Brief Summary of Consolidated Financial Results (March 27, 2003)

(For the year ended February 28, 2003)

Company Name	Ryohin Keikaku Co., Ltd.
Code Number	7453
(URL: http://www.muji.co.jp)	
Securities Traded	The Tokyo Stock Exchange, First Section
Address	Headquarters in Tokyo
Representative	Tadamitsu Matsui, President and Representative Director
Contact	Masao Aoki, General Manager, Accounting and Finance Unit, Administration Division
Telephone	03-3989-4930
Board of Directors' Meeting for Settlement of Accounts	March 27, 2003

1. Results for Fiscal 2002 (March 1, 2001 to February 28, 2003) (Millions of yen)

(1) Operating results

	Operating Revenue (% of increase/decrease)		Operating Profit (% of increase/decrease)		Ordinary Profit (% of increase/decrease)	
Fiscal 2002	115,110	(-4.0)	6,750	(22.4)	7,134	(25.7)
Fiscal 2001	119,892	(3.8)	5,514	(-52.4)	5,677	(-51.3)

	Net Income (% of increase/decrease)		Net Income per Share (¥)	Net Income per Share after Dilution (¥)	Return on Equity (%)	Ordinary Profit to Total Capital Ratio (%)	Ordinary Profit to Operating Revenue Ratio (%)
Fiscal 2002	2,350	(17,902.8)	83.77	-	6.2	14.0	6.2
Fiscal 2001	13	(-99.8)	0.46	-	0.0	10.5	4.7

Note : 1. Equity in earnings of unconsolidated subsidiaries and affiliates accounted for by the equity method - N/A

2. The average number of shares outstanding during the each period. Fiscal 2002－28,059,817 shares, Fiscal 2001－28,077,782 shares

3. There are no accounting changes in this period.

4. Percentage of increase or decrease is based on comparison with those of the previous period.

(2) Financial position

	Total Assets	Total Shareholders' Equity	Shareholders' Equity Ratio (%)	Shareholders' Equity per Share (¥)
Fiscal 2002	49,923	38,480	77.1	1,386.73
Fiscal 2001	52,284	37,974	72.6	1,352.47

(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 year
Fiscal 2002	8,531	-1,514	-3,684	6,844
Fiscal 2001	5,595	-4,041	-1,436	3,649

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

Consolidated subsidiaries	7 companies
Non-consolidated subsidiaries accounted for by the equity method	none
Affiliates accounted for by the equity method	none

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

Consolidated	(new)	1 company
	(eliminated)	3 company
Equity method	(new)	none
	(eliminated)	none

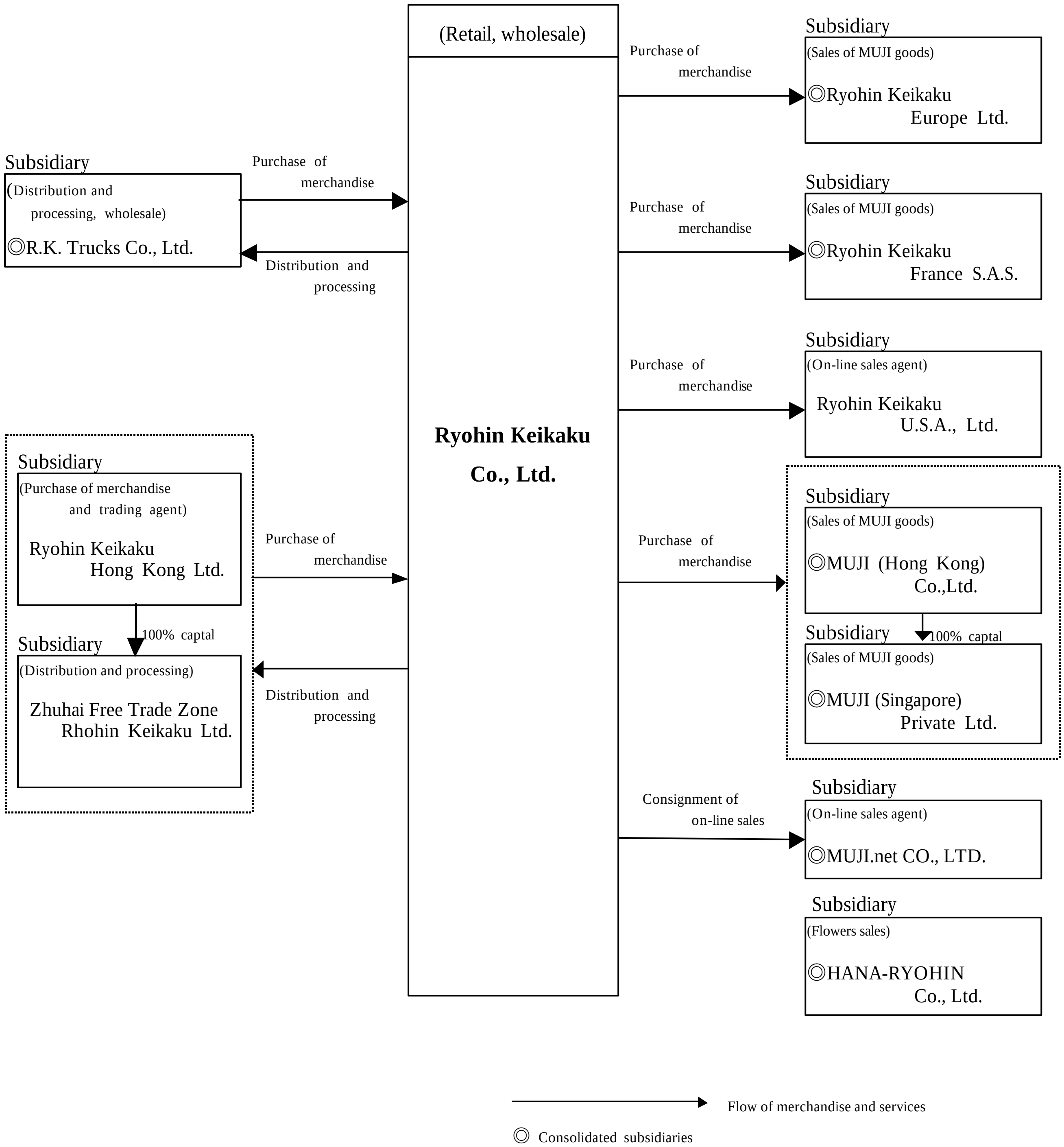
2. Forecast for Fiscal 2003 (March 1, 2003 to February 29, 2004) (Millions of yen)

	Operating Revenue	Ordinary Profit	Net Income
Interim Period	58,500	3,700	1,700
Fiscal Year	118,500	8,300	4,000

Reference: Estimated net income per share for the full year is ¥144.15

Note: The above forecast is announced presupposing available information at March 27, 2003 and an assumption related to uncertain factors which will influence to future results. Actual results may be different from forecast depend on various factors in future. Please refer to page 5, in which an assumption and matters to be attended to use the forecast are noted.

Group Companies



Notes: 1 Ryohin Keikaku Hong Kong Ltd., Zhuhai Free Trade Ryohin Keikaku Ltd. and Ryohin Keikaku U.S.A., Ltd. have been excluded from consolidated financial statements due to immaterial.
2 MUJI (Singapore) Private Ltd. was established on January 2, 2003.

Management Policy

1. Basic Management Policy

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

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

2. Basic Policy on Appropriation of Income

Returning profit to shareholders is recognized as one of the Company's most principal tasks, and management considers growth in earnings per share as its primary responsibility. Its fundamental policy on dividends is that they should be determined based on the level of profits.

As for retained earnings, the Company will actively utilize them to invest in highly profitable business with the aim of increasing its return on equity (ROE).

3. The Mid-term Business Strategy

Although the retail industry continues to be directly affected by the prolonged economic downturn, the Company intends to pursue the expansion of its retail business with the adoption of the following managerial strategies:

(1) Improvement of efficiency and standardization of stores

The Company will establish retail stores of an appropriate size for the relevant market, setting 1000 square meters as the standard store dimension. This effort will be made through a so-called "scrap and build" approach, which will also aim at standardizing the store size. Through these stores the Company will focus on promoting a unique lifestyle, which can be achieved only by MUJI products.

(2) Enhancement of brand image

The Company aims to maintain a solid brand position that will command full customer support, by responding properly to changes in the customer strata and their consumption preferences.

(3) Approach to new lines of business

In order to extend its business field where further worth in or magnetism to MUJI products might be developed , the Company will actively explore opportunities to launch new lines of business.

4. Major Issues to be challenged

The Company will address the following issues in order to pursue growth potential and profitability, and maximize corporate value.

(1) To strengthen its product development capability

The Company aims to promote costumer satisfaction by reforming its product development structure.

(2) To upgrade quality control

Since the Company recognizes that one of its greatest risks is losing customer confidence, it is committed to upgrading quality control.

(3) To reinforce its sales operations

The Company will endeavor to improve its productivity, by cutting out marginal practice and thus enhancing efficiency of the store operation.

(4) To sustain the low cost operation

To meet the challenge of further cost reduction, the Company will work on a severe review of practices both in the corporate office and the stores, and thorough structural reforms.

(5) To ensure the steady expansion of its overseas business

The Company will engage in steady expansion of its overseas business based on its successful performance in Hong Kong.

5. Targeted Financial Ratios

The Company recognizes that what best serves shareholders' interests is to maximize corporate value by boosting growth and profitability. With this in mind, the Company intends to achieve ROE of 15%, ROA of 10%, and EPS of ¥200 on a consolidated basis by fiscal 2004, which ends on February 28, 2005.

Operating Review

1. Results of Operations

During the fiscal year, the Company put its key focus on proactive enhancement of the streamlining and standardization of its store business. In Japan, the Company opened 6 stores, including "Mujirushi Ryohin Lumine Tachikawa", expanded the floor space of 6 stores, scaled down the floor space of 11 stores, and closed 15 unprofitable stores, including "Mujirushi Ryohin Hon-Atsugi".

As of February 28, 2003, the Company had a total of 265 stores (100 directly managed stores), total sales floor space of 193,138 square meters (93,886 square meters for directly managed stores), and average sales floor space per store of 729 square meters (939 square meters for directly managed stores).

Furthermore, "Mujirushi Ryohin com KIOSK", a business alliance with East-Japan Kiosk Co., Ltd. closed 3 stores, and now operates 18 stores in total.

In the overseas market, the number of stores operated in the United Kingdom and France has not changed since the end of the previous year, being 16 and 4, respectively. The first store was opened in Ireland, making the total number of stores operated in Europe 21. The Company opened the third store in Hong Kong.

As strategies for strengthening of sales capability, the Company asked store managers to study the operations that were performing well and remodeled layout and furnishings in aged stores . In order to revitalize existing stores, the Company also attempted to stock a proper volume of inventory through an originally developed system for inventory replenishing, and carried out particular selection of merchandise based on sales trend at the store. For apparel, the Company reduced its markup rate by 2 per cent to activate licensed stores sales and made efforts to reduce inventory volume to be carried over to next season.

In line with its merchandising policy, the Company strived hard to promote its product development capability by creating core products and reviewing its product procurement process, as well as pushing to minimize unsold inventory.

In the "apparel" category, the Company's policy of attempting to get back to basic styles was successful for such core products as shirts. In addition, improvements in the product supply process enabled the Company not to miss sales chances for basic items, and also contributed to better inventory control.

In the Spring and Summer season in 2003, the Company introduced newly designed products using higher quality material, so that fresh atmosphere was brought to the sales floor in the stores.

In the "household goods" category, the Company experienced a tough time especially in the electronic and stationery goods under severe competitions among retailers, where it faced somewhat un-match with customers' tastes. However, fumiture and fabrics showed strong sales throughout the year.

In the "food products" category, the Company focused on strengthening its sales capability and profitability under the slogan of "safety (physically non hazardous)". For sweets and snack foods, the Company changed their recipes to emphasize on their originality and revised either the unit prices or the quantities per package. . For processed foods, the Company developed new core items and instant foods, and renovated its logistics and distribution process.

As for profitability, the Company accomplished its aim of overall cost cutting and streamlining in its practice to achieve a "low cost operation focused on profitability". Thanks to these efforts, transportation costs and personnel costs for the year were successfully reduced. In the second half of the year , the Company succeeded to decrease its tenancy costs as a results of its policy to close or downsize stores.

Thus, consolidated operating revenue for the period was ¥115,110 million, (96.0% of the last year's figure). Ordinary profit during the period rose to ¥7,134 million (125.7% of the last year's figure), while net income totaled ¥2,350 million.

On March 1, 2003 the Company got an assignment of management of 17 stores which had been operated by EFU Co., Ltd., The Seibu Department Stores Co., Ltd. or Honkin-Seibu Co. Ltd..

Finance Overview - Cash Flows

Operating activities generated ¥8,531 million, which consist of 'net income before income taxes' of ¥4,487 million, 'depreciation' of ¥2,174 million and a 'decrease in inventories' of ¥1,555 million.
This contrasts with an increase of ¥2,935 million over last year.

Investing activities created an outflow of ¥1,514 million, due to the acquisition of tangible assets of ¥1,076 million and software of ¥502 million. This contrasts with a decrease of exhausted cach amount by ¥2,526 million, against an outflow of ¥4,041 million which was expended for opening large-scale stores last year.

Financing activities also showed an outflow of ¥3,684, primarily due to repayment of short-term loans of ¥1,784 million.
This represents an increase of expended cash amount by ¥2,247 million, compared with the last year.

As a result, in addition to the effect of exchange rate fluctuations, the balance of 'cash and cash equivalents' at the end of this year was ¥6,844 million, an increase of ¥3,194 million since the end of last year.

2. Forecast for the Next Fiscal Year

(Millions of yen)

	Operating revenue	Ordinary profit	Net income	Earnings per share
February, 2004	118,500	8,300	4,000	144.15
February, 2003	115,110	7,134	2,350	83.77
Growth rate	102.9	116.3	170.2	170.1

While the Japanese economy is showing partial signs of recovery, it is likely that the perception of consumers will continue to be somewhat pessimistic, so the retail industry will continue to face an unfavorable business environment.

As for the world economy, it is assumed that there will be increased uncertainty in the US economy in addition to stagnant activity in Europe leaded by Germany. Meanwhile, the Asian economy is expected to maintain its upward trend.

In such circumstances, the Company will push forward its work on structural reforms, started last year, and will continue to sustain stable growth.

As for the Company's sales policy, the strengthening of store sales capability, the revitalization of existing stores, and the opening of highly efficient new stores are set out. As for its merchandising policy, the Company will aim for improvement in product planning and renovation of its product development and inventory control structure.

Based on the forcast above, the Company expects that the annual dividend per share will be 44 yen.

Consolidated Balance Sheets

Ryohin Keikaku Co., Ltd. and its subsidiaries

(Millions of yen)

	February 28, 2003	February 28, 2002	Changes from previous year
Assets			
Current Assets:			
Cash on hand and in banks	**6,844**	3,649	3,194
Notes and accounts receivable	**3,441**	3,798	(357)
Inventories	**8,726**	10,246	(1,519)
Deferred tax assets – current	**418**	402	16
Other current assets	**3,966**	3,910	55
Less: Allowance for doubtful accounts	**(14)**	(23)	9
Total current assets	**23,383**	21,983	1,400
Fixed Assets:			
Tangible Fixed Assets:			
Buildings and structures	**6,602**	8,287	(1,685)
Machinery and equipment	**610**	765	(155)
Tools and furniture	**2,162**	2,950	(788)
Land	**246**	246	-
Total tangible fixed assets	**9,621**	12,250	(2,629)
Intangible Fixed Assets:			
Leasehold	**1,644**	1,626	18
Software	**1,408**	1,763	(354)
Other intangible fixed assets	**44**	75	(30)
Total intangible fixed assets	**3,098**	3,465	(366)
Investments and Advances:			
Investments in securities	**515**	518	(3)
Long-term prepaid expenses	**53**	95	(41)
Deferred tax assets - non-current	**156**	1,102	(946)
Guarantee deposits	**6,104**	6,090	13
Fixed leasehold deposits	**6,666**	7,036	(370)
Other investments and advances	**460**	149	310
Less: Allowance for doubtful accounts	**(135)**	(408)	272
Total investments and advances	**13,820**	14,584	(764)
Total fixed assets	**26,540**	30,300	(3,760)
Total Assets	**49,923**	52,284	(2,360)

(Millions of yen)

	February 28, 2003	February 28, 2002	Changes from previous year
Liabilities			
Current Liabilities:			
Notes and accounts payable	**5,734**	6,060	(326)
Short-term loans payable	**-**	1,775	(1,775)
Income taxes payable	**1,157**	87	1,069
Accrued bonuses	**12**	13	0
Other current liabilities	**3,654**	3,663	(9)
Total current liabilities	**10,560**	11,601	(1,040)
Long-Term Liabilities:			
Accrued retirement benefits for employees	-	1,933	(1,933)
Accrued retirement benefits for directors and corporate auditors	**246**	240	5
Other long-term liabilities	**266**	233	33
Total long-term liabilities	**512**	2,406	(1,894)
Total Liabilities	**11,072**	14,008	(2,935)
Minority Interests in Consolidated Subsidiaries	**370**	301	68
Shareholders' Equity:			
Common stock	**6,766**	6,766	-
Capital surplus	**10,075**	10,075	-
Retained earnings	**22,150**	21,073	1,077
Net unrealized gain on other securities	**36**	4	32
Foreign currency translation adjustments	**118**	55	63
Sub-total	**39,147**	37,975	1,172
Treasury stock	**(667)**	(0)	(666)
Total Shareholders' Equity	**38,480**	37,974	505
Total Liabilities, Minority Interests and Shareholder's Equity	**49,923**	52,284	(2,360)

Consolidated Statements of Income

Ryohin Keikaku Co., Ltd. and its subsidiaries

	Fiscal 2002		Fiscal 2001		Changes from previous year
	Millions of yen	%	Millions of yen	%	%
Operating Revenue:					
Net Sales	114,324	100.0	119,188	100.0	95.9
Cost of sales	68,792	60.2	71,796	60.2	95.8
Gross profit	45,531	39.8	47,391	39.8	96.1
Other Operating revenue	786	0.7	703	0.6	111.7
Sub total	46,317	40.5	48,095	40.4	96.3
Selling, general and administrative expenses	39,567	34.6	42,580	35.7	92.9
Operating Profit	6,750	5.9	5,514	4.7	122.4
Non-Operating Income:	450	0.4	363	0.3	124.1
Interest and dividend income	31		20		
Other non-operating income	419		343		
Non-Operating Expense:	66	0.1	199	0.2	33.5
Interest expenses	8		72		
Other non-operating expenses	57		127		
Ordinary Profit	7,134	6.2	5,677	4.8	125.7
Extraordinary Gains:	1,078	0.9	573	0.5	188.0
Gain on sales of investments in securities	49		-		
Reversal of allowance for doubtful accounts	10		-		
Rversal of accrued retirement benefits for employees	891		-		
Gain on redemption of insurance funds	-		263		
Other extraordinary gains	127		310		
Extraordinary Losses:	3,725	3.2	5,939	5.1	62.7
Loss on disposal of fixed assets	1,073		587		
Loss on disposal of inventories	499		2,446		
Write-down of inventories	-		1,400		
Loss on cancellation of store rental contracts	1,150		564		
Loss on settlement of coupon issued previous year	599		-		
Amortization of the unrecognized transition amount arising from adopting the new accounting standard for retirements benefit for employees	-		449		
Other extraordinary losses	402		490		
Income before income taxes	4,487	3.9	312	0.2	1,437.8
Income Taxes					
- Current	1,159	1.0	283	0.2	408.2
- Deferred	911	0.8	(30)	0.0	-
Minority interests in net expense of consolidated subsidiaries	66	0.1	45	0.0	145.0
Net Income	2,350	2.0	13	0.0	18,002.8

Consolidated Statements of Surplus

Ryohin Keikaku Co., Ltd. and its subsidiaries

(Millions of yen)

	Fiscal 2002	Fiscal 2001
Balance of capital surplus		
Ⅰ Balance of capital surplus at beginning of year	**10,075**	10,075
Ⅱ Increase in capital surplus	-	-
Ⅲ Decrease in capital surplus	-	-
Ⅳ Balance of capital surplus at end of year	**10,075**	10,075
Balance of retained earnings		
Ⅰ Retained earnings at beginning of year	**21,073**	22,296
Ⅱ Increase in retained earnings	**2,350**	13
Net income	**2,350**	13
Ⅲ Decrease in retained earnings	**1,273**	1,235
Net loss	-	-
Cash dividends	**1,235**	1,235
Exclusion from consolidation of consolidated subsidiaries	**38**	-
Ⅳ Balance of retained earnings at end of year	**22,150**	21,073

Consolidated Statements of Cash Flows

Ryohin Keikaku Co., Ltd. and its subsidiaries

(Millions of yen)

		Fiscal 2002	Fiscal 2001
I.	**Cash Flows from Operating Activities:**		
	Net income before income taxes	**4,487**	312
	Depreciation	**2,190**	3,056
	Amortization of computer software	**576**	590
	Increase in allowance for doubtful accounts	**(328)**	394
	Increase in accrued retirement benefits	**(1,927)**	468
	Interest and dividend income	**(31)**	(20)
	Interest expenses	**8**	72
	Foreign exchange loss	**(2)**	0
	Loss on disposal of fixed assets	**997**	587
	Write-down of long-term prepaid expenses	**76**	247
	Write-down of membership	-	82
	Gain on sales of investment in securities	**(49)**	-
	Increase / Decrease in notes and accounts receivables	**439**	226
	Increase / Decrease in inventories	**1,555**	2,110
	Increase / Decrease in notes and accounts payables	**(329)**	120
	Increase / Decrease in other assets	**336**	(632)
	Increase / Decrease in other liabilities	**596**	(274)
	Subtotal	**8,597**	7,343
	Interest and dividend income received	**31**	20
	Interest expenses paid	**(8)**	(72)
	Income tax paid	**(88)**	(1,696)
	Total	**8,531**	5,595
II.	**Cash Flows from Investing Activities:**		
	Payments for acquisition of fixed assets	**(1,076)**	(2,986)
	Payment of fixed leasehold deposits, guaranty deposits and leasehold	**(38)**	(636)
	Collection of fixed leasehold deposits and guaranty deposit	**58**	458
	Payments for acquisition of computer software	**(502)**	(973)
	Proceeds from deposit receipt for guaranty	**21**	3
	Redemption from insurance funds	-	291
	Payment for acquisition of investment in securities	**(39)**	(199)
	Proceeds from sales of investment in securities	**62**	-
	Total	**(1,514)**	(4,041)
III.	**Cash Flows from Financing Activities:**		
	Increase / Decrease in short-term loans payable	**(1,784)**	(215)
	Payment for acquisition of treasury stocks	**(666)**	-
	Proceeds from sale of treasury stocks	-	2
	Dividend paid	**(1,223)**	(1,223)
	Total	**(3,684)**	(1,436)
IV.	**Effect of exchange rate changes on Cash and Cash Equivalents**	**71**	54
V.	**Net Increase / Decrease in Cash and Cash Equivalents**	**3,403**	171
VI.	**Cash and Cash Equivalents at beginning of year**	**3,649**	3,478
VII.	**Decrease due to exclusion from consolidation of consolidated subsidiaries**	**(209)**	-
VIII.	**Cash and Cash Equivalents at end of year**	**6,844**	3,649

Basis of Presentation of Consolidated Financial Statements

1. Scope of Consolidation

The consolidated financial statements include the accounts of all of the Company's subsidiaries.

R.K. Trucks Co., Ltd.
Ryohin Keikaku Europe Ltd.
Ryohin Keikaku France S.A.
MUJI (Hong Kong) Co., Ltd.
MUJI (Singapore) Private Ltd.
MUJI.net CO., LTD.
HANA-RYOHIN Co., Ltd.

Note: Ryohin Keikaku Hong Kong Ltd., Zhuhai Free Trade Zone Ryohin Keikaku Ltd. and Ryohin Keikaku U.S.A., Ltd. havebeen excluded from consolidated financial statements due to immaterial.
MUJI (Singapore) Private Ltd. is included in consolidation for the first time, having been established during the fiscal year.

2. Application of the Equity Method

There are no subsidiaries and/or affiliates to be applied for the equity method.

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

Fiscal year ending December 31	MUJI (Hong Kong) Co., Ltd.
	MUJI (Singapore) Private Ltd.
Fiscal year ending January 31	Ryohin Keikaku Europe Ltd.
	Ryohin Keikaku France S.A.S.

4. Summary of Significant Accounting Policies

(a) Valuation method of main assets

Investments in securities

Other securities

-Securities with market quotations:

Stated at fair value as determined by the market value at the fiscal year end (Net unrealized gains or losses on these securities are reported as separate item in the shareholders' equity at a net-of-tax amount. Cost is mainly determined by the moving-average method).

-Securities without market quotations:

Stated at cost, cost being determined by the moving-average method.

Derivatives

Stated at fair value

Inventories

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

(b) Depreciation methods for assets

Tangible fixed assets

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

Intangible fixed assets

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

(c) Allowances and accrual

(1) Allowance for doubtful accounts

Allowance for doubtful accounts is provided at the aggregated of the maximum amount, which is calculated based on the 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.

(2) Accrued retirement benefits for directors and corporate auditors

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

(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 foreign currency exchange rates in order to reduce risk exposure arising from fluctuations in the rate.
The Company basically enters into derivative transactions only to cover 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 are included petty cash, deposits which are readily convertible to known amount of cash, and short-term financial instruments with original maturities of three months or less, and they present insignificant risk of changes in value.

[Additional Information]
1.Consolidated Balance Sheets

Shareholders' equity in consolidated balance sheets as of February 28, 2003 was classified into "Common stock", "Capital surplus", "Retained earnings" and others in accordance with Clause 2 of Supplementary Provisions of Ministry Ordinance related to a partial amendment of the Regulation Relating to Terminology, Form and Methods of Preparation of Consolidated Financial Statements, etc. (Ministry Ordinance No. 11)
Shareholders' equity in consolidated balance sheets as of February 28, 2002 were reclassified in accordance with the revised regulation.

2. Consolidated Statements of Surplus

Consolidated statements of surplus for the year ended February 28, 2003 were classified into "Capital surplus" and "Retained earnings" in accordance with Clause 2 of Supplementary Provisions of Ministry Ordinance related to a partial amendment of the Regulation Relating to Terminology, Form and Methods of Preparation of Consolidated Financial Statements, etc. (Ministry Ordinance No. 11)
Consolidated statements of surplus for the year ended February 28, 2002 were reclassified in accordance with the revised regulation.

3. Abolition of retirement plans

Effective from March 1, 2002, the Company abolished the present retirement plans (pension plan under the Japanese Welfare Pension Insurance Law, retirement benefit plan of a lump-sum payment) and settled retirement benefits for their employees.
Until the year ended February 28, 2002, the Company represented accrued retirement benefits for employees as the estimated present value of projected benefit obligations in excess of the fair value of plan assets. Effective from March 1, 2002, the Company reversed accrued retirement benefits for employees after unrecognized prior service cost and unrecognized actuarial differences were amortized, and paid lump-sum benefit payments for qualified employees, and paid special premiums for the cancellation. As a result of abolition of retirement plans, "Extraordinary Gains" amounting to ¥891 million were charged to Consolidated Statements of Income.

Additional Notes to the Consolidated Statements

1. Figures of less than one million are rounded down.

2. Consolidated Balance Sheets

(Millions of yen)

	Fiscal 2002	Fiscal 2001
Accumulated depreciation on tangible fixed assets	**11,326**	9,969

3. Consolidated Statement of Cash Flows

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

(Millions of yen)

	Fiscal 2002	Fiscal 2001
Cash on hand and in banks	**6,844**	3,649
MMF	-	-
Time deposits with maturities exceeding three months	-	-
Cash and cash equivalents at end of year	**6,844**	3,649

4. Leases

(a) Finance leases, other than those which are deemed to transfer ownership of the leased assets to the lessee

1) Amount equivalent to purchase price and amount equivalent to accumulated depreciation

(Millions of yen)

	Fiscal 2002	Fiscal 2001
Amount equivalent to purchase price	**23**	10
Amount equivalent to accumulated depreciation	**8**	5
Amount equivalent to fiscal year-end balance	**15**	4

Note: Since the balance of remaining lease payments accounts for only a small proportion of the fiscal year-end balance of tangible fixed assets, the amount equivalent to purchase price has been calculated using the expected interest payment method.

2) Amount equivalent to balance of remaining lease payments

(Millions of yen)

	Fiscal 2002	Fiscal 2001
Within one year	**5**	2
Over one year	**10**	2
Total	**15**	4

Note: Since the balance of remaining lease payments accounts for only a small proportion of the fiscal year-end balance of tangible fixed assets, the amount equivalent to the balance of remaining lease payments has been calculated using the expected interest payment method.

3) Lease payments during the fiscal year under review and amount equivalent to depreciation expenses

(Millions of yen)

	Fiscal 2002	Fiscal 2001
Lease payments (amount equivalent to depreciation expenses)	**5**	2

4) Method of calculating amount equivalent to depreciation expenses

Depreciation is calculated using the straight-line method (zero residual value) over the term of lease contract.

(b) Remaining Payments on Operating Leases

(Millions of yen)

	Fiscal 2002	Fiscal 2001
Within one year	**1**	1
Over one year	**1**	3
Total	**3**	4

Segment Information

1. By Business

(Millions of yen)

	Fiscal 2002				
	Muji brand sales	**Other business**	**Total**	**Unallocated & eliminations**	**Consolidated**
Outside customers	**114,218**	**892**	**115,110**	**-**	**115,110**
Intersegment	-	-	-	-	-
Operating revenue	**114,218**	**892**	**115,110**	**-**	**115,110**
Operating expenses	**107,305**	**1,054**	**108,359**	**-**	**108,359**
Operating profit (loss)	**6,912**	**(161)**	**6,750**	**-**	**6,750**
Assets	**48,887**	**468**	**49,355**	**567**	**49,923**
Depreciation and Amortization	**2,158**	**31**	**2,190**	**-**	**2,190**
Capital expenditure	**544**	**98**	**642**	**-**	**642**

(Millions of yen)

	Fiscal 2001				
	Muji brand sales	Other business	Total	Unallocated & eliminations	Consolidated
Outside customers	119,292	599	119,892	-	119,892
Intersegment	-	-	-	-	-
Operating revenue	119,292	599	119,892	-	119,892
Operating expenses	113,582	795	114,377	-	114,377
Operating profit (loss)	5,710	(195)	5,514	-	5,514
Assets	51,104	598	51,703	580	52,284
Depreciation and Amortization	3,019	37	3,056	-	3,056
Capital expenditure	2,314	27	2,342	-	2,342

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

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2. By Region

(Millions of yen)

	Fiscal 2002					
	Japan	**Europe**	**Other regions**	**Total**	**Unallocated & eliminations**	**Consolidated**
Outside customers	**107,910**	**5,659**	**1,540**	**115,110**	**-**	**115,110**
Intersegment	**236**	**3**	**-**	**239**	**(239)**	**-**
Operating revenue	**108,147**	**5,662**	**1,540**	**115,350**	**(239)**	**115,110**
Operating expenses	**101,448**	**5,810**	**1,348**	**108,606**	**(246)**	**108,359**
Operating profit (loss)	**6,699**	**(147)**	**191**	**6,743**	**7**	**6,750**
Assets	**49,430**	**2,805**	**949**	**53,185**	**(3,262)**	**49,923**

(Millions of yen)

	Fiscal 2001					
	Japan	Europe	Other regions	Total	Unallocated & eliminations	Consolidated
Outside customers	113,473	5,606	813	119,892	-	119,892
Intersegment	-	-	109	109	(109)	-
Operating revenue	113,473	5,606	922	120,001	(109)	119,892
Operating expenses	106,668	6,991	891	114,550	(173)	114,377
Operating profit (loss)	6,804	(1,385)	31	5,450	64	5,514
Assets	50,580	3,093	1,191	54,865	(2,581)	52,284

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

3. Overseas Operating Revenues

Overseas operating revenues for the fiscal year under review have been eliminated from the segment information as intersegment transfers.

Breakdown by Major Categories

Net Sales by Product

(Millions of yen)

Product	Fiscal 2002 Net sales	Fiscal 2002 Percentage of total (%)	Fiscal 2001 Net sales	Fiscal 2001 Percentage of total (%)	Changes from previous year (%)
Apparel	**36,847**	**32.2**	39,336	33.0	93.7
Household goods	**64,155**	**56.1**	66,451	55.7	96.5
Food	**10,865**	**9.5**	12,003	10.1	90.5
Other	**2,455**	**2.2**	1,395	1.2	175.9
Total	**114,324**	**100.0**	119,188	100.0	95.9

Net Sales by Type of Sale

(Millions of yen)

Type of Sale	Fiscal 2002 Net sales	Fiscal 2002 Percentage of total (%)	Fiscal 2001 Net sales	Fiscal 2001 Percentage of total (%)	Changes from previous year (%)
Japan	**65,586**	**57.4**	67,414	56.6	97.3
U.K.	**4,316**	**3.8**	3,960	3.3	109.0
France	**1,231**	**1.1**	1,591	1.3	77.4
Hong Kong	**1,538**	**1.3**	800	0.7	192.2
Total of directory managed stores	**72,672**	**63.6**	73,766	61.9	98.5
Seiyu	**10,919**	**9.6**	12,385	10.4	88.2
Seibu Dept. Stores group	**4,167**	**3.6**	4,673	3.9	89.2
Non-Saison group stores	**23,601**	**20.6**	25,833	21.7	89.2
Total of other stores	**38,687**	**33.8**	42,892	36.0	91.4
Other	**2,963**	**2.6**	2,528	2.1	117.2
Total	**114,324**	**100.0**	119,188	100.0	95.9

Net Sales by Region

(Millions of yen)

Region	Fiscal 2002 Number of stores	Fiscal 2002 Net sales	Fiscal 2002 Percentage of total (%)	Fiscal 2001 Number of stores	Fiscal 2001 Net sales	Fiscal 2001 Percentage of total (%)	Changes from previous year (%)
Hokkaido	**3**	**1,437**	**1.9**	3	1,757	2.4	81.8
Tohoku	**3**	**984**	**1.4**	3	1,306	1.8	75.4
Kanto	**54**	**36,075**	**49.6**	59	35,658	48.3	101.2
Kohshin-etsu	**5**	**1,619**	**2.2**	5	1,764	2.4	91.8
Hokuriku	**1**	**581**	**0.8**	2	803	1.1	72.3
Tohkai	**13**	**5,458**	**7.5**	14	5,945	8.1	91.8
Kinki	**21**	**13,267**	**18.3**	26	13,429	18.2	98.8
Chugoku/Kyushu	**9**	**6,159**	**8.5**	13	6,748	9.1	91.3
Total of Japan	**109**	**65,586**	**90.2**	125	67,414	91.4	97.3
U.K.	**16**	**4,316**	**6.0**	17	3,960	5.4	109.0
France	**4**	**1,231**	**1.7**	9	1,591	2.1	77.4
Hong Kong	**3**	**1,538**	**2.1**	2	800	1.1	192.2
Total other than Japan	**23**	**7,086**	**9.8**	28	6,352	8.6	111.6
Total	**132**	**72,672**	**100.0**	153	73,766	100.0	98.5

Deferred Taxes

Main components of the deferred tax assets and liabilities at February 28, 2002 and 2001 were as follows.

Fiscal 2002

(Millions of yen)

	February 28, 2003
Deferred tax assets (Current Assets)	
Accrued loss on settlement of coupon issued previous year	**252**
Accrued enterprise tax	**89**
Accrued establishment tax	**31**
Disallowed losses on petty-sum depreciable tangible fixed assets	**9**
Other	**35**
Sub total	**418**
Deferred tax assets (Fixed Assets)	
Accrued retirement benefits for directors and corporate auditors	**103**
Loss on disposal of fixed assets	**61**
Other	**18**
Sub total	**183**
Deferred tax liabilities (Fixed Assets)	
Net unrealized gain on other securities	**26**
Sub total	**26**
Total	**575**

Fiscal 2001

(Millions of yen)

	February 28, 2002
Deferred tax assets (Current Assets)	
Tax loss carryforwards	332
Disallowed losses on petty-sum depreciable tangible fixed assets	29
Accrued enterprise tax	27
Other	0
Sub total	390
Deferred tax assets (Fixed Assets)	
Amounts in excess of the tax limit of provision for accrued retirement benefits for employees	809
Accrued retirement benefits for directors and corporate auditors	101
Disallowed losses on petty-sum depreciable tangible fixed assets	7
Valuation loss on investment in subsidiaries	2
Loss on disposal of fixed assets	138
Other	46
Sub total	1,105
Deferred tax liabilities (Fixed Assets)	
Net unrealized gain on other securities	3
Sub total	3
Total	1,493

Securities

(1) Other securities for which market quotations are available

(Millions of yen)

	February 28, 2003			February 28, 2002		
	Acquisition Cost	**Carrying Amount**	**Differences**	Acquisition Cost	Carrying Amount	Differences
Securities with unrealized gains						
Equity securities	**206**	**279**	**73**	54	63	8
Debt securities	-	-	-	9	13	3
Others	-	-	-	-	-	-
Sub-total	**206**	**279**	**73**	64	76	12
Securities with unrealized losses						
Equity securities	**106**	**96**	**(10)**	106	102	(4)
Debt securities	-	-	-	-	-	-
Others	-	-	-	-	-	-
Sub-total	**106**	**96**	**(10)**	106	102	(4)
Total	**313**	**376**	**63**	171	178	7

(2) Other securities for which market quotations are not available

(Millions of yen)

	February 28, 2003	February 28, 2002
	Carrying Amount	Carrying Amount
Other securities		
Unlisted equity securities (excludes over-the-counter securities)	**138**	339

Notes: Method of calculating market value
Listed equity and debt securities are based mainly on closing prices on the Tokyo Stock Exchange.

Contracted Amounts, Market Value and Valuation Gain (Loss) on Derivative Contracts

Currency Transactions

Fiscal 2002

(Millions of yen)

February 28, 2003				
Classification	Type	**Contracted amount (More than 1 year)**	**Market Value**	**Valuation gain (loss)**
Transactions outside of market	Forward exchange contracts Buying US Dollars	- (-)	-	-
Total		- (-)	-	-

Fiscal 2001

(Millions of yen)

February 28, 2002				
Classification	Type	Contracted amount (More than 1 year)	Market Value	Valuation gain (loss)
Transactions outside of market	Forward exchange contracts Buying US Dollars	7 (-)	10	3
Total		7 (-)	10	3

Notes: 1. Market value is based on ruling quotations in the foreign exchange market in Tokyo.
2. Foreign currency denominated obligations and debt, which have been hedged with forward exchange contracts and are included on the consolidated balance sheets at yen-equivalent values, are not disclosed in the above table.

Brief Summary of Non-Consolidated Financial Results (March 27, 2003)

(For the year ended February 28, 2002)

Company Name	Ryohin Keikaku Co., Ltd.
Code Number	7453
(URL: http://www.muji.co.jp)	
Securities Traded	The Tokyo Stock Exchange, First Section
Address	Headquarters in Tokyo
Representative	Tadamitsu Matsui, President and Representative Director
Contact	Masao Aoki, General Manager, Accounting and Finance Unit, Administration Division
Telephone	03-3989-4930
Board of Directors' Meeting for Settlement of Accounts	March 27, 2003
Ordinary General Meetings of Shareholders	May 21, 2003
The system of interim dividend	Adopted

1. Results for Fiscal 2002 (March 1, 2002 to February 28, 2003) (Millions of yen)

(1) Operating results

	Operating Revenue (% of increase/decrease)		Operating Profit (% of increase/decrease)		Ordinary Profit (% of increase/decrease)	
Fiscal 2002	106,805	(-5.1)	6,745	(-0.9)	7,091	(2.0)
Fiscal 2001	112,513	(1.3)	6,807	(-44.2)	6,950	(-43.8)

	Net Income (% of increase/decrease)		Net Income per Share (¥)	Net Income per Share after Dilution (¥)	Return on Equity (%)	Ordinary Profit to Total Capital Ratio (%)	Ordinary Profit to Operating Revenue Ratio (%)
Fiscal 2002	2,309	(459.1)	82.32	-	6.0	14.2	6.6
Fiscal 2001	413	(-92.3)	14.71	-	1.1	13.3	6.2

Note : 1.The average number of shares outstanding during the each period. Fiscal 2002－28,059,817 shares, Fiscal 2001－28,077,782 shares.

2. There are no accounting changes in this period.
3. Percentage of increase or decrease is based on comparison with those of the previous period.

(2) Dividend

	Dividend per Share for the Fiscal Year (¥)			Total amount of Dividend (for the entire fiscal year) (Millions of yen)	Payout-Ratio (%)	Dividend to Shareholders' Equity Ratio (%)
	Total	Interim Dividend	Year-End Dividend			
Fiscal 2002	44.00	22.00	22.00	1,228	53.2	3.2
Fiscal 2001	44.00	22.00	22.00	1,235	299.0	3.2

(3) Financial Position

	Total Assets	Total Shareholders' Equity	Shareholders' Equity Ratio (%)	Shareholders' Equity per Share (¥)
Fiscal 2002	48,883	38,824	79.4	1,399.15
Fiscal 2001	50,639	38,384	75.8	1,367.09

Note:. The number of shares outstanding at fiscal year end. Fiscal 2002 － 27,748,870 shares, Fiscal 2001 －28,077,738 shares

2. Forecast for Fiscal 2003 (March 1, 2003 to February 29, 2004) (Millions of yen)

	Operating Revenue	Ordinary Profit	Net Income	Dividend per share for the Fiscal Year (¥)		
				Interim Dividend	Year-End Dividend	Total
Interim Period	54,400	3,800	1,700	22.00	-	-
Fiscal Year	109,300	8,000	3,900	-	22.00	44.00

Reference: Estimated net income per share for the fiscal year is ¥138.89

Note: The above forecast is announced presupposing available information at March 27, 2003 and an assumption related to uncertain factors which will influence to future results. Actual results may be different from forecast depend on various factors in future. Please refer to page 5, in which an assumption and matters to be attended to use the forecast are noted.

Non-Consolidated Balance Sheets

Ryohin Keikaku Co., Ltd.

(Millions of yen)

	February 28, 2003	February 28, 2001	Changes from previous year
Assets			
Current Assets:			
Cash on hand and in banks	**5,205**	1,530	3,674
Notes receivable	**-**	28	(28)
Accounts receivable	**3,225**	3,465	(239)
Merchandise	**7,766**	9,433	(1,706)
Supplies	**44**	31	12
Advance Payments	**39**	180	(141)
Prepaid expenses	**716**	564	152
Deferred tax assets - current	**412**	390	22
Short-term loans to subsidiaries	**170**	-	170
Accounts receivable - other	**2,578**	2,574	3
Advanced payments	**559**	708	(149)
Other current assets	**379**	308	71
Less: Allowance for doubtful accounts	**(14)**	(26)	12
Total current assets	**21,044**	19,190	1,854
Fixed Assets:			
Tangible Fixed Assets:			
Buildings	**6,272**	7,997	(1,724)
Structures	**116**	146	(30)
Machinery and equipment	**563**	696	(132)
Vehicles and transportation equipment	**1**	2	(0)
Tools and furniture	**1,608**	2,240	(632)
Land	**246**	246	-
Total tangible fixed assets	**8,809**	11,329	(2,519)
Intangible Fixed Assets:			
Leasehold	**1,478**	1,478	-
Trademarks	**4**	20	(15)
Software	**1,401**	1,738	(336)
Other intangible fixed assets	**37**	37	-
Total intangible fixed assets	**2,922**	3,274	(351)
Investments and Advances:			
Investments in securities	**515**	518	(3)
Investment in subsidiaries	**2,499**	1,873	625
Long-term loans to subsidiaries	**-**	236	(236)
Long-term prepaid expenses	**19**	22	(3)
Deferred tax assets - non-current	**156**	1,102	(946)
Guarantee deposits	**5,915**	5,958	(42)
Fixed leasehold deposits	**6,665**	7,036	(370)
Store development in progress	**249**	-	249
Claim in bankruptcy and similar debts	**72**	92	20
Other investments and advances	**137**	139	(1)
Less: Allowance for doubtful accounts	**(123)**	(134)	10
Total investments and advances	**16,107**	16,846	(738)
Total fixed assets	**27,839**	31,449	(3,610)
Total Assets	**48,883**	50,639	(1,756)

(Millions of yen)

	February 28, 2003	February 28, 2002	Changes from previous year
Liabilities			
Current Liabilities:			
Notes payable	**459**	672	(212)
Accounts payable	**4,750**	4,732	18
Short-term loans payable	**-**	1,600	(1,600)
Accounts payable - other	**160**	146	13
Income taxes payable	**1,127**	57	1,070
Consumption taxes payable	**355**	90	264
Accrued expenses	**2,310**	1,681	628
Non-operating notes payable	**108**	573	(465)
Other current liabilities	**287**	293	57
Total current liabilities	**9,558**	9,848	(289)
Long-Term Liabilities:			
Accrued retirement benefits for employees	-	1,933	(1,933)
Accrued retirement benefits for directors and corporate auditors	**246**	240	5
Other long-term liabilities	**254**	233	21
Total long-term liabilities	**500**	2,406	(1,906)
Total Liabilities	**10,059**	12,255	(2,195)
Shareholders' Equity			
Common stock	**6,766**	6,766	-
Capital surplus:			
Additional paid-in capital	**10,075**	10,075	-
Retained earnings:			
Legal reserve	**493**	493	
General reserve	**19,700**	20,500	(800)
Unappropriated retained earnings	**2,420**	546	1,874
Total retained earnings	**22,613**	21,539	1,074
Net unrealized gain on other securities	**36**	4	32
Treasury stock	**(667)**	(0)	(666)
Total Shareholders' Equity	**38,824**	38,384	440
Total Liabilities and Shareholders' Equity	**48,883**	50,639	(1,756)

Non-Consolidated Statements of Income

Ryohin Keikaku Co., Ltd.

	Fiscal 2002		Fiscal 2001		Changes from Previous year
	Millions of yen	**%**	Millions of yen	%	%
Operating Revenue:					
Net sales	**105,902**	**100.0**	111,880	100.0	94.7
Cost of sales	**65,083**	**61.5**	68,429	61.2	95.1
Gross profit	**40,819**	**38.5**	43,450	38.8	93.9
Other operating revenue	**903**	**0.9**	633	0.6	142.7
Sub total	**41,722**	**39.4**	44,083	39.4	94.6
Selling, general and administrative expenses	**34,976**	**33.0**	37,276	33.3	93.8
Operating Profit	**6,745**	**6.4**	6,807	6.0	99.1
Non-Operating Income	**445**	**0.4**	275	0.2	161.5
Interest and dividend income	**35**		34		
Other non-operating income	**410**		241		
Non-Operating Expenses	**100**	**0.1**	132	0.1	75.7
Interest expenses	**4**		7		
Other non-operating expenses	**95**		125		
Ordinary Profit	**7,091**	**6.71**	6,950	6.2	102.0
Extraordinary Gains:	**1,000**	**0.9**	263	0.2	379.8
Gain on sales of investments in securities	**49**		-		
Reversal of allowance for doubtful accounts	**12**		-		
Reversal of accrued retirement benefits	**891**		-		
Gain on redemption of insurance funds	**-**		263		
Other extraordinary gains	**47-**		-		
Extraordinary Losses::	**3,781**	**3.6**	6,562	5.8	57.6
Loss on disposal of fixed assets	**1,066**		473		
Loss on disposal of inventories	**499**		2,446		
Write-down of inventories	**-**		1,400		
Loss on cancellation of store rental contracts	**1,150**		121		
Write-down of investments in subsidiaries	**103**		46		
Loss on settlement of coupon issued previous year	**599**		-		
Loss on forgiveness of debt to subsidiary	**-**		1,449		
Amortization of the unrecognized transition amount arising from adopting the new accounting standard for retirements benefit for employees	**-**		449		
Other extraordinary losses	**363**		174		
Income before income taxes	**4,310**	**4.0**	651	0.6	661.6
Income taxes					
- Current	**1,100**	**1.0**	240	0.2	458.3
- Deferred	**900**	**0.8**	(1)	0.0	-
Net Income	**2,309**	**2.2**	413	0.4	559.1
Retained earnings brought forward	**728**		812		89.7
Interim cash dividend	**617**		617		100.0
Legal reserve for interim cash dividend	**-**		61		-
Unappropriated retained earnings at end of year	**2,420**		546		398.2

Proposal for Appropriation of Retained Earnings

Ryohin Keikaku Co., Ltd.

(Millions of yen)

	Fiscal 2002	Fiscal 2001	Changes from previous year
Unappropriated retained earnings	**2,420**	546	1,874
Reversal of general reserve	-	800	(800)
Sub total	**2,420**	1,346	1,074
We propose to appropriate the foregoing as follows:			
Transfer to legal reserve	-	-	-
Cash dividend	**610**	617	(7)
	(¥22 per share)	(¥22 per share)	
Transfer to general reserve	**1,000**	-	1,000
Unappropriated retained earnings carried forward	**810**	728	81

Note: The Company paid an interim cash dividend of ¥617 million (¥22 per share) on November 1, 2002.

Summary of Significant Accounting Policies

1. Investment in securities and investment in subsidiaries

Securities issued by subsidiaries

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 at the fiscal year end (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 at cost, determined by the last purchase method.

4. Depreciation methods for assets

(1) Tangible fixed assets

The Company computes depreciation of tangible fixed assets by 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 the straight-line basis.

(2) Intangible fixed assets

Amortization of intangible fixed assets except for computer software (internal use) is computed by the straight-line method. Amortization of computer software for internal use is computed by the straight-line method and 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.

5. Recording basis of main allowances and accrual

(1 Accrued retirement benefits for directors and corporate auditors

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

(2) Allowance for doubtful accounts

Allowance for doubtful accounts is provided at the aggregated of the maximum amount, which is calculated based on the 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.

6. 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.

7. Method of accounting for consumption taxes

Consumption taxes are excluded from the amounts of items in the accompanying non-consolidated statements of income.

[Additional Information]

1. Non-Consolidated Balance Sheets

Shareholders' equity in non-consolidated balance sheets as of February 28, 2003 was classified into "Common stock", "Capital surplus", "Retained earnings" and others in accordance with Clause 2 of Supplementary Provisions of Ministry Ordinance related to a partial amendment of the Regulation Relating to Terminology, Form and Methods of Preparation of Financial Statements, etc. (Ministry Ordinance No. 9)

Shareholders' equity in non-consolidated balance sheets as of February 28, 2002 were reclassified in accordance with the revised regulation.

2. Abolition of retirement plans

Effective from March 1, 2002, the Company abolished the present retirement plans (pension plan under the Japanese Welfare Pension Insurance Law, retirement benefit plan of a lump-sum payment) and settled retirement benefits for its employees.

Until the year ended February 28, 2002, the Company represented accrued retirement benefits for employees as the estimated present value of projected benefit obligations in excess of the fair value of plan assets. Effective from March 1, 2002, the Company reversed accrued retirement benefits for employees after unrecognized prior service cost and unrecognized actuarial differences were amortized, and paid lump-sum benefit payments for qualified employees, and paid special premiums for the cancellation. As a result of abolition of retirement plans, "Extraordinary Gains" amounting to ¥891 million were charged to non-consolidated statements of income.

Additional Notes to the Non-consolidated Financial Statements

1. Figures of less than one million are rounded down.

2. Non-consolidated Balance Sheets

(Millions of yen)

	Fiscal 2002	Fiscal 2001
Accumulated depreciation on tangible fixed assets	**9,853**	8,565
Guarantees of loans	**327**	448

3. Leases

(1) **Finance leases, other than those which are deemed to transfer ownership of the leased assets to the lessee**
Tangible fixed assets - Vehicles and transportation equipment

Amount equivalent to purchase price and amount equivalent to accumulated depreciation

(Millions of yen)

	Fiscal 2002	Fiscal 2001
Amount equivalent to purchase price	**23**	5
Amount equivalent to accumulated depreciation	**8**	2
Amount equivalent to fiscal year-end balance	**15**	2

Note: Since the balance of remaining lease payments accounts for only a small proportion of the fiscal year-end balance of tangible fixed assets, the amount equivalent to purchase price has been calculated using the expected interest payment method.

Amount equivalent to balance of remaining lease payments

(Millions of yen)

	Fiscal 2002	Fiscal 2001
Within one year	**5**	1
Over one year	**10**	1
Total	**15**	2

Note: Since the balance of remaining lease payments accounts for only a small proportion of the fiscal year-end balance of tangible fixed assets, the amount equivalent to the balance of remaining lease payments has been calculated using the expected interest payment method.

Lease payments during the fiscal year under review and amount equivalent to depreciation expenses

(Millions of yen)

	Fiscal 2002	Fiscal 2001
Lease payments (amount equivalent to depreciation expenses)	**5**	1

Method of calculating amount equivalent to depreciation expenses
Depreciation is calculated using the straight line method (zero residual value) over the term of lease contract.

(b) **Remaining Payments on Operating Leases**
Tangible fixed assets - Vehicles and transportation equipment

(Millions of yen)

	Fiscal 2002	Fiscal 2001
Within one year	**1**	1
Over one year	**1**	3
Total	**3**	4