systems regarding business operations of stores related to food sanitation, store facilities, labor conditions, store environment and so on, in addition to general ordinances such as the Corporation Law, the Financial Instruments and Exchange Law and the Corporation Tax Law. Should any such legal restrictions be strengthened, the Group might incur certain expenditures to cope with such legislative changes, thereby causing an impact on its business performance.

9) Risk regarding natural disasters, etc.

Should a natural disaster or a grave accident such as a large-scale earthquake, winds, flood damage or a fire occur and damage store or plant facilities, the Group's business performance might be adversely affected by the disturbance in sales activity, purchasing or logistics or due to injuries to any customers and/or employees.

10) Employment of part-timers

The Group employs numerous part-timers and other temporary workers. In addition to the impossibility of ensuring an appropriate number of well-trained workers, which might be caused by any demographic change in future employment, any revision to various labor-related ordinances or to the applicable laws regarding the treatment of part-timers and other temporary workers including the employees' welfare pension insurance, could have an adverse impact on the Group's business performance by raising the burden of personnel expenses.

11) Protection of personal information

The respective group companies endeavor to prevent leakage of privacy information by carefully managing the relevant personal information of customers, employees and shareholders with the highest consideration. Should any such personal information be leaked out, the damaged corporate image and/or possible payment of compensation for damages could have an impact on the Group's business performance.

## Consolidated Financial Statements

### (1) Consolidated Balance Sheets

Fiscal Period		FY2007 (As of February 29, 2008)		FY2008 (As of February 28, 2009)			
Account Item	Note No.	Amount (Millions of yen)		Composition (%)	Amount (Millions of yen)		Composition (%)
<b>ASSETS</b>							
Current assets							
Cash and deposits	*3		23,791			19,981	
Notes and accounts receivable—trade			4,110			4,414	
Inventories			7,191			4,596	
Deferred tax assets			1,054			815	
Other			1,454			2,419	
Allowance for doubtful accounts			(25)			(28)	
Total current assets			37,576	37.3		32,198	28.6
Fixed assets							
Property, plant and equipment							
Buildings and structures	*3	42,889			57,313		
Accumulated depreciation		24,074	18,814		31,353	25,960	
Machinery, equipment and vehicles		4,415			4,271		
Accumulated depreciation		3,363	1,052		3,370	900	
Tools, furniture and fixtures		9,791			12,471		
Accumulated depreciation		7,183	2,607		9,033	3,438	
Land	*3		9,901			10,120	
Construction in progress			304			488	
Total property, plant and equipment			32,680	32.4		40,907	36.4
Intangible fixed assets							
Goodwill			723			3,994	
Other			2,044			3,531	
Total intangible fixed assets			2,768	2.7		7,526	6.7
Investments and other assets							
Investment securities	*1, *3		2,570			933	
Long-term loans receivable			971			1,280	
Long-term prepaid expenses			3,174			5,901	
Guarantee money deposited	*3		14,435			16,938	
Investment real estate	*3	3,697			5,097		
Accumulated depreciation		756	2,941		1,369	3,727	
Deferred tax assets			1,196			1,475	
Other	*1		2,858			2,110	
Allowance for doubtful accounts			(294)			(557)	
Allowance for investment loss			(23)			(36)	
Total investments and other assets			27,831	27.6		31,774	28.3
Total fixed assets			63,280	62.7		80,208	71.4
Total assets			100,856	100.0		112,406	100.0

Fiscal Period		FY2007 (As of February 29, 2008)		FY2008 (As of February 28, 2009)	
Account Item	Note No.	Amount (Millions of yen)	Composition (%)	Amount (Millions of yen)	Composition (%)
<b>LIABILITIES</b>					
Current liabilities					
Notes and accounts payable—trade		4,944		6,321	
Short-term borrowings	*3	2,094		5,577	
Accrued income taxes		2,613		2,528	
Accrued bonus		1,141		1,357	
Accrued bonus for directors and corporate auditors		89		86	
Other	*3	8,143		9,388	
Total current liabilities		19,026	18.8	25,260	22.5
Long-term liabilities					
Debentures		—		316	
Long-term debt	*3	1,707		8,954	
Accrued pension cost		1,858		2,042	
Reserve for retirement benefits for directors and corporate auditors		187		235	
Deferred tax liabilities		—		24	
Other	*3	2,981		2,894	
Total long-term liabilities		6,735	6.7	14,468	12.8
Total liabilities		25,762	25.5	39,728	35.3
<b>NET ASSETS</b>					
Shareholders' equity					
Common stock		10,265	10.2	10,265	9.1
Capital surplus		11,153	11.1	11,153	9.9
Retained earnings		55,076	54.6	53,959	48.0
Treasury stock		(5,945)	(5.9)	(5,946)	(5.2)
Total shareholders' equity		70,549	70.0	69,432	61.8
Valuation and translation adjustments					
Net unrealized gains (losses) on other securities		26	0.0	(10)	(0.0)
Translation adjustment		(1,017)	(1.0)	(1,595)	(1.4)
Total valuation and translation adjustments		(990)	(1.0)	(1,605)	(1.4)
Minority interests		5,535	5.5	4,851	4.3
Total net assets		75,094	74.5	72,678	64.7
Total liabilities and net assets		100,856	100.0	112,406	100.0

## (2) Consolidated Statements of Income

Fiscal Period		FY2007 (From March 1, 2007, to February 29, 2008)		FY2008 (From March 1, 2008, to February 28, 2009)			
Account Item	Note No.	Amount (Millions of yen)		Composition (%)	Amount (Millions of yen)		Composition (%)
Net sales			155,779	100.0		174,249	100.0
Cost of sales			60,950	39.1		66,356	38.1
Gross profit			94,828	60.9		107,893	61.9
Selling, general and administrative expenses	*1		88,606	56.9		104,311	59.9
Operating profit			6,222	4.0		3,582	2.0
Non-operating profit							
Interest income		139			119		
Dividend income		126			21		
Rental income		489			532		
Income from distribution of goods		33			34		
Received commission		160			176		
Equity in earnings of unconsolidated subsidiaries and affiliates		25			—		
Compensation for business		473			219		
Miscellaneous profit		326	1,773	1.1	430	1,534	0.9
Non-operating expenses							
Interest expense		87			196		
Investment loss on investment securities		90			15		
Rental expense		341			356		
Equity in losses of unconsolidated subsidiaries and affiliates		—			63		
Miscellaneous loss		105	624	0.4	144	776	0.4
Ordinary income			7,372	4.7		4,340	2.5

Fiscal Period		FY2007 (From March 1, 2007, to February 29, 2008)		FY2008 (From March 1, 2008, to February 28, 2009)			
Account Item	Note No.	Amount (Millions of yen)		Composition (%)	Amount (Millions of yen)		Composition (%)
Extraordinary income							
Gain on sales of fixed assets	*2	179			1,790		
Gain on sales of investment securities		8			8		
Reversal of appraised assets		168			167		
Gain on cancellation of contracts		18	374	0.3	—	1,967	1.1
Extraordinary loss							
Loss on retirement of fixed assets	*3	781			686		
Loss on sales of fixed assets	*4	10			36		
Impairment loss	*5	2,323			1,476		
Loss on sales of investment securities		948			—		
Loss on devaluation of investment securities		83			83		
Loss on cancellation of contracts		37			30		
Provision for allowance for investment loss		11			13		
Loss on business withdrawal		—			718		
Provision for allowance for doubtful accounts		—			239		
Loss on devaluation of memberships		—			3		
Loss on devaluation of investment in capital		—			150		
Litigation expense	*6	23			30		
Bad debt loss		—	4,221	2.7	145	3,616	2.1
Income before income taxes			3,526	2.3		2,691	1.5
Income taxes—current		3,472			3,568		
Income taxes—deferred		(363)	3,109	2.0	(176)	3,391	1.9
Minority interests in income			230	0.2		—	—
Minority interests in loss			—	—		908	0.5
Net income			186	0.1		208	0.1

(3) Consolidated Statements of Change in Net Assets  
 FY2007 (From March 1, 2007, to February 29, 2008)

(Millions of yen)

	Shareholders' Equity				
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at February 28, 2007	10,265	11,141	55,962	(6,124)	71,244
Changes during the year					
Dividends from surplus	—	—	(1,072)	—	(1,072)
Net income	—	—	186	—	186
Disposal of treasury stock	—	12	—	178	190
Net changes in terms other than shareholders' equity during the year	—	—	—	—	—
Total changes during the year	—	12	(885)	178	(695)
Balance at February 29, 2008	10,265	11,153	55,076	(5,945)	70,549

	Valuation and Translation Adjustments			Minority Interests	Total Net Assets
	Net Unrealized Gains (Losses) on Other Securities	Translation Adjustment	Total Valuation and Translation Adjustments		
Balance at February 28, 2007	(380)	(901)	(1,281)	5,371	75,334
Changes during the year					
Dividends from surplus	—	—	—	—	(1,072)
Net income	—	—	—	—	186
Disposal of treasury stock	—	—	—	—	190
Net changes in terms other than shareholders' equity during the year	407	(116)	291	164	455
Total changes during the year	407	(116)	291	164	(239)
Balance at February 29, 2008	26	(1,017)	(990)	5,535	75,094

FY2008 (From March 1, 2008, to February 28, 2009)

(Millions of yen)

	Shareholders' Equity				
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at February 29, 2008	10,265	11,153	55,076	(5,945)	70,549
Changes during the year					
Dividends from surplus	—	—	(1,325)	—	(1,325)
Net income	—	—	208	—	208
Acquisition of treasury stock	—	—	—	(0)	(0)
Net changes in terms other than shareholders' equity during the year	—	—	—	—	—
Total changes during the year	—	—	(1,116)	(0)	(1,117)
Balance at February 28, 2009	10,265	11,153	53,959	(5,946)	69,432

	Valuation and Translation Adjustments			Minority Interests	Total Net Assets
	Net Unrealized Gains (Losses) on Other Securities	Translation Adjustment	Total Valuation and Translation Adjustments		
Balance at February 29, 2008	26	(1,017)	(990)	5,535	75,094
Changes during the year					
Dividends from surplus	—	—	—	—	(1,325)
Net income	—	—	—	—	208
Acquisition of treasury stock	—	—	—	—	(0)
Net changes in terms other than shareholders' equity during the year	(37)	(577)	(615)	(684)	(1,299)
Total changes during the year	(37)	(577)	(615)	(684)	(2,416)
Balance at February 28, 2009	(10)	(1,595)	(1,605)	4,851	72,678

## (4) Consolidated Statements of Cash Flows

Fiscal Period		FY2007 (From March 1, 2007, to February 29, 2008)	FY2008 (From March 1, 2008, to February 28, 2009)
Account Item	Note No.	Amount (Millions of yen)	Amount (Millions of yen)
<b>Cash flows from operating activities</b>			
Income before income taxes		3,526	2,691
Depreciation and amortization		3,770	5,102
Amortization of goodwill		629	622
Increase (Decrease) in allowance for doubtful accounts		(58)	209
Increase (Decrease) in accrued bonus		17	(30)
Decrease in accrued pension cost		(197)	(172)
Decrease in reserve for retirement benefits for directors and corporate auditors		(563)	(0)
Increase (Decrease) in accrued bonus for directors and corporate auditors		42	(3)
Interest and dividend income		(265)	(141)
Interest expense		87	196
Equity in earnings (losses) of unconsolidated subsidiaries and affiliates		(25)	63
Gain (Loss) on sales of investment securities		940	(8)
Loss on devaluation of investment securities		83	83
Investment loss on investment securities		90	15
Loss on devaluation of investment in capital		—	150
Loss on devaluation of memberships		—	3
Gain (Loss) on retirement and sales of fixed assets		612	(1,067)
Impairment loss		2,323	1,476
Increase in trade receivables		(246)	(92)
(Increase) Decrease in inventories		(991)	2,857
Decrease in trade payables		(14)	(1)
(Increase) Decrease in accounts receivable—other		99	(10)
Increase in other assets and liabilities		1,112	271
Subtotal		10,970	12,218
Interest and dividends received		273	144
Interest paid		(90)	(199)
Income taxes paid		(2,405)	(4,438)
Net cash provided by operating activities		8,749	7,725

Fiscal Period		FY2007 (From March 1, 2007, to February 29, 2008)	FY2008 (From March 1, 2008, to February 28, 2009)
Account Item	Note No.	Amount (Millions of yen)	Amount (Millions of yen)
<b>Cash flows from investing activities</b>			
Increase in time deposits		(12,547)	(952)
Proceeds from repayment of time deposits		12,542	982
Purchase of property, plant and equipment		(6,638)	(10,840)
Proceeds from sales of property, plant and equipment		39	2,679
Acquisition of intangible fixed assets		(381)	(1,391)
Withdrawal of fixed assets		(73)	(185)
Purchase of investment securities		(1,730)	(60)
Proceeds from sales of investment securities		1,115	9
Proceeds from dividends paid by an investment partnership		206	1
Proceeds from redemption of investment securities		502	—
Guarantee money deposited		(926)	(1,126)
Proceeds from collections on guarantee money deposited		397	681
Increase in loans receivable		(382)	(646)
Proceeds from collections on loans receivable		471	328
Purchase of investment real estate		(753)	—
Proceeds from sales of investment real estate		412	—
Purchase of shares of affiliates that accompanies a change to the scope of consolidation	*2	(625)	(202)
Getting transfer of a business	*3	(751)	—
Investment in capital of affiliates		—	(150)
Proceeds from liquidation of an unconsolidated subsidiary		—	106
Other		(195)	(2)
Net cash used in investing activities		(9,318)	(10,769)

Fiscal Period		FY2007 (From March 1, 2007, to February 29, 2008)	FY2008 (From March 1, 2008, to February 28, 2009)
Account Item	Note No.	Amount (Millions of yen)	Amount (Millions of yen)
<b>Cash flows from financing activities</b>			
Decrease in short-term borrowings, net		(142)	(444)
Repayment of long-term debt		(916)	(2,307)
Redemptions of debentures		—	(8)
Proceeds from sales of treasury stock		190	—
Purchase of treasury stock		—	(0)
Proceeds from long-term debt		400	3,350
Cash dividends paid		(1,074)	(1,321)
Cash dividends paid to minority shareholders		(63)	(64)
Net cash used in financing activities		(1,606)	(794)
Effect of exchange rate changes on cash and cash equivalents		(32)	(78)
Net decrease in cash and cash equivalents		(2,208)	(3,917)
Cash and cash equivalents at beginning of year		25,900	23,691
Cash and cash equivalents at end of year	*1	23,691	19,774

## Segment Information

### a. Segment Information by Business Segment

FY2007 (From March 1, 2007, to February 29, 2008)

(Millions of yen)

	Beef Bowl Business	Sushi-related Business	Snack Business	Other Restaurant Business	Other Business	Total	Elimination or Corporate	Consolidated
I. Net sales and operating profit (loss)								
Net sales								
(1) Sales to unaffiliated customers	101,053	31,723	8,135	13,375	1,491	155,779	—	155,779
(2) Intersegment sales or transfer	0	4	34	—	3,117	3,156	(3,156)	—
Total	101,053	31,727	8,170	13,375	4,609	158,935	(3,156)	155,779
Operating expenses	94,075	31,511	8,152	14,286	4,452	152,478	(2,921)	149,556
Operating profit (loss)	6,978	216	17	(911)	156	6,457	(234)	6,222
II. Total assets, depreciation and amortization, impairment loss and capital expenditures								
Total assets	57,893	18,157	3,313	6,236	3,197	88,798	12,057	100,856
Depreciation and amortization	2,316	629	168	429	9	3,553	217	3,770
Impairment loss	356	157	28	1,608	—	2,150	173	2,323
Capital expenditures	4,523	1,078	157	1,051	15	6,827	1,073	7,900

Notes:

#### 1. Segmentation method

Business segments are classified according to the type of business organization, products for sale and other factors.

#### 2. The major products for sale in the respective business segments are as follows:

Segment	Major products and relevant goods or services belonging to each segment
Beef bowl Business	Sales of <i>gyudon</i> beef bowl dishes; <i>butadon</i> pork bowl dishes; <i>asa-teishoku</i> (breakfast set meals); <i>oshinko</i> (pickles), etc.; food ingredients such as meats, rice and special sauces; and packaging materials such as bento lunch boxes and fixtures
Sushi-related Business	Take-out sushi products via over-the-counter sales and sushi-go-round restaurants
Snack Business	Manufacturing and sales of various kinds of Japanese-style fast-food products such as <i>taiyaki</i> , <i>takoyaki</i> and <i>okonomiyaki</i> (grilled spicy pancakes with a wide variety of ingredients) and Japanese-style confectionery
Other Restaurant Business	Over-the-counter sales of curry <i>udon</i> (Japanese wheat noodles); home delivery of Chinese- and Western-style dishes; over-the-counter sales of <i>sanuki udon</i> noodles; over-the-counter sales of takeout-prepared dishes; and over-the-counter sales of <i>ramen</i> Chinese noodles
Other Business	Construction and repair/maintenance of store facilities; and rental/leasing of real estate

#### 3. Major corporate assets included in “Elimination or Corporate” are funds for the management of surplus funds, long-term investment funds and investment real estate at the parent company.

FY 2007: ¥12,066 million

#### 4. Change in accounting policy

(FY 2007)

Pursuant to the revision to the Corporation Tax Law, effective from the fiscal year ended February 29, 2008, the Company and its domestic consolidated subsidiaries have changed their method of accounting for the depreciation of property, plant and equipment acquired on or after April 1, 2007. As a result of this change, operating expenses increased by ¥48 million for the beef bowl business, ¥10 million for the sushi-related business, ¥5 million for the snack business, ¥30 million for the other restaurant business, ¥0 million for the other business and ¥0 million for “Elimination or Corporate.” Meanwhile, operating profit was reduced by the same amounts for the respective business segments.

FY2008 (From March 1, 2008, to February 28, 2009)

(Millions of yen)

	Beef Bowl Business	Sushi-Related Business	Snack Business	Other Restaurant Business	Other Business	Total	Elimination or Corporate	Consolidated
I. Net sales and operating profit (loss)								
Net sales								
(1) Sales to unaffiliated customers	103,510	30,731	7,939	30,474	1,593	174,249	—	174,249
(2) Intersegment sales or transfer	22	8	21	0	5,359	5,412	(5,412)	—
Total	103,533	30,739	7,960	30,474	6,953	179,662	(5,412)	174,249
Operating expenses	97,098	31,129	7,940	31,822	6,437	174,428	(3,760)	170,667
Operating profit (loss)	6,435	(389)	20	(1,348)	515	5,234	(1,651)	3,582
II. Total assets, depreciation and amortization, impairment loss and capital expenditures								
Total assets	59,517	15,641	2,963	25,281	1,869	105,274	7,132	112,406
Depreciation and amortization	3,305	653	166	914	12	5,052	50	5,102
Impairment loss	133	397	40	904	—	1,476	—	1,476
Capital expenditures	8,459	973	199	2,549	63	12,245	9	12,255

Notes:

1. Segmentation method

Business segments are classified according to the type of business organization, products for sale and other factors.

2. The major products for sale in the respective business segments are as follows:

Segment	Major products and relevant goods or services belonging to each segment
Beef bowl Business	Sales of <i>gyudon</i> beef bowl dishes; <i>butadon</i> pork bowl dishes; <i>asa-teishoku</i> (breakfast set meals); <i>oshinko</i> (pickles), etc.; food ingredients such as meats, rice and special sauces; and packaging materials such as bento lunch boxes and fixtures
Sushi-related Business	Take-out sushi products via over-the-counter sales and sushi-go-round restaurants
Snack Business	Manufacturing and sales of various kinds of Japanese-style fast-food products such as <i>taiyaki</i> , <i>takoyaki</i> and <i>okonomiyaki</i> (grilled spicy pancakes with a wide variety of ingredients) and Japanese-style confectionery
Other restaurant business	Over-the-counter sales of steak, <i>shabu shabu</i> , <i>sanuki udon</i> noodles, <i>ramen</i> Chinese noodle s, curry <i>udon</i> and takeout-prepared dishes, and home delivery of Chinese- and Western-style dishes
Other business	Construction and repair/maintenance of store facilities; and rental/leasing of real estate, etc.

3. Major corporate assets included in “Elimination or Corporate” are funds for the management of surplus funds, long-term investment funds and investment real estate at the parent company.

FY 2008: ¥7,096 million

4. Additional information

(FY 2008)

Pursuant to the revision to the Corporation Tax Law (Partial Revision of the Income Tax Law, Law No. 6, on March 30, 2007) and the Cabinet Order (Cabinet Order No. 83 on March 30, 2007) for the partial revision of the Corporation Tax Law Enforcement Guidance, effective from the fiscal year ended February 28, 2009, property, plant and equipment of the Company and its domestic consolidated subsidiaries acquired on or before March 31, 2007, which have been depreciated to the final depreciable limits, are evenly depreciated in five years from the following fiscal year of full depreciation.

The effect of this change on the income summary of the respective business segments is immaterial.

b. Segment Information by Geographical Segment

FY2007 (From March 1, 2007, to February 29, 2008)

Total net sales of the domestic consolidated subsidiaries in Japan for the fiscal year ended February 29, 2008 represented more than 90% of consolidated net sales. And total assets of the Company and its domestic consolidated subsidiaries in Japan for the same period represented more than 90% of consolidated total assets for all the segments. Accordingly, the disclosure of segment information by geographical segment is omitted.

FY2008 (From March 1, 2008, to February 28, 2009)

Total net sales of the domestic consolidated subsidiaries in Japan for the fiscal year ended February 28, 2009 represented more than 90% of consolidated net sales. And total assets of the Company and its domestic consolidated subsidiaries in Japan for the same period represented more than 90% of consolidated total assets for all the segments. Accordingly, the disclosure of segment information by geographical segment is omitted.

c. Overseas Sales

FY2007 (From March 1, 2007, to February 29, 2008)

As overseas sales for the fiscal year ended February 29, 2008, accounted for less than 10% of consolidated net sales, overseas sales-related information is omitted.

FY2008 (From March 1, 2008, to February 28, 2009)

As overseas sales for the fiscal year ended February 28, 2009, accounted for less than 10% of consolidated net sales, overseas sales-related information is omitted.