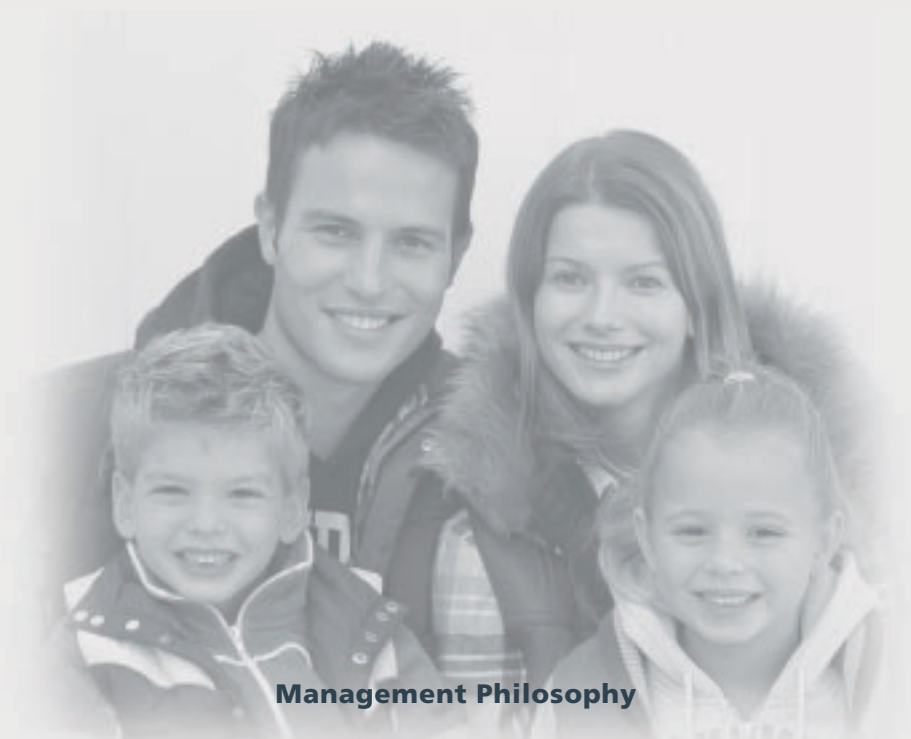


Right-on Report

For Lasting Growth

Right-on®

The 25th Business Report
(August 21, 2003 – August 20, 2004)



Management Philosophy

EMPATHY COMES FIRST

The 5 types of admiration we strive for:

1. A company admired by its employees
2. A company admired by its customers
3. A company admired by its shareholders
4. A company admired by its suppliers
5. A company admired by its local community

To Our Shareholders

I would like to convey my message to you presenting our Business Report for the 25th fiscal term.

Scheme for Large Sales and Solid Market Response

We recorded all time high in this fiscal term by reaching 69,356 million yen in net sales, 7,445 million yen in ordinary income, and 4,035 million yen in net income. I am most grateful to you for your continued support.

The ratio of ordinary income to net sales was 10.7%. We successfully achieved our target of 10% or over in the ratio of ordinary income to sales, which is our important

managerial index. This was a steady outcome of our *scheme for large sales* that had partially started to run. We had been establishing this scheme toward the achievement of the five pillars of success, “right time, right product, right quantity, right place, and right price.” Thereby, we realized a solid market response.

Primacy of Business Front Line Beginning at Our Stores

Our strategies and policies, represented by the scheme for large sales for achievement of the five pillars of success, are based on the *primacy of the business front line*.



The primacy of the business front line is

our basic idea that everything starts from stores. The stores and the headquarters are closely connected so that input by the front line is promptly reflected in our product strategies, strategies for expanding the chain, sales strategies, and product supply. Hot information, unaffordable by the POS system, is provided at SY (“sugu-yaru”: prompt action) meeting and other sales and product meetings. The information has a great impact on our product line-ups and our original product development. To streamline the process up to final decision-making as much as possible, we have a flat organization where we make quick decisions and take prompt actions to respond to requests and voices from the front line. Our quick judgments and actions based on the primacy of the business front line are our strongest advantage as well as our driving force for business growth.



SY (“sugu-yaru”: prompt action) Meeting

Looking Forward to Your Continued Support and Encouragement

Going forward, we continue to maintain the primacy of the business front line and aim for further business growth by management strategies that begin at our stores. We intend to solidify the scheme for large sales as our own system that serves as the backbone of the primacy of the business front line for which the effect was exemplified in this fiscal term.

Thereby, we will further fortify our management platform for lasting growth. We look forward to your continued support and encouragement.

November 2004

Masahiro Fujiwara

President and Representative Director

Net Sales ▶ **69,356** million yen
(up 13.0% over the previous fiscal term)

As a result of the favorable business outcome of existing stores (up 2.5%), in addition to satisfactory achievement of new stores, the net sales increased by 13.0% on a year-on-year basis.

Gross Profit on Sales ▶ **31,476** million yen
(up 17.9%)

Gross profit on sales improved owing to decreases in sales opportunity losses and price cut losses along with advancement of the turnover ratio (the previous fiscal term: 43.5% and this fiscal term: 45.4%).

Operating Income ▶ **7,522** million yen
(up 25.4%)

As a result of increases in net sales and gross profit on sales, as well as proper cost control, ordinary income increased by 25.4% on a year-on-year basis.

Ordinary Income ▶ **7,445** million yen
(up 43.4%)

As the scheme for large sales that we had established so far started to partially run, we achieved our target of 10% or over in the ratio of ordinary income to sales (the previous fiscal term: 8.5% and this fiscal term: 10.7%).

Net Income ▶ **4,035** million yen
(up 68.6%)

The loss that came from closing stores amounted to 280 million yen, which was our major extraordinary loss this fiscal term. Net income significantly increased by 68.6% by virtue of an increase in revenues and improvement in profitability.

Capital Investment ▶ **4,321** million yen
(up 92.7%)

We actively invested in expansion of the chain and systems related to product strategies and product supply. Consequently, capital investment amounted to 4,321 million yen.

Business Overview

The Japanese economy during this fiscal term had a steady showing toward recovery due to an increase in capital spending and revitalization in the domestic capital market on the back of the business recovery of private companies. In the latter half of the term, consumer spending improved partially, which led the economy to an upturn. However, the economic prospect remained uncertain with severe employment and income situations and deflationary trends. Thus, the economy was not fully recovered.

In our industry, we faced a tough business environment such as intensified competition and bad weather caused by the lingering summer heat and unusually warm winter.

Under such circumstances, we have established the scheme for large sales (the support system for product strategies, strategies for expanding the chain, sales strategies, and product supply) toward the achievement of the five pillars of success—"right time, right product, right quantity, right place, and right price"—in order to satisfy

customer needs. It takes a while to complete the scheme, but the systems related to product strategies and product supply started to run partially, which enables us to design plans in a more

sophisticated way, to conduct business more properly and timely, and to take more multifaceted approaches for data analysis. Thereby, we successfully achieved our business more effectively and efficiently. Consequently, the gross profit on sales improved owing to decreases in sales opportunity losses and price cut losses along with advancement of the turnover ratio and inventory efficiency.

In our product strategies, we emphasized our originality and reinforced our value positioning to attract a large number of customers. We successfully launched a wide array of modern items and products in popular line-ups on the strength of scale merit, in addition to our original products and various collaborative models created on the basis of our collaboration with national brands.

As in our system of product supply, we promoted distribution system reform by enhancing the operating rate of the pooling distribution center (the distribution center pools various products and distributes them to stores in a lot). The reform significantly contributed to reduction of store operations and to reinforcement of sales structure.

We bolstered our sales force by human resource cultivation with a focus on consciousness and responsibility for numerical business output. We offered sales competitions and the Fashion Adviser System (a qualification system for developing sales force of part-time workers) and established a transparent personnel evaluation system placing a high value on sales performance. Through participation in exhibitions and conventions related to

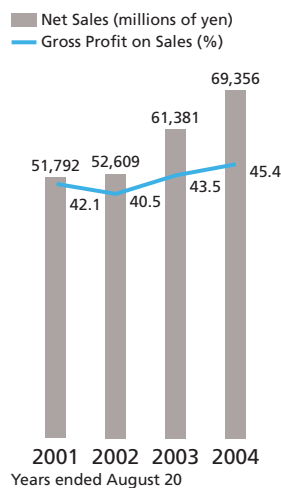


Product Exhibition

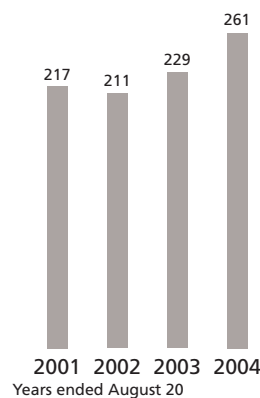


CAMP7

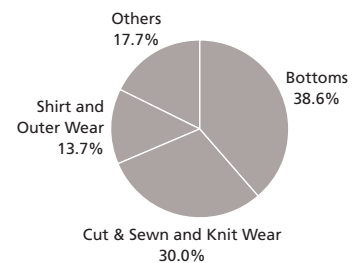
Private Brand Product



Net Sales and Gross Profit on Sales



Number of Stores



As of August 2004

Proportion of Sales by Product Division

product strategies, we reflected the opinions of stores in the selection of products to be launched. This generated a strong will to *sell products on one's own initiative* and enhanced the capacity to *sell products with a sense of responsibility*.

In our strategy for expanding the chain, we opened 41 new stores, including the Sapporo Esta Store (in Sapporo, Hokkaido), and closed 9 stores to improve efficiency. Thus, the number of stores as of the term end was 261.

Consequently, we successfully increased our profits to 69,356 million yen in net sales (up 13.0% over the previous fiscal term), 7,445 million yen in ordinary income (up 43.4%), and 4,035 million yen in net income (up 68.6%). We believe that our success is owed to the scheme for large sales and other strategies and measures that begin at our stores and are

based on the primacy of the business front line.

The sales by division also show that we produced a satisfactory outcome all around. The sales of the Bottoms Division, Cut & Sewn and Knit Wear Division, Shirt and Outer Wear Division were 26,758 million yen (up 18.6%), 20,835 million yen (up 10.8%), and 9,531 million yen (up 5.2%), respectively.



FLASH REPORT

Prospect for the Next Fiscal Term

We predict that we will continue to face a severe management environment amid continued economic uncertainty, as the overall economy will still be weak in spite of the steady recovery of private business.

Under such circumstances, we will continue to maintain our strategies and measures that begin at our stores and are based on the primacy of the business front line. For achievement of the five pillars of success, “right time, right product, right quantity, right place, and right price,” we will solidify the scheme for large sales and satisfy our customer needs aiming for lasting growth. In the next fiscal term, we intend to launch the two brands, FLASH REPORT and SPICE ISLAND, to respond to diverse customer needs and expand our business.

We expect to achieve 80,000 million yen in net sales, 8,000 million yen in ordinary income, and 4,393 million yen in net income in the next fiscal term.



SPICE ISLAND

FLASH REPORT

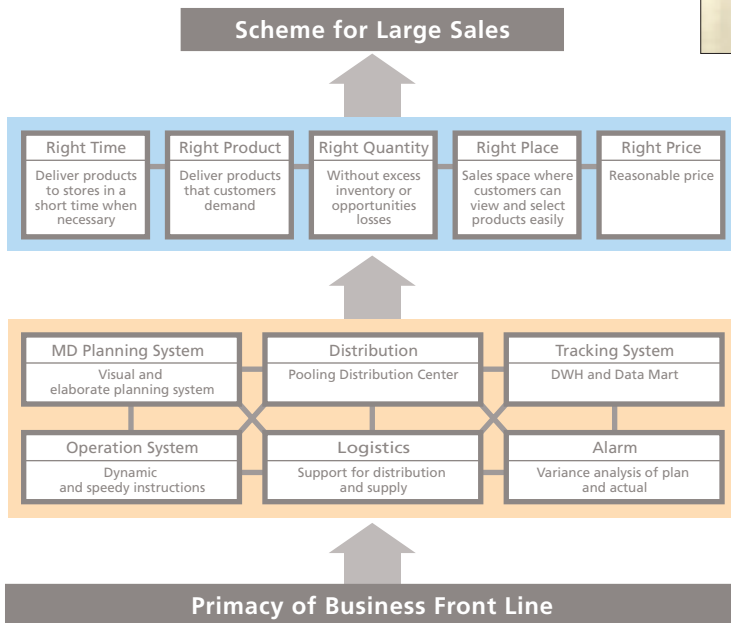
- FLASH REPORT provides American casual wear all around. The store is a new basic style outlet as a lifestyle proposer.
- FLASH REPORT provides rich line-ups of products using carefully washed high-quality materials with a full load of vintage taste.

SPICE ISLAND

- SPICE ISLAND is a new daily casual store under the concept of “providing daily wear more smartly at a reasonable price.”
- SPICE ISLAND provides many kinds of daily casual items including jeans wear, tops, and fashion goods.

Scheme for Large Sales

The scheme for large sales is the support system for product strategies, strategies for expanding the chain, sales strategies, and product supply, where we aim to take full advantage of human resources. The scheme for large sales is our own system that supports the primacy of the business front line and incorporates the speed and accuracy of computers and human judgment and creativity. We plan to activate an elaborate product planning system, a product supply system, and a variance analysis system (alarm system) one after another. By establishing the scheme for large sales, we are able to achieve the five pillars of success, “right time, right product, right quantity, right place, and right price” and to satisfy our customer needs.



Dynamics of Stores

Our stores are located in shopping centers, suburban roadsides, and urban streets in various styles. We also have many stores in suburban and urban areas and attract a large number of customers in each area and in every style.

Furthermore, we also offer tactical and attractive sales spaces not only pursuing fashionable styles in furnishing stores.

Our development of stores, along with our ability to pull in customers, receives a high evaluation from various quarters and enables us to enjoy competitiveness as the *dynamics of stores*. The dynamics of stores lead us to the site with a good location where our products sell well.

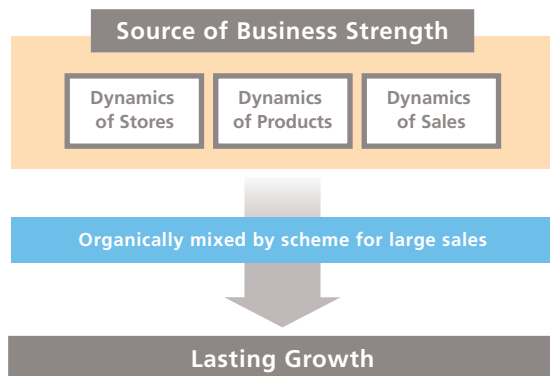


For Lasting Growth

We believe that the three dynamics (dynamics of stores: to open a store at the place where products sell well; dynamics of products: to purchase products that sell well; and dynamics of sales: to sell products with a sense of responsibility) are the source of business strength. We intend to organically mix the three dynamics with the scheme for large sales to generate advantages and to boost our competitiveness for lasting growth.

Dynamics of Products

We satisfy diverse customer needs by our dynamic procurement capacity leveraging the merits of scale. We have actively launched hot brands and modern items and also promoted collaborative models taking full advantage of collaboration with leading national brands. Based on the input from the front line, we also provide product line-ups to respond to customer needs that are not captured by the POS system. Through our rich product line-ups, we transmit topicality and originality by exercising our product dynamics to propose fashionable and high-quality casual lifestyles.

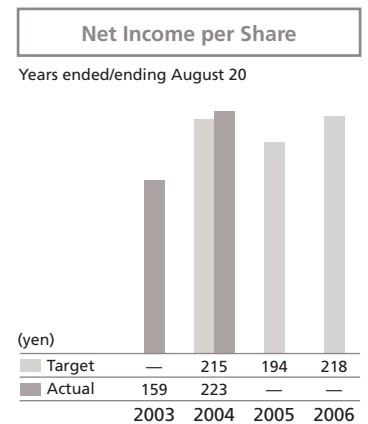
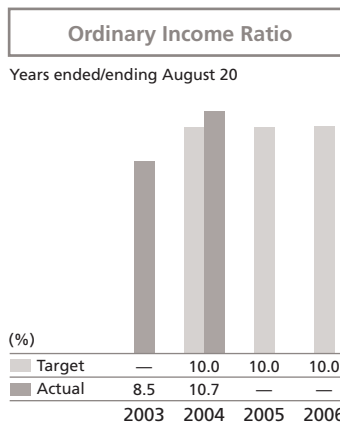
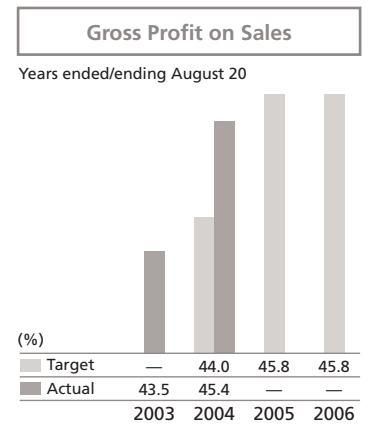
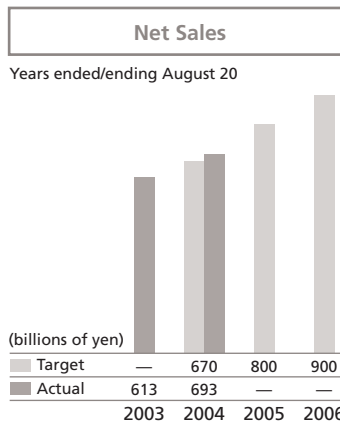


Dynamics of Sales

We build up the *dynamics of sales* through our human resource cultivation and personnel evaluation system with a focus on the *capacity to sell products with a sense of responsibility* in addition to sales competitions and the Fashion Adviser System (a qualification system for developing the sales force of part-time workers). We also develop a system where sales staffs concentrate on sales free from other operations, through daily follow-up (daily distribution) by the pooling distribution center.



Medium-Term Target Figures (Through FY2006)



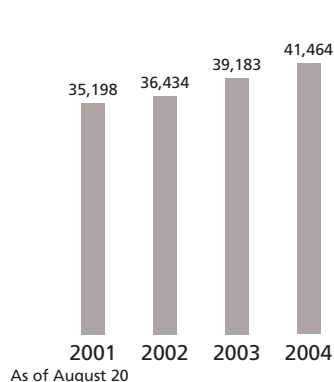
Non-consolidated Balance Sheets (Summary)

(Unit: thousands of yen)

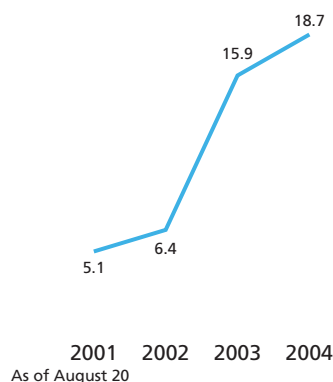
Item	Current term (as of August 20, 2004)		Previous term (as of August 20, 2003)	
Assets				
Current assets	20,114,423	48.5%	20,974,972	53.5%
Cash and time deposits	6,616,681		8,572,325	
Notes and accounts receivable–trade	609,272		508,601	
Point. 1 — Marketable securities	2,878,421		1,331,411	
Merchandise	7,685,690		7,663,833	
Advances to suppliers	491,712		1,094,895	
Prepaid expenses	224,584		177,876	
Accounts receivable–other	1,294,378		1,284,837	
Deferred tax assets	333,924		382,020	
Other	3,866		18,432	
Allowance for doubtful accounts	(24,107)		(59,260)	
Point. 2 — Fixed assets	21,350,264	51.5%	18,208,641	46.5%
Tangible assets	9,585,338	23.1%	7,792,506	19.9%
Buildings	5,633,924		5,431,795	
Structures	202,037		236,247	
Tools, furniture and fixtures	1,764,125		1,310,969	
Land	1,946,579		808,643	
Construction in progress	38,672		4,851	
Intangible assets	950,108	2.3%	131,881	0.3%
Investments and other assets	10,814,818	26.1%	10,284,253	26.3%
Investments in securities	360,008		320,827	
Receivables under bankruptcy	179,349		247,412	
Long-term prepaid expenses	97,613		54,749	
Guarantee and rental deposits	10,394,436		9,890,825	
Deferred tax assets	610,810		604,966	
Other	45,900		45,345	
Allowance for accounts	(873,300)		(879,874)	
Total assets	41,464,688	100.0%	39,183,614	100.0%

Point. 1

Marketable securities increased due to the purchase of a beneficial interest in trust by lump-sum payment, which we started in the previous fiscal term.



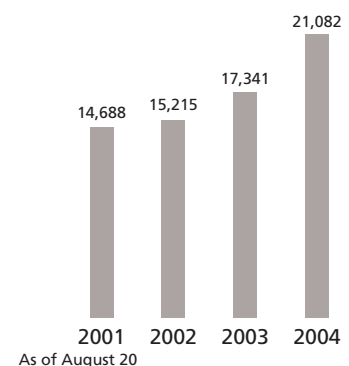
Total Assets (millions of yen)



Return on Assets (%)

Point. 2

Fixed assets increased due to investment in several systems for establishment of the scheme for large sales, capital investment in expansion of the chain, and purchase of the land for our new headquarters.



Shareholders' Equity (millions of yen)

(Unit: thousands of yen)

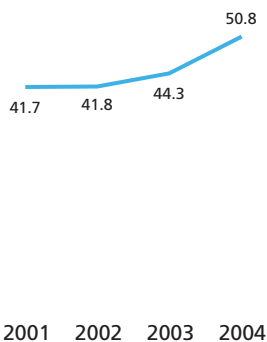
Item	Current term (as of August 20, 2004)		Previous term (as of August 20, 2003)	
Liabilities				
Current liabilities	17,103,952	41.3%	17,423,950	44.4%
Notes payable-trade	284,258		859,283	
Trust payable	9,030,641		7,359,924	
Accounts payable-trade	1,408,489		1,400,068	
Long-term debt due within 1 year	2,122,140		2,297,433	
Accounts payable-other	1,257,471		1,523,194	
Accrued expenses	850,097		775,005	
Income taxes payable	1,499,098		2,584,864	
Consumption taxes payable	238,584		251,527	
Reserve for bonuses	298,000		262,000	
Other	115,172		110,648	
Long-term liabilities	3,278,418	7.9%	4,418,372	11.3%
Bonds	300,000		300,000	
Long-term debt	2,742,185		3,667,700	
Long-term other accounts payable	27,253		245,392	
Reserve for directors' retirement allowances	134,930		125,530	
Other	74,050		79,750	
Total liabilities	20,382,370	49.2%	21,842,322	55.7%
Shareholders' equity				
Capital stock	4,752,227		4,746,230	
Capital surplus	5,038,865	12.1%	5,032,868	12.8%
Capital reserve	5,038,865		5,032,868	
Retained earnings	11,328,553	27.3%	7,593,639	19.4%
Legal reserve	78,219		78,219	
Voluntary reserve	4,000,000		4,000,000	
Special reserve	4,000,000		4,000,000	
Unappropriated retained earnings at the end of the term	7,250,333		3,515,419	
Unrealized gains on available-for-sale securities	40,234		(5,618)	
Treasury stock	(77,563)		(25,827)	
Total shareholders' equity	21,082,317	50.8%	17,341,291	44.3%
Total liabilities and shareholders' equity	41,464,688	100.0%	39,183,614	100.0%

Point. 3

Point. 4

Point. 3

Interest-bearing debt decreased due to repayment of debt and installment liabilities.

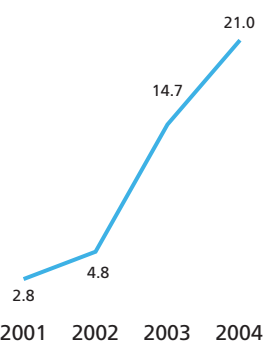


As of August 20

Shareholders' Equity Ratio (%)

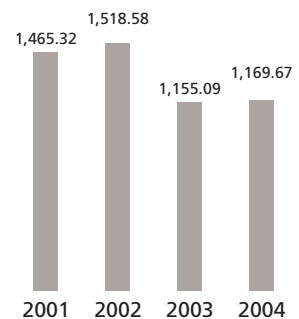
Point. 4

Shareholders' equity ratio improved due to net income of 4,035 million yen.



As of August 20

Return on Equity (%)



As of August 20

Shareholders' Equity per Share (yen)

Non-consolidated Statements of Income (Summary)

(Unit: thousands of yen)

Item	Current term (year ended August 20, 2004)		Previous term (year ended August 20, 2003)	
	Amount	Ratio (%)	Amount	Ratio (%)
Net sales	69,356,419	100.0%	61,381,571	100.0%
Cost of sales	37,880,340		34,673,390	
Gross profit on sales	31,476,079	45.4%	26,708,181	43.5%
Selling, general and administrative expenses	23,953,866		20,710,714	
Operating income	7,522,212	10.9%	5,997,467	9.8%
Non-operating income	215,802		231,257	
Non-operating expenses	292,396		1,035,340	
Ordinary income	7,445,617	10.7%	5,193,383	8.5%
Extraordinary income	39,456		25,431	
Extraordinary losses	420,757		325,681	
Income before income taxes	7,064,317	10.2%	4,893,133	8.0%
Income taxes				
Current:	3,017,827		3,216,477	
Deferred:	11,170		(716,372)	
Net income	4,035,319	5.8%	2,393,028	3.9%
Retained earnings brought forward from previous term	3,365,290		1,272,577	
Interim dividends	150,276		150,186	
Unappropriated retained earnings at the end of the term	7,250,333		3,515,419	

Point

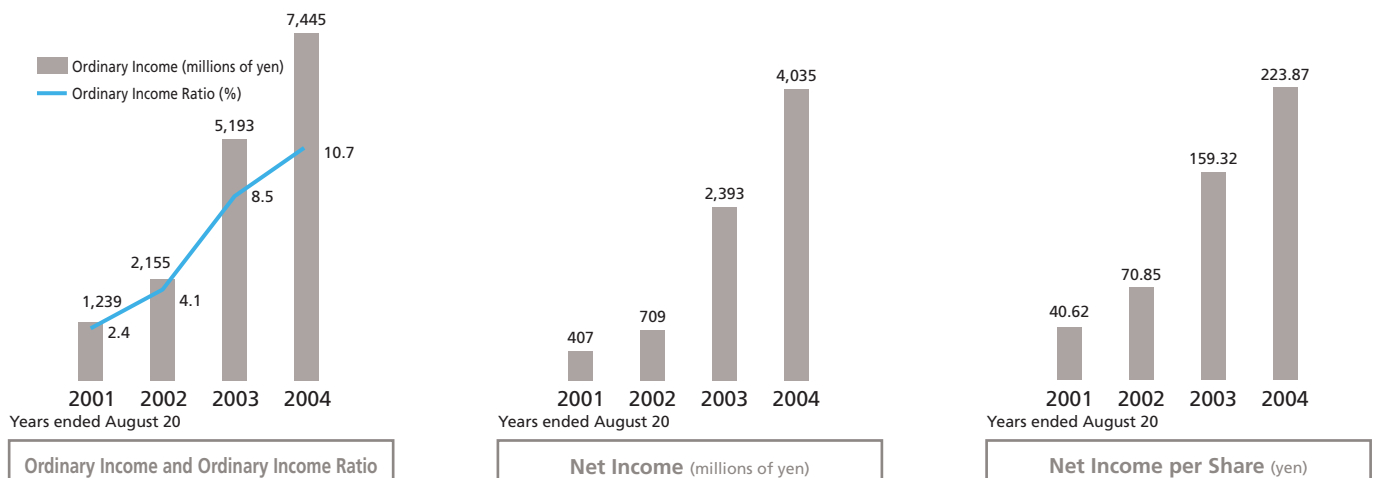
As a result of the favorable business outcome of new stores and existing stores, net sales increased. Gross profit on sales improved owing to decreased sales opportunity losses and price cut losses along with the advancement in the turnover ratio, as the scheme for large sales started to run one after another. Consequently, we successfully achieved our target of 10% or over in ordinary income.

Non-consolidated Statement of Retained Earnings

(Unit: yen)

Item	Amount
Unappropriated retained earnings at the end of the term	7,250,333,584
To be appropriated as follows:	
Cash dividends (¥10 per share)	180,241,520
Unappropriated retained earnings carried forward	7,070,092,064

Note: We distributed an interim dividend of 150,276,100 yen (10 yen per share) to our shareholders on May 10, 2004.



Non-consolidated Statements of Cash Flows (Summary)

(Unit: thousands of yen)

Item	Current term (year ended August 20, 2004)	Previous term (year ended August 20, 2003)
Cash flows from operating activities	6,048,650	5,179,991
Cash flows from investing activities	(5,468,705)	(3,285,983)
Cash flows from financing activities	(2,535,589)	(2,510,342)
Net decrease in cash and cash equivalents	(1,955,643)	(616,334)
Cash and cash equivalents at beginning of the term	8,572,325	9,188,660
Cash and cash equivalents at end of the term	6,616,681	8,572,325

Cash Flows from Operating Activities

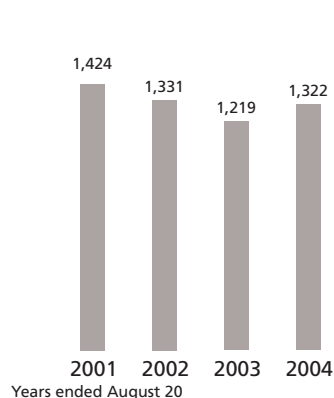
Cash flows from operating activities was 6,048 million yen (up 868 million yen over the previous fiscal term). This was mainly owing to income before income taxes of 7,064 million yen (up 2,171 million yen); an increase in accounts payable, which amounted to 974 million yen (the decrease in accounts payable was 677 million yen in the previous fiscal term); and the payment of income taxes, which was 4,031 million yen (up 2,712 million yen).

Cash Flows from Investing Activities

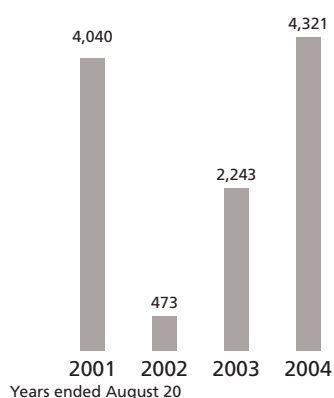
Cash flows from investing activities was 5,468 million yen (up 2,182 million yen). This was mainly owing to the payment of 2,555 million yen (up 1,231 million yen) for the purchase of tangible fixed assets for expanding the chain and the disbursement of 1,375 million yen (up 528 million yen) for the guarantee deposit.

Cash Flows from Financing Activities

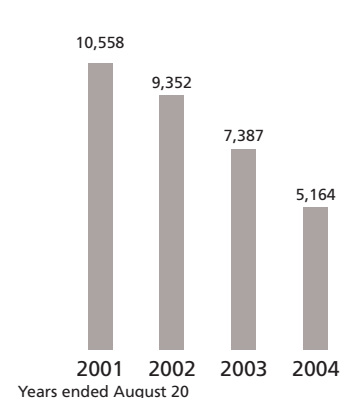
Cash flows from financing activities was 2,535 million yen (up 25 million yen). This was mainly due to the disbursement of 1,094 million yen (down 1,072 million yen) for repayment of installment liabilities.



Depreciation (millions of yen)



Capital Investment (millions of yen)



Interest-bearing Debt (millions of yen)

Network

Shopping Centers

This is currently our major type of store, which pulls in many customers. The sales space is trendy and is evolving to become more sophisticated.



Suburban Roadside Stores

This is the type of store with a parking lot located alongside a highway. We display a wide array of items by category in a spacious sales yard.



Urban Street Stores

This is the type of store that keeps up with the latest fashions and responds to diverse customer needs. The product line-ups are based on our own merchandising.

Voice of Staff



Toshiko Takeuchi (a staff member who obtained the FA qualification in the first year)

We introduced the FA (Fashion Adviser) System in September of last year to focus on fostering sales professionals by developing a sales force of part-time workers, as our management is based on the primacy of the business front line. One of our sales staff obtained the FA qualification and talked about her experience as follows:

“My career goal became clear, as I obtained the FA qualification and found my personal sales target. As a leader of a sales team, I

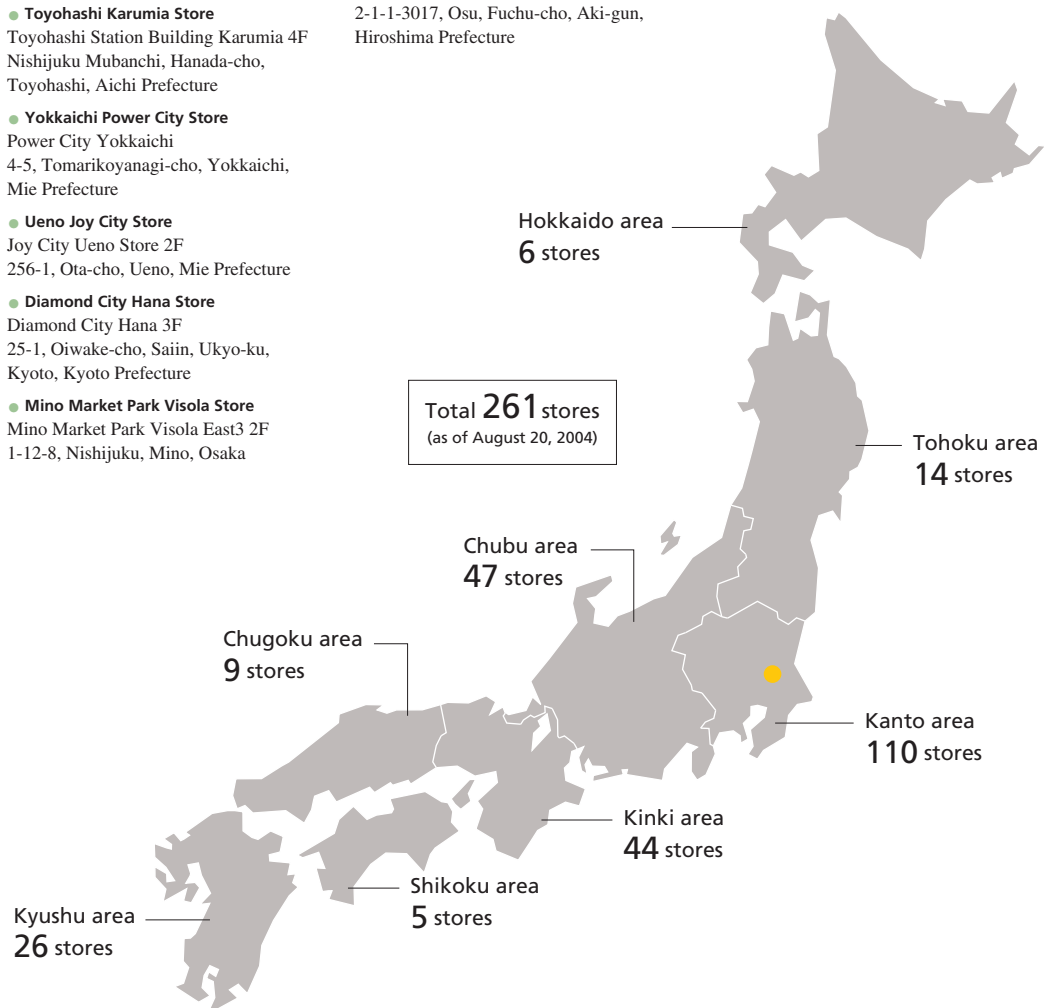
contribute to store sales and win a prize at sales competitions, which motivates me a lot. It brings me a large reward when a customer who bought our products on my advice comes to the store again. When new products arrive, I try them on myself so that I can constantly provide accurate advice for customers. I try to get hold of product features

such as comfort, shape, and the feel of materials. I would like to increase Right-on fans through our services from now on.”

The FA System is being developed steadily as a driving force for the scheme for large sales. FAs contribute to the creation of original products by participating in meetings at the headquarters and feeding back customer needs and market responses on new products.

New Stores Established in the 25th Fiscal Term

- **Sapporo Esta Store**
Sapporo Esta 6F
2-1, Kita Gojo Nishi, Chuo-ku,
Sapporo, Hokkaido Prefecture
- **Kashiwa AEON Store**
AEON Kashiwa Shopping Center 2F
41, Kashiwa-mura Iseikuyo,
Nishitsugaru-gun, Aomori Prefecture
- **Shimoda AEON Store**
AEON Shimoda SC 2F
40-1, Nakanotai, Shimoda-machi,
Kamikita-gun, Aomori Prefecture
- **Yokote Minami AEON Super Center Store**
AEON Super Center
Yokote Minami Store 2F
4-1, Nakata, Fukeozutsumi,
Yokote, Akita Prefecture
- **LALA Garden Tsukuba Store**
LALA Garden Tsukuba 2F
278-1, Sendakari, Onozaki,
Tsukuba, Ibaraki Prefecture
- **Ohta AEON Store**
AEON Ohta Shopping Center 2F
81, Ishihara-cho, Ohta, Gunma Prefecture
- **Oizumigakuen Inageya Store**
Inageya Oizumigakuen Shopping Center
4-4952-3, Sakae, Niiza,
Saitama Prefecture
- **Omiya Stellar Town Store**
Stellar Town 3F
1-1-1, Miyahara-cho, Kita-ku, Saitama,
Saitama Prefecture
- **Warabi MaxValu Store**
MaxValu Warabi Store
5-6-35, Tsukagoshi, Warabi,
Saitama Prefecture
- **Mallage Kashiwa Store**
Mallage Kashiwa 2F
2-3-A-47, Ohyama-dai, Kashiwa,
Chiba Prefecture
- **Nagara Outlet Concert Store**
Outlet Concert Nagara
67-1, Yasashi, Yamanogo, Nagara-machi,
Chosei-gun, Chiba Prefecture
- **Odaiba Aqua City Store**
Aqua City Odaiba 4F
1-7-1, Daiba, Minato-ku, Tokyo
- **LaLa Terrace Minami-Senju Store**
LaLa Terrace Minami-Senju 1F
4-7-2, Minami-senju, Arakawa-ku, Tokyo
- **Sun Street Kameido Store**
Sun Street Kameido 1F
6-31-1, Kameido, Koto-ku, Tokyo
- **Kawasaki Le Front Store**
Kawasaki Le Front 5F
1-11, Nisshin-cho, Kawasaki-ku,
Kawasaki, Kanagawa Prefecture
- **Sagamiono Station Square Store**
Odakyu Sagamiono Station Square
B Tower 5F
3-8-1, Sagamiono, Sagamihara,
Kanagawa Prefecture
- **Kamiooka List Garden Square Store**
List Garden Square 2F
1-18-3, Kamiooka-nishi, Konan-ku,
Yokohama, Kanagawa Prefecture
- **Ueda AEON Store**
AEON Ueda SC 2F
2-12-18, Tokida, Ueda,
Nagano Prefecture
- **Shimada Apita Store**
Apita Shimada Store 2F
8-2, Horai-cho, Shimada,
Shizuoka Prefecture
- **Hamamatsu Shitoro AEON Store**
AEON Hamamatsu Shitoro SC 3F
5605, Shitoro-cho, Hamamatsu,
Shizuoka Prefecture
- **Kozoji SUNMARCHE Store**
SUNMARCHE South Tower 2F
1-2-2, Chuo-dai, Kasugai,
Aichi Prefecture
- **Diamond City Kirio Store**
Diamond City Kirio 2F
25-1, Minami-yatsugaie, Kuroda,
Kisogawa-machi, Haguri-gun,
Aichi Prefecture
- **Toyohashi Karumia Store**
Toyohashi Station Building Karumia 4F
Nishijuku Mubanchi, Hanada-cho,
Toyohashi, Aichi Prefecture
- **Yokkaichi Power City Store**
Power City Yokkaichi
4-5, Tomarikoyanagi-cho, Yokkaichi,
Mie Prefecture
- **Ueno Joy City Store**
Joy City Ueno Store 2F
256-1, Ota-cho, Ueno, Mie Prefecture
- **Diamond City Hana Store**
Diamond City Hana 3F
25-1, Oiwake-cho, Saini, Ukyo-ku,
Kyoto, Kyoto Prefecture
- **Mino Market Park Visola Store**
Mino Market Park Visola East3 2F
1-12-8, Nishijuku, Mino, Osaka
- **Sakai Takashimaya Store**
Takashimaya Sakai Store 4F
59, Mikunigaoka Miyukidori,
Sakai, Osaka
- **Tennoji Station Plaza Store**
Station Plaza Tennoji 3F
10-48, Hidenin-cho, Tennoji-ku,
Osaka, Osaka
- **Himeji Forum Store**
Himeji Forum West 6F
100, Higashiekimae-cho, Himeji,
Hyogo Prefecture
- **Nishiwaki Qanart Store**
Qanart Nishiwaki 2F
128-1, Shimotoda, Nishiwaki,
Hyogo Prefecture
- **Akashi Carrefour Store**
Carrefour Akashi Shopping Center 1F
89-3, Nishifutami, Futami-cho, Akashi,
Hyogo Prefecture
- **Diamond City Aruru Store**
Diamond City Aruru 3F
7-20-1, Mawarikawa-cho, Kashihara,
Nara Prefecture
- **Yamatokoriyama Apita Store**
Apita Yamatokoriyama Store 2F
517, Miyanishi, Tanaka-cho,
Yamatokoriyama, Nara Prefecture
- **Diamond City Soleil Store**
Diamond City Soleil 3F
2-1-1-3017, Osu, Fuchu-cho, Aki-gun,
Hiroshima Prefecture
- **Chofu Youme-Town Store**
Youme-Town Chofu Store 1F
1-1, Youme-town, Shimoneseki,
Yamaguchi Prefecture
- **Ube Youme-Town Store**
Youme-Town Ube Store 2F
411, Tsumazakigaisaku, Ube,
Yamaguchi Prefecture
- **Kokura Amyu Plaza Store**
Amyu Plaza 5F
1-1-1, Asano, Kokurakita-ku,
Kitakyushu, Fukuoka Prefecture
- **Diamond City Lucle Store**
Diamond City Lucle 2F
192-1, Oinoki, Sakado, Kasuya-machi,
Kasuya-gun, Fukuoka Prefecture
- **Hikarinomori Youme-Town Store**
Youme-Town Hikarinomori Annex 2F
3102 (68 Block), Tsukure, Kikuyo-machi,
Kikuchi-gun, Kumamoto Prefecture
- **Miyakonojo Daimaru Center Mall Store**
Miyakonojo Daimaru Center Mall 2F
No.15, 14 Block, Naka-machi,
Miyakonojo, Miyazaki Prefecture

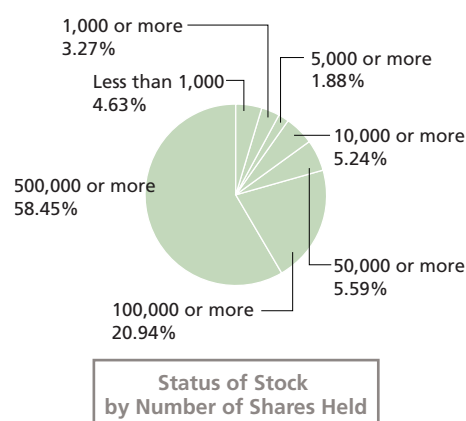
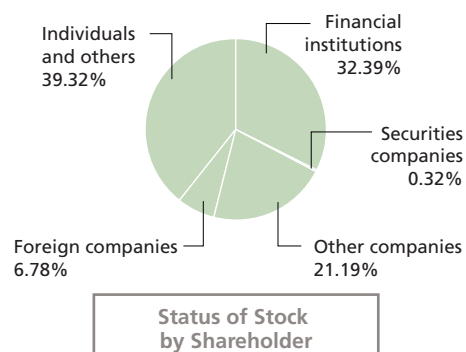


Stock information (as of August 20, 2004)

Total number of shares authorized	36,279,000
Total number of shares issued and outstanding	18,058,272
Number of shareholders	3,992

Major shareholders

Name	Number of shares held (thousands of shares)	Voting rights (%)
Masahiro Fujiwara	3,332	18.68
Fujiwara Kosan Inc.	3,118	17.48
Japan Trustee Services Bank, Ltd. (Trust account)	1,713	9.60
The Master Trust Bank of Japan, Ltd. (Trust account)	1,287	7.22
Yusuke Fujiwara	1,102	6.18
UFJ Bank Ltd.	439	2.46
Eiko Fujiwara	431	2.42
Nippon Life Insurance Co.	406	2.28
Goldman Sachs International	387	2.17
The Joyo Bank, Ltd.	338	1.90



Special Benefit Plan for Shareholders

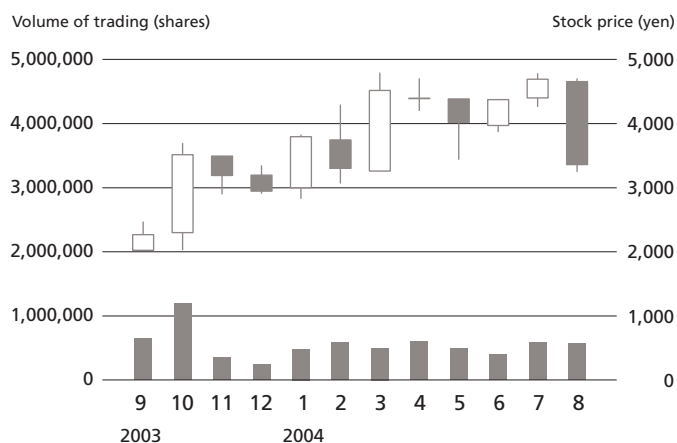
We present discount coupons available at all of our stores as our gift to the shareholders and the shareholders registered or recorded in the final list of shareholders or shareholders of record as of August 20 every year. The gift is presented as follows:

Number of Shares Held	Value of Discount Coupon
100 – 499	3,000 yen (1,000 yen coupon × 3)
500 – 999	5,000 yen (1,000 yen coupon × 5)
1,000 –	7,000 yen (1,000 yen coupon × 7)

The expiration date is November 20 of the following year.



Stock Price



Notice of Stock Split

We conducted a stock split (1:1.25) for our shareholders as of August 20, 2004, to enhance the share liquidity in the market corresponding to our profitability growth.

- Split Rate: 1.25 value per common share
- Base Date for Calculation: August 20, 2004
- Effective Date: October 12, 2004
- Increase in Number of Shares Resulting from Split: 4,514,568 shares

Corporate Data (as of August 20, 2004)

Company name:	RIGHT ON Co., Ltd.
Headquarters:	37-1, Higashi-arai, Tsukuba-shi, Ibaraki 305-0033, Japan Phone +81-29-858-0321 (main) Fax +81-29-858-0331 URL: http://www.right-on.co.jp/
Establishment:	April 1, 1980
Capital stock:	4,752,227,200 yen
Representative:	Masahiro Fujiwara, Representative Director
Number of employees:	568
Business Contents:	<ul style="list-style-type: none">● We are a specialty store that provides jeans wear and other casual wear for a broad range of customers of all ages regardless of gender.● We have a nationwide chain that consists of various kinds of stores located in shopping centers, power centers and station buildings, urban streets, and suburban roadsides.

Directors and Corporate Auditors

(as of November 18, 2004)

Masahiro Fujiwara	President and Representative Director
Hideaki Wakabayashi	Senior Managing Director
Tatsuharu Yokouchi	Managing Director
Hiroshi Nakagawa	Director
Hiroataka Minamiya	Director
Yasuhiro Umeda	Director
Ryosei Fujiwara	Director and Advisor
Makoto Kokubun	Standing Corporate Auditor
Toshihiro Nagai	Corporate Auditor
Tadakazu Yoshikawa	Corporate Auditor
Shinichi Hiraide	Corporate Auditor

Notes

1. Corporate auditors, Toshihiro Nagai and Shinichi Hiraide, are outside corporate auditors as stipulated in Clause 1, Article 18 of the Law for Special Exceptions to the Commercial Code concerning Audit, etc. of Kabushiki Kaisha.
2. Makoto Kokubun was appointed as Standing Corporate Auditor by mutual vote of the corporate auditors and assumed the post after the 25th general meeting of shareholders held on November 18, 2004, was closed.

Shareholder Information

End of Fiscal Term:	August 20
Date of General Meeting of Shareholders:	November
Base Date for the Above:	August 20 We will fix the base date for the occasion as the need arises and announce it in advance.
Dividend Settlement Date for Shareholders	
Yearly Dividend:	August 20
Interim Dividend:	February 20
Publication of Financial Statements:	http://www.right-on.co.jp/hp/kessan
Transfer Agent:	Mizuho Trust & Banking Co., Ltd. 2-1, Yaesu 1-chome, Chuo-ku, Tokyo
Transfer Office:	Stock Transfer Agency Department, Head Office, Mizuho Trust & Banking Co., Ltd. 2-1, Yaesu 1-chome, Chuo-ku, Tokyo
For Mails & Contact:	Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd. 17-7, Saga 1-chome, Koto-ku, Tokyo 135-8722 Phone: +81-3-5213-5213 (main)
Intermediary Offices:	Domestic Branches of Mizuho Trust & Banking Co., Ltd. Head Office and Domestic Branches of Mizuho Investors Securities Co., Ltd.
Unit of Trading:	100 shares

Right-on®

RIGHT ON Co., Ltd.

37-1, Higashi-arai, Tsukuba-shi, Ibaraki 305-0033, Japan
Phone +81-29-858-0321 (main) Fax +81-29-858-0331

URL: <http://www.right-on.co.jp/>