

Consolidated Financial Results for the Second Quarter Ended August 31, 2009
YOSHINOYA HOLDINGS CO.,LTD.

Tokyo, Japan

October 8, 2009

Securities code: 9861
 Shares listed: Tokyo Stock Exchange
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 Scheduled date of the start of dividend payments: November 10, 2009

(Amounts less than ¥1 million are truncated.)

1. Consolidated Performance for the Second Quarter Ended August 31, 2009 (From March 1, 2009, to August 31, 2009)

(1) Consolidated operating performance (accumulated)

(Millions of yen)

(Figures shown as percentages are rates of change from the same quarter of the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income (loss)	
Six months ended Aug. 31, 2009	92,826	16.6 (%)	232	-88.4 (%)	405	-83.7 (%)	(391)	—
Six months ended Aug. 31, 2008	79,595	2.2 (%)	2,006	-53.7 (%)	2,492	-47.3 (%)	(569)	—

	Net income (loss) per share (yen)	Diluted net income per share (yen)
Six months ended Aug. 31, 2009	(621.00)	—
Six months ended Aug. 31, 2008	(901.00)	—

(2) Consolidated financial position

(Millions of yen)

	Total assets	Net assets	Equity ratio	Net assets per share (yen)
Six months ended Aug. 31, 2009	110,641	71,751	60.4 (%)	105,790.00
Year ended Feb. 28, 2009	112,406	72,678	60.3 (%)	107,429.00

(Reference) Shareholders' equity

Six months ended Aug. 31, 2009 ¥66,791 million
 Year ended Feb. 28, 2009 ¥67,826 million

2. Dividend Status

(Record Date)	Dividend per share (yen)				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Annual
Year ended Feb. 28, 2009	—	1,000.00	—	1,000.00	2,000.00
Year ending Feb. 28, 2010	—	1,000.00			
Year ending Feb. 28, 2010 (Forecast)			—	1,000.00	2,000.00

Note: Revision made in the second quarter under review to the dividend forecast for the year ending February 28, 2010: None

3. Earnings Forecast for the Consolidated Fiscal Year Ending February 28, 2010 (From March 1, 2009, to February 28, 2010)

(Millions of yen)

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

	Net sales		Operating income		Ordinary income		Net income (loss)		Net income (loss) per share (yen)
Full year	187,000	7.3 (%)	500	-86.0 (%)	700	-83.9 (%)	(1,300)	—	(2,059.00)

Note: Revision made in the second quarter under review to the earnings forecast for the consolidated fiscal year ending February 28, 2010: Exists

4. Others

(1) Changes in significant subsidiaries during the period (Changes in specified subsidiaries resulting in change of scope of consolidation):

None

(2) Adoption of accounting policies for the simplified accounting methods and the preparation of the quarterly consolidated financial statements: Exists

For details, please refer to “Qualitative Information, Financial Statements, etc., 4. Other.”

(3) Changes in accounting policies, procedures, presentation methods, etc., for the preparation of the quarterly consolidated financial statements (Matters to be stated in the “Changes of Significant Items to the Basis of Preparation for the Quarterly Consolidated Financial Statements”)

1) Changes due to the revision of accounting standards, etc.: Exists

2) Changes other than 1): None

For details, please refer to “Qualitative Information, Financial Statements, etc., 4. Other.”

(4) Number of issued shares (common stock)

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

Six months ended Aug. 31, 2009: 662,405 shares

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

2) Number of treasury shares at end of year

Six months ended Aug. 31, 2009: 31,046 shares

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

3) Average number of shares during the period (quarterly cumulative period)

Six months ended Aug. 31, 2009: 631,359 shares

Six months ended Aug. 31, 2008: 631,359 shares

Notes for the relevant use of earnings forecasts and other specific affairs

1. The earnings forecast above has been revised from that announced on April 14, 2009. For details, refer to the “Notice of Revised Full-year Earnings Forecast” for the fiscal year ending February 28, 2010, which we today (October 8, 2009) disclosed separately.
2. The earnings forecast above is 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 forecast due to various uncertain factors.
3. From the consolidated fiscal year under review, we have adopted the Accounting Standard for Quarterly Financial Reporting (ASBJ Statement No. 12) and the Guidance on Accounting Standard for Quarterly Financial Reporting (ASBJ Guidance No. 14). We have prepared the quarterly consolidated financial statements according to the Regulation for Quarterly Consolidated Financial Statements.

1. Qualitative Information on Consolidated Business Results

For the six months ended August 31, 2009, the business environment surrounding the restaurant industry was severe, largely affected by continued decline in consumer spending owing to concerns about employment and income levels, which intensified the competition to acquire loyal customers in the restaurant industry. Under such circumstances, the Yoshinoya Holdings Group (the “Group”) shifted its management theme from “Selection and Concentration” to “Concentration.” While further refining each Group company’s unique character, we have consistently taken diverse actions to adapt to the drastic changes in our current business environment.

For the six months ended August 31, 2009, consolidated net sales came to ¥92,826 million. However, due to an increase in expenses such as the amortization of goodwill, consolidated operating income of ¥232 million and consolidated ordinary income of ¥405 million were recorded, and consolidated net loss was ¥391 million.

Consolidated net sales	¥92,826	million
Consolidated operating income	¥232	million
Consolidated ordinary income	¥405	million
Consolidated net loss	¥(391)	million

Business results by business segment were as follows:

(Beef Bowl-related Business)

In this business segment, the Group was active in exploring new areas and opening new stores to further disseminate the “Yoshinoya” brand both domestically and also overseas.

In Japan, YOSHINOYA CO.,LTD. continuously implemented table-service-type stores—which are easy to use for families and people in groups—especially at suburban restaurants, and increased the number of stores in this format to 404 including new and renovated ones by the end of the second quarter under review. Also during this quarter, we began opening “Sobadokoro Yoshinoya” stores in earnest to entice a new type of customer. However, in addition to the impact of the sluggish economy and other factors, concern over H1N1 influenza led to lethargic growth in the number of customers and net sales at existing stores declined compared with the previous year. In terms of store development, the Group opened 45 new stores and closed 10 unprofitable stores in the quarter under review. As a result, it operated 1,137 stores domestically as of August 31, 2009.

Overseas, the Group promoted initiatives to reinforce its base in Asia, and especially in China. As for store development, we opened 41 new stores and closed four unprofitable stores. As a result, overseas Yoshinoya stores totaled 387 for an aggregate of 1,524 Yoshinoya-brand chain stores worldwide as of August 31, 2009.

Consolidated net sales of the Beef Bowl-related Business	¥52,451	million
Consolidated operating income	¥1,833	million

(Sushi-related Business)

In the takeout service business, continuing from the previous quarter we further strengthened sales efforts of *edomae* sushi in the evenings. In the eat-in service business, we made some operational changes and replaced some products in order to further establish the “Uoemon” brand, a ¥105 flat-rate conveyor-belt sushi restaurant. However, due to the effects of wavering consumer sentiment, the number of customers in the quarter under review declined significantly. Attempts to compensate by increasing sales promotion and reducing costs did not lead to the desired results, and an operating loss was recorded. We opened 13 new stores and closed eight unprofitable stores in the quarter under review. As a result, Group stores operating in this segment totaled 373 as of August 31, 2009.

Consolidated net sales of the Sushi-related Business	¥13,261	million
Consolidated operating loss	¥325	million

(Steak-related Business)

In the “Steak no Don” brand store category, we revamped the menus in July and pursued improvements in the quality and taste of mainly steak and hamburgers. As for the “Shabu Shabu Don Tei” brand, we proactively opened seven new stores during the quarter. However, in the “Steak no Don” brand store category, the main brand in this segment, net sales at existing stores declined significantly—10.4% from the previous year—due to the effects of wavering consumer sentiment. We opened eight new stores, and closed two unprofitable stores in the quarter under review. As a result, Group stores operating in this segment totaled 195 as of August 31, 2009.

Consolidated net sales of the Steak-related Business	¥13,231	million
Consolidated operating loss	¥797	million

Furthermore, outbreaks of food poisoning occurred in 13 Don Co., Ltd. stores, which were subsequently ordered to suspend operations for a number of days in September 2009. In terms of safety countermeasures, in addition to changing the grilling method we have suspended sales at all stores of any corresponding products and items on the menu that contain related ingredients. We are also reviewing disinfectant methods for shipped products at factories and implementing a health and safety reinspection at all stores. We are working to establish a management structure and promote staff education to ensure further food safety and prevent a recurrence. We will thus restore the trust of customers and improve our business results.

Regarding Don Co., Ltd., it was resolved that items concerning the going concern assumption shall be noted in its Quarterly Report for the six months ended August 31, 2009.

(Udon Noodle-related Business)

Hanamaru, Inc. strove to reinforce store management and earnings capabilities and improve the quality of its *kakiage* (a kind of tempura) and beef. As a result, net sales at existing stores increased by 0.4% from the previous year. We opened 12 new Hanamaru

stores and closed one unprofitable store in the quarter under review, resulting in 264 such stores. Combined with the stores of SENKICHI CO.,LTD., Group stores operating in this segment totaled 276 as of August 31, 2009.

Consolidated net sales of the Udon Noodle-related Business	¥7,193 million
Consolidated operating income	¥467 million

2. Qualitative Information Concerning Consolidated Financial Position

Total assets at the end of the second quarter under review were ¥110,641 million, total liabilities were ¥38,890 million and total net assets were ¥71,751 million on a consolidated basis.

The consolidated cash flow conditions were as described below.

Cash and cash equivalents at the end of the second quarter under review amounted to ¥12,299 million, after adding the effect of exchange rate change.

1) Cash flows from operating activities

Net cash used in operating activities in the second quarter under review decreased by ¥544 million, reflecting such factors as a loss before income taxes of ¥657 million and an increase in inventories to ¥3,341 million, and despite ¥2,936 million in depreciation and amortization.

2) Cash flows from investing activities

Net cash used in investing activities in the second quarter under review decreased by ¥6,130 million, reflecting such factors as ¥5,603 million in the purchase of property, plant and equipment and intangible assets, ¥526 million in payments for guarantee deposits and ¥405 million in payments into time deposits.

3) Cash flows from financing activities

Net cash used in financing activities in the second quarter under review decreased by ¥1,256 million, reflecting such factors as ¥1,500 million in proceeds from long-term loans payable, ¥2,333 million in repayment of long-term loans payable and ¥639 million in cash dividends paid.

3. Qualitative Information Concerning the Earnings Forecast

With regard to the earnings forecast for the consolidated fiscal year ending February 28, 2010, taking into consideration that results for the six months ended August 31, 2009 were below forecast, we have lowered forecasts for net sales, operating income, ordinary income and net income for both this six-month period and for the full-year consolidated fiscal year to February 28, 2010, from earnings forecasts announced on April 14, 2009.

The revised earnings forecasts were announced on October 7, 2009 in the "Notice of Revised Earnings Forecast" for the six months ended August 31, 2009, and in the "Notice of Revised Full-year Earnings Forecast" released today.

4. Other

(1) Changes in significant subsidiaries during the period (Changes in specified subsidiaries resulting in change of scope of consolidation)

None

(2) Adoption of accounting policies for the simplified accounting methods and the preparation of the quarterly consolidated financial statements

Computation methods for income taxes, deferred tax assets and deferred tax liabilities

In the event that no major changes are recognized in the management environment and the occurrence of deductible temporary differences after February 28, 2009, we will assess the collectability of deferred tax assets by using the forecast for future earnings and tax planning as of the end of the previous fiscal year. If there are any major changes, the collectability of deferred tax assets will be assessed by including the effect of such changes on the management environment and tax planning after February 28, 2009.

(3) Changes in accounting policies, procedures, presentation methods, etc., for the preparation of the quarterly consolidated financial statements

1) From the consolidated fiscal year under review, we have adopted the Accounting Standard for Quarterly Financial Reporting (ASBJ Statement No. 12) and the Guidance on Accounting Standard for Quarterly Financial Reporting (ASBJ Guidance No. 14). We have prepared the quarterly consolidated financial statements according to the Regulation for Quarterly Consolidated Financial Statements.

2) Change in valuation standards and methods for significant assets

With regard to inventories held for regular sales purposes, at domestic consolidated subsidiaries marketable meat had previously been stated at the lower of cost or market value determined by the gross average method and those other than that were stated at cost determined by the gross average method. The last purchase price method was adopted for suppliers. However, from the consolidated first quarter ended May 31, 2009, pursuant to the Accounting Standard for Measurement of Inventories (ASBJ Statement No. 9, announced on July 5, 2006), we have adopted a different evaluation method than that used previously. With the new standard, we state inventories at cost (writing down the book value due to a decline in profitability as to the amount on the balance sheet). The

impact of this change on the operating income, ordinary income, the loss before income taxes and the segment information for the six months ended August 31, 2009, is immaterial.

3) Accounting Standard for Lease Transactions

Although the Company had accounted for its finance leases other than those that are deemed to transfer the ownership of the leased assets to the lessees by a method similar to the procedures used for ordinary operating leases, from the consolidated first quarter ended May 31, 2009, the Company has adopted the Accounting Standard for Lease Transactions (ASBJ Statement No. 13 (June 17, 1993 (Business Accounting Council, First Subcommittee), revised March 30, 2007)), and the Guidance on Accounting Standard for Lease Transactions (ASBJ Guidance No. 16 (January 18, 1994 (Japanese Institute of Certified Public Accountants, Accounting System Committee), revised March 30, 2007)), which became applicable to quarterly consolidated financial statements for the consolidated fiscal years that began on or after April 1, 2008. Based on these standards, the same accounting treatment as that for regular purchase/sale transactions is applied for lease transactions.

With regards to the depreciation of finance leases, other than those that are deemed to transfer the ownership of the leased assets to the lessees, the Company adopts the straight-line method assuming the lease period as the useful life and no residual value. The impact of this change on the operating income, ordinary income, the loss before income taxes and the segment information for the six months ended August 31, 2009, is immaterial.

Finance lease deals that were initiated before the adoption of these new accounting methods continue to be subject to the accounting treatment in conformance with the methods of normal lease deals.

4) Adoption of the Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements

From the consolidated first quarter ended May 31, 2009, we have adopted the Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements (ASBJ PITF No. 18, May 17, 2006). The impact of this change on the operating income, ordinary income and the loss before income taxes for the six months ended August 31, 2009, is immaterial.

5. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheets

	Second Quarter of FY2009 (As of August 31, 2009) (Millions of yen)	FY2008 (As of February 28, 2009) (Millions of yen)
ASSETS		
Current assets		
Cash and deposits	12,788	19,981
Notes and accounts receivable—trade	3,711	4,414
Merchandise and finished goods	1,786	2,077
Work in process	54	64
Raw materials and supplies	6,145	2,455
Other	3,109	3,234
Allowance for doubtful accounts	(16)	(28)
Total current assets	27,580	32,198
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	27,868	25,960
Other, net	15,893	14,947
Total property, plant and equipment	43,762	40,907
Intangible assets		
Goodwill	3,716	3,994
Other intangible assets	3,529	3,531
Total intangible assets	7,245	7,526
Investments and other assets		
Investment securities	938	933
Guarantee deposits	17,024	16,938
Deferred tax assets	2,663	1,475
Other	11,755	13,020
Allowance for doubtful accounts	(291)	(557)
Allowance for investment loss	(36)	(36)
Total investments and other assets	32,053	31,774
Total noncurrent assets	83,061	80,208
Total assets	110,641	112,406

	Second Quarter of FY2009 (As of August 31, 2009) (Millions of yen)	FY2008 (As of February 28, 2009) (Millions of yen)
LIABILITIES		
Current liabilities		
Notes and accounts payable—trade	7,126	6,321
Short-term loans payable	2,635	2,032
Current portion of long-term loans payable	3,767	3,545
Lease obligations	227	30
Income taxes payable	1,232	2,528
Provision for bonuses	1,379	1,357
Provision for directors' bonuses	31	86
Other	8,426	9,357
Total current liabilities	24,827	25,260
Noncurrent liabilities		
Bonds payable	300	316
Long-term loans payable	7,951	8,954
Lease obligations	812	108
Provision for retirement benefits	1,967	2,042
Provision for directors' retirement benefits		235
Other	3,031	2,810
Total noncurrent liabilities	14,062	14,468
Total liabilities	38,890	39,728
NET ASSETS		
Shareholders' equity		
Capital stock	10,265	10,265
Capital surplus	11,153	11,153
Retained earnings	52,821	53,959
Treasury stock	(5,946)	(5,946)
Total shareholders' equity	68,294	69,432
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	16	(10)
Foreign currency translation adjustment	(1,519)	(1,595)
Total valuation and translation adjustments	(1,503)	(1,605)
Minority interests	4,959	4,851
Total net assets	71,751	72,678
Total liabilities and net assets	110,641	112,406

(2) Consolidated Quarterly Statements of Income
(Six Months Ended August 31, 2009)

Six Months of FY2009
(From March 1, 2009, to August 31, 2009)
(Millions of yen)

Net sales	92,826
Cost of sales	34,967
Gross profit	57,858
Selling, general and administrative expenses	57,625
Operating income	232
Non-operating income	
Interest income	35
Dividends income	9
Rent income	247
Equity in earnings of affiliates	27
Miscellaneous income	320
Total non-operating income	640
Non-operating expenses	
Interest expenses	163
Rent expenses	169
Miscellaneous loss	134
Total non-operating expenses	468
Ordinary income	405
Extraordinary income	
Gain on sales of noncurrent assets	12
Gain on sales of investment securities	17
Reversal of appraised assets	125
Settlement received	71
Total extraordinary income	227
Extraordinary loss	
Loss on retirement of noncurrent assets	321
Impairment loss	815
Other	153
Total extraordinary losses	1,290
Income (loss) before income taxes	(657)
Income taxes—current	978
Income taxes—deferred	(815)
Total income taxes	162
Minority interests in income (loss)	(428)
Net loss	(391)

(Second Quarter Ended August 31, 2009)

Second Quarter of FY2009
(From June 1, 2009, to August 31, 2009)
(Millions of yen)

Net sales	46,032
Cost of sales	17,295
Gross profit	28,737
Selling, general and administrative expenses	28,342
Operating income	395
Non-operating income	
Interest income	18
Dividends income	1
Rent income	109
Equity in earnings of affiliates	15
Miscellaneous income	212
Total non-operating income	357
Non-operating expenses	
Interest expenses	82
Rent expenses	80
Miscellaneous loss	78
Total non-operating expenses	241
Ordinary income	511
Extraordinary income	
Gain on sales of noncurrent assets	7
Reversal of appraised assets	41
Settlement received	71
Total extraordinary income	121
Extraordinary loss	
Loss on retirement of noncurrent assets	162
Impairment loss	307
Other	117
Total extraordinary losses	587
Income before income taxes	45
Income taxes—current	439
Income taxes—deferred	343
Total income taxes	783
Minority interests in income (loss)	(211)
Net loss	(526)

(3) Consolidated Quarterly Statements of Cash Flows

Six Months of FY2009
(From March 1, 2009, to August 31, 2009)
(Millions of yen)

Net cash provided by (used in) operating activities	
Income (loss) before income taxes	(657)
Depreciation and amortization	2,936
Amortization of goodwill	508
Increase (decrease) in allowance for doubtful accounts	(278)
Increase (decrease) in provision for bonuses	24
Increase (decrease) in provision for retirement benefits	(75)
Increase (decrease) in provision for directors' retirement benefits	(235)
Increase (decrease) in provision for directors' bonuses	(54)
Interest and dividends income	(44)
Interest expenses	163
Equity in (earnings) losses of affiliates	(27)
Loss (gain) on sales of investment securities	(17)
Loss (gain) on sales and retirement of noncurrent assets	314
Impairment loss	815
Decrease (increase) in notes and accounts receivable—trade	739
Decrease (increase) in inventories	(3,341)
Increase (decrease) in notes and accounts payable—trade	801
Other, net	424
Subtotal	1,996
Interest and dividends income received	45
Interest expenses paid	(171)
Income taxes paid	(2,416)
Net cash provided by (used in) operating activities	(544)

Six Months of FY2009
(From March 1, 2009, to August 31, 2009)
(Millions of yen)

Net cash provided by (used in) investing activities	
Payments into time deposits	(405)
Proceeds from withdrawal of time deposits	123
Purchase of property, plant and equipment	(5,150)
Proceeds from sales of property, plant and equipment	138
Purchase of intangible assets	(453)
Payments for retirement of property, plant and equipment	(145)
Payments for guarantee deposits	(526)
Proceeds from collection of guarantee deposits	314
Payments of loans receivable	(115)
Collection of loans receivable	144
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	(42)
Other, net	(12)
Net cash provided by (used in) investing activities	(6,130)
Net cash provided by (used in) financing activities	
Repayment of finance lease obligations	(366)
Net increase (decrease) in short-term loans payable	594
Proceeds from long-term loans payable	1,500
Repayment of long-term loans payable	(2,333)
Redemption of bonds	(8)
Purchase of treasury stock of subsidiaries in consolidation	(3)
Cash dividends paid	(639)
Net cash provided by (used in) financing activities	(1,256)
Effect of exchange rate change on cash and cash equivalents	58
Net increase (decrease) in cash and cash equivalents	(7,874)
Increase in cash and cash equivalents from newly consolidated subsidiary	399
Cash and cash equivalents at beginning of period	19,774
Cash and cash equivalents at end of period	12,299

From the consolidated fiscal year under review, we have adopted the Accounting Standard for Quarterly Financial Reporting (ASBJ Statement No. 12) and the Guidance on Accounting Standard for Quarterly Financial Reporting (ASBJ Guidance No. 14). We have prepared the quarterly consolidated financial statements according to the Regulation for Quarterly Consolidated Financial Statements.

- (4) Going concern assumption
None applicable

(5) Segment Information

Segment Information by Business Segment

Six Months of FY2009 (From March 1, 2009, to August 31, 2009)

(Millions of yen)

	Beef Bowl-related Business	Sushi-related Business	Steak-related Business	Udon Noodle-related Business	Snacks-related Business	Other Restaurant Business	Other Business	Total	Eliminations or Corporate	Consolidated
Net sales										
(1) Sales to unaffiliated customers	52,431	13,257	13,231	7,193	4,079	1,789	843	92,826	—	92,826
(2) Intersegment sales or transfer	20	4	—	—	13	—	2,118	2,156	(2,156)	—
Total	52,451	13,261	13,231	7,193	4,092	1,789	2,961	94,982	(2,156)	92,826
Operating income (loss)	1,833	(325)	(797)	467	44	(451)	112	884	(651)	232

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-related 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 lunchboxes and fixtures
Sushi-related Business	Takeout sushi products via over-the-counter sales and conveyor-belt sushi restaurants
Steak-related Business	Over-the-counter sale of steak and <i>shabu shabu</i>
Udon Noodle-related Business	Over-the-counter sale of Sanuki udon noodles and curry udon noodles (Japanese wheat noodles)
Snacks-related Business	Manufacturing and sales of various kinds of Japanese-style fast-food products such as <i>taiyaki</i> (cakes filled with sweet bean paste), <i>takoyaki</i> (grilled octopus dumplings) 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 takeout-prepared dishes and <i>Ishiyaki</i> Bibimpa (Bibimpa baked in hot pebbles); over-the-counter sales of <i>ramen</i> Chinese noodles; and home delivery of Chinese- and Western-style dishes
Other Business	Construction and repair/maintenance of store facilities; rental/leasing of real estate; and commercial cleaning

3. Change in accounting policy

(Accounting Standard for the Evaluation of Inventories)

As indicated in 4, (3). 2) "Change in accounting policies, procedures, presentation methods, etc., for the preparation of the consolidated quarterly financial statements," from the consolidated first quarter ended May 31, 2009, we have adopted the Accounting Standard for Measurement of Inventories (ASBJ Statement No. 9, announced on July 5, 2006). This change had no significant effect on the statement of income.

4. Change in the business segments

Although the over-the-counter sale of steak and *shabu shabu*, as well as Sanuki udon noodles and curry udon noodles, had been included in the Other Restaurant Business, the ratio of net sales of the over-the-counter sale of steak and *shabu shabu* to total net sales rose and the ratio of operating income of the over-the-counter sale of Sanuki udon noodles and curry udon noodles to total operating income rose for the quarter under review. To disclose accurate information about our business situation, we decided to present the over-the-counter sale of steak and *shabu shabu* and the sale of Sanuki udon noodles and curry udon noodles separately as the Steak-related Business and the Udon Noodle-related Business, respectively, from the first quarter ended May 31, 2009.

Although home delivery of Chinese- and Western-style dishes that had been managed by SHANGHAI EXPRESS CO., LTD., had been included in the Other Restaurant Business, due to the transfer of all shares of said company as of March 31, 2009, this business was removed from the Other Restaurant Business.

From the first quarter ended May 31, 2009, SHANGHAI YOSHINOYA FAST FOODS CO.,LTD., FUJIAN YOSHINOYA FAST FOODS CO.,LTD., ISHIYAKI BIBIMPA CO.,LTD., and SANKOSHA LAUNDRY CENTER CO.,LTD., have increased in importance and have been included in the scope of consolidation. Subsequently, the businesses of SHANGHAI YOSHINOYA FAST FOODS CO.,LTD., and FUJIAN YOSHINOYA FAST FOODS CO.,LTD., are newly included in the Beef Bowl-related Business, ISHIYAKI BIBIMPA's business in the Other Restaurant Business and SANKOSHA LAUNDRY CENTER's business in Other Business.

Segment Information by Geographical Segment

Six Months of FY2009 (From March 1, 2009, to August 31, 2009)

Because the total net sales of the domestic consolidated subsidiaries in Japan for the six months ended August 31, 2009, represented more than 90% of consolidated net sales, the disclosure of segment information by geographical segment is omitted.

Overseas Sales

Six Months of FY2009 (From March 1, 2009, to August 31, 2009)

As overseas sales for the six months ended August 31, 2009, accounted for less than 10% of consolidated net sales, overseas sales-related information is omitted.

- (6) Note to Substantial Change in the Amount of Shareholders' Equity if Any Such Change
None applicable

[Reference documents]

Financial statements related to the corresponding year-earlier quarter ended August 31, 2008

(1) Consolidated Statement of Income for the six months ended August 31, 2008

Account Item	Six Months of FY2008 (From March 1, 2008, to August 31, 2008)		
	Amount (Millions of yen)	Composition (%)	
I. Net sales		79,595	100.0
II. Cost of sales		30,623	38.5
Gross profit		48,972	61.5
III. Selling, general and administrative expenses		46,965	59.0
Operating income		2,006	2.5
IV. Non-operating income			
1. Interest income	63		
2. Dividends income	10		
3. Rent income	245		
4. Commission fee	89		
5. Compensation for business	201		
6. Other non-operating income	192	803	1.0
V. Non-operating expenses			
1. Interest expenses	38		
2. Rent expenses	160		
3. Equity in losses of affiliates	69		
4. Total non-operating expenses	49	318	0.4
Ordinary income		2,492	3.1
VI. Extraordinary income			
1. Gain on sales of noncurrent assets	184		
2. Reversal of appraised assets	36	220	0.3
VII. Extraordinary loss			
1. Loss on retirement of noncurrent assets	386		
2. Loss on sales of noncurrent assets	16		
3. Impairment loss	1,551		
4. Loss on valuation of investment securities	77		
5. Loss on cancellation of contracts	12		
6. Provision of allowance for doubtful accounts	115		
7. Provision of allowance for investment loss	4		
8. Loss on valuation of membership	4	2,169	2.7
Income before income taxes		543	0.7
Income taxes—current	1,584		
Income taxes—deferred	(51)	1,533	1.9
Minority interests in loss		(420)	(0.5)
Net loss		(569)	(0.7)

(2) Consolidated Statements of Cash Flows for the six months ended August 31, 2008

Account Item	Six Months of FY2008 (From March 1, 2008, to August 31, 2008)
	Amount (Millions of yen)
I. Net cash provided by (used in) operating activities	
Income before income taxes	543
Depreciation and amortization	2,132
Amortization of goodwill	114
Increase in allowance for doubtful accounts	69
Increase in provision for bonuses	215
Decrease in provision for retirement benefits	(92)
Decrease in provision for directors' retirement benefits	(20)
Decrease in provision for directors' bonuses	(54)
Interest and dividends income	(73)
Interest expenses	38
Equity in losses of affiliates	69
Loss on valuation of investment securities	77
Loss on valuation of membership	4
Loss on sales and retirement of noncurrent assets	218
Impairment loss	1,551
Decrease in notes and accounts receivable—trade	153
Decrease in inventories	2,655
Increase in notes and accounts payable—trade	467
Increase in accounts receivable—other	(48)
Increase in other assets/liabilities	128
Subtotal	8,150
Interest and dividends income received	73
Interest expenses paid	(40)
Income taxes paid	(2,353)
Net cash provided by (used in) operating activities	5,830

Account Item	Six Months of FY2008 (From March 1, 2008, to August 31, 2008)
	Amount (Millions of yen)
II. Net cash provided by (used in) investing activities	
Payments into time deposits	(863)
Proceeds from withdrawal of time deposits	13
Purchase of property, plant and equipment	(5,768)
Proceeds from sales of property, plant and equipment	301
Purchase of intangible assets	(977)
Withdrawal of noncurrent assets	(98)
Purchase of investment securities	(48)
Proceeds from dividends paid by an investment partnership	1
Payments for guarantee deposits	(467)
Proceeds from collection of guarantee deposits	196
Payments of loans receivable	(309)
Collection of loans receivable	180
Purchase of stocks of subsidiaries and affiliates resulting in change of scope of consolidation	(202)
Proceeds from liquidation of an unconsolidated subsidiary	106
Other, net	(75)
Net cash provided by (used in) investing activities	(8,012)
III. Net cash provided by (used in) financing activities	
Net increase in short-term loans payable	285
Repayment of long-term loans payable	(870)
Proceeds from long-term loans payable	500
Commission for purchase of treasury stock	(0)
Cash dividends paid	(692)
Cash dividends paid to minority shareholders	(64)
Net cash provided by (used in) financing activities	(841)
IV. Effect of exchange rate change on cash and cash equivalents	(61)
V. Net decrease in cash and cash equivalents	(3,084)
VI. Cash and cash equivalents at beginning of period	23,691
VII. Cash and cash equivalents at end of period	20,607

(3) Segment Information

Segment Information by Business Segment

Six Months of FY 2008 (From March 1, 2008, to August 31, 2008)

(Millions of yen)

	Beef Bowl-related Business	Sushi-related Business	Snacks-related Business	Other Restaurant Business	Other Business	Total	Eliminations or Corporate	Consolidated
Net sales								
(1) Sales to unaffiliated customers	51,027	15,386	4,030	8,009	1,141	79,595	—	79,595
(2) Intersegment sales or transfer	0	3	12	0	2,915	2,932	(2,932)	—
Total	51,027	15,390	4,042	8,010	4,057	82,527	(2,932)	79,595
Operating income (loss)	3,164	(105)	53	(574)	408	2,946	(939)	2,006

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-related 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 lunchboxes and fixtures
Sushi-related Business	Takeout sushi products via over-the-counter sales and conveyor-belt sushi restaurants
Snacks-related Business	Manufacturing and sales of various kinds of Japanese-style fast-food products such as <i>taiyaki</i> (cakes filled with sweet bean paste), <i>takoyaki</i> (grilled octopus dumplings) 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 Sanuki udon noodles, <i>ramen</i> Chinese noodles, curry udon noodles 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. Of the operating expenses, the amount of unclassifiable operating expenses included in the Eliminations or Corporate category is ¥580 million, most of which are expenses related to the Company's group management expenses.

Segment Information by Geographical Segment

Six Months of FY 2008 (From March 1, 2008, to August 31, 2008)

Because the total net sales of the domestic consolidated subsidiaries in Japan for the six months ended August 31, 2008, represented more than 90% of consolidated net sales, the disclosure of segment information by geographical segment was omitted.

Overseas Sales

Six Months of FY 2008 (From March 1, 2008, to August 31, 2008)

As overseas sales for the six months ended August 31, 2008, accounted for less than 10% of consolidated net sales, overseas sales-related information was omitted.