Brief Summary of Consolidated Financial Results (September 26, 2005)
(For the 6 months ended August 31, 2005)

Company Name	Ryohin Keikaku Co., Ltd.
Code Number	7453
URL	http://ryohin-keikaku.jp
Securities Traded	The Tokyo Stock Exchange, First Section
Address	Headquarters in Tokyo
Representative	Tadamitsu Matsui, President and Representative Director
Contact	Masato Kubo, Exective Officer and General Manager, Accounting and Finance Unit.
Telephone	03-3989-4910
Board of Directors' Meeting for Settlement of Accounts	September 26, 2005
U.S.GAAP	Not applied

1. Results for Semi-Annual (March 1, 2005 to August 31, 2005)

(Fractions under million yen are truncated)

(1) Operating results

	Operating Revenue (% increase)	Operating Profit (% increase)	Ordinary Profit (% increase)
Semi-annual 2005	68,671 (9.2)	7,359 (28.6)	7,490 (27.3)
Semi-annual 2004	62,861 (5.0)	5,723 (47.0)	5,882 (47.3)
Fiscal 2004	128,468	11,478	11,840

	Net Income (% increase)	Net Income per Share (yen)	Net Income per Share after Dilution (yen)
Semi-annual 2005	4,388 (46.5)	160.06	159.07
Semi-annual 2004	2,995 (70.3)	110.99	109.84
Fiscal 2004	6,347	231.88	229.86

Note: 1. Equity in earnings of unconsolidated subsidiaries and affiliates accounted for by the equity method in each period
Semi-annual 2005 – ¥ 11 million, Semi-annual 2004 – ¥ 0 million, Fiscal 2004 – ¥ 7 million
2. The average number of shares outstanding during the each period
Semi-annual 2005 –27,415,556 shares, Semi-annual 2004– 26,990,097 shares, Fiscal 2004 – 27,121,645 shares
3. There are no accounting changes in this period.
4. Percentage increase or decrease is based on comparison with the previous semi-annual.

(2) Financial position

	Total Assets	Total Shareholders' Equity	Shareholders' Equity Ratio (%)	Shareholders' Equity per Share (yen)
Semi-annual 2005	62,520	49,315	78.9	1,794.13
Semi-annual 2004	56,079	42,211	75.3	1,552.27
Fiscal 2004	60,657	45,315	74.7	1,654.42

Note: The number of shares outstanding at the end of each period
Semi-annual 2005–27,487,373 shares, Semi-annual 2004 –27,193,591 shares, Fiscal 2004 – 27,354,643 shares

(3) Condition of cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Semi-annual 2005	4,229	(1,434)	(400)	19,396
Semi-annual 2004	2,403	(710)	279	13,791
Fiscal 2004	8,375	(3,577)	348	16,961

(4) Scope of consolidation and application of the equity method

Consolidated subsidiaries	11 companies
Subsidiaries accounted for by the equity method	none
Affiliates accounted for by the equity method	1 company

(5) Changes in scope of consolidation and application of the equity method

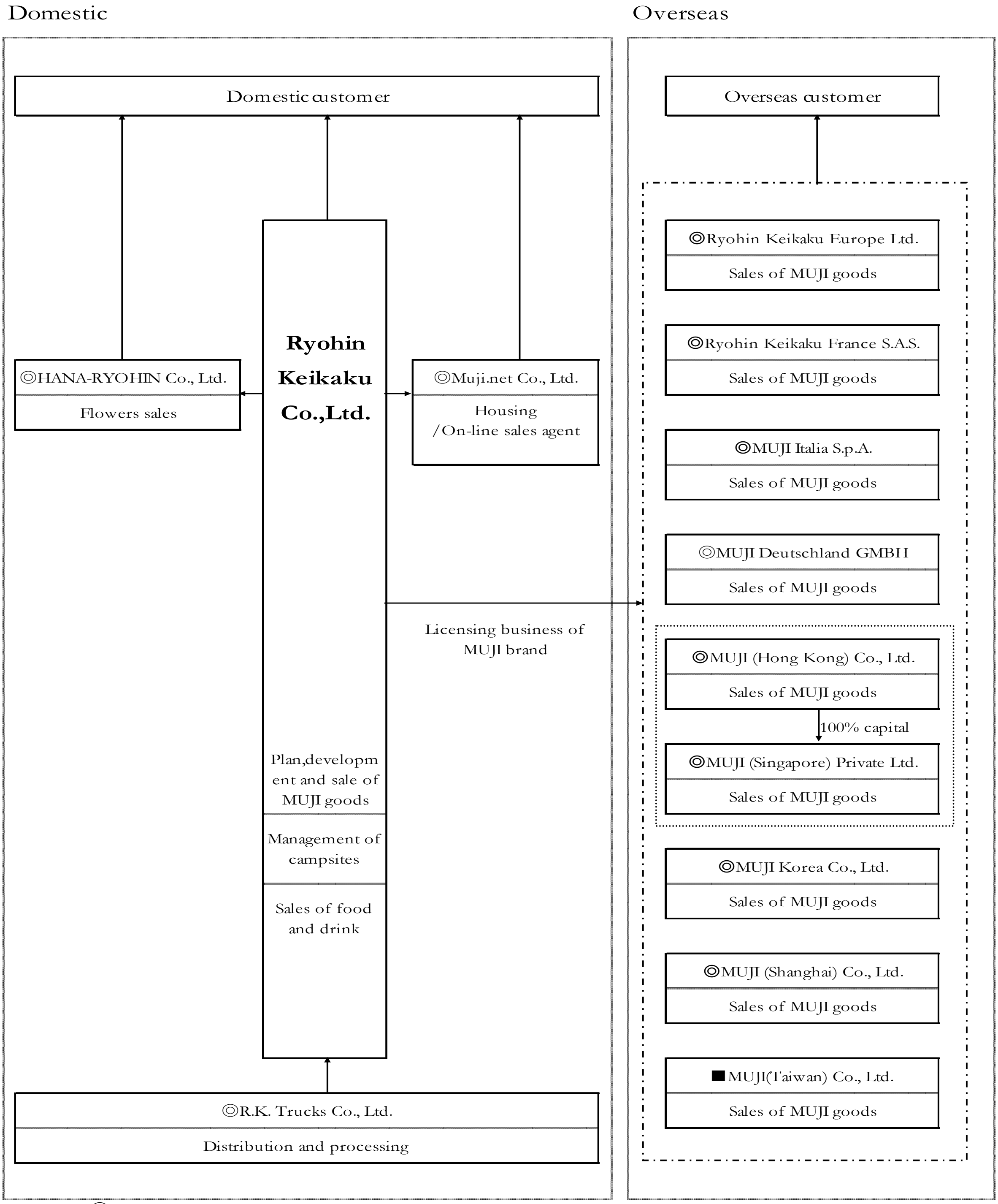
Consolidated	(new)	2 companies
	(eliminated)	none
Equity method	(new)	none
	(eliminated)	none

2. Forecast for Fiscal 2005 (March 1, 2005 to February 28, 2006)

	Operating Revenue	Ordinary Profit	Net Income
Full year	140,400	14,900	8,600

Reference: Estimated net income per share for the full year is ¥312.87
Note: The above forecast is announced presupposing available information at September 26, 2005 and an assumption related to uncertain factors which will influence future results. Actual results may be different from the forecast depending on various factors in future. Please refer to page6, where assumptions and matters considered in the forecast are noted.

Group Companies



Note: 1. ◎ Consolidated subsidiaries
2. ■ Affiliate accounted for by the equity method
3. MUJI (Shanghai) Co., Ltd established on May 18, 2005 and MUJI Deutschland GMBH established on July 6, 2005 are included in consolidation for the first time.

Management Policy

1. Basic Management Policy

Since its establishment, Ryohin Keikaku Co., Ltd. and its subsidiaries (hereinafter referred to as the "Company") have been operating under the concept of "offering high quality merchandise at reasonable prices". By cutting out the wasteful frills of many products available in today's market, the Company has developed sales lines in apparel/miscellaneous goods, household goods, and food products that match the current trend toward 'value for money' perceived by Japanese customers. In addition, the Company organized a network of specialty stores, which exclusively carry merchandise planned and developed by the Company. Thus, all stores can adopt an unified concept, including the layout, display and atmosphere of the store and the Company can continue to inspire customers with its distinctive and comprehensive lifestyle products.

The Company places high priority on increasing corporate value, in other words, shareholder value, and is committed to broadening its capability as a manufacturer and retailer as it goes forward in the face of intensified global competition.

2. Basic Policy on the Appropriation of Income

Returning profit to shareholders is recognized as one of the Company's highest priorities, and the management considers growth in earnings per share as its primary responsibility.

The Company's policy on dividends is that they should be determined based on the level of profit with a target annual payout ratio of 25%.

With respect to retained earnings, the Company will actively utilize these for capital investments such as the expansion of existing business as well as the development/strengthening of new business, and for investment in tie-ups or acquisitions with the aim of improving its corporate value. In addition, it will buy back its treasury stocks, if necessary, for the purpose of ensuring shareholder returns and thus make efforts to increase its return on equity (ROE).

3. Ideas and Fundamental Policy on the Minimum Investment Unit

With the understanding that the further participation of individual investors will lead to the revitalization of stock markets, the Company has been taking initiatives to promote investor relations by posting brief summaries of its financial statements as well as an investor's guide on its homepage and by simplifying its business reports to make them easy to understand.

The Company recognizes that reducing the minimum investment unit is one of the most effective ways of revitalizing stock markets. However, it also believes that such change requires careful judgment, taking into consideration such negative effects as the potential increases in related expenses.

4. Target Financial Ratios

The Company will devote its managerial efforts to achieving further growth in the belief that shareholders' interests are best served through the maximization of corporate value by boosting growth as well as profitability.

5. The Mid-term Business Strategy

With a view to making a satisfactory start toward further growth and to developing the entrepreneurial capacity to survive keen competition and be on the "winning side" of the retail industry, the Company is pursuing the further expansion of its retail business through the following managerial strategies:

(1) Opening new stores that have a strong probability of success
The Company will promote its efforts to open new stores, focusing on the selection of the right area where there is potential to succeed rather than focusing on the number of stores to be opened.

(2) Enhancement of its product development capability
In the pursuit of well-differentiated quality and reasonable pricing, the Company will enhance its product design and development capability. In addition, by seeking the improvement or elimination of existing products and developing new product categories, the Company strives to offer customers high quality and satisfying products.

(3) Reinforcement of its product procurement process
The Company will review its production control system and reduce the number of suppliers and factories,

so that it can increase production speed and realize further cost reductions.

(4) Establishment of chain operation
The Company intends to improve the sales operation and increase productivity through the simplification of routine practices in the stores. Furthermore, it will advance its efforts to change stale layouts and displays on the sales floor to create a more dynamic environment.

(5) Overseas strategies for growth
In addition to its continuing initiatives to open new stores in the United Kingdom, France, Italy and Hong Kong, the Company is aggressively exploring opportunities to open stores in Germany and China. At the same time, it is also preparing itself for further expansion of its chain operation into the United States in order to grow as a whole group.

6. Major Issues to be Addressed

The Company recognizes that its top priority is to strengthen its product development capability and reform its product procurement structure to provide high quality products at reasonable prices, so that it can continuously promote the unique lifestyle of MUJI.

Moreover, in order to survive tough competition within the retail industry, the Company will further focus on keeping costs down in parallel with efforts to enhance the Company’s management as well as its finance position.

After building a stable constitution and addressing these issues, the Company will maximize its corporate value by achieving further growth. At the same time, it will maintain solid relations with stakeholders by ensuring compliance with various ordinance and regulations from the perspective of corporate social responsibility, and thus it will make efforts to boost its business results.

7. Measures for Corporate Governance

(1) Basic ideas on corporate governance
The Company recognizes that its ultimate goal is to enhance the brand image as perceived by stakeholders such as shareholders, customers, employees and client companies to differentiate itself from its competitors, and to secure a dominant share in the market as well as their confidence in the Company. With respect to customers, the Company is committed to enhancing its brand image as “MUJI” and will continuously improve its product development capability, sales methods and related services that can be supported by the consumer. With reference to the shareholders, it will actively pursue its goal of being considered an excellent company through persistent growth, vigorous IR activities, trustworthy and impartial disclosure, and proper appropriation to the shareholders.

With respect to the employees, the Company intends to establish its corporate culture as that of an exciting company where the Company’s vision synchronizes with that of the employees by adopting programs that provide opportunities for self-actualization.

Furthermore, in response to the lessons learned from the recent wave of corporate scandals, the Company continues to improve its internal control system by establishing a compliance committee to ensure more self-regulated operation as well as a whistle-blowing hotline.

The Company believes that the above activities will lead to enforcement of its corporate values and the creation of a self-monitoring operation within the divisions.

(2) Current status of measures for corporate governance
(i) Corporate governance systems - management structure for decision making, execution and supervision of operations

(a) There are six in-house board members (six of whom hold other posts as executive officers), three external board members, four external auditors and four executive officers. The Company defines the supervisory function of the board of directors and their responsibility as executive officers. In parallel with this, it advances the transfer of authority in order to speed up its business execution.

(b) The Company has adopted an internal auditing system and formed an audit committee. The committee currently consists of four external corporate auditors (one of whom is a full-time auditor). In order to audit the performance of the board of directors, the committee members attend the board meetings and inspect managerial documents and records.

(c) The Company has also set up a remuneration committee, consisting of five directors, three external (including one chairman) and two in-house, which submits drafts to the board on remuneration for the directors and related matters. In addition, it has also established a nominating committee, consisting of five directors, three external (including one chairman) and two in-house, which submits recommendations to the board on the appointment and dismissal of directors.

(d) With respect to internal control, the Company has set up an Internal Audit Office that supervises whether business practices are operated legally, properly and accurately.

(e) The Company has appointed ChuoAoyama PricewaterhouseCoopers as its accounting auditor and put in place a well-prepared auditing environment for them to perform a fair audit by providing all necessary information and explanations on the overall management of the Company. In addition, when the Company is faced with the need to make legal decisions, it consults with lawyers who provide a professional point of view.

（ii） Relationship between the Company and External Board Members and External Auditors with respect to individual, capital, business, and other interests

There is no conflict of interests among these parties.

（iii） Current status of measures for corporate governance

(a) While board meetings are required to be held twice a month, 15 board meetings were held in this interim period.

(b) While audit committee meetings are to be held once a month, 8 meetings were held in this interim period.

(c) As part of its IR activities, the Company has put greater focus on prompt and accurate disclosure to investors by posting its financial results on its homepage on the same day that the relevant press release is issued.

(d) The Company has established a compliance committee, the chairman of which is the Company's representative director, in order to address changing circumstances in corporate management and to strengthen its compliance with ordinances and risk controls.

Results of Operations and Financial Position

1. Results of Operations

During this interim period, the Company continued to emphasize proactive enhancement of the streamlining and standardization of its store business. In Japan, the Company opened 9 stores (5 of which are directly managed stores), including "Mujirushi Ryohin Lumine Machida", expanded floor space in 3 stores and closed 4 stores (1 of which was a directly managed store), including "Mujirushi Ryohin Factory Outlet Karuizawa".

As of August 31, 2005, the Company had a total of 290 stores (145 of which are directly managed stores), total sales floor space of 206,077 square meters (119,023 square meters of which is made up of directly managed stores) and an average sales floor space per store of 711 square meters (821 square meters of which is made up directly managed stores).

The number of "Mujiru Ryohin com KIOSK" stores, a business alliance with East-Japan Kiosk Co., Ltd., was reduced to 14, after stores in Ofuna and Takasaki were closed down at the end of the last period (Feb 28, 2005).

With respect to its overseas operation during this period, the Company opened one new store in Korea, one in Norway and one in Hong Kong. As of August 31, 2005, the Company had a total of 39 overseas stores (5 of which are licensed stores-LS); 20 in the United Kingdom (including 1 LS in Ireland, 3 LS in Sweden and 1 LS in Norway), 5 in France, 1 in Italy, 5 in Hong Kong, 2 in Singapore, 4 in Taiwan and 2 in Korea.

Total sales of directly managed stores in Japan have seen an increase of 11.2% over last year, largely driven by sales growth of 1.6% in existing stores as well as favorable performance in new stores opened in FY04 and FY05. Sales to distributors from the Company recorded a gain of 1.2% over last year, with significant contributions from the newly opened stores, while each channel of licensed store, Seiyu Co., Ltd. and Family Mart Co., Ltd. struggled with over-the-counter sales. Furthermore, net store sales have shown robust performance, achieving an increase of 44.4% over the same period last year.

The performance of household goods, which have maintained their favorable trend since the second half of last year, played a significant role in absorbing the less promising results in apparel/miscellaneous goods.

While overseas operations have been expanding steadily with a proactive approach to opening new stores, overseas sales exceeded 4,700 million yen, making up 6.9% of consolidated sales. With further focus on expansion of these foreign businesses, the Company expects that they will greatly contribute to the overall growth of the Ryohin Keikaku Group.

As a result, consolidated operating revenue for the period was ¥686,71 million, an increase of 9.2% compared with last year. Consolidated ordinary profit soared by 27.3% to ¥7,490 million, while consolidated net income jumped to ¥4,388 million, a significant increase of 46.5% over last year. As a result, an increase in sales was recorded for three consecutive quarters, while profits enjoyed a consecutive rise in four quarters.

Forecast for the Next Period

In the continuing harsh environment of the retail industry, the Company will further reinforce its marketing strategy and production capability and improve its competitiveness. In addition, the Company will advance its product development capability, taking account of customer's comments in order to further improve the quality of household goods, which have regained their strong performance. It will also address challenging issues such as structural reforms, inventory controls, and quality management overall.

The Company intends to steadily expand its overseas operations. In European and Asian countries where Muji stores have already made their presence felt, the Company intends to open further stores, focusing on the probability of success. It is also planning to develop new markets in Germany and Spain.

By vigorously addressing these issues and maintaining sustainable growth combined with a sound constitution, the Company aims to maximize its corporate value. In parallel with this, it will maintain solid relations with stakeholders by ensuring compliance with various ordinances and regulations from the perspective of corporate social responsibility, and thus it will make efforts to boost its business results.

Based on the above, the Company expects that consolidated results in operating revenue, ordinary profit and net income will be ¥140,400 million (an increase of 9.3% over the same period last year), ¥14,900 million (an increase of 25.8% over the same period last year), and ¥8,600 million (an increase of 35.5%), respectively.

2. Financial Position

(1) Financial Position

During the period, consolidated total assets for the Ryohin Keikaku Group were ¥62,520 million, an increase of ¥1,863 million, or 3.1% compared with last year.
This was mainly due to net income of ¥4,388 million (which saw an increase of 46.5%), supported by sound performance by newly opened stores in this period and efforts to cut selling and general administrative expenses.

(2) Cash Flow Status for the Period

【Cash flows from operating activities】
Cash flows from operating activities generated ¥4,229 million, an increase of ¥1,826 million, compared with last year.
This was mainly due to an increase in funds led by 'Income before income taxes and minority interests' of ¥7,416 million and "Depreciation", to the contrary due to a decrease of ¥2,457 million led by "Income tax paid".

【Cash flows from investing activities】
Investing activities during the period created an outflow of ¥1,434 million, an increase of ¥724 million compared with last year.
This was mainly due to the purchase of fixed assets in the stores.

【Cash flows from financing activities】
Cash flows from financing activities brought in ¥400 million, representing an increase of ¥679 million over last year.
This was mainly due to a fund increase of ¥419 million led by sales of treasury stock to stock option shareholders such as employees and an outflow of ¥819 million caused by dividend payouts.

Cash and cash equivalents for this interim period totaled ¥19,396 million, an increase of ¥2,435 million compared with last year.

Cash and cash equivalents for this year are expected to increase steadily due to probable growth in net income.

Indicators on financial position are as follows:

For the interim period	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Shareholders' equity ratio	66.4%	74.0%	72.7%	75.3%	78.9%
Shareholders' equity ratio based on market value	206.2%	180.7%	226.4%	324.7%	359.0%

(Note) All indicators are calculated using the Company's consolidated financial results.
* Shareholders' equity ratio -----shareholders' equity/total assets
* Shareholders' equity ratio based on market value----aggregated market value/total assets
*Aggregated market value----stock price at the end of August, 2005 × number of shares outstanding at the end of August, 2005, excluding treasury stock

Consolidated Financial Statements

Consolidated Balance Sheets

Ryohin Keikaku Co., Ltd. and subsidiaries
As of August 31, 2005 and 2004, and February 28, 2005

(Millions of yen)

	Aug. 31, 2005	Aug. 31, 2004	Feb. 28, 2005
Assets			
Current Assets:			
Cash in hand and in banks	**19,396**	13,791	16,961
Notes and accounts receivable	**3,441**	3,205	3,183
Inventories	**8,697**	8,255	8,823
Accounts receivable - other	**3,451**	3,342	3,339
Other current assets	**1,947**	2,003	2,088
Less: Allowance for doubtful accounts	**(26)**	(29)	(28)
Total current assets	**36,907**	30,568	34,366
Fixed Assets:			
Tangible fixed assets:			
Buildings	**7,414**	7,876	7,731
Tools and furniture	**2,034**	1,610	2,181
Land	**875**	875	875
Other tangible fixed assets	**565**	512	467
Total tangible fixed assets	**10,890**	10,875	11,255
Intangible fixed assets	**3,162**	2,692	3,290
Investments and advances:			
Guarantee deposits	**3,578**	3,596	3,636
Fixed leasehold deposits	**7,429**	7,477	7,438
Other investments and advances	**606**	943	748
Less: Allowance for doubtful accounts	**(55)**	(74)	(80)
Total investments and advances	**11,559**	11,943	11,743
Total fixed assets	**25,612**	25,511	26,290
Total Assets	**62,520**	56,079	60,657

(Millions of yen)

	Aug. 31, 2005	Aug. 31, 2004	Feb. 28, 2005
Liabilities			
Current Liabilities:			
Notes and accounts payable	**5,921**	6,339	6,758
Income taxes payable	**3,030**	2,367	2,837
Accrued expenses	**2,837**	2,971	3,494
Accrued bonuses	**6**	4	5
Other current liabilities	**819**	1,206	1,395
Total current liabilities	**12,615**	12,888	14,491
Long-term Liabilities:			
Accrued retirement benefits for directors and corporate auditors	**151**	396	390
Other long-term liabilities	**192**	219	210
Total long-term liabilities	**344**	615	600
Total liabilities	**12,960**	13,504	15,092
Minority Interests in Consolidated Subsidiaries	**244**	363	249
Shareholders' Equity:			
Common stock	**6,766**	6,766	6,766
Capital surplus	**10,114**	10,095	10,106
Retained earnings	**34,091**	27,910	30,583
Net unrealized gain (loss) on other securities	**(2)**	33	6
Foreign currency translation adjustments	**173**	142	91
Treasury stock	**(1,828)**	(2,737)	(2,239)
Total shareholders' equity	**49,315**	42,211	45,315
Total Liabilities, Minority Interests and Shareholders' Equity	**62,520**	56,079	60,657

Consolidated Statements of Income

Ryohin Keikaku Co., Ltd. and subsidiaries
For the 6-month period ended August 31, 2005 and 2004, and for the year ended February 28, 2005

(Millions of yen)

	Six-Month Period Ended August 31				Changes from Previous Period	Year Ended February 28	
	2005	**%**	2004	%	%	2005	%
Operating Revenue							
Net sales	**68,322**	**100.0**	62,510	100.0	109.3	127,836	100.0
Cost of sales	**38,079**	**55.7**	34,762	55.6	109.5	71,724	56.1
Gross profit	**30,243**	**44.3**	27,748	44.4	109.0	56,112	43.9
Other operating revenue	**349**	**0.5**	350	0.6	99.7	631	0.5
Sub total	**30,592**	**44.8**	28,099	45.0	108.9	56,744	44.4
Selling, general and administrative expenses	**23,232**	**34.0**	22,375	35.8	103.8	45,265	35.4
Operating Profit	**7,359**	**10.8**	5,723	9.2	128.6	11,478	9.0
Non-operating Income	**158**	**0.2**	188	0.3	84.1	430	0.3
Interest income	**18**		10			23	
Foreign exchange gain	**40**		29			153	
Commission earned	**71**		105			172	
Other non-operating income	**27**		43			80	
Non-operating Expenses	**27**	**0.0**	29	0.1	93.4	68	0.1
Interest expenses	**-**		0			1	
Other non-operating expenses	**27**		28			67	
Ordinary Profit	**7,490**	**11.0**	5,882	9.4	127.3	11,840	9.3
Special Gains	**26**	**0.0**	40	0.1	65.8	52	0.0
Special Losses	**101**	**0.1**	506	0.8	20.0	1,013	0.8
Income before income taxes	**7,416**	**10.9**	5,417	8.7	136.9	10,879	8.5
Income taxes - current	**2,648**	**3.9**	2,229	3.6	118.8	4,480	3.5
Income taxes - deferred	**392**	**0.6**	107	0.2	364.3	(77)	(0.1)
Minority interests in net income/loss of consolidated subsidiaries	**(13)**	**(0.0)**	84	0.1	(15.6)	129	0.1
Net Income	**4,388**	**6.4**	2,995	4.8	146.5	6,347	5.0

Consolidated Statements of Surplus

Ryohin Keikaku Co., Ltd. and subsidiaries
For the 6-month period ended August 31, 2005and 2004, and for the year ended February 28, 2005

(Millions of yen)

	Six-Month Period Ended August 31		Year Ended February 28
	2005	2004	2005
(Balance of capital surplus)			
Ⅰ Balance of capital surplus at beginning of year (period)	**10,106**	10,075	10,075
Ⅱ Increase in capital surplus	**8**	19	30
Excess arising from retirement of treasury stock	**8**	19	30
Ⅲ Balance of capital surplus at end of year (period)	**10,114**	10,095	10,106
(Balance of retained earnings)			
Ⅰ Retained earnings at beginning of year (period)	**30,583**	25,625	25,625
Ⅱ Increase in retained earnings	**4,388**	2,995	6,347
Net income	**4,388**	2,995	6,347
Ⅲ Decrease in retained earnings	**879**	710	1,389
Cash dividends	**820**	672	1,352
Bonuses to directors and corporate auditors	**58**	37	37
Ⅳ Balance of retained earnings at end of year (period)	**34,091**	27,910	30,583

Consolidated Statements of Cash Flows

Ryohin Keikaku Co., Ltd. and subsidiaries
For the 6-month period ended August 31, 2005 and 2004, and for the year ended February 28, 2005

(Millions of yen)

	Six-Month Period Ended August 31		Year Ended February 28
	2005	2004	2005
Cash flows from operating activities:			
Income before income taxes	**7,416**	5,417	10,879
Depreciation	**948**	923	1,941
Amortization of computer software	**230**	242	484
Amortization of goodwill	**43**	-	-
Increase/Decrease in allowance for doubtful accounts	**(27)**	55	60
Increase/Decrease in accrued retirement benefits for directors and corporate auditors	**(238)**	156	150
Interest and dividend income	**(18)**	(10)	(23)
Interest expenses	**-**	0	1
Foreign exchange gain/loss	**0**	(0)	(1)
Investment gain/loss on equity method	**(11)**	0	(7)
Loss on disposal of fixed assets	**60**	63	348
Loss on disposal of intangible fixed assets	**1**	1	1
Gain on sales of investment in securities	**-**	(40)	(40)
Increase/Decrease in notes and accounts receivable	**(594)**	1,119	1,288
Increase/Decrease in inventories	**142**	(823)	(1,465)
Increase/Decrease in notes and accounts payable	**(840)**	(1,848)	(1,416)
Increase/Decrease in other assets	**220**	167	252
Increase/Decrease in other liabilities	**(607)**	(53)	658
Payment of directors' and corporate auditors' bonuses	**(58)**	(37)	(37)
Subtotal	**6,668**	5,334	13,074
Interest and dividend income received	**18**	10	23
Interest expenses paid	**-**	(0)	(1)
Income taxes paid	**(2,457)**	(2,941)	(4,721)
Total	**4,229**	2,403	8,375
Cash flows from investing activities:			
Payments for acquisition of securities	**(66)**	-	-
Payments for acquisition of tangible fixed assets	**(1,260)**	(474)	(1,932)
Payment of fixed leasehold deposits	**(115)**	(502)	(764)
Collection of fixed leasehold deposits	**183**	353	395
Payments for acquisition of intangible fixed assets	**(152)**	(233)	(590)
Payments for deposits received for guarantees	**(20)**	-	(1)
Payments for acquisition of investment in securities	**(2)**	-	(0)
Proceeds from sale of investment in securities	**-**	147	147
Payment for additional purchase of consolidated subsidiary's shares	**-**	-	(830)
Total	**(1,434)**	(710)	(3,577)
Cash flows from financing activities:			
Acquisition of treasury stock	**(0)**	(0)	(2)
Disposal of treasury stock	**419**	951	1,461
Proceeds from issuance of common stock to minority shareholders	**-**	-	240
Dividends paid	**(819)**	(671)	(1,350)
Total	**(400)**	279	348
Effect of exchange rate changes on cash and cash equivalents	**40**	42	37
Net increase(decrease) in cash and cash equivalents	**2,435**	2,014	5,184
Cash and cash equivalents at beginning of year (period)	**16,961**	11,776	11,776
Cash and cash equivalents at end of year (period)	**19,396**	13,791	16,961

Basis of Presentation of the Consolidated Financial Statements

1. Scope of Consolidation

The consolidated financial statements include the accounts of the following subsidiaries.

R.K. Trucks Co., Ltd
Ryohin Keikaku Europe Ltd.
Ryohin Keikaku France S.A.S.
MUJI (Hong Kong) Co., Ltd.
Muji.net Co., Ltd.
HANA-RYOHIN Co., Ltd.
MUJI (Singapore) Private Ltd.
MUJI Italia S.p.A.
MUJI Korea Co., Ltd
MUJI (Shanghai) Co., Ltd
MUJI Deutschland GMBH

Note: MUJI (Shanghai) Co., Ltd and MUJI Deutschland GMBH are included in consolidation for the first time, having been established during this semi-annual period.

2. Application of the Equity Method

The consolidated financial statements include the accounts of MUJI (Taiwan) Co., Ltd., accounted for by the equity method.

3. The following consolidated subsidiaries have interim book-closing dates which differ from that of the Company. In preparing the consolidated financial statements, the financial statements for the most recent interim book-closing of each subsidiary have been used. Important transactions that occurred between their interim book-closing dates and the consolidation date have been included in the consolidation figures as necessary.

6 months ended June 30, 2005	MUJI (Hong Kong) Co., Ltd. MUJI (Singapore) Private Ltd. MUJI Italia S.p.A. MUJI Korea Co., Ltd MUJI (Shanghai) Co., Ltd
6 months ended July 31, 2005	Ryohin Keikaku Europe Ltd. Ryohin Keikaku France S.A.S. MUJI Deutschland GMBH

4. Summary of Significant Accounting Policies

(a) Main assets' valuation

(1) Marketable securities and investment in securities

Other securities

- Other securities with market quotations:
  Stated at fair value as determined by the market value on August 31, 2005. (Net unrealized gains or losses on these securities are reported as a separate item in the shareholders' equity at a net-of-tax amount. Cost is determined by the moving-average method.)
- Other securities without market quotations:
  Stated at cost, cost being determined by the moving-average method.

(2) Derivatives

Stated at fair value

(3) Inventories

Merchandise is mainly stated at cost, determined by the specific identification method, and supplies are valued by the last purchase method.

(b) Depreciation methods for assets

(1) Tangible fixed assets

The Company and its domestic consolidated subsidiaries compute depreciation of tangible fixed assets mainly using the declining balance method. Foreign consolidated subsidiaries compute depreciation on a straight-line basis according to regulations set by the accounting standards of the countries in which they are located. In Japan, however, depreciation on buildings (excluding leasehold improvements and auxiliary facilities attached to buildings) acquired on or after April 1, 1998 is computed on a straight-line basis.

(2) Intangible fixed assets

Amortization of intangible fixed assets except for computer software (internal use) is computed using the straight-line method. Amortization of computer software for internal use is computed using the straight-line method and the related useful life is determined by the estimated period of internal use (5 years).

(c) Allowances and accrual

(1) Accrued retirement benefits for directors and corporate auditors

Accrued retirement benefits for directors and corporate auditors are provided in an amount required to be paid at the end of each term, based upon internal regulations.

Effective from May 2004, the Company has adopted a new stock option plan for directors and corporate auditors instead of their old retirement allowance plan. From May 2004, accrued retirement benefits for directors and corporate auditors is reversed when the directors and corporate auditors serving before May 2004 retire.

(2) Allowance for doubtful accounts
Allowance for doubtful accounts is provided at the aggregate of the maximum amount, which is calculated based on prior loss experience and the estimated amount of probable individual bad debts at the accounting period end. This amount is considered sufficient to cover possible losses on collection.

(3) Accrued bonuses
Accrued bonuses for employees is provided for payments of bonuses to employees in the following accounting period in an amount deemed necessary.

(d) Method of accounting for lease transactions
Finance lease transactions other than those which are deemed to transfer ownership of the leased assets to the lessee, are accounted for as operating lease transactions.

(e) Hedging accounting
Gains or losses arising from changes in the fair value of derivatives designated as hedging instruments are deferred as an asset or liability and included in net profit or loss in the same period in which the gains and losses on the hedged items or transactions are recognized.

Hedging instruments and hedging items

Hedging instruments	Hedging items
Forward foreign exchange contracts	Foreign currency trade payables

Basic policies for hedging
The Company enters into derivative transactions related to foreign currency exchange rates in order to reduce the risk exposure arising from fluctuations in the exchange rate.
The Company basically enters into derivative transactions only to cover the actual requirements for the effective management of liabilities, and not for speculative or dealing purposes.

Control of hedging
The Company evaluates the hedging effectiveness by comparing the cumulative changes in fair value of hedging items and corresponding changes in the hedging derivative instruments.

(f) Method of accounting for consumption taxes
Consumption taxes are excluded from the amounts of items in the Consolidated Statements of Income.

5. The Scope of Assets Represented in the Consolidated Statement of Cash Flows
Cash and cash equivalents in the Consolidated Statement of Cash Flows include petty cash, deposits which are readily convertible to known amounts of cash, and short-term financial instruments with original maturities of three months or less, and which present an insignificant risk of changes in value.

Additional Notes to the Consolidated Financial Statements

1. Consolidated Balance Sheets

(Millions of yen)

	Semi-Annual 2005	Semi-Annual 2004	Fiscal 2004
Accumulated depreciation on tangible fixed assets	**14,521**	13,642	13,604

2. Consolidated Statements of Income

(Millions of yen)

	Semi-Annual 2005	Semi-Annual 2004	Fiscal 2004
Content of special gains:			
Gain on sales of investment in securities	**-**	40	40
Reversal of allowance for doubtful accounts	**10**	-	-
Content of special losses:			
Loss on disposal of fixed assets	**62**	63	350
Loss on cancellation of store rental contracts	**13**	238	410
Provision for accrued retirement benefits for directors and corporate auditors	**-**	151	151

Consolidated Statement of Cash Flows

Relationship between "cash and cash equivalents" and the related balance sheet items.

(Millions of yen)

	Semi-Annual 2005	Semi-Annual 2004	Fiscal 2004
Cash in hand and in banks	**19,396**	13,791	16,961
Cash equivalents	-	-	-
Cash and cash equivalents	**19,396**	13,791	16,961

Segment Information

1. By Business

(Millions of yen)

	Semi-annual 2005				
	Muji brand sales	**Other business**	**Total**	**Unallocated & eliminations**	**Consolidated**
Outside customers	**67,984**	**687**	**68,671**	**-**	**68,671**
Intersegment	**6**	**-**	**6**	**(6)**	**-**
Operating revenue	**67,990**	**687**	**68,678**	**(6)**	**68,671**
Operating expenses	**60,640**	**677**	**61,318**	**(6)**	**61,312**
Operating profit	**7,350**	**9**	**7,359**	**-**	**7,359**

(Millions of yen)

	Semi-annual 2004				
	Muji brand sales	Other business	Total	Unallocated & eliminations	Consolidated
Outside customers	62,204	657	62,861	-	62,861
Intersegment	7	-	7	(7)	-
Operating revenue	62,211	657	62,869	(7)	62,861
Operating expenses	56,412	732	57,145	(7)	57,137
Operating profit (loss)	5,799	(75)	5,723	-	5,723

(Millions of yen)

	Fiscal 2004				
	Muji brand sales	Other business	Total	Unallocated & eliminations	Consolidated
Outside customers	127,211	1,256	128,468	-	128,468
Intersegment	16	-	16	(16)	-
Operating revenue	127,227	1,256	128,484	(16)	128,468
Operating expenses	115,544	1,461	117,005	(16)	116,989
Operating profit (loss)	11,683	(204)	11,478	-	11,478

Notes:
1. Business divisions are determined according to business development considerations within the Group
2. Muji brand sales consist of retail and wholesale sales of Mujirushi Ryohin merchandise while other business consists of the operation of campsites and retail sales of flowers.

2. By Region

(Millions of yen)

Semi-annual 2005

	Japan	**Europe**	**Other regions**	**Total**	**Unallocated & eliminations**	**Consolidated**
Outside customers	**63,930**	**2,908**	**1,832**	**68,671**	**-**	**68,671**
Intersegment	**156**	**-**	**-**	**156**	**(156)**	**-**
Operating revenue	**64,087**	**2,908**	**1,832**	**68,828**	**(156)**	**68,671**
Operating expenses	**53,730**	**2,986**	**1,748**	**61,465**	**(153)**	**61,312**
Operating profit (loss)	**7,356**	**(77)**	**83**	**7,363**	**(3)**	**7,359**

(Millions of yen)

Semi-annual 2004

	Japan	Europe	Other regions	Total	Unallocated & eliminations	Consolidated
Outside customers	58,758	2,781	1,320	62,861	-	62,861
Intersegment	134	-	-	134	(134)	-
Operating revenue	58,893	2,781	1,320	62,996	(134)	62,861
Operating expenses	53,298	2,855	1,113	57,267	(130)	57,137
Operating profit (loss)	5,594	(73)	206	5,728	(4)	5,723

(Millions of yen)

Fiscal 2004

	Japan	Europe	Other regions	Total	Unallocated & eliminations	Consolidated
Outside customers	119,368	6,221	2,878	128,468	-	128,468
Intersegment	301	-	-	301	(301)	-
Operating revenue	119,670	6,221	2,878	128,770	(301)	128,468
Operating expenses	108,637	6,095	2,553	117,286	(296)	116,989
Operating profit (loss)	11,033	126	324	11,484	(5)	11,478

Notes: 1. Regional separations are determined by proximity.
2. Main countries and areas in regions other than Japan are the United Kingdom and France, Italy in 'Europe', and Hong Kong, Singapore and Korea in 'Other regions'.

3. Overseas Operating Revenues

Overseas operating revenues for semi-annual 2005, semi-annual 2004 and fiscal 2004 are immaterial.

Marketable Securities and other Securities Investments (Millions of yen)

	Semi-Annual 2005		
	Acquisition Cost	**Book Value**	**Valuation Loss**
Other securities for which market Quotations are available			
Equity securities	**206**	**201**	**(4)**
Debt securities	**-**	**-**	**-**
Others	**-**	**-**	**-**
Total	**206**	**201**	**(4)**

	Book Value
Other securities for which market Quotations are unavailable	
Equity securities	**20**
Total	**20**

	Semi-Annual 2004		
	Acquisition Cost	Book Value	Valuation Gain
Other securities for which market Quotations are available			
Equity securities	206	262	56
Debt securities	-	-	-
Others	-	-	-
Total	206	262	56

	Book Value
Other securities for which market Quotations are unavailable	
Equity securities	17
Total	17

	Fiscal 2004		
	Acquisition Cost	Book Value	Valuation Gain
Other securities for which market Quotations are available			
Equity securities	206	217	11
Debt securities	-	-	-
Others	-	-	-
Total	206	217	11

	Book Value
Other securities for which market Quotations are unavailable	
Equity securities	17
Total	17

Breakdown by Major Categories

(a) Net sales by product (Millions of yen)

	Semi-annual 2005		Semi-annual 2004		Fiscal 2004	
	Net sales	**Percentage of total (%)**	Net sales	Percentage of total (%)	Net sales	Percentage of total (%)
Apparel	**23,460**	**34.3**	22,622	36.2	45,471	35.6
Household goods	**37,362**	**54.7**	33,023	52.8	68,092	53.3
Food	**5,489**	**8.0**	5,128	8.2	10,732	8.3
Others	**2,009**	**3.0**	1,735	2.8	3,540	2.8
Total	**68,322**	**100.0**	62,510	100.0	127,836	100.0

(b) Net sales by type of sale (Millions of yen)

	Semi-annual 2005		Semi-annual 2004		Fiscal 2004	
Type of sale	**Net sales**	**Percentage of total (%)**	Net sales	Percentage of total (%)	Net sales	Percentage of total (%)
Japan	**45,034**	**65.9**	40,658	65.0	83,032	65.0
U.K.	**1,872**	**2.7**	2,036	3.3	4,418	3.5
France	**814**	**1.2**	728	1.2	1,696	1.3
Italy	**203**	**0.3**	-	-	69	0.1
Hong Kong Group	**1,628**	**2.4**	1,319	2.1	2,876	2.2
Korea	**202**	**0.3**	-	-	-	-
Total of directly managed stores	**49,756**	**72.8**	44,742	71.6	92,093	72.1
Seiyu	**5,265**	**7.7**	5,518	8.8	10,919	8.5
Others	**10,516**	**15.4**	10,102	16.2	20,305	15.9
Total of other stores	**15,781**	**23.1**	15,620	25.0	31,224	24.4
Others	**2,784**	**4.1**	2,147	3.4	4,518	3.5
Total	**68,322**	**100.0**	62,510	100.0	127,836	100.0

(c) Net sales of directly managed stores by region (Millions of yen)

	Semi-annual 2005			Semi-annual 2004			Fiscal 2004		
Region	**Number of stores**	**Net sales**	**Percentage of total (%)**	Number of stores	Net sales	Percentage of total (%)	Number of stores	Net sales	Percentage of total (%)
Hokkaido	**5**	**1,060**	**2.1**	5	1,040	2.3	5	2,023	2.2
Tohoku	**5**	**912**	**1.8**	5	877	2	5	1,740	1.9
Kanto	**71**	**26,080**	**52.4**	70	23,456	52.4	71	48,048	52.2
Kohshin-etsu	**5**	**796**	**1.6**	5	758	1.7	5	1,450	1.6
Hokuriku	**3**	**659**	**1.3**	3	588	1.3	3	1,209	1.3
Tohkai	**16**	**3,402**	**6.9**	14	2,927	6.6	16	6,113	6.6
Kinki	**29**	**7,783**	**15.7**	27	7,372	16.5	28	14,876	16.2
Chugoku/Kyushu	**16**	**4,339**	**8.7**	14	3,636	8.1	15	7,569	8.2
Total of Japan	**150**	**45,034**	**90.5**	143	40,658	90.9	148	83,032	90.2
U.K.	**15**	**1,872**	**3.8**	16	2,036	4.6	16	4,418	4.8
France	**5**	**814**	**1.6**	5	728	1.6	5	1,696	1.8
Italy	**1**	**203**	**0.4**	-	-	-	1	69	0.1
Hong Kong Group	**7**	**1,628**	**3.3**	5	1,319	2.9	6	2,876	3.1
Korea	**2**	**202**	**0.4**	-	-	-	-	-	-
Total of overseas	**30**	**4,722**	**9.5**	26	4,084	9.1	28	9,061	9.8
Total	**180**	**49,756**	**100.0**	169	44,742	100.0	176	92,093	100.0

Brief Summary of Non-Consolidated Financial Results (September 26, 2005)
(For the 6 months ended August 31, 2005)

Company Name	Ryohin Keikaku Co., Ltd.
Code Number	7453
URL	http://ryohin-keikaku.jp
Securities Traded	The Tokyo Stock Exchange, First Section
Address	Headquarters in Tokyo
Representative	Tadamitsu Matsui, President and Representative Director
Contact	Masato Kubo, Exective Officer and General Manager, Accounting and Finance Unit
Telephone	03-3989-4910
Board of Directors' Meeting for Settlement of Accounts	September 26, 2005
The system of interim dividend	Adopted
Date of commencement of payment of interim dividend	November 1, 2005
The system of even lot	Adopted 1 lot = 100 shares

1. Results for Semi-Annual (March 1, 2005 to August 31, 2005) (Fractions under million yen are truncated)
(1) Operating results

	Operating Revenue (% increase)		Operating Profit (% increase)		Ordinary Profit (% increase)	
Semi-annual 2005	62,978	(8.8)	7,217	(30.3)	7,321	(28.8)
Semi-annual 2004	57,898	(3.9)	5,537	(42.5)	5,684	(37.5)
Fiscal 2004	117,663		10,963		11,161	

	Net Income (% increase)		Net Income per Share (yen)
Semi-annual 2005	4,214	(40.2)	153.74
Semi-annual 2004	3,006	(53.8)	111.40
Fiscal 2004	6,000		219.09

Note: 1.The average number of shares outstanding during the each period
Semi-annual 2005 – 27,415,556 shares, Semi-annual 2004– 26,990,097 shares, Fiscal 2004 – 27,121,645 shares
2 There are no accounting changes in this period.
3. Percentage increase or decrease is based on comparison with the previous semi-annual.

(2) Dividends (yen)

	Dividends per Share for the period Interim-Dividends	Fiscal Year
Semi-annual 2005	35.00	-
Semi-annual 2004	25.00	-
Fiscal 2004	-	55.00

(3) Financial position

	Total assets	Total Shareholders' Equity	Shareholders' Equity Ratio (%)	Shareholders' Equity per Share (yen)
Semi-annual 2005	60,818	48,927	80.4	1,779.99
Semi-annual 2004	54,988	42,385	77.1	1,558.67
Fiscal 2004	59,019	45,182	76.6	1,649.56

Note: 1. The number of shares outstanding at the end of each period
Semi-annual 2005 – 27,487,373 shares, Semi-annual 2004 – 27,193,591 shares, Fiscal 2004 – 27,354,643 shares
2.The number of shares held as treasury stock at the end of each period
Semi-annual 2005 – 590,627 shares, Semi-annual 2004 – 884,409 shares, Fiscal 2004 – 723,357 shares

2. Forecast for Fiscal 2005 (March 1, 2005 to February 28, 2006) (Millions of yen)

	Operating Revenue	Ordinary Profit	Net Income	Dividends per share (yen) For Year end	For the Fiscal Year
Full year	126,800	14,200	8,100	35.00	70.00

Reference: Estimated net income per share for the full year is ¥294.68

Note: The above forecast is announced presupposing available information at September 26, 2005 and an assumption related to uncertain factors which will influence future results. Actual results may be different from the forecast depending on various factors in future. Please refer to page 6 , where assumptions and matters considered in the forecast are noted.

Non-Consolidated Financial Statements

Non-Consolidated Balance Sheets

Ryohin Keikaku Co., Ltd.
As of August 31, 2005 and 2004, and February 28, 2005

(Millions of yen)

	Aug. 31, 2005	Aug. 31, 2004	Feb. 28, 2005
Current Assets:			
Cash in hand and in banks	**16,481**	12,272	14,388
Accounts receivable	**3,117**	3,009	2,898
Inventories	**7,199**	7,022	7,418
Accounts receivable - other	**3,595**	3,401	3,509
Other current assets	**2,245**	2,386	2,405
Less: Allowance for doubtful accounts	**(27)**	(31)	(30)
Total current assets	**32,613**	28,061	30,590
Fixed Assets:			
Tangible fixed assets:			
Buildings	**7,057**	7,594	7,422
Tools and furniture	**1,509**	1,189	1,703
Land	**875**	875	875
Other tangible fixed assets	**555**	568	491
Total tangible fixed assets	**9,998**	10,228	10,493
Intangible fixed assets	**2,396**	2,431	2,482
Investments and advances:			
Investment in subsidiaries	**4,679**	2,637	4,028
Guarantee deposits	**3,343**	3406	3,425
Fixed leasehold deposits	**7,424**	7,469	7,429
Other investments and advances	**401**	799	616
Less: Allowance for doubtful accounts	**(38)**	(47)	(46)
Total investments and advances	**15,810**	14,266	15,453
Total fixed assets	**28,205**	26,927	28,429
Total Assets	**60,818**	54,988	59,019

(Millions of yen)

	Aug. 31, 2005	Aug. 31, 2004	Feb. 28, 2005
Current Liabilities:			
Notes payable	**-**	414	415
Accounts payable	**5,510**	5,565	5,809
Income taxes payable	**2,918**	2,281	2,773
Accrued expenses	**2,426**	2,657	3,006
Other current liabilities	**694**	1,075	1,232
Total current liabilities	**11,549**	11,995	13,236
Long-term Liabilities:			
Accrued retirement benefits for directors and corporate auditors	**151**	396	390
Other long-term liabilities	**190**	210	210
Total long-term liabilities	**341**	607	600
Total liabilities	**11,891**	12,602	13,837
Shareholders' Equity :			
Common stock	**6,766**	6,766	6,766
Capital surplus			
Additional paid-in capital	**10,075**	10,075	10,075
Other capital surplus	**39**	19	30
Total capital surplus	**10,114**	10,095	10,106
Retained earnings:			
Legal reserve	**493**	493	493
General reserve	**26,200**	23,700	23,700
Unappropriated retained earnings	**7,184**	4,034	6,348
Total retained earnings	**33,877**	28,227	30,541
Net unrealized gain (loss) on other securities	**(2)**	33	6
Treasury stock	**(1,828)**	(2,737)	(2,239)
Total shareholders' equity	**48,927**	42,385	45,182
Total Liabilities and Shareholders' Equity	**60,818**	54,988	59,019

Non-Consolidated Statements of Income

Ryohin Keikaku Co., Ltd.

For the 6-month period ended August 31, 2005 and 2004, and for the year ended February 28, 2005

(Millions of yen)

	Six-Month Period Ended August 31				Changes from Previous Period	Year Ended February 28	
	2005	**%**	2004	%	%	2005	%
Operating Revenue							
Net sales	**62,498**	**100.0**	57,436	100.0	108.8	116,774	100.0
Cost of sales	**35,511**	**56.8**	32,602	56.8	108.9	66,930	57.3
Gross profit	**26,987**	**43.2**	24,833	43.2	108.7	49,843	42.7
Other operating revenue	**479**	**0.8**	462	0.8	103.9	888	0.8
Sub total	**27,466**	**43.9**	25,295	44.0	108.6	50,732	43.4
Selling, general and administrative expenses	**20,249**	**32.4**	19,758	34.4	102.5	39,769	34.1
Operating Profit	**7,217**	**11.5**	5,537	9.6	130.3	10,963	9.4
Non-operating Income	**120**	**0.2**	177	0.3	67.8	275	0.2
Interest and dividend income	**31**		31			33	
Commission earned	**71**		105			172	
Other non-operating income	**16**		40			68	
Non-operating Expenses	**15**	**0.0**	29	0.0	51.9	76	0.1
Foreign exchange loss	**0**		1			14	
Other non-operating expenses	**15**		28			62	
Ordinary Profit	**7,321**	**11.7**	5,684	9.9	128.8	11,161	9.6
Special Gains	**11**	**0.0**	40	0.1	27.3	40	0.0
Special Losses	**90**	**0.1**	483	0.8	18.8	962	0.8
Income before income taxes	**7,242**	**11.6**	5,241	9.1	138.2	10,239	8.8
Income taxes - current	**2,574**	**4.1**	2,160	3.8	119.2	4,360	3.7
Income taxes - deferred	**453**	**0.7**	74	0.1	605.9	(121)	(0.1)
Net Income	**4,214**	**6.7**	3,006	5.2	140.2	6,000	5.1
Retained earnings brought forward	**2,969**		1,027			1,027	
Interim dividend	**-**		-			679	
Unappropriated retained earnings at the end of the period	**7,184**		4,034			6,348	

Basis of Presentation of the Non-Consolidated Financial Statements

1. Main Assets' valuation

(1) Marketable securities and investment in securities

Securities issued by subsidiaries and affiliates

Stated at cost determined by the moving-average method

Other securities

− Securities with market quotations: Stated at fair value as determined by the market value on August 31, 2005. (Net unrealized gains or losses of these securities are reported as a separate item in the shareholders' equity at a net-of-tax amount. Cost is determined by the moving-average method.)

− Securities without market quotations: Stated at cost, cost being determined by the moving-average method

(2) Derivatives

Stated at fair value

(3) Inventories

Merchandise is stated at cost, determined by the specific identification method, and supplies are valued by the last purchase method

2. Depreciation Methods for Assets

(1) Tangible fixed assets

The Company computes depreciation of tangible fixed assets using the declining balance method. However, depreciation on buildings (excluding leasehold improvements and auxiliary facilities attached to buildings) acquired on or after April 1, 1998 is computed on a straight-line basis.

(2) Intangible fixed assets

Amortization of intangible fixed assets except for computer software (internal use) is computed using the straight-line method. Amortization of computer software for internal use is computed using the straight-line method and the related useful life is determined by the estimated period of internal use (5 years).

(3) Depreciable assets included in "Long-term prepaid expenses"

Depreciable assets included in "Long-term prepaid expenses" are amortized by the straight-line method.

3. Allowances and Accrual

(1) Accrued retirement benefits for directors and corporate auditors

Accrued retirement benefits for directors and corporate auditors are provided in an amount required to be paid at the end of each term, based upon internal regulations.

Effective from May 2004, the Company has adopted a new stock option plan for directors and corporate auditors instead of their old retirement allowance plan. From May 2004, accrued retirement benefits for directors and corporate auditors is reversed when the directors and corporate auditors serving before May 2004 retire.

(2) Allowance for doubtful accounts

Allowance for doubtful accounts is provided at the aggregate of the maximum amount, which is calculated based on prior loss experience and the estimated amount of probable individual bad debts at the accounting period end. This amount is considered sufficient to cover possible losses on collection.

(3) Depreciable assets included in "Long-term prepaid expenses"

Depreciable assets included in "Long-term prepaid expenses" are amortized using the straight-line method.

4. Method of Accounting for Lease Transactions

Finance lease transactions, other than those, which are deemed to transfer ownership of the leased assets to the lessee, are accounted for as operating lease transactions.

5. Hedging Accounting

Gains or losses arising from changes in the fair value of derivatives designated as hedging instruments are deferred as an asset or liability and included in net profit or loss in the same period in which the gains and losses on the hedged items or transactions are recognized.

Hedging instruments and hedging items

Hedging instruments	Hedging items
Forward foreign exchange contracts	Foreign currency trade payables

Basic policies for hedging

The Company enters into derivative transactions related to foreign currency exchange rates in order to reduce the risk exposure arising from fluctuations in the exchange rate.

The Company basically enters into derivative transactions only to cover the actual requirements for the effective management of liabilities, and not for speculative or dealing purposes.

Control of hedging

The Company evaluates the hedging effectiveness by comparing the cumulative changes in fair value of hedging items and corresponding changes in the hedging derivative instruments.

6. Method of Accounting for Consumption Taxes

Consumption tax is excluded from the amounts of items in the Non-Consolidated Statements of Income.

Additional Notes to the Non-Consolidated Financial Statements

1. Non-Consolidated Balance Sheets

(Millions of yen)

	Semi-Annual 2005	Semi-Annual 2004	Fiscal 2004
Accumulated depreciation on tangible fixed assets	**12,468**	11,748	11,696
Guarantees of loans	**567**	702	547

2. Non-Consolidated Statements of Income

(Millions of yen)

	Semi-Annual 2005	Semi-Annual 2004	Fiscal 2004
Content of special gains:			
Gain on sales of investment in securities	**-**	40	40
Reversal of allowance for doubtful accounts	**11**	-	-
Content of special losses:			
Loss on disposal of fixed assets	**57**	46	325
Loss on cancellation of store rental contracts	**9**	234	387
Provision for accrued retirement benefits for directors and corporate auditors	**-**	151	151

Securities

The Company has no investment securities in subsidiaries and related companies with available market values for the 6 months ended August 31, 2005 and 2004 and year ended February 28, 2005.