Brief Summary of Consolidated Financial Results (March 28, 2005)
(For the year ended February 28, 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	Naoto Watanabe, General Manager, Accounting and Business Support Center, Administration Division
Telephone	03-3989-4416
Board of Directors' Meeting for Settlement of Accounts	March 28, 2005

1. Results for Fiscal 2004 (March 1, 2004 to February 28, 2005) (Millions of yen)

(1) Operating results

	Operating Revenue (% of increase/decrease)		Operating Profit (% of increase/decrease)		Ordinary Profit (% of increase/decrease)	
Fiscal 2004	128,468	(7.2)	11,478	(30.6)	11,840	(31.5)
Fiscal 2003	119,827	(4.1)	8,790	(30.2)	9,003	(26.2)

	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 2004	6,347	(35.2)	231.88	229.86	15.1	20.6	9.2
Fiscal 2003	4,695	(99.8)	168.51	-	12.1	17.2	7.5

Note : 1. Equity in earnings of unconsolidated subsidiaries and affiliates accounted for by the equity method - Fiscal 2004 ¥7 million, Fiscal 2003 N/A
2. The average number of shares outstanding during the each period - Fiscal 2004 – 27,121,645 shares, Fiscal 2003 – 27,640,958 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 2004	60,657	45,315	74.7	1,654.42
Fiscal 2003	54,538	38,865	71.3	1,443.79

Note:. The number of shares outstanding at fiscal year end. Fiscal 2004 – 27,354,643 shares, Fiscal 2003 −26,892,755 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 year
Fiscal 2004	8,375	-3,577	348	16,961
Fiscal 2003	11,423	-2,239	-4,221	11,776

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

Consolidated subsidiaries	9 companies
Non-consolidated 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

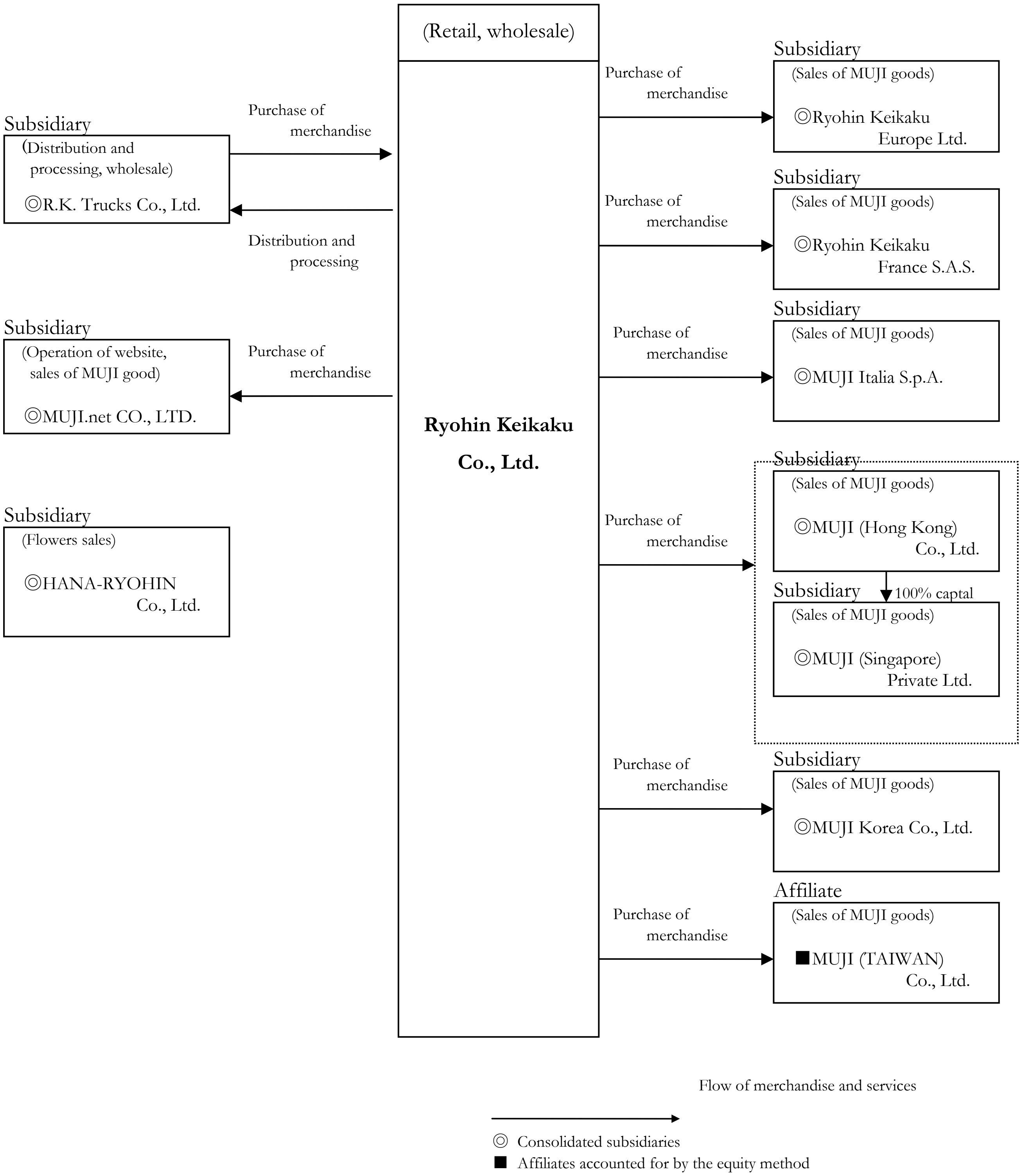
2. Forecast for Fiscal 2005 (March 1, 2005 to February 28, 2006) (Millions of yen)

	Operating Revenue	Ordinary Profit	Net Income
Interim Period	67,700	6,900	3,800
Fiscal Year	139,000	14,300	8,000

Reference: Estimated net income per share for the full year is ¥292.45

Note: The above forecast is announced presupposing available information at March 28, 2005 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 6, in which an assumption and matters to be attended to use the forecast are noted.

Group Companies



Note : MUJI Italia S.p.A. was established on September 16, 2004.
MUJI Korea Co.,Ltd. was established on December 15, 2004.

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 product 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 a unified concept, including the layout, display and atmosphere of the store and 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's 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 shares 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 payout ratio of 25%. In accordance with this policy, the Company has set a dividend of ¥30 per share at the end of the fiscal year. As a result, totally ¥55 (including the interim dividend ¥25) is to be paid out as an annual dividend, marking an increase (for two consecutive year) by ¥8 over the previous year.

With respect to retained earnings, the Company will actively utilize these for investments such as the expansion of existing business as well as the development/strengthening of new business, and also for investment in business tie-up or acquisition with the aim of improving its corporate value. In addition, it will buy back its own stocks, if necessary, for the purpose of 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 further participation of individual investors in stock markets will lead to the revitalization of the stock markets, the Company has been taking initiatives to promote investors' relation by posting brief summary of financial statements as well as company's guide on its homepage and by editing its business reports to make them easier to understand.

The Company recognizes that reducing the minimum investment unit is one of the effective measures to revitalize stock markets, however, it also believes that such change needs careful judgement, taking into consideration to negative effects such as a potential increase in related expenses.

4. Targeted 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. With this in mind, the Company intends to achieve a ROE of 15% and an EPS of ¥280 on a consolidated basis by fiscal year 2006.

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 endeavours to pursue further expansion of its business based on 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 area selection where there is enough potential to succeed, rather than focusing on store number 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 developing the 'scrap-and-built' approach for existing products and new categories, the Company strives to offer customers exquisite and satisfying products.

(3) Reinforcement of product procurement process
The Company will review its production control system and reduce the number of suppliers or factories, so that it can increase production speed and realize further cost reductions.
(4) Establishment of the 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 refresh staled layouts and displays on the sales floor to create more dynamic atmosphere.
(5) Overseas Strategies for Growth
In addition to its continuing initiatives to open new stores in the United Kingdom, France, Hong Kong and Italy, the Company is aggressively exploring opportunities to open stores in Germany. At the same time, it prepares for further expansion of its chain operation into China as well as 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 the cost down in parallel with efforts to enhance the Company's foundation as well as its finance position.

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

7. Basic Ideas and Current Status of Measures for Corporate Governance
(1) Basic Ideas on Corporate Governance
The Company recognizes that its ultimate goal is to enhance the brand image perceived by stakeholders such as shareholders, customers, employees, and client companies to differentiate itself from its competitors, and to secure both a dominant share in the market and their confidence in the Company. With respect to customers, the Company is committed to enhance 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 to be considered as an excellent company through persistent growth, vigorous IR activities, trustful and impartial disclosure, and proper profit appropriation to the shareholders. With respect to the employees, the Company intends to establish a corporate culture as an exciting company that 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 through the recent waves of corporate scandals, the Company recognizes the need to reinforce self-regulating operation system as soon as practicable.

The Company believes that the above measures will lead to enforcement of its corporate values and 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 supervising on operation
(a) With respect to the board members, there are six in-house board members (five of whom hold other posts as executive officers) and three external board members. The Company defines supervising function of the board of directors and responsibility of executive officers. In parallel with this, it advances assignment of authority for approval to subordinates in order to speed up 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 as well as inspecting managerial documents or 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 the 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 well-prepared auditing environment for them to perform a fair audit by providing neccesary information and explanation on overall management. In addition, when the Company faces situation to make a legal decision, it consults with lawyers who provide professional points 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 to be held twice a month, 27 board meetings were held in the current period,.

(b) While audit committee meetings are to be held twice a month, 16 meetings were held in the current period,.

(c) As a part of its IR activities in the current period, the Company has put greater focus on prompt and accurate disclosure to investors by posting financial results on its homepage on the day of press release issued and setting quarterly a briefing session for analysts on the next day.

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

Results of Operations and Financial Position

1. Results of Operations

During the period, the Japanese economy saw some movement in consumer spending supported by particularly well-performed enterprises. However, as this trend was not strong enough to lead sales growth and some other concerns restrained consumer's mind, the retail industry continued to endure an unfavorable circumstances.

In this situation, the Company has been putting the emphasis on proactive enhancement of streamlining and standardization of its store business. In Japan, the Company opened 24 stores (19 of which are directly managed stores), including "Mujirushi Ryohin Sagami-Ohno Station Square" and "Mujirushi Ryohin Lalaport Koshien", expanded floor space in 12 stores, scaled down floor space in 8 stores, and closed 5 stores (3 of which are directly managed stores), including "Mujirushi Ryohin Kobe Kyu Kyoryuchi(area of foreigners ex-colony)". As of February 28, 2005, the Company had a total of 285 stores (141 of which are directly managed stores), total sales floor space of 202,021 square meters (116,012 square meters for directly managed stores) and an average sales floor space per store of 708 square meters (823 square meters for directly managed stores).

With respect to its overseas operation, the Company established sales subsidiaries in Italy in September and Korea in December 2004, and opened 10 new stores; one directly managed store each in France, Italy and Hong Kong, three licensed stores in Sweden, and four licensed stores in Taiwan.

Sales growth has been lead by household goods during the second half of the year, which showed a clear recovery from dull performance in the past, following robust performance in apparel/miscellaneous goods during the fist half. Monthly sales of household goods in like-for-like stores, particularly fancy goods, health/beauty and stationery, which have regained its product capability, exceeded the results in the previous year since last September. The apparel/miscellaneous line contributed the improvement of gross margin, reflecting consecutive sales strength. Overall revenue growth comes from sales of like-for-like stores directly managed, which showed a gain by 2.3% compared with the previous year, adding favorable results at newly opened stores in this year. In addition, inter-net store (sales via web-site) and cafe/meal businesses have also seen a steady increase in sales, promoting further improvement in the revenue and profit.

The Company actively worked on boosting its bottom line through establishment of a company-wide organization with an aim to develop a pliable cost structure which will not be affected by changes in the business environment,

While overseas operations have been expanding, a favorable revenue structure has also been realized. Sales of like-for-like stores in United Kingdom, France, Ireland and Hong Kong outperformed the results in the previous year, as did it in Japan. Combined with the effects of new stores, overseas sales now exceeded ¥9 billion, marking 7.1% of consolidated sales. 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 totaled ¥128,468 million, an increase of 7.2% compared with the last year. Consolidated ordinary profit soared by 31.5% to ¥11,840 million, while consolidated net income jumped to ¥6,347 million, an significant increase of 35.2% over the previous year, and thus consecutive increase was marked both in sales and profit for these two years.

(Forecast for FY2005)
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 sometimes taking account of customers' comments, in order to further improve the quality of household goods, which have regained strong performance. It will also address challenging issues such as structural reforms, inventory controls, and quality control overall.

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

By vigorously addressing these issues and achieving further growth combined with sound constitution, the Company aims to maximize its corporate value. In parallel with this, it will maintain solid relations with the stakeholders through ensuring compliance with various ordinances and regulations from the view point 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 ¥139,000 million (an increase by 8.2% over the previous year), ¥14,300 million (an increase by 20.8%), and ¥8,000 million (an increase by 26%), respectively.

2. Financial Position

(1) Financial Position

During the period, consolidated total assets for the Ryohin Keikaku Group posted ¥60,657 million, an increase of ¥6,118 million or 11.2% compared with FY 2003.

This was mainly due to net income of ¥6,347 million (an increase by 35.2%), supported by sound performance by newly opened stores and raise of gross margin ratio by 1.4 % compared with the previous year.

(2) Cash Flow Status for the Period

【Cash flow from operating activities】

Cash flow from operating activities generated ¥8,375 million, a decrease of ¥3,048 million, compared with FY2003

This was mainly due to an increase in funds led by 'Income before income taxes and minority interests' of ¥10,879 million and "Depreciation", to the contrary due to a decrease of ¥4,721 million led by "Income tax paid".

【Cash flows from investing activities】

Investing activities during the period created an outflow of ¥3,577 million, an increase in outflow of ¥1,338 million compared with the last year.

This was mainly due to the purchase of fixed assets in the stores and the acquisition of remaining shares in the subsidiary, Muji (Hong Kong) Co., Ltd.

【Cash flows from financing activities】

Cash flows from financing activities brought ¥348 million, representing an increase of ¥4,569 million over the last year.

This was mainly due to fund increase of ¥1,461 million led by the sales of treasury stock to stock option shareholders such as employees and an outflow of ¥1,350 million caused by dividend payout.

Cash and cash equivalents for the period totaled ¥16,961 million, an increase of ¥5,184 million or 44.0% compared with FY2003.

Cash and cash equivalents in the FY2005 will be expected to continuously increase due to probable growth in net income.

Indicators on financce position are as follows:

	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Shareholders' Equity Ratio	70.2%	72.6%	77.1%	71.3%	74.7%
Shareholders' Equity Ratio based on Market Value	138.6%	137.7%	120.9%	184.9%	245.3%

(Note) All indicators are calculated using the Company's consolidated financial results.

* Shareholders' Equity Ratio -----Shareholder's equity/Total assets
* Shareholders' Equity Ratio based on Market Value ----Aggregated market value/Total assets

*Aggregated market value----Stock price at the end of February, 2005 × Number of shares outstanding at the end of February, 2005, excluding treasury stock

Consolidated Balance Sheets

Ryohin Keikaku Co., Ltd. and its subsidiaries

(Millions of yen)

	February 28, 2005	February 29, 2004	Changes from previous year
Assets			
Current Assets:			
Cash on hand and in banks	**16,961**	11,776	5,184
Notes and accounts receivable	**3,183**	4,677	(1,494)
Inventories	**8,823**	7,363	1,459
Deferred tax assets – current	**584**	599	(15)
Other current assets	**4,843**	4,715	128
Less: Allowance for doubtful accounts	**(28)**	(19)	(9)
Total current assets	**34,366**	29,113	5,253
Fixed Assets:			
Tangible Fixed Assets:			
Buildings and structures	**7,731**	7,944	(213)
Machinery, equipment and vehicles	**461**	527	(66)
Tools and furniture	**2,181**	1,589	591
Land	**875**	875	-
Construction in progress	**6**	46	(40)
Total tangible fixed assets	**11,255**	10,984	271
Intangible Fixed Assets:			
Leasehold	**1,734**	1,648	86
Software	**998**	956	42
Excess of cost over the underlying net equity of investments in subsidiaries	**439**	-	439
Other intangible fixed assets	**117**	16	100
Total intangible fixed assets	**3,290**	2,621	669
Investments and Advances:			
Investments in securities	**370**	501	(130)
Long-term prepaid expenses	**99**	43	55
Deferred tax assets - non-current	**257**	160	97
Guarantee deposits	**3,636**	3,613	23
Fixed leasehold deposits	**7,438**	7,426	11
Other investments and advances	**21**	104	(82)
Less: Allowance for doubtful accounts	**(80)**	(28)	(51)
Total investments and advances	**11,743**	11,819	(76)
Total fixed assets	**26,290**	25,425	864
Total Assets	**60,657**	54,538	6,118

(Millions of yen)

	February 28, 2005	February 29, 2004	Changes from previous year
Liabilities			
Current Liabilities:			
Notes and accounts payable	**6,758**	8,174	(1,415)
Income taxes payable	**2,837**	3,079	(241)
Accrued bonuses	**5**	8	(2)
Other current liabilities	**4,889**	3,673	1,216
Total current liabilities	**14,491**	14,935	(444)
Long-Term Liabilities:			
Accrued retirement benefits for directors and corporate auditors	**390**	240	150
Other long-term liabilities	**210**	220	(9)
Total long-term liabilities	**600**	460	140
Total Liabilities	**15,092**	15,395	(303)
Minority Interests in Consolidated Subsidiaries	**249**	277	(27)
Shareholders' Equity:			
Common stock	**6,766**	6,766	-
Capital surplus	**10,106**	10,075	30
Retained earnings	**30,583**	25,625	4,958
Net unrealized gain on other securities	**6**	24	(17)
Foreign currency translation adjustments	**91**	41	50
Treasury stock	**(2,239)**	(3,667)	1,428
Total Shareholders' Equity	**45,315**	38,865	6,449
Total Liabilities, Minority Interests and Shareholder's Equity	**60,657**	54,538	6,118

Consolidated Statements of Income

Ryohin Keikaku Co., Ltd. and its subsidiaries

	Fiscal 2004		Fiscal 2003		Changes from previous year
	Millions of yen	%	Millions of yen	%	%
Operating Revenue:					
Net Sales	**127,836**	**100.0**	119,189	100.0	107.3
Cost of sales	**71,724**	**56.1**	68,590	57.5	104.6
Gross profit	**56,112**	**43.9**	50,598	42.5	110.9
Other Operating revenue	**631**	**0.5**	638	0.5	99.0
Sub total	**56,744**	**44.4**	51,236	43.0	110.7
Selling, general and administrative expenses	**45,265**	**35.4**	42,446	35.6	106.6
Operating Profit	**11,478**	**9.0**	8,790	7.4	130.6
Non-Operating Income:	**430**	**0.3**	298	0.3	144.2
Interest and dividend income	**23**		21		
Other non-operating income	**406**		277		
Non-Operating Expense:	**68**	**0.1**	85	0.1	79.7
Interest expenses	**1**		1		
Other non-operating expenses	**67**		84		
Ordinary Profit	**11,840**	**9.3**	9,003	7.6	131.5
Extraordinary Gains:	**52**	**0.0**	132	0.1	39.6
Gain on sales of investments in securities	**40**		68		
Reversal of allowance for doubtful accounts	**-**		4		
Other extraordinary gains	**12**		60		
Extraordinary Losses:	**1,013**	**0.8**	979	0.8	103.4
Loss on disposal of fixed assets	**350**		605		
Loss on cancellation of store rental contracts	**410**		139		
Amortization of good-will	**-**		160		
Accrued retirement benefit for directors and corporate auditors	**151**		-		
Other extraordinary losses	**101**		75		
Income before income taxes and minority interests	**10,879**	**8.5**	8,155	6.9	133.4
Income Taxes					
- Current	**4,480**	**3.5**	3,569	3.0	125.5
- Deferred	**(77)**	**(0.1)**	(177)	(0.0)	-
Minority interests in consolidated subsidiaries	**129**	**0.1**	69	0.1	186.4
Net Income	**6,347**	**5.0**	4,695	3.9	135.2

Consolidated Statements of Surplus

Ryohin Keikaku Co., Ltd. and its subsidiaries

(Millions of yen)

	Fiscal 2004	Fiscal 2003
Balance of capital surplus		
Ⅰ Balance of capital surplus at beginning of year	**10,075**	10,075
Ⅱ Increase in capital surplus	**30**	-
Excess arising from retirement of treasury stock	**30**	
Ⅲ Decrease in capital surplus	-	-
Ⅳ Balance of capital surplus at end of year	**10,106**	10,075
Balance of retained earnings		
Ⅰ Retained earnings at beginning of year	**25,625**	22,150
Ⅱ Increase in retained earnings	**6,347**	4,695
Net income	**6,347**	4,695
Ⅲ Decrease in retained earnings	**1,389**	1,220
Cash dividends	**1,352**	1,220
Bonuses to directors and corporate auditors	**37**	-
Ⅳ Balance of retained earnings at end of year	**30,583**	25,625

Consolidated Statements of Cash Flows

Ryohin Keikaku Co., Ltd. and its subsidiaries

(Millions of yen)

		Fiscal 2004	Fiscal 2003
I.	**Cash Flows from Operating Activities:**		
	Income before income taxes and minority interests	**10,879**	8,155
	Depreciation	**1,941**	1,788
	Amortization of computer software	**484**	491
	Increase/Decrease in allowance for doubtful accounts	**60**	(102)
	Increase/Decrease in accrued retirement benefits	**150**	(6)
	Interest and dividend income	**(23)**	(21)
	Interest expenses	**1**	1
	Foreign exchange gain	**(1)**	(3)
	Investment gain on equity method	**(7)**	-
	Loss on disposal of tangible fixed assets	**348**	335
	Loss on disposal of intangible fixed assets	**1**	269
	Gain on sales of investment in securities	**(40)**	(68)
	Write-down of investment in securities	**-**	38
	Increase/Decrease in notes and accounts receivables	**1,288**	(2,033)
	Increase/Decrease in inventories	**(1,465)**	1,331
	Increase/Decrease in notes and accounts payables	**(1,416)**	2,430
	Decrease in other assets	**252**	373
	Increase in other liabilities	**658**	67
	Payment of directors' and corporate auditors' bonuses	**(37)**	-
	Sub total	**13,074**	13,049
	Interest and dividend income received	**23**	21
	Interest expenses paid	**(1)**	(1)
	Income tax paid	**(4,721)**	(1,645)
	Total	**8,375**	11,423
II.	**Cash Flows from Investing Activities:**		
	Payments for acquisition of tangible fixed assets	**(1,932)**	(3,615)
	Payments for acquisition of intangible fixed assets	**(590)**	(270)
	Payments for fixed leasehold deposits, guaranty deposits and leasehold	**(764)**	(1,559)
	Collection of fixed leasehold deposits and guaranty deposit	**395**	3,187
	Payments for acquisition of investment in securities	**(0)**	(138)
	Proceeds from sales of investment in securities	**147**	150
	Payment for purchase of subsidiary's shares	**(830)**	-
	Payments for deposit receipt for guaranty	**(1)**	(42)
	Others	**-**	49
	Total	**(3,577)**	(2,239)
III.	**Cash Flows from Financing Activities:**		
	Payments for acquisition of treasury stocks	**(2)**	(3,000)
	Disposal of treasury stocks	**1,461**	-
	Proceeds from issuance of common stock to minority shareholders	**240**	-
	Dividend paid	**(1,350)**	(1,220)
	Total	**348**	(4,221)
IV.	**Effect of exchange rate changes on Cash and Cash Equivalents**	**37**	(31)
V.	**Net Increase in Cash and Cash Equivalents**	**5,184**	4,932
VI.	**Cash and Cash Equivalents at beginning of year**	**11,776**	6,844
VII.	**Cash and Cash Equivalents at end of year**	**16,961**	11,776

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.
MUJI.net CO., LTD.
HANA-RYOHIN Co., Ltd.
Ryohin Keikaku Europe Ltd.
Ryohin Keikaku France S.A.S.
MUJI Italia S.p.A.
MUJI (Hong Kong) Co., Ltd.
MUJI (Singapore) Private Ltd.
MUJI Korea Co., Ltd.

Note: MUJI Italia S.p.A. and MUJI Korea Co., Ltd. are included in consolidation for the first time, having been established during this fiscal year.

2. Application of the Equity Method

The consolidated financial statements include the accounts of MUJI(TAIWAN) Co., Ltd. by 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.
	MUJI Italia S.p.A.
	MUJI Korea Co., Ltd.
Fiscal year ending January 31	Ryohin Keikaku Europe Ltd.
	Ryohin Keikaku France S.A.S.

MUJI (Hong Kong) Co.,Ltd. and MUJI (Singapore) Private Ltd. changed their fiscal year end from November 30 to December 31 and the consolidated financial statements for fiscal 2004 include the account of 13 months.

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 for 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.

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

(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. Profit appropriation

The consolidated statements of surplus in respect of appropriated profit of consolidated companies are created according to appropriated profit which has settled during the fiscal year.

6. The Scope of Cash and cash equivalents 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 Notes to the Consolidated Statements

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

2. Consolidated Balance Sheets

(Millions of yen)

	Fiscal 2004	Fiscal 2003
Accumulated depreciation on tangible fixed assets	**13,604**	12,709

3. Consolidated Statement of Cash Flows

Relationship between “cash and cash equivalents” and related balance sheet items.

(Millions of yen)

	Fiscal 2004	Fiscal 2003
Cash on hand and in banks	**16,961**	11,776
MMF	**-**	-
Time deposits with maturities not exceeding three months	**-**	-
Cash and cash equivalents at end of year	**16,961**	11,776

Segment Information

1. By Business

(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**
Assets	**59,815**	**602**	**60,417**	**239**	**60,657**
Depreciation and Amortization	**1,898**	**42**	**1,941**	**-**	**1,941**
Capital expenditure	**3,185**	**23**	**3,208**	**-**	**3,208**

(Millions of yen)

	Fiscal 2003				
	Muji brand sales	Other business	Total	Unallocated & eliminations	Consolidated
Outside customers	118,710	1,117	119,827	-	119,827
Intersegment	14	-	14	(14)	-
Operating revenue	118,724	1,117	119,841	(14)	119,827
Operating expenses	109,847	1,204	111,051	(14)	111,036
Operating profit (loss)	8,877	(86)	8,790	-	8,790
Assets	53,704	457	54,162	375	54,538
Depreciation and Amortization	1,752	36	1,788	-	1,788
Capital expenditure	3,776	14	3,790	-	3,790

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 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**
Assets	**59,720**	**3,862**	**1,542**	**65,125**	**(4,468)**	**60,657**

(Millions of yen)

Fiscal 2003	Japan	Europe	Other regions	Total	Unallocated & eliminations	Consolidated
Outside customers	112,201	5,813	1,811	119,827	-	119,827
Intersegment	248	-	-	248	(248)	-
Operating revenue	112,450	5,813	1,811	120,075	(248)	119,827
Operating expenses	103,982	5,658	1,642	111,283	(246)	111,036
Operating profit (loss)	8,467	154	169	8,792	(2)	8,790
Assets	54,226	2,915	839	57,981	(3,442)	54,538

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

3. Overseas Operating Revenues

Overseas operating revenues for the fiscal 2004 and 2003 are immaterial.

Deferred Taxes

Main components of the deferred tax assets and liabilities at February 28, 2005 and February 29, 2004 were as follows.

Fiscal 2004

(Millions of yen)

	February 28, 2005
Deferred tax assets (Current Assets)	
Accrued loss on settlement of coupon issued previous year	**35**
Accrued enterprise tax	**391**
Accrued establishment tax	**33**
Depreciation of tangible fixed assets	**23**
Amortization of good-will	**13**
Loss on cancellation of store rental contracts	**68**
Other	**19**
Sub total	**584**
Deferred tax assets (Fixed Assets)	
Accrued retirement benefits for directors and corporate auditors	**158**
Amortization of good-will	**26**
Loss on cancellation of store rental contracts	**94**
Other	**40**
Sub total	**319**
Deferred tax liabilities (Long-Term liabilities)	
Net unrealized gain on other securities	**(4)**
Undistributed retained earnings on overseas subsidiaries	**(57)**
Sub total	**(62)**
Total	**257**

Fiscal 2003

(Millions of yen)

	February 29, 2004
Deferred tax assets (Current Assets)	
Accrued loss on settlement of coupon issued previous year	131
Accrued enterprise tax	306
Accrued establishment tax	33
Depreciation of tangible fixed assets	10
Losses on write-down of inventories	88
Amortization of good-will	13
Other	16
Sub total	599
Deferred tax assets (Fixed Assets)	
Accrued retirement benefits for directors and corporate auditors	97
Loss on disposal of fixed assets	19
Amortization of good-will	39
Other	21
Sub total	177
Deferred tax liabilities (Long-Term liabilities)	
Net unrealized gain on other securities	16
Sub total	16
Total	160

Securities

(1) Other securities for which market quotations are available

(Millions of yen)

	February 28, 2005			February 29, 2004		
	Acquisition Cost	**Carrying Amount**	**Differences**	Acquisition Cost	Carrying Amount	Differences
Securities with unrealized gains						
Equity securities	**206**	**217**	**11**	113	162	49
Debt securities	**-**	**-**	**-**	-	-	-
Others	**-**	**-**	**-**	-	-	-
Sub-total	**206**	**217**	**11**	113	162	49
Securities with unrealized losses						
Equity securities	**-**	**-**	**-**	199	192	(7)
Debt securities	**-**	**-**	**-**	-	-	-
Others	**-**	**-**	**-**	-	-	-
Sub-total	**-**	**-**	**-**	199	192	(7)
Total	**206**	**217**	**11**	313	354	41

(2) Other securities which were sold during fiscal 2004

(Millions of yen)

Sales proceeds	**Total gain**	**Total loss**
147	**40**	**-**

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

(Millions of yen)

	February 28, 2005 Carrying Amount	February 29, 2004 Carrying Amount
Other securities		
Unlisted equity securities (excludes over-the-counter securities)	**17**	17

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

Breakdown by Major Categories

Net Sales by Product

(Millions of yen)

Product	Fiscal 2004 Net sales	Fiscal 2004 Percentage of total (%)	Fiscal 2003 Net sales	Fiscal 2003 Percentage of total (%)	Changes from previous year (%)
Apparel	**45,471**	**35.6**	41,687	35.0	109.1
Household goods	**68,092**	**53.3**	64,361	54.0	105.8
Food	**10,732**	**8.3**	10,156	8.5	105.7
Other	**3,540**	**2.8**	2,982	2.5	118.7
Total	**127,836**	**100.0**	119,189	100.0	107.3

Net Sales by Type of Sale

(Millions of yen)

Type of Sale	Fiscal 2004 Net sales	Fiscal 2004 Percentage of total (%)	Fiscal 2003 Net sales	Fiscal 2003 Percentage of total (%)	Changes from previous year (%)
Japan	**83,032**	**65.0**	76,250	64.0	108.9
U.K.	**4,418**	**3.5**	4,328	3.7	102.1
France	**1,696**	**1.3**	1,462	1.2	116.0
Hong Kong	**2,876**	**2.2**	1,809	1.5	158.9
Italy	**69**	**0.1**	-	-	-
Total of directory managed stores	**92,093**	**72.1**	83,851	70.4	109.8
Seiyu	**10,919**	**8.5**	11,488	9.6	95.0
Seibu Dept. Stores group	**-**	**-**	8	0.0	-
Other	**20,305**	**15.9**	20,446	17.2	99.3
Total of other stores	**31,224**	**24.4**	31,943	26.8	97.7
Other	**4,518**	**3.5**	3,393	2.8	133.1
Total	**127,836**	**100.0**	119,189	100.0	107.3

Net Sales by Region for directly managed stores

(Millions of yen)

Region	Fiscal 2004 Number of stores	Fiscal 2004 Net sales	Fiscal 2004 Percentage of total (%)	Fiscal 2003 Number of stores	Fiscal 2003 Net sales	Fiscal 2003 Percentage of total (%)	Changes from previous year (%)
Hokkaido	**5**	**2,023**	**2.2**	6	2,128	2.5	95.0
Tohoku	**5**	**1,740**	**1.9**	5	1,382	1.6	125.9
Kanto	**71**	**48,048**	**52.2**	64	44,061	52.5	109.0
Kohshin-etsu	**5**	**1,450**	**1.6**	5	1,551	1.9	93.5
Hokuriku	**3**	**1,209**	**1.3**	3	1,131	1.4	106.8
Tohkai	**16**	**6,113**	**6.6**	13	5,604	6.7	109.1
Kinki	**28**	**14,876**	**16.2**	24	14,200	16.9	104.8
Chugoku/Kyushu	**15**	**7,569**	**8.2**	10	6,189	7.4	122.3
Total of Japan	**148**	**83,032**	**90.2**	130	76,250	90.9	108.9
U.K.	**16**	**4,418**	**4.8**	16	4,328	5.2	102.1
France	**5**	**1,696**	**1.8**	4	1,462	1.8	116.0
Hong Kong	**6**	**2,876**	**3.1**	5	1,809	2.1	158.9
Italy	**1**	**69**	**0.1**	-	-	-	-
Total other than Japan	**28**	**9,061**	**9.8**	25	7,600	9.1	119.2
Total	**176**	**92,093**	**100.0**	155	83,851	100.0	109.8

Brief Summary of Non-Consolidated Financial Results (March 28, 2005)
(For the year ended February 28, 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	Naoto Watanabe, General Manager, Accounting and Business Support Center, Administration Division
Telephone	03-3989-4416
Board of Directors' Meeting for Settlement of Accounts	March 28, 2005
Ordinary General Meetings of Shareholders	May 25, 2005
The system of interim dividend	Adopted
The system of even lot	Adopted 1 lot = 100 shares

1. Results for Fiscal 2004 (March 1, 2004 to February 28, 2005) (Millions of yen)

(1) Operating results

	Operating Revenue (% of increase/decrease)		Operating Profit (% of increase/decrease)		Ordinary Profit (% of increase/decrease)	
Fiscal 2004	117,663	(6.3)	10,963	(31.1)	11,161	(28.8)
Fiscal 2003	110,702	(3.6)	8,361	(24.0)	8,667	(22.2)

	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 2004	6,000	(32.2)	219.09	217.18	14.2	19.8	9.5
Fiscal 2003	4,537	(96.5)	162.81	-	11.6	16.9	7.8

Note : 1.The average number of shares outstanding during the each period. Fiscal 2004 – 27,121,645 shares, Fiscal 2003 – 27,640,958 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 2004	55.00	25.00	30.00	1,500	25.1	3.3
Fiscal 2003	47.00	22.00	25.00	1,282	28.5	3.3

(3) Financial Position

	Total Assets	Total Shareholders' Equity	Shareholders' Equity Ratio (%)	Shareholders' Equity per Share (¥)
Fiscal 2004	59,019	45,182	76.6	1,649.56
Fiscal 2003	53,574	39,129	73.0	1,453.62

Note: 1. The number of shares outstanding at fiscal year end. Fiscal 2004 – 27,354,643 shares, Fiscal 2003 –26,892,755 shares
2. The number of treasury stock at fiscal year end. Fiscal 2004 – 723,357 shares, Fiscal 2003 – 1,185,245 shares

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

	Operating Revenue	Ordinary Profit	Net Income	Dividend per share for the Fiscal Year (¥)		
				Interim Dividend	Year-End Dividend	Total
Interim Period	61,900	6,800	3,700	30.00	-	-
Fiscal Year	125,300	13,700	7,500	-	30.00	60.00

Reference: Estimated net income per share for the fiscal year is ¥274.18

Note: The above forecast is announced presupposing available information at March 28, 2005 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 6, 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, 2005	February 29, 2004	Changes from previous year
Assets			
Current Assets:			
Cash on hand and in banks	**14,388**	10,207	4,180
Accounts receivable	**2,898**	4,478	(1,579)
Merchandise	**7,379**	6,240	1,139
Supplies	**39**	39	0
Advance Payments	**15**	12	3
Prepaid expenses	**595**	690	(95)
Deferred tax assets - current	**572**	593	(20)
Short-term loans to subsidiaries	**270**	170	100
Accounts receivable - other	**3,509**	3,115	394
Advanced payments	**508**	539	(30)
Other current assets	**442**	574	(132)
Less: Allowance for doubtful accounts	**(30)**	(20)	(10)
Total current assets	**30,590**	26,641	3,948
Fixed Assets:			
Tangible Fixed Assets:			
Buildings	**7,422**	7,666	(243)
Structures	**110**	111	(0)
Machinery and equipment	**377**	467	(89)
Vehicles and transportation equipment	**1**	1	0
Tools and furniture	**1,703**	1,177	525
Land	**875**	875	-
Construction in progress	**1**	46	(45)
Total tangible fixed assets	**10,493**	10,346	147
Intangible Fixed Assets:			
Leasehold	**1,478**	1,478	-
Trademarks	**3**	4	(0)
Software	**990**	953	36
Other intangible fixed assets	**10**	9	0
Total intangible fixed assets	**2,482**	2,445	36
Investments and Advances:			
Investments in securities	**235**	372	(136)
Investment in subsidiaries and affiliates	**4,028**	2,637	1,390
Long-term prepaid expenses	**43**	20	23
Deferred tax assets - non-current	**314**	160	154
Guarantee deposits	**3,425**	3,424	1
Fixed leasehold deposits	**7,429**	7,422	6
Store development in progress	**-**	78	(78)
Claim in bankruptcy and similar debts	**18**	22	(4)
Other investments and advances	**3**	3	-
Less: Allowance for doubtful accounts	**(46)**	(0)	(45)
Total investments and advances	**15,453**	14,141	1,311
Total fixed assets	**28,429**	26,933	1,495
Total Assets	**59,019**	53,574	5,444

(Millions of yen)

	February 28, 2005	February 29, 2004	Changes from previous year
Liabilities			
Current Liabilities:			
Notes payable	**415**	494	(78)
Accounts payable	**5,809**	7,227	(1,418)
Accounts payable - other	**270**	89	180
Income taxes payable	**2,773**	3,034	(261)
Consumption taxes payable	**231**	258	(27)
Accrued expenses	**3,006**	2,558	448
Non-operating notes payable	**536**	114	421
Other current liabilities	**194**	214	(20)
Total current liabilities	**13,236**	13,993	(756)
Long-Term Liabilities:			
Accrued retirement benefits for directors and corporate auditors	**390**	240	150
Other long-term liabilities	**210**	212	(1)
Total long-term liabilities	**600**	452	148
Total Liabilities	**13,837**	14,445	(607)
Shareholders' Equity			
Common stock	**6,766**	6,766	-
Capital surplus:			
Additional paid-in capital	**10,075**	10,075	-
Other capital surplus	**30**	-	30
Excess arising from retirement of treasury stock	**30**	-	30
Total Capital Surplus	**10,106**	10,075	30
Retained earnings:			
Legal reserve	**493**	493	-
Voluntary reserve	**23,700**	20,700	3,000
General reserve	**23,700**	20,700	3,000
Unappropriated retained earnings	**6,348**	4,737	1,611
Total retained earnings	**30,541**	25,930	4,611
Net unrealized gain on other securities	**6**	24	(17)
Treasury stock	**(2,239)**	(3,667)	1,428
Total Shareholders' Equity	**45,182**	39,129	6,052
Total Liabilities and Shareholders' Equity	**59,019**	53,574	5,444

Non-Consolidated Statements of Income

Ryohin Keikaku Co., Ltd.

	Fiscal 2004		Fiscal 2003		Changes from Previous year
	Millions of yen	**%**	Millions of yen	%	**%**
Operating Revenue:					
Net sales	**116,774**	**100.0**	109,844	100.0	106.3
Cost of sales	**66,930**	**57.3**	64,624	58.8	103.6
Gross profit	**49,843**	**42.7**	45,220	41.2	110.2
Other operating revenue	**888**	**0.8**	857	0.8	103.7
Sub total	**50,732**	**43.4**	46,077	41.9	110.1
Selling, general and administrative expenses	**39,769**	**34.1**	37,716	34.3	105.4
Operating Profit	**10,963**	**9.4**	8,361	7.6	131.1
Non-Operating Income	**275**	**0.2**	397	0.4	69.1
Interest and dividend income	**33**		173		
Other non-operating income	**241**		224		
Non-Operating Expenses	**76**	**0.1**	92	0.1	83.2
Exchange loss	**14**		11		
Other non-operating expenses	**62**		80		
Ordinary Profit	**11,161**	**9.6**	8,667	7.9	128.8
Extraordinary Gains:	**40**	**0.0**	126	0.1	31.8
Gain on sales of investments in securities	**40**		68		
Reversal of allowance for doubtful accounts	**-**		3		
Other extraordinary gains	**-**		55		
Extraordinary Losses::	**962**	**0.8**	945	0.9	101.8
Loss on disposal of fixed assets	**325**		595		
Bad debt expense	**-**		13		
Loss on cancellation of store rental contracts	**387**		117		
Write-down of investments in securities	**-**		38		
Amortization of good-will	**-**		160		
Accrued retirement benefit for directors and corporate auditors	**151**		-		
Other extraordinary losses	**98**		18		
Income before income taxes	**10,239**	**8.8**	7,848	7.1	130.5
Income taxes					
- Current	**4,360**	**3.7**	3,485	3.2	125.1
- Deferred	**(121)**	**(0.1)**	(174)	(0.0)	-
Net Income	**6,000**	**5.1**	4,537	4.1	132.2
Retained earnings brought forward	**1,027**		810		
Interim cash dividend	**679**		610		
Unappropriated retained earnings at end of year	**6,348**		4,737		

Proposal for Appropriation of Retained Earnings and Other Capital Surplus

Ryohin Keikaku Co., Ltd.

(Millions of yen)

	Fiscal 2004	Fiscal 2003	Changes from previous year
(Unappropriated retained earnings)			
Unappropriated retained earnings	**6,348**	4,737	1,611
We propose to appropriate the foregoing as follows:			
Cash dividend	**820**	672	148
	(¥30 per share)	(¥25 per share)	
Directors' bonuses	**58**	37	21
[Corporate auditors' bonuses]	**[7]**	[2]	[5]
Transfer to general reserve	**2,500**	3,000	(500)
Unappropriated retained earnings carried forward	**2,969**	1,027	1,941
(Other capital surplus)			
Other capital surplus			
Excess arising from retirement of treasury stocks	**30**	-	30
We propose to appropriate the foregoing as follows:			
Appropriation of other capital surplus	**-**	-	-
Other capital surplus carried forward			
Excess arising from retirement of treasury stocks	**30**	-	30

Note: The Company paid an interim cash dividend of ¥679 million (¥25 per share) on November 1, 2004.

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.

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

(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. 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.

8. Method of accounting for consumption taxes

Consumption taxes are excluded from the amounts of items in the accompanying 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 2004	Fiscal 2003
Accumulated depreciation on tangible fixed assets	**11,696**	11,033
Guarantees of loans	**547**	725

Securities

The Company has no investment securities in subsidiaries and affiliates with available market values at the end of fiscal 2004 and 2003.

Deferred Taxes

Main components of the deferred tax assets and liabilities at February 28, 2005 and February 29, 2004 were as follows.

Fiscal 2004

(Millions of yen)

February 28, 2005	
Deferred tax assets (Current Assets)	
Accrued loss on settlement of coupon issued previous year	**35**
Accrued enterprise tax	**389**
Accrued establishment tax	**33**
Depreciation of tangible fixed assets	**21**
Amortization of good-will	**13**
Loss on cancellation of store rental contracts	**68**
Other	**10**
Sub total	**572**
Deferred tax assets (Fixed Assets)	
Accrued retirement benefits for directors and corporate auditors	**158**
Amortization of good-will	**26**
Loss on cancellation of store rental contracts	**94**
Write-down of investments in subsidiaries	**43**
Other	**40**
Sub total	**362**
Valuation allowance	**(43)**
Sub total	**319**
Deferred tax liabilities (Long-Term liabilities)	
Net unrealized gain on other securities	**(4)**
Sub total	**(4)**
Total	**314**

Fiscal 2003

(Millions of yen)

February 29, 2004	
Deferred tax assets (Current Assets)	
Accrued loss on settlement of coupon issued previous year	131
Accrued enterprise tax	306
Accrued establishment tax	33
Depreciation of tangible fixed assets	10
Losses on write-down of inventories	88
Amortization of good-will	13
Other	9
Sub total	593
Deferred tax assets (Fixed Assets)	
Accrued retirement benefits for directors and corporate auditors	97
Loss on disposal of fixed assets	19
Amortization of good-will	39
Write-down of investments in subsidiaries	43
Other	21
Sub total	220
Valuation allowance	(43)
Sub total	177
Deferred tax liabilities (Long-Term liabilities)	
Net unrealized gain on other securities	16
Sub total	16
Total	160