

**Consolidated Financial Results for the Year Ended February 28, 2010**  
**YOSHINOYA HOLDINGS CO.,LTD.**

Tokyo, Japan

April 14, 2010

Securities code: 9861  
 Shares listed: Tokyo Stock Exchange  
 URL: <http://www.yoshinoya-holdings.com>  
 Representative: Shuji Abe, President  
 For further information, please contact: Kimitoshi Saito, General Manager, President's Office  
 TEL: +81-3-5269-5001  
 Scheduled date of the Ordinary General Meeting of Shareholders: May 27, 2010  
 Scheduled date of the start of dividend payments: May 28, 2010  
 Scheduled date of the filing of the annual securities report: May 28, 2010

(Amounts less than ¥1 million are truncated.)

1. Consolidated Performance for the Year Ended February 28, 2010 (From March 1, 2009, to February 28, 2010)

(1) Consolidated operating performance

(Millions of yen)

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

	Net sales		Operating income		Ordinary income		Net income	
	Amount	Change (%)	Amount	Change (%)	Amount	Change (%)	Amount	Change (%)
Year ended Feb. 28, 2010	179,602	3.1 (%)	(895)	—	(476)	—	(8,941)	—
Year ended Feb. 28, 2009	174,249	11.9 (%)	3,582	-42.4 (%)	4,340	-41.1 (%)	208	12.0 (%)

	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 income to net sales
Year ended Feb. 28, 2010	(14,162.00) (yen)	—	-14.3 (%)	-0.4 (%)	-0.5 (%)
Year ended Feb. 28, 2009	331.00 (yen)	331.00 (yen)	0.3 (%)	4.1 (%)	2.1 (%)

(Reference) Equity earnings (losses) of affiliates

Year ended Feb. 28, 2010 ¥40 million  
 Year ended Feb. 28, 2009 (¥63 million)

(2) Consolidated financial position

(Millions of yen)

	Total assets	Net assets	Equity ratio	Net assets per share
As of Feb. 28, 2010	105,202	61,197	54.7 (%)	91,117.00 (yen)
As of Feb. 28, 2009	112,406	72,678	60.3 (%)	107,429.00 (yen)

(Reference) Shareholders' equity

As of Feb. 28, 2010 ¥57,527 million  
 As of Feb. 28, 2009 ¥67,826 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, 2010	92	(9,127)	2,383	13,527
Year ended Feb. 28, 2009	7,725	(10,769)	(794)	19,774

2. Dividend Status

(Record Date)	Dividend per share (yen)					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Total			
Unit						Millions of yen	%	%
Year ended Feb. 28, 2009	—	1,000.00	—	1,000.00	2,000.00	1,262	604.2	1.8
Year ended Feb. 28, 2010	—	1,000.00	—	1,000.00	2,000.00	1,262	—	2.0
Year ending Feb. 28, 2011 (Forecast)	—	1,000.00	—	1,000.00	2,000.00		1,265.8	

3. Earnings Forecast for the Year Ending February 28, 2011 (From March 1, 2010, to February 28, 2011)

(Millions of yen)

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
Six months ending Aug. 31, 2010	87,000	-6.3 (%)	(400)	—	(300)	—	(1,700)	—	(2,693.00) (yen)
Full year	175,000	-2.6 (%)	2,500	—	2,700	—	100	—	158.00 (yen)

4. Others

(1) Changes in significant subsidiaries during the year (including changes of specified subsidiaries in scope of consolidation):  
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.: Exists

2) Changes other than 1): Exists

(3) Number of issued shares (common stock)

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

As of Feb. 28, 2010: 662,405 shares

As of Feb. 28, 2009: 662,405 shares

2) Number of treasury shares at end of year

As of Feb. 28, 2010: 31,046 shares

As of Feb. 28, 2009: 31,046 shares

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

1. Non-Consolidated Performance in FY2009 (From March 1, 2009, to February 28, 2010)

(1) Non-consolidated operating performance

(Millions of yen)

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

	Net sales		Operating profit		Ordinary income		Net income	
Year ended Feb. 28, 2010	2,791	-28.1 (%)	755	-63.5 (%)	815	-63.7 (%)	(3,352)	—
Year ended Feb. 28, 2009	3,881	-92.7 (%)	2,067	-49.7 (%)	2,247	-52.5 (%)	(631)	—

(Yen)

	Net income per share	Diluted net income per share
Year ended Feb. 28, 2010	(5,311.00)	—
Year ended Feb. 28, 2009	(999.00)	—

(2) Non-consolidated financial position

(Millions of yen)

	Total assets	Net assets	Equity ratio	Net assets per share
As of Feb. 28, 2010	66,680	59,211	88.8 (%)	93,784.00 (yen)
As of Feb. 28, 2009	64,633	63,818	98.7 (%)	101,081.00 (yen)

(Reference) Shareholders' equity

As of Feb. 28, 2010 ¥59,211 million

As of Feb. 28, 2009 ¥63,818 million

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

- 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.
- 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, 2010

For the fiscal year ended February 28, 2010, the business environment surrounding the restaurant industry remained severe. In particular, employment and income levels showed no upward trend. Amid continued declines in consumer spending stemming from growing saving-oriented sentiments, an increasing number of companies began to offer lower-priced products, which intensified the competition to acquire loyal customers in the restaurant industry.

Under such circumstances, the Company refrained from indiscriminately engaging in store openings and competition that involved offering lower-priced products in its major business, but strove to build a corporate system with a goal toward improved earnings capability and to promote the further enhancement of brand value. The Yoshinoya Holdings Group (the "Group") shared the current business environment with all the Group companies and began to work on a new concept. The Group returned to its original concept of values before setting out to build new business models to cope with the change of the market and times in which its existing business models no longer function effectively.

However, a decline in net sales at existing stores in our major businesses led to a downturn in profitability. As a result, for the consolidated fiscal year under review, consolidated net sales amounted to ¥179,602 million, consolidated operating loss was ¥895 million, and consolidated ordinary loss was ¥476 million. We posted impairment loss of ¥8,641 million due to an increase in the number of unprofitable stores and a depressing result in business investment for the past fiscal year. As a result, consolidated net loss was ¥8,941 million.

	(Millions of yen)	Changes from a year earlier (Millions of yen)
Consolidated net sales	179,602	5,352
Consolidated operating loss	895	-4,477
Consolidated ordinary loss	476	-4,817
Consolidated net loss	8,941	-9,150

Note: For reference, the changes from a year earlier are indicated.

The business results were as follows:

#### (Beef Bowl-related Business)

##### Domestic Yoshinoya business

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 461 including new and renovated ones by the end of the fiscal year under review. In addition, we opened "Sobadokoro Yoshinoya" stores mostly in the food courts of shopping centers to entice a new type of customer. However, the number of people visiting the restaurants decreased due to the strong tendency of consumers to restrain themselves from eating out amid the economic downturn. As a result, net sales at existing stores decreased by 8.4% year on year. In terms of store development, the Group opened 103 new stores and closed 20 unprofitable stores during the fiscal year under review. Thus, as of February 28, 2010, it operated 1,185 stores domestically.

##### Overseas Yoshinoya business

Overseas, the Group promoted the fast food Yoshinoya brand concept which is originally from Japan, in its aggressive development of market areas and efforts to open new stores. YOSHINOYA INTERNATIONAL CO., LTD., a wholly owned subsidiary, concluded a franchise agreement with a local company in Indonesia on September 9, 2009. We plan to open 10 stores within five years. The first of these stores will be opened in May 2010 in Jakarta, the capital. As for store development, we opened 64 new stores and closed 15 unprofitable stores. As a result, overseas Yoshinoya stores totaled 399.

Therefore, Yoshinoya-brand chain stores worldwide totaled 1,584 as of February 28, 2010.

Consolidated net sales of the Beef Bowl-related Business	¥102,150 million
Consolidated operating income	¥2,440 million

#### (Sushi-related Business)

Under a management theme of "Revenue Structure Reform," the Group strove to cut costs. Such efforts included improvement in control techniques, such as control of cost and working hours at stores, and the revision of procurement channels, the development of common foodstuffs and the efficient operation of production lines at factories at the Headquarters. In addition, the Group experimented with lower-priced offerings and implemented diverse measures for product sales promotion, to win new customers. However, primarily due to the effects of the stagnant economy, there was no significant increase in the number of customers. As a result, net sales at the existing stores decreased by 9.9% year on year. We opened 17 new stores and closed 19 unprofitable stores during the fiscal year under review. Consequently, Group stores operating in this segment totaled 366 as of February 28, 2010.

Consolidated net sales of the Sushi-related Business	¥26,318 million
Consolidated operating loss	¥435 million

#### (Steak-related Business)

Under a management theme of “Challenge to the next.,” the Group emphasized product development, sales promotion, and improvement in store productivity. Although the Group achieved cost reduction by improving store productivity, cutting factory costs, and reducing costs at the Headquarters, net sales and earnings for the third quarter fell significantly year on year due to our O157 food poisoning outbreaks in September at the “Steak no Don” brand stores. Furthermore, in other brand store categories, net sales at existing stores of Don Co., Ltd. decreased by 14.1% year on year primarily due to the unexpectedly strong influence of the weakening economy. We opened 11 new stores and closed five unprofitable stores during the fiscal year under review. As a result, Group stores operating in this segment totaled 195 as of February 28, 2010. The Group posted ¥819 million in amortization of goodwill related to operating expenses for the Steak-related Business.

Consolidated net sales of the Steak-related Business	¥24,923 million
Consolidated operating loss	¥1,632 million

#### (Udon Noodle-related Business)

Hanamaru, Inc. strove to reinforce store management and earnings capabilities and improve the quality of its tempura and other items. However, net sales at existing stores decreased by 2.0% year on year mainly due to intensified competition arising from the successive emergence of new entries. During the fiscal year under review, we opened 21 new Hanamaru stores and closed five unprofitable stores, resulting in 269 such stores. Combined with the stores of SENKICHI CO.,LTD., Group stores operating in this segment totaled 282 as of February 28, 2010.

Consolidated net sales of the Udon Noodle-related Business	¥14,565 million
Consolidated operating income	¥873 million

#### 2) Outlook for the fiscal year ending February 2011

Although a moderate recovery in the domestic economy is expected in the second half of the next fiscal year, feelings of insecurity in employment and personal income will continue to linger, and the Group forecasts that consumer spending for eating-out is unlikely to recover for the time being whereas personal consumption will remain stagnant. Under the circumstances, the Group will return to its original concept of values before setting out to build new business models to cope with the change of the market and times in which its existing business models no longer function effectively. The Group will uphold management’s concepts of “speed” and “action” in the coming fiscal year, and especially emphasize the following three points as urgent and important matters.

##### 1) Business structure reform

We will revise organizations and personnel systems within the Group, and the administrative mechanism, including consolidation of the head office function, and will establish a robust business structure and create business models that meet the times.

##### 2) Strengthening the business base

The Group will cut fixed costs and build a business base that can earn profit, by reducing waste. The Group will also assess work processes and their efficiency, from not only the current cost reduction viewpoint but also from a viewpoint of improving operations and store productivity in preparation of sourcing funds for the next growth phase.

##### 3) Growth strategy

Centering on the Yoshinoya business, the Group will continue to accelerate global business development (especially in China) as it did in the previous fiscal year. In addition, the Group will promote product development in Japan and overseas to win overwhelming support from customers.

On the condition that all of the above measures are smoothly carried out, we forecast that net sales for the next fiscal year will be ¥175,000 million (–¥4,602 million year on year); operating income will be ¥2,500 million (+¥3,395 million year on year); ordinary income will be ¥2,700 million yen (+¥3,176 million year on year); and net income will be ¥100 million (+¥9,041 million year on year) on a consolidated basis.

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

Cash and cash equivalents at the end of the consolidated fiscal year under review amounted to ¥13,527 million, a decrease of ¥6,645 million from the beginning of the consolidated fiscal year, after taking into account the effect of exchange rate change.

##### 1) Cash flows from operating activities

Net cash provided by operating activities in the fiscal year under review was ¥92 million, reflecting such factors as a loss before income taxes of ¥10,304 million and an increase in inventories to ¥3,867 million, ¥8,641 million in impairment loss, ¥6,179 million in depreciation and amortization, ¥679 million in loss (gain) on sales and retirement of noncurrent assets, and ¥1,041 million in amortization of goodwill. As a result, net cash decreased by ¥7,633 million from the previous fiscal year.

##### 2) Cash flows from investing activities

Net cash used in investing activities in the fiscal year under review decreased by ¥9,127 million, reflecting such factors as ¥715 million in proceeds from collection of guarantee deposits, ¥494 million in proceeds from sales of investments in capital, ¥9,099 million in the purchase of property, plant and equipment and intangible assets and ¥1,059 million in payments for guarantee deposits. As a result, net cash increased by ¥1,641 million from the previous fiscal year.

### 3) Cash flows from financing activities

Net cash provided by financing activities in the fiscal year under review increased by ¥2,383 million, reflecting such factors as ¥6,500 million in proceeds from long-term loans payable, ¥4,436 million in repayment of long-term loans payable and ¥1,259 million in cash dividends paid. As a result, net cash increased by ¥3,178 million from the previous fiscal year.

#### (Reference) Changes in cash flow-related indicators

	FY2005	FY2006	FY2007	FY2008	FY2009
Equity ratio (%)	70.3	70.1	69.0	60.3	54.7
Market-value based equity ratio (%)	119.5	125.1	109.5	61.6	59.4
Cash flows/interest-bearing debt ratio (years)	1.1	0.8	0.4	1.9	212.2
Interest coverage ratio (times)	36.1	74.0	96.9	38.8	0.3

#### (3) Basic Policy for Distribution of Profit and Dividends for FY2009 and FY2010

The Company's basic dividend policy ensures stable and consistent profit returns to its shareholders. The Company intends to determine the amount of dividends from a comprehensive standpoint, with due regard for the business environment, cash demand conditions, trends in the consolidated performance, an increase in internal reserves for the future growth of the Yoshinoya Group and other factors while maintaining this policy.

The Company intends to distribute a year-end dividend of ¥1,000 per share for FY 2009, thereby achieving an annual dividend of ¥2,000 per share, together with the interim dividend of ¥1,000 per share.

#### (4) Material Events Regarding Going Concern Assumption

None applicable

4. Consolidated Financial Statements  
(1) Consolidated Balance Sheets

	FY2008 (As of February 28, 2009) (Millions of yen)	FY2009 (As of February 28, 2010) (Millions of yen)
<b>ASSETS</b>		
Current assets		
Cash and deposits	19,981	14,087
Notes and accounts receivable—trade	4,414	3,963
Inventories	4,596	—
Merchandise and finished goods	—	1,659
Work in process	—	75
Raw materials and supplies	—	6,767
Deferred tax assets	815	1,203
Other	2,419	2,266
Allowance for doubtful accounts	(28)	(19)
Total current assets	32,198	30,003
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	57,313	59,302
Accumulated depreciation	(31,353)	(33,538)
Buildings and structures, net	25,960	25,764
Machinery, equipment and vehicles	4,271	4,584
Accumulated depreciation	(3,370)	(3,671)
Machinery, equipment and vehicles, net	900	912
Tools, furniture and fixtures	12,471	12,410
Accumulated depreciation	(9,033)	(9,715)
Tools, furniture and fixtures, net	3,438	2,694
Land	10,120	8,068
Lease assets	—	2,364
Accumulated depreciation	—	(225)
Lease assets, net	—	2,139
Construction in progress	488	186
Total property, plant and equipment	40,907	39,766
Intangible assets		
Goodwill	3,994	636
Other	3,531	3,474
Total intangible assets	7,526	4,111

	FY2008 (As of February 28, 2009) (Millions of yen)	FY2009 (As of February 28, 2010) (Millions of yen)
Investments and other assets		
Investment securities	933	911
Long-term loans receivable	1,280	726
Long-term prepaid expenses	5,901	5,417
Guarantee deposits	16,938	16,833
Real estate for investment	5,097	6,108
Accumulated depreciation	(1,369)	(1,596)
Real estate for investment, net	3,727	4,512
Deferred tax assets	1,475	2,465
Other	2,110	755
Allowance for doubtful accounts	(557)	(302)
Allowance for investment loss	(36)	—
Total investments and other assets	31,774	31,320
Total noncurrent assets	80,208	75,198
Total assets	112,406	105,202

	FY2008 (As of February 28, 2009) (Millions of yen)	FY2009 (As of February 28, 2010) (Millions of yen)
<b>LIABILITIES</b>		
Current liabilities		
Notes and accounts payable—trade	6,321	5,818
Short-term loans payable	2,032	4,595
Current portion of long-term loans payable	3,545	3,341
Lease obligations	—	413
Income taxes payable	2,528	1,282
Provision for bonuses	1,357	1,318
Provision for directors' bonuses	86	72
Allowance for special benefit for shareholders	—	120
Provision for loss on store closing	—	464
Other	9,388	8,870
<b>Total current liabilities</b>	<b>25,260</b>	<b>26,298</b>
Noncurrent liabilities		
Bonds payable	316	300
Long-term loans payable	8,954	11,273
Provision for retirement benefits	2,042	1,902
Lease obligations	—	1,303
Provision for directors' retirement benefits	235	—
Deferred tax liabilities	24	28
Other	2,894	2,898
<b>Total noncurrent liabilities</b>	<b>14,468</b>	<b>17,705</b>
<b>Total liabilities</b>	<b>39,728</b>	<b>44,004</b>
<b>NET ASSETS</b>		
Shareholders' equity		
Capital stock	10,265	10,265
Capital surplus	11,153	11,153
Retained earnings	53,959	43,659
Treasury stock	(5,946)	(5,946)
<b>Total shareholders' equity</b>	<b>69,432</b>	<b>59,132</b>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(10)	(12)
Foreign currency translation adjustment	(1,595)	(1,592)
<b>Total valuation and translation adjustments</b>	<b>(1,605)</b>	<b>(1,605)</b>
Minority interests	4,851	3,670
<b>Total net assets</b>	<b>72,678</b>	<b>61,197</b>
<b>Total liabilities and net assets</b>	<b>112,406</b>	<b>105,202</b>

## (2) Consolidated Statements of Income

	FY2008 (From March 1, 2008, to February 28, 2009) (Millions of yen)	FY2009 (From March 1, 2009, to February 28, 2010) (Millions of yen)
Net sales	174,249	179,602
Cost of sales	66,356	67,469
Gross profit	107,893	112,132
Selling, general and administrative expenses	104,311	113,028
Operating income (loss)	3,582	(895)
Non-operating income		
Interest income	119	67
Dividends income	21	116
Rent income	532	496
Income from distribution of goods	34	30
Commission fee	176	167
Equity in earnings of affiliates	—	40
Compensation for business	219	159
Miscellaneous income	430	328
Total non-operating income	1,534	1,406
Non-operating expenses		
Interest expenses	196	347
Loss on investment of investment securities	15	40
Rent expenses	356	358
Equity in losses of affiliates	63	—
Miscellaneous loss	144	241
Total non-operating expenses	776	988
Ordinary income (loss)	4,340	(476)
Extraordinary income		
Gain on sales of noncurrent assets	1,790	105
Gain on sales of investment securities	8	17
Reversal of allowance for doubtful accounts	—	8
Reversal of appraised assets	167	261
Reversal of provision for retirement benefits	—	14
Gain on cancellation of contracts	—	25
Settlement received	—	71
Gain on prior periods adjustment	—	40
Total extraordinary income	1,967	544

	FY2008 (From March 1, 2008, to February 28, 2009) (Millions of yen)	FY2009 (From March 1, 2009, to February 28, 2010) (Millions of yen)
Extraordinary loss		
Loss on retirement of noncurrent assets	686	776
Loss on sales of noncurrent assets	36	7
Impairment loss	1,476	8,641
Loss on valuation of investment securities	83	—
Loss on cancellation of contracts	30	254
Provision of allowance for investment loss	13	—
Loss on business withdrawal	718	49
Provision of allowance for doubtful accounts	239	—
Loss on valuation of membership	3	3
Loss on valuation of investments in capital	150	7
Litigation expense	30	3
Bad debts expenses	145	—
Provision for loss on store closing	—	464
Loss on abandonment of inventories	—	32
Extra retirement payments	—	93
Loss on prior periods adjustment	—	37
Total extraordinary losses	3,616	10,371
Income (loss) before income taxes	2,691	(10,304)
Income taxes—current	3,568	1,685
Income taxes—deferred	(176)	(1,362)
Total income taxes	3,391	323
Minority interests in loss	(908)	(1,686)
Net income (loss)	208	(8,941)

## (3) Statements of changes in net assets

	FY2008 (From March 1, 2008, to February 28, 2009) (Millions of yen)	FY2009 (From March 1, 2009, to February 28, 2010) (Millions of yen)
<b>Shareholders' equity</b>		
Capital stock		
Balance at the end of previous period	10,265	10,265
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	10,265	10,265
Capital surplus		
Balance at the end of previous period	11,153	11,153
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	11,153	11,153
Retained earnings		
Balance at the end of previous period	55,076	53,959
Effect of changes in accounting policies applied to foreign subsidiaries	—	13
Changes of items during the period		
Dividends from surplus	(1,325)	(1,262)
Net income (loss)	208	(8,941)
Change of scope of consolidation	—	(108)
Total changes of items during the period	(1,116)	(10,299)
Balance at the end of current period	53,959	43,659
Treasury stock		
Balance at the end of previous period	(5,945)	(5,946)
Changes of items during the period		
Purchase of treasury stock	(0)	—
Total changes of items during the period	(0)	—
Balance at the end of current period	(5,946)	(5,946)
Total shareholders' equity		
Balance at the end of previous period	70,549	69,432
Effect of changes in accounting policies applied to foreign subsidiaries	—	13
Changes of items during the period		
Dividends from surplus	(1,325)	(1,262)
Net income (loss)	208	(8,941)
Purchase of treasury stock	(0)	—
Change of scope of consolidation	—	(108)
Total changes of items during the period	(1,117)	(10,299)
Balance at the end of current period	69,432	59,132

	FY2008 (From March 1, 2008, to February 28, 2009) (Millions of yen)	FY2009 (From March 1, 2009, to February 28, 2010) (Millions of yen)
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	26	(10)
Changes of items during the period		
Net changes of items other than shareholders' equity	(37)	(2)
Total changes of items during the period	(37)	(2)
Balance at the end of current period	(10)	(12)
Foreign currency translation adjustment		
Balance at the end of previous period	(1,017)	(1,595)
Changes of items during the period		
Net changes of items other than shareholders' equity	(577)	2
Total changes of items during the period	(577)	2
Balance at the end of current period	(1,595)	(1,592)
Total valuation and translation adjustments		
Balance at the end of previous period	(990)	(1,605)
Changes of items during the period		
Net changes of items other than shareholders' equity	(615)	0
Total changes of items during the period	(615)	0
Balance at the end of current period	(1,605)	(1,605)
Minority interests		
Balance at the end of previous period	5,535	4,851
Changes of items during the period		
Net changes of items other than shareholders' equity	(684)	(1,181)
Total changes of items during the period	(684)	(1,181)
Balance at the end of current period	4,851	3,670
Total net assets		
Balance at the end of previous period	75,094	72,678
Effect of changes in accounting policies applied to foreign subsidiaries	—	13
Changes of items during the period		
Dividends from surplus	(1,325)	(1,262)
Net income (loss)	208	(8,941)
Purchase of treasury stock	(0)	—
Change of scope of consolidation	—	(108)
Net changes of items other than shareholders' equity	(1,299)	(1,181)
Total changes of items during the period	(2,416)	(11,480)
Balance at the end of current period	72,678	61,197

## (4) Consolidated Statements of Cash Flows

	FY2008 (From March 1, 2008, to February 28, 2009) (Millions of yen)	FY2009 (From March 1, 2009, to February 28, 2010) (Millions of yen)
Net cash provided by (used in) operating activities		
Income (loss) before income taxes	2,691	(10,304)
Depreciation and amortization	5,102	6,179
Amortization of goodwill	622	1,041
Increase (decrease) in allowance for doubtful accounts	209	(263)
Increase (decrease) in provision for bonuses	(30)	(36)
Increase (decrease) in provision for retirement benefits	(172)	(140)
Increase (decrease) in provision for directors' retirement benefits	(0)	(235)
Increase (decrease) in provision for directors' bonuses	(3)	(14)
Increase (decrease) in allowance for special benefit for shareholders	—	120
Interest and dividends income	(141)	(184)
Interest expenses	196	347
Equity in (earnings) losses of affiliates	63	(40)
Loss (gain) on sales of investment securities	(8)	(17)
Loss (gain) on valuation of investment securities	83	—
Loss (gain) on investment securities operation	15	40
Loss on valuation of investments in capital	150	7
Loss on valuation of membership	3	3
Loss (gain) on sales and retirement of noncurrent assets	(1,067)	679
Impairment loss	1,476	8,641
Provision for loss on store closing	—	464
Loss on withdrawal from business	718	49
Decrease (increase) in notes and accounts receivable—trade	(92)	487
Decrease (increase) in inventories	2,857	(3,867)
Increase (decrease) in notes and accounts payable—trade	(1)	(497)
Decrease (increase) in accounts receivable—other	(10)	433
Increase (decrease) in other assets/liabilities	(446)	396
Subtotal	12,218	3,292
Interest and dividends income received	144	185
Interest expenses paid	(199)	(350)
Income taxes paid	(4,438)	(3,034)
Net cash provided by (used in) operating activities	7,725	92

	FY2008 (From March 1, 2008, to February 28, 2009) (Millions of yen)	FY2009 (From March 1, 2009, to February 28, 2010) (Millions of yen)
<b>Net cash provided by (used in) investing activities</b>		
Payments into time deposits	(952)	(596)
Proceeds from withdrawal of time deposits	982	244
Purchase of property, plant and equipment	(10,840)	(8,301)
Proceeds from sales of property, plant and equipment	2,679	409
Purchase of intangible assets	(1,391)	(798)
Payments resulting from withdrawal of noncurrent assets	(185)	(275)
Purchase of investment securities	(60)	(6)
Proceeds from sales of investment securities	9	—
Proceeds from dividends paid by an investment partnership	1	2
Payments for guarantee deposits	(1,126)	(1,059)
Proceeds from collection of guarantee deposits	681	715
Payments of loans receivable	(646)	(240)
Collection of loans receivable	328	334
Proceeds from sales of investments in real estates	—	4
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(202)	—
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	—	(42)
Payments for investments in capital of subsidiaries and affiliates	—	(18)
Proceeds from sales of investments in capital	—	494
Other, net	(46)	5
<b>Net cash provided by (used in) investing activities</b>	<b>(10,769)</b>	<b>(9,127)</b>
<b>Net cash provided by (used in) financing activities</b>		
Repayment of finance lease obligations	—	(963)
Net increase (decrease) in short-term loans payable	(444)	2,563
Proceeds from long-term loans payable	3,350	6,500
Repayment of long-term loans payable	(2,307)	(4,436)
Redemption of bonds	(8)	(16)
Purchase of treasury stock	(0)	—
Cash dividends paid	(1,321)	(1,259)
Purchase of treasury stock of subsidiaries in consolidation	—	(3)
Cash dividends paid to minority shareholders	(64)	—
<b>Net cash provided by (used in) financing activities</b>	<b>(794)</b>	<b>2,383</b>
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>(78)</b>	<b>6</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(3,917)</b>	<b>(6,645)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>23,691</b>	<b>19,774</b>
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	—	399
<b>Cash and cash equivalents at end of period</b>	<b>19,774</b>	<b>13,527</b>

(5) Going Concern Assumption

None applicable

## Segment Information

### 1. Segment Information by Business Segment

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

(Millions of yen)

	Beef Bowl-related Business	Sushi-related Business	Snacks-related Business	Other Restaurant Business	Other Business	Total	Eliminations or Corporate	Consolidated
I. Net sales and operating income (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 income (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	308	129	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-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 steak, <i>shabu shabu</i> , <i>sanuki udon</i> noodles, <i>ramen</i> Chinese noodles, <i>curry 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.

FY2008: ¥7,096 million

4. Additional information

(FY2008)

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, the Company and its domestic consolidated subsidiaries apply the following accounting for the assets acquired on and before March 31, 2007. When the depreciated value of an asset reached 5% of its acquisition cost (under the depreciation method applicable before revision) in a certain fiscal year, the difference between such value (5% of the acquisition cost) and the memorandum value of the asset is depreciated in an equal amount over five years from the next fiscal year. This amount is included in depreciation expenses. The effect of this change on profits or losses is minor.

FY2009 (From March 1, 2009, to February 28, 2010)

(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
<b>I. Net sales and operating income (loss)</b>										
Net sales										
(1) Sales to unaffiliated customers	102,100	26,309	24,923	14,565	7,838	2,670	1,194	179,602	—	179,602
(2) Intersegment sales or transfer	49	8	—	—	24	—	3,736	3,819	(3,819)	—
Total	102,150	26,318	24,923	14,565	7,863	2,670	4,931	183,422	(3,819)	179,602
Operating expenses	99,710	26,754	26,555	13,691	7,912	3,395	4,786	182,806	(2,308)	180,497
Operating income (loss)	2,440	(435)	(1,632)	873	(48)	(725)	144	615	(1,510)	(895)
<b>II. Total assets, depreciation and amortization, impairment loss and capital expenditures</b>										
Total assets	60,523	12,450	13,101	6,274	2,553	887	1,735	97,526	7,675	105,202
Depreciation and amortization	3,849	580	786	515	168	186	45	6,133	46	6,179
Impairment loss	1,714	2,226	1,218	264	106	432	—	5,962	2,678	8,641
Capital expenditures	7,770	804	1,024	884	169	471	194	11,319	0	11,319

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. 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.

FY2009: ¥6,997 million

#### 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.

Reclassified segment information by business segment for FY2009 to conform to the previous classification is as follows:

(Millions of yen)

	Beef Bowl-related Business	Sushi-related Business	Snacks-related Business	Other Restaurant Business	Other Business	Total	Eliminations or Corporate	Consolidated
<b>I. Net sales and operating income (loss)</b>								
Net sales								
(1) Sales to unaffiliated customers	102,100	26,309	7,838	42,158	1,194	179,602	—	179,602
(2) Intersegment sales or transfer	49	8	24	—	3,736	3,819	(3,819)	—
Total	102,150	26,318	7,863	42,158	4,931	183,422	(3,819)	179,602
Operating expenses	99,710	26,754	7,912	43,642	4,786	182,806	(2,308)	180,497
Operating income (loss)	2,440	(435)	(48)	(1,484)	144	615	(1,510)	(895)
<b>II. Total assets, depreciation and amortization, impairment loss and capital expenditures</b>								
Total assets	60,523	12,450	2,553	20,263	1,735	97,526	7,675	105,202
Depreciation and amortization	3,849	580	168	1,488	45	6,133	46	6,179
Impairment loss	1,714	2,226	106	1,914	—	5,962	2,678	8,641
Capital expenditures	7,770	804	169	2,380	194	11,319	0	11,319

## 2. Segment Information by Geographical Segment

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.

FY2009 (From March 1, 2009, to February 28, 2010)

Total net sales of the domestic consolidated subsidiaries in Japan for the fiscal year ended February 28, 2010 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.

## 3. Overseas Sales

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.

FY2009 (From March 1, 2009, to February 28, 2010)

As overseas sales for the fiscal year ended February 28, 2010, accounted for less than 10% of consolidated net sales, overseas sales-related information is omitted.