

## Consolidated Balance Sheets

	December 31, 2004 Prior year	December 31, 2005 Current year
(Millions of yen)		
<b>Assets</b>		
<b>Current assets:</b>		
Cash on hand and in banks	¥ 90,817	¥114,066
Trade notes and accounts receivable	25,708	26,353
Inventories	54,721	50,626
Deferred income taxes	3,059	269
Other current assets	26,606	25,167
Allowance for doubtful accounts	(88)	(52)
<b>Total current assets</b>	<b>200,826</b>	<b>216,430</b>
<b>Fixed assets:</b>		
<b>Property and equipment:</b>		
Buildings and structures	147,722	143,088
Land	132,348	131,843
Other property and equipment	10,975	13,465
<b>Total property and equipment</b>	<b>291,045</b>	<b>288,397</b>
<b>Intangible fixed assets:</b>		
Goodwill	1,446	1,006
Other intangible fixed assets	9,396	8,132
<b>Total intangible fixed assets</b>	<b>10,843</b>	<b>9,139</b>
<b>Investments and other assets:</b>		
Investment securities	13,492	12,476
Long-term loans receivable	53,674	48,041
Leasehold deposits	67,946	67,192
Deferred income taxes	1,725	1,028
Other investments	10,231	13,269
Allowance for doubtful accounts	(4,296)	(4,589)
<b>Total investments and other assets</b>	<b>142,774</b>	<b>137,418</b>
<b>Total fixed assets</b>	<b>444,662</b>	<b>434,955</b>
<b>Total assets</b>	<b>¥645,488</b>	<b>¥651,386</b>

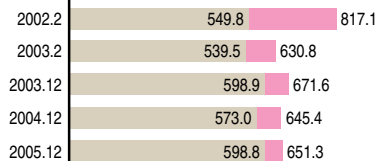
	December 31, 2004 Prior year	December 31, 2005 Current year
(Millions of yen)		
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Trade notes and accounts payable	¥107,232	¥105,515
Short-term borrowings	65,125	50,704
Current portion of bonds	5,005	4,000
Commercial paper	64,400	54,400
Accrued income taxes	1,832	1,689
Accrued bonus for employees	449	415
Other current liabilities	29,686	26,873
<b>Total current liabilities</b>	<b>273,732</b>	<b>243,598</b>
<b>Long-term liabilities:</b>		
Bonds	6,000	2,000
Long-term borrowings	318,537	246,690
Deferred tax liabilities	1,488	1,836
Deferred tax liabilities from unrealized gain on land	107	3,498
Accrued retirement benefits for employees	13,047	15,313
Accrued retirement benefits for directors	492	168
Other long-term liabilities	30,709	28,813
<b>Total long-term liabilities</b>	<b>370,383</b>	<b>298,320</b>
<b>Total liabilities</b>	<b>644,115</b>	<b>541,919</b>
<b>Minority interests</b>		
Minority interests	260	27
<b>Shareholders' equity</b>		
Common stock	67,280	129,895
Capital surplus	16,103	77,531
Retained earnings	(77,285)	(95,031)
Unrealized gain (loss) on land	158	(3,223)
Net unrealized gain (loss) on other securities	(812)	890
Translation adjustments	(699)	(374)
Treasury stock	(3,631)	(248)
<b>Total shareholders' equity</b>	<b>1,112</b>	<b>109,439</b>
<b>Total liabilities and shareholders' equity</b>	<b>¥645,488</b>	<b>¥651,386</b>

Notes: 1. Amounts are rounded down to the nearest million yen.

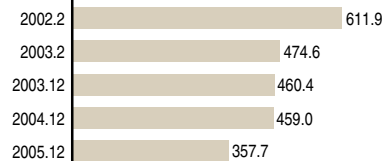
2. All statements are based on Generally Accepted Accounting Principles in Japan.

### Assets and Liabilities

#### Breakdown of Group Assets (Billions of yen)



#### Interest-Bearing Liabilities (Billions of yen)



## Consolidated Statements of Income

	Year ended December 31, 2004 Prior year	Year ended December 31, 2005 Current year
		(Millions of yen)
Net sales	¥1,031,527	¥997,103
Cost of sales	777,326	751,896
Total gross profit	254,200	245,206
Other operating revenue	36,253	37,483
Operating gross profit	290,454	282,689
<b>Selling, general and administrative expenses:</b>		
Salaries and bonuses to employees	96,867	95,569
Provision for accrued bonuses	1,237	1,179
Retirement benefit expenses	5,998	4,444
Provision for accrued retirement benefits for directors	104	62
Rental fee	51,144	49,952
Amortization of goodwill	584	610
Other	124,966	129,638
Total selling, general and administrative expenses	280,903	281,456
Operating income	9,550	1,233
<b>Non-operating income:</b>		
Interest income	592	661
Dividend income	177	113
Equity in earnings of unconsolidated subsidiaries and affiliates	204	—
Foreign currency exchange gain	235	—
Miscellaneous income	1,486	2,800
Total non-operating income	2,696	3,575
<b>Non-operating expenses:</b>		
Interest expenses	9,457	8,682
Interest expenses on commercial paper	922	935
Equity in loss of unconsolidated subsidiaries and affiliates	—	24
Miscellaneous losses	1,366	1,326
Total non-operating expenses	11,746	10,970
Ordinary income (loss)	501	(6,160)
<b>Special gains:</b>		
Prior period adjustments	366	—
Gains on sales of fixed assets	3	36
Gains on sales of investment securities	5,746	1,765
Compensation received for store relocation	561	—
Other special gains	200	228
Total special gains	6,879	2,031

	Year ended December 31, 2004 Prior year	Year ended December 31, 2005 Current year
<b>Special losses:</b>		
Prior period adjustments	427	—
Losses on sales of fixed assets	120	303
Loss on disposal of fixed assets	1,450	937
Provision for allowance for doubtful accounts	624	336
Amortization of net retirement benefit obligation at transition	3,129	3,128
Special retirement benefits	4,078	—
Loss on write down of merchandise	—	2,094
Other special losses	1,329	1,348
Total special losses	11,160	8,148
Loss before income taxes	3,780	12,278
Income taxes — current	2,231	2,271
Income taxes — deferred	6,239	3,174
Income applicable to minority interests	66	49
Net loss	¥ 12,318	¥ 17,774

Notes: 1. Amounts are rounded down to the nearest million yen.  
2. All statements are based on Generally Accepted Accounting Principles in Japan.

## Consolidated Statements of Cash Flows

	Year ended December 31, 2004 Prior year	Year ended December 31, 2005 Current year
		(Millions of yen)
Net cash (used in) provided by operating activities	¥ (4,254)	¥ 9,866
Net cash used in investing activities	(8,638)	(14,968)
Net cash provided by financing activities	5,109	25,562
Effect of exchange rate changes on cash and cash equivalents	173	725
Increase (decrease) in cash and cash equivalents	(7,610)	21,185
Cash and cash equivalents at beginning of the year	95,858	88,247
Cash and cash equivalents at end of the year	¥88,247	¥109,433

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