

Right-on®

RIGHT ON Co., Ltd.
1-11-1 Azuma, Tsukuba-shi, Ibaraki 305-8503, JAPAN
Phone +81-29-858-0321 Fax +81-29-858-0331
URL: <http://www.right-on.co.jp/>

Right-on Report
For Lasting Growth

Right-on®

The 28th Business Report
(August 21, 2006–August 20, 2007)

Stock Code : 7445

To Our Shareholders

I am pleased to report to our shareholders the financial results and business activities of RIGHT ON Co., Ltd. for the 28th fiscal term ended August 20, 2007.



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

Results for the term

We have continued to take steps to realize our five pillars of success, namely “the right time, the right product, the right quantity, the right place, and the right price.” By developing our *Scheme for Large Sales* (store-opening strategies, merchandise strategies, sales strategies and a back-up system that supports these strategies) in line with our basic philosophy of the “primary of the business front line” this term, we are seeking to bolster earnings.

In terms of products, having examined the balance both the quality and quantity of our products in view of opinions from the front line, we offer a range of our products to meet our customers’ expectations. We have continued to plan and sell models in collaboration with major national brands and secure popular products and the latest items in an effort to actively differentiate ourselves from the competitors. We have been working on clarifying the concepts of each private brand including BACK NUMBER, our mainstay brand, and expand our product range in a good balance with other products.

On the sales front, we have introduced a new area manager system and organized carefully tailored OJT as part of our efforts to train store staff. We have also remained committed to improving store sales capabilities by bolstering the skills of fashion advisors and other part-time staff and by organizing sales contests.

As part of our product supply system meanwhile, we have continued to improve in-store operational efficiency and establish an environment in which store staff can concentrate on sales by using product-specific packaging to facilitate product displays and moving more in-store operations to our distribution centers.

In terms of marketing activities, we have continued our multimedia approach to enhancing our ability to attract customers using leaflets, TV commercials, magazines, direct mail and email magazines. From this term onwards, we have also started to use well known celebrities as part of the main visuals in sales promotion media and sales promotion tools, tying in such activities with our core products and sales floors.

We have continued to focus on improving product quality, increasing name recognition and establishing brand identities in

November 2007

Masahiro Fujiwara

President and Representative Director



all of our FLASH REPORT, SPICE ISLAND and MPS stores.

In terms of store openings and closings, we opened a total of 76 new stores this term, whilst closing down 14 to improve the efficiency. As a result, the number of stores as of the end of the term stood at 446. In an effort to ensure that our sales areas remain attractive at all times, we have also undertaken large scale renovations at 27 of our existing stores.

In spite of all of these initiatives however, we were confronted by unusual weather conditions, such as a record mild winter and intense hot spell, and a rapidly changing market, including shifting trends and fashions and the beginnings of a consumer drift away from denim. Although we recorded an increase in income with net sales of 106,676 million yen (up 11.9% year-on-year), we were not fully prepared to cope with such a combination of factors and were therefore unable to achieve our initial targets as planned.

As a result of a lower gross margin on sales on the back of cut-price sales of slow moving products due to this shortfall on our initial sales targets and an increase in selling, general and administrative expenses, ordinary income totaled 6,022 million yen (down 38.6% year-on-year).

The addition of losses on retirement of fixed assets as a result of store renovation work and extraordinary losses such as store impairment on top of all this resulted in a fall in profits, with net income for the term totaling 2,627 million yen (down 58.0% year-on-year).

We look forward to your continued support and encouragement.

As an industry highly susceptible to changes in the external environment, such as shifts in trends and fashions and unseasonable weather conditions, the casual fashion industry is a fiercely competitive one. We anticipate that the environment will continue to be harsh during the coming term.

Under these circumstances, we intend to implement a range of initiatives designed to increase brand and store loyalty, as well as continuing to strengthen our business foundations by improving the efficiency and accuracy of our *Scheme for Large Sales*, in order to bolster earnings. We look forward to your continued support as we pursue these initiatives in the future.

Net Sales ▶ **106,676** million yen
(up 11.9%)

Despite an increase in income compared to the previous year, we were unable to achieve our initial sales targets due to unusual weather conditions, including a record mild winter and intense hot spell, and a rapidly changing market, including shifting trends and fashions and the beginnings of a consumer drift away from denim.

Gross Profit on Sales ▶ **48,160** million yen
(up 6.2%)

Our gross margin on sales fell as a result of cut-price sales of slow moving products (mainly denim), although gross profit on sales rose 6.2% year-on-year to 48,160 million yen.

Operating Income ▶ **5,877** million yen
(down 39.2%)

Operating income fell by 39.2% year-on-year to 5,877 million yen due to an increase in selling, general and administrative expenses attributable to depreciation costs as a result of active system investment up to the previous term, personnel costs and rent rises.

Ordinary Income ▶ **6,022** million yen
(down 38.6%)

As a result of failure to achieve our initial sales targets, the consequent fall in our gross margin due to cut-price sales of slow moving products and an increase in selling, general and administrative expenses, as outlined above, ordinary income fell by 38.6% year-on-year to 6,022 million yen.

Net Income ▶ **2,627** million yen
(down 58.0%)

Net income was down 58.0% year-on-year to 2,627 million yen due to the reasons outlined above, combined with additional losses on retirement of fixed assets as a result of store renovation work and extraordinary losses such as store impairment.

Capital Investment ▶ **8,580** million yen
(down 15.3%)

Total capital investment came to 8,580 million yen, a decrease of 15.3% year-on-year, due to investment in tangible fixed assets as part of the opening of new stores and the renovation of existing stores, investment in intangible fixed assets as part of system development and an increase in deposits and guarantee money for the opening of new stores.

Our *Scheme for Large Sales* is a unique system designed in accordance with our business model that is based on the principle of the *primacy of the business front line*. The system is designed to organically combine the three capabilities that form the source of our business strength, namely the dynamics of stores (superiority in the design of sales floors, locations, and other factors), products (a rich assortment of popular products), and sales (ability to sell out products), and to realize the five pillars of success, namely “the right time, the right product, the right quantity, the right place, and the right price.”

Expected results from the implementation of our *Scheme for Large Sales* program

●Products

By systematically monitoring any discrepancies between merchandising plans and actual performance and responding rapidly and precisely, we expect to increase inventory efficiency and improve our gross

margin on sales.

●Dealing with suppliers

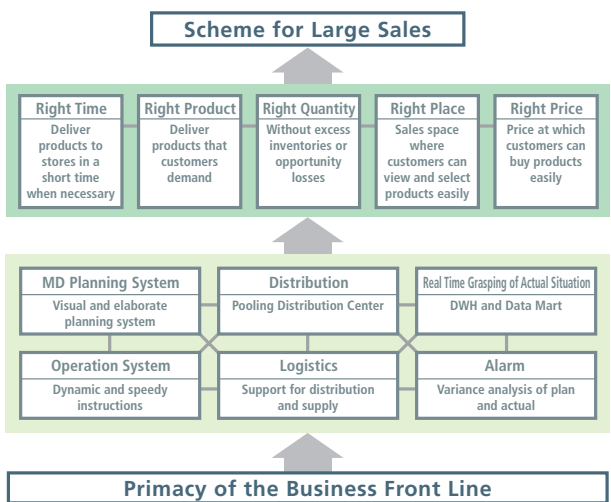
By sharing data such as merchandising plans and actual performance on a real time basis and making changes to plans in line with actual performance, we aim to mutually offset inventory risks and maintain good, win-win relationships with our suppliers.

●Sales

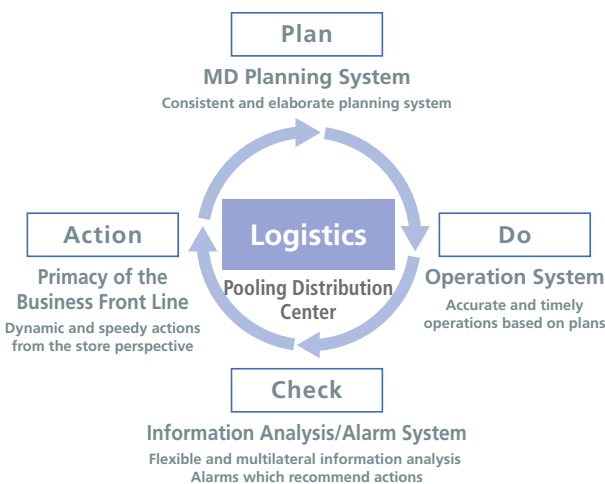
By reducing the time taken to perform operations such as bringing in and moving products and changing sales prices, we aim to develop even stronger customer service and sales capabilities.

We will aim to achieve growth by making full use of this program and enhancing the dynamics of stores, products and sales.

●Scheme for Large Sales



●Cycle of the *Scheme for Large Sales*



We offer a range that reflects the opinions of customers by listening to opinions from the front lines. We are also differentiating ourselves from the competitors by providing a wide selection of popular items in addition to national brands and private brands, leveraging our planning ability based on front-line opinions and the product-procurement ability based on our economies of scale.

Through our unique system of “visible merchandising” (a tool for the visual identification of MD composition for each season), we aim to examine the balance of merchandise both in quality and quantity that we have on sale and put together a range of products capable of meeting our customers’ expectations.

Theme for the 29th fiscal term: Seasonal basics

We are proceeding with planning and development for our 29th fiscal term based on the concept of “seasonal basics.” When items are in season, we have access to the biggest harvests and can enjoy the best taste. We apply this to our products to offer a seasonal advantage. In other words, we intend to offer products that will sell in the highest volumes in line with the current season and enable us to secure the highest profits. We are also aiming to increase sales by focusing such products on basic items that customers feel the need to buy now.

●Private-brand products



Marketing Strategy

We adopt a media mix strategy based on a combined multimedia approach. We use different forms of media depending on the target audience, the timing and the purpose of marketing, from broadcasting TV commercials and getting products featured in magazines to promotional activities via leaflets and sending out email magazines and direct mail, in an effort to further enhance our ability to attract customers.

Theme for the 29th fiscal term: Integrated marketing

We intend to conduct integrated marketing activities incorporating the three elements of products, sales floors and sales promotion, tying in the aforementioned sales promotion media and sales promotion tools with our core products and sales floors. The aim of integrated marketing activities is to increase sales by enhancing product appeal and transforming items that we *want to* sell into items that *will* sell.

● Integrated marketing



Sales Strategy

We are improving sales dynamics by training our staff and instituting a personnel evaluation system centered on the “ability to sell out products.” To strengthen sales capabilities, we are working especially closely with fashion advisors (staff members who excel at customer service and selling products) and deploying part-time staff. We also organize themed sales contests each season in order to instill a keener sense of competition between stores whilst also improving sales skills.

With the introduction of a new area manager system from the current term onwards, we aim to increase the efficiency of store management. An area manager who holds concurrent post of store manager of parent shop conducts fine-tuned store management as well as education of his or her successor through running of 5 or 6 shops in the area. With this system, we will respond to improve sales at existing stores as well as future new store openings, while training store manager or its candidate who is able to earn profit.

Theme for the 29th fiscal term: “I would love to come here again”

By harnessing the aforementioned system in order to improve training for store staff during our 29th fiscal term, we intend to work on the development of stores that will make customers say “I would love to come here again.”



National store manager training session

Store-opening Strategy

We are able to open stores in more favorable locations and with better conditions thanks to our expertise in terms of flexibly opening in line with the location, size and form and the excellent ability to attract customers at each store. We aim to capitalize on such advantages in order to actively open more stores. We plan to open around 60 new stores during the coming term.

We also intend to actively renovate and revitalize existing stores in order to keep our sales floors fresh and attractive at all times.



Outlook for the Coming Term

With continuing fierce competition within the industry and the market increasingly drifting away from denim, the current harsh sales environment is expected to continue during the coming term. We also anticipate a number of factors that are likely to increase costs, including a reduction in markup rates as a result of the introduction of consumption tax inclusive pricing from the coming term onwards, a rise in personnel unit costs and the tightening of lease terms and conditions.

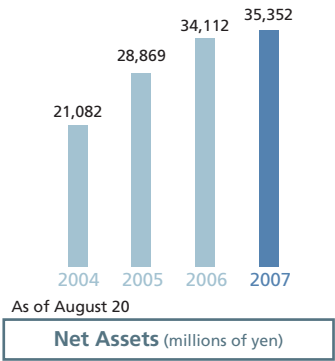
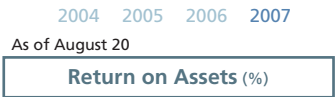
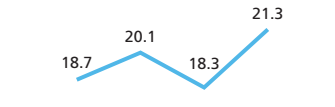
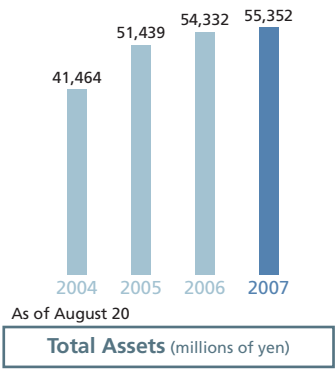
With this in mind, we intend to improve the efficiency and accuracy of our *Scheme for Large Sales*, plan and develop “seasonal basics” products and push ahead with our integrated marketing activities combining products, sales areas and sales promotion in an effort to improve our ability to respond to changes in the market. We also intend to work on the development of stores that will make customers say “I would love to come here again” in order to bolster earnings.

In terms of results for the coming term, we forecast net sales of 110,000 million yen, ordinary income of 5,800 million yen and net income of 2,900 million yen.

Forecasts for the term ending August 2008

Net sales	110,000 million yen
Ordinary income	5,800 million yen
Net income	2,900 million yen

■ Balance Sheets (Summary)



(Unit: millions of yen)				
Item	Current term (as of August 20, 2007)		Previous term (as of August 20, 2006)	
Assets				
Current assets	19,804	35.8%	21,304	39.2%
Cash and time deposits	4,540		6,432	
Accounts receivable–trade	1,196		1,191	
Merchandise	10,172		9,466	
Accrued income	2,146		2,863	
Other	1,748		1,349	
Fixed assets	35,547	64.2%	33,027	60.8%
Tangible assets	18,173	32.8%	16,382	30.2%
Buildings	11,514		10,451	
Structures	404		439	
Tools, furniture and fixtures	4,259		3,422	
Land	1,952		1,952	
Construction in progress	42		116	
Intangible assets	3,161	5.7%	3,331	6.1%
Investments and other assets	14,212	25.7%	13,313	24.5%
Guarantee and rental deposits	13,453		12,695	
Other	1,263		1,194	
Allowance for doubtful accounts	(504)		(576)	
Total assets	55,352	100.0%	54,332	100.0%

[Changes to the unit of money]

The unit of money used for items listed on our financial statements and other items has been changed from “thousand yen,” as it was previously, to “million yen” from the current term onwards. For ease of comparison, we have also changed the unit into millions for the previous term’s figures as well.

Point 1 Assets

Current assets fell by 1,499 million yen compared to the end of the previous term to 19,804 million yen. This was mainly due to a decline in cash and deposits (down 1,892 million yen year-on-year).

Fixed assets increased by 2,519 million yen compared to the end of the previous term to 35,547 million yen. This was mainly due to an increase in tangible assets as a result of capital investment as part of the opening of new stores (up 1,790 million yen year-on-year) and an increase in deposits and guarantee money in relation to investments and other assets (up 757 million yen year-on-year).

As a result, total assets as of the end of the term came to 55,352 million yen, a fall of 1,019 million yen year-on-year.

(Unit: millions of yen)				
Item	Current term (as of August 20, 2007)		Previous term (as of August 20, 2006)	
Liabilities				
Current liabilities	19,041	34.4%	19,970	36.7%
Notes payable–trade	152		31	
Trust payable	12,440		11,271	
Accounts payable–trade	1,781		1,689	
Short-term borrowings	566		907	
Accounts payable–other	1,630		2,261	
Income taxes payable	456		2,022	
Reserve for bonuses	464		415	
Other	1,550		1,370	
Long-term liabilities	958	1.7%	249	0.5%
Long-term debt	661		—	
Other	296		249	
Total liabilities	19,999	36.1%	20,219	37.2%
Net assets				
Shareholders’ equity	35,253	63.7%	33,935	62.5%
Capital stock	6,189	11.2%	6,176	11.4%
Capital surplus	6,475	11.7%	6,462	11.9%
Capital reserve	6,475		6,462	
Retained earnings	22,741	41.1%	21,442	39.5%
Legal reserve	78		78	
Other retained earnings	22,663		21,364	
Special reserve	4,000		4,000	
Retained earnings carried forward	18,663		17,364	
Treasury stock	(153)	(0.3%)	(145)	(0.3%)
Valuation and translation adjustments	98	0.2%	177	0.3%
Unrealized gains on marketable securities	98		177	
Total net assets	35,352	63.9%	34,112	62.8%
Total liabilities and net assets	55,352	100.0%	54,332	100.0%

Point 2 Liabilities

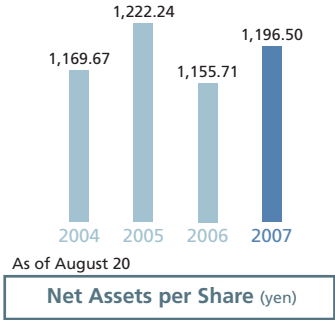
Current liabilities fell by 929 million yen compared to the end of the previous term to 19,041 million yen. This was mainly due to a decline in income taxes payable (down 1,565 million yen year-on-year).

Long-term liabilities increased by 709 million yen compared to the end of the previous term to 958 million yen. This was mainly due to an increase in long-term debt (up 661 million yen year-on-year).

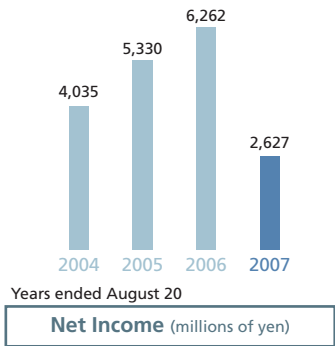
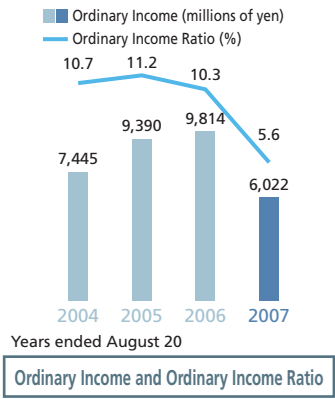
As a result, total liabilities as of the end of the term came to 19,999 million yen, a fall of 219 million yen compared to the end of the previous term.

Point 3 Net assets

Total net assets of the end of the term came to 35,352 million yen, an increase of 1,239 million yen compared to the end of the previous term. This was mainly due to an increase in retained earnings (up 1,298 million yen year-on-year). The equity ratio as a percentage of total assets came to 63.9%.



Statements of Income (Summary)



(Unit: millions of yen)				
Item	Current term (year ended August 20, 2007)		Previous term (year ended August 20, 2006)	
Net sales	106,676	100.0%	95,312	100.0%
Cost of sales	58,516		49,966	
Gross profit on sales	48,160	45.1%	45,346	47.6%
Selling, general and administrative expenses	42,282		35,672	
Operating income	5,877	5.5%	9,674	10.2%
Non-operating income	321		291	
Non-operating expenses	177		151	
Ordinary income	6,022	5.6%	9,814	10.3%
Extraordinary income	119		470	
Extraordinary losses	1,320		239	
Income before income taxes	4,821	4.5%	10,045	10.5%
Income taxes				
Current:	2,431		3,871	
Deferred:	(237)		(89)	
Net income	2,627	2.5%	6,262	6.6%

Point

We were not fully prepared to cope with unusual weather conditions, including a record mild winter and intense hot spell, or a rapidly changing market, including shifting trends and fashion and the beginnings of a consumer drift away from denim, over the course of the current term. Although we recorded an increase in income with net sales of 106,676 million yen (up 11.9% year-on-year), we were unable to achieve our initial targets as planned.

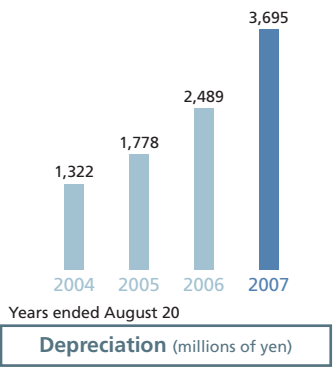
On other fronts, cut-price sales of slow moving products, particularly denim products, resulted in a reduced gross margin on sales, with gross profit on sales totaling 48,160 million yen (up 6.2% year-on-year).

In addition, selling, general and administrative expenses increased because of depreciation costs attributable to active system investment up to the previous term, personnel costs and rent rises.

The addition of losses on retirement of fixed assets as a result of store renovation work and extraordinary losses such as store impairment on top of all this resulted in a fall in profits, with net income totaling 2,627 million yen (down 58.0% year-on-year).

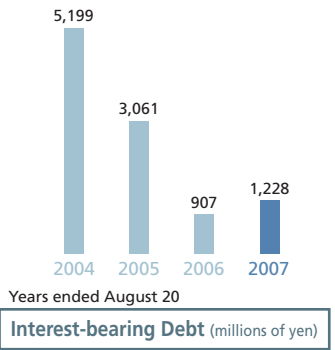
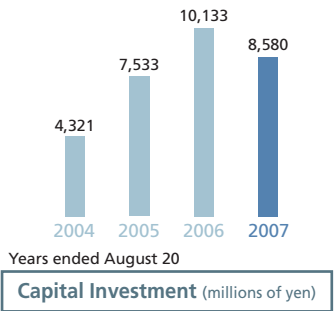
Statements of Cash Flows (Summary)

(Unit: millions of yen)		
Item	Current term (year ended August 20, 2007)	Previous term (year ended August 20, 2006)
Cash flows from operating activities	6,612	7,423
Cash flows from investing activities	(7,515)	(4,792)
Cash flows from financing activities	(988)	(3,238)
Net decrease in cash and cash equivalents	(1,892)	(607)
Cash and cash equivalents at beginning of the term	6,432	7,040
Cash and cash equivalents at end of the term	4,540	6,432



Point

Cash and cash equivalents at end of the term fell by 1,892 million yen compared to the end of the previous term to 4,540 million yen (down 29.4% year-on-year). In spite of posting income before income taxes totaling 4,821 million yen and proceeds from long-term debt, this was due to factors such as the cost of acquiring tangible assets and the payment of guarantee deposits as part of the opening of new stores and store refurbishment and the cost of acquiring intangible assets as part of system investment.



Statement of Changes in Net Assets

(From August 21, 2006 to August 20, 2007)

(Unit: millions of yen)							
	Shareholders' equity					Valuation and translation adjustments	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity		
Balance as of August 20, 2006	6,176	6,462	21,442	(145)	33,935	177	34,112
Changes during the current term							
Issue of new shares	13	13	—	—	26	—	26
Dividends from retained earnings	—	—	(590)	—	(590)	—	(590)
Dividends (Interim) from retained earnings	—	—	(738)	—	(738)	—	(738)
Net income	—	—	2,627	—	2,627	—	2,627
Acquisition of treasury stock (odd-lot shares)	—	—	—	(7)	(7)	—	(7)
Increase/(decrease) on unrealized gains on marketable securities directly recorded in net assets	—	—	—	—	—	(78)	(78)
Total changes during the current term	13	13	1,298	(7)	1,318	(78)	1,239
Balance as of August 20, 2007	6,189	6,475	22,741	(153)	35,253	98	35,352

Network

Shopping Centers

Our mainstay store type, and one that attracts large numbers of customers. The sales space is constantly evolving, reflecting prevailing trends.



Suburban Roadside Stores

A store type with a parking lot, located alongside trunk roads. A broad array of items is displayed by category in a spacious sales yard.



Urban Street Stores

A store type that responds to diverse customer needs, while introducing the latest fashion trends. The product line-up consists of our own merchandise.



New Store Types

FLASH REPORT



- FLASH REPORT provides all round American casual wear. This is a new basic style outlet with lifestyle themes.
- FLASH REPORT provides a rich line-up of products using carefully washed, high-quality materials filled with a vintage taste.

SPICE ISLAND



- SPICE ISLAND is a new daily casual store based on the concept of “providing daily wear in a more sophisticated way at a reasonable price.”
- SPICE ISLAND provides a broad array of daily casual items including jeans, tops and fashion goods.

MPS



- MPS is a casual shop that offers nostalgic but new comfort wear with the rich American taste of the 1950s through 1970s.
- MPS provides a line-up of comfortable products with second-hand rough taste emphasizing a well-washed texture.

Number of stores according to store type (as of the end of the term)

	August 2005	August 2006	August 2007	August 2008 (forecast)
Shopping Centers	223	279	350	402
Suburban Roadside Stores	87	89	90	85
Urban Street Stores	5	5	6	6
Total	315	373	446	493

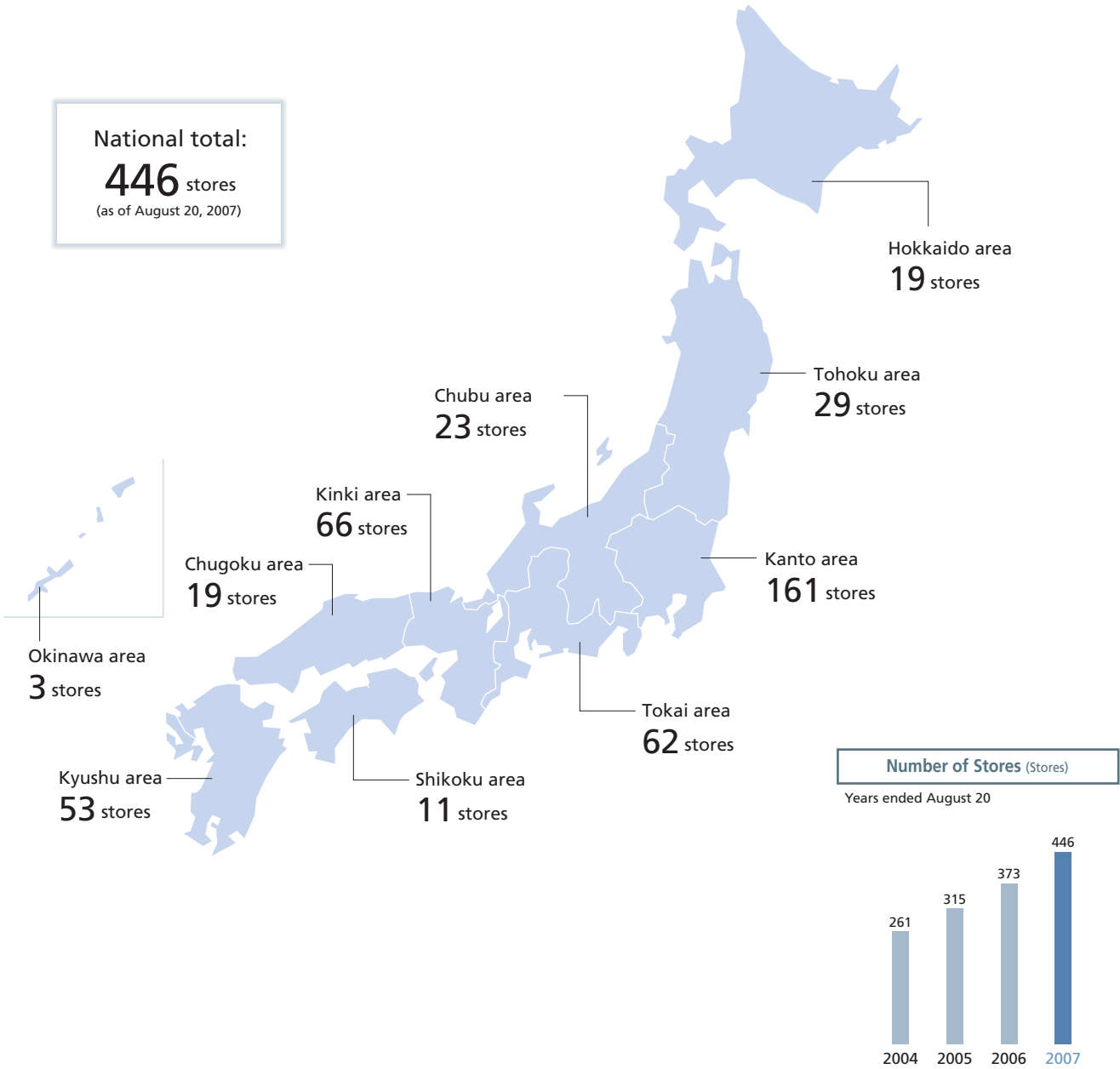
* The method used to count stores has been changed since the term ended August 2007.
As a result, the number of stores at the end of the term ended August 2006 has been converted to 384 based on the new counting method.

Number of stores according to business type (as of the end of the term)

	August 2005	August 2006	August 2007	August 2008 (forecast)
Right-on	292	345	397	444
SPICE ISLAND	17	20	19	16
FLASH REPORT	6 (5)	8 (11)	29	31
MPS	—	(2)	1 (3)	2 (3)
Total	315 (5)	373 (13)	446 (3)	493 (3)

*1 The method used to count stores has been changed effective from the term ended August 2007.
As a result, the total number of stores at the end of the term ended August 2006 has been converted to 384 based on the new counting method.
*2 Figures in parentheses refer to the number of stores attached to other businesses.

National total:
446 stores
(as of August 20, 2007)



Voice of Staff
The role of an area manager



Michiko Ishii
Area Manager in Ikebukuro Area
(Tokyo Kanagawa Block)

With the end of the 28th fiscal term, it has now been a year since the area manager system was introduced. Personally, I was pleased to be promoted from store manager to area manager, but I was also slightly unsure as to what I should be doing to start with. After one year however, I am confident that I have established a clear understanding of my role and the future direction of the position of area manager.

In fall this year, I chaired a national store manager training session, the theme of which was “reinforcing the basics.” In order to achieve this aim, I feel that the following two points are particularly important.

(1) Consistency
Consistency is more important than anything else when it comes to reinforcing the basics. The store manager training session featured reports from store managers and area managers who had achieved strong results over the previous six month period. They put everything that they had decided or that were company rules into practice continuously throughout the relevant period. This made me appreciate the need for confirmation and guidance from area

managers to ensure that store managers and employees are performing their duties consistently in the future.

(2) Putting the customer first
The training session highlighted the need for area managers to maintain an awareness of their role as a store manager as they go about their daily duties. At the end of the day, area managers, store managers and employees are all individual sales staff. This served as a reminder that, no matter what position, environment or situation you are in, it is of the utmost importance to put the customer first in all actions and decisions. Putting the customer first is the most fundamental part of the job of each and every member of Right-on staff.

On a personal level, I think that I have tended to get caught up in my day to day duties since becoming an area manager and may have forgotten this fundamental part of my job from time to time. I intend to focus more on putting the customer first as part of my store management activities in the future so that I can serve as an example to other members of staff.

Corporate Data (as of August 20, 2007)

Company name:	RIGHT ON Co., Ltd.
Headquarters:	1-11-1 Azuma, Tsukuba-shi, Ibaraki 305-8503, Japan Phone +81-29-858-0321 (pilot number) Fax +81-29-858-0331 URL: http://www.right-on.co.jp/
Establishment:	April 1, 1980
Capital stock:	6,189 million yen
Representative:	Masahiro Fujiwara, Representative Director
Number of employees:	926

- Business Contents:
- A specialty store that sells jeans as the core item and other casual wear to male and female customers of all ages.
 - A nationwide chain store operation with different types of stores for different locations, such as shops located in shopping centers, power centers and station buildings, urban street stores and suburban roadside stores.

Directors and Corporate Auditors (as of November 16, 2007)

Masahiro Fujiwara	President and Representative Director
Tatsuharu Yokouchi	Managing Director
Hiroshi Nakagawa	Managing Director
Hiroataka Minamiya	Managing Director
Yasuhiro Umeda	Director
Kazushi Orita	Director
Yusuke Fujiwara	Director
Makoto Kobayashi	Standing Corporate Auditor
Hatsuo Nishikawa	Standing Corporate Auditor
Toshihiro Nagai	Corporate Auditor
Shinichi Hiraide	Corporate Auditor

Notes

1. Corporate Auditors Toshihiro Nagai and Shinichi Hiraide are both outside corporate auditors.

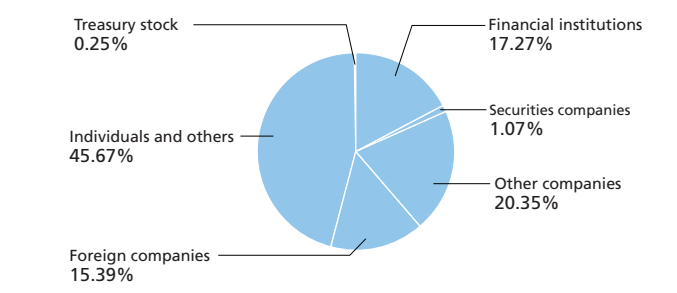
2. Makoto Kobayashi and Hatsuo Nishikawa were both appointed as Standing Corporate Auditors by the corporate auditors’ meeting held after the 28th general meeting of shareholders on November 16, 2007 and assumed their posts.

Stock Information (as of August 20, 2007)

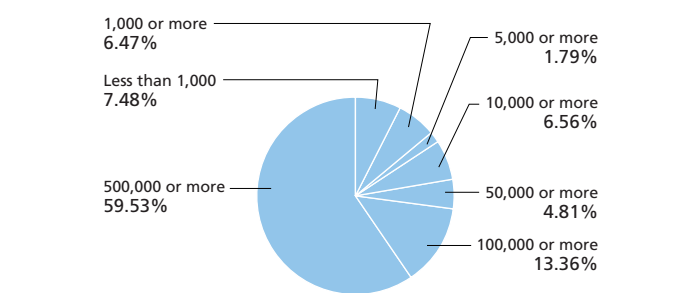
Total number of shares authorized	60,000,000
Total number of shares issued and outstanding	29,620,300
Number of shareholders	11,700

Name	Number of shares held (thousands of shares)	Ratio of shares held (%)
Masahiro Fujiwara	5,209	17.59
Fujiwara Kosan Inc.	4,873	16.45
Yusuke Fujiwara	1,723	5.82
State Street Bank and Trust Company 506155	1,059	3.58
Morgan Stanley and Company, Inc.	960	3.24
The Master Trust Bank of Japan, Ltd. (Trust account)	781	2.64
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	687	2.32
Eiko Fujiwara	674	2.28
Nippon Life Insurance Company	635	2.14
Joyo Bank, Ltd.	528	1.79

Status of Stock by Type of Shareholder



Status of Stock by Number of Shares Held



Sharing Profits with Our Shareholders

Dividends

It is our policy to prioritize stable dividends to all of our shareholders on an ongoing basis and to focus on sharing the profits resulting from our underlying performance.

As such, we have decided to pay out interim dividends at the rate of 25 yen per share and end of term dividends also at the rate of 25 yen per share, making for an annual dividend of 50 yen per share.

We plan to pay out dividends for the coming term at the rate of 50 yen per share in accordance with the above policy (25 yen interim dividend and 25 yen end of term dividend).

Acquisition of Treasury Stock

We have acquired treasury stock as detailed below in accordance with Article 459, Paragraph 1 of the Company Law.

Acquisition of treasury stock was completed on October 31, 2007 based on a resolution passed by the Board of Directors on September 9, 2007.

Details of the acquisition are as follows:

(1) Type of stock acquired	Common stock
(2) Date of acquisition	October 1 – October 31, 2007 (agreement basis)
(3) Number of shares purchased	1,002,000 shares
(4) Total value of stock acquired	1,342,815,100 yen
(5) Method of acquisition	Market purchase via trust method

Special Benefit Plan for Shareholders

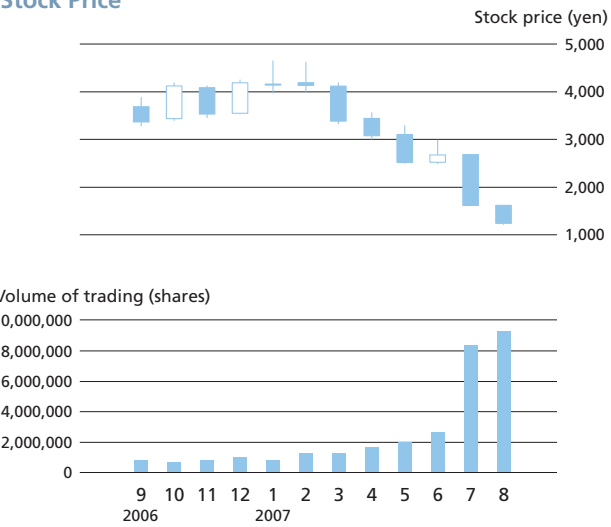
We present discount coupons available at all of our stores as a gift to shareholders recorded or registered on the final list of shareholders and those recorded or registered on the beneficial shareholders’ register on August 20.

The gift is 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 year after the coupon is presented.

Stock Price



IR Information

Business Year: August 21 to August 20 of the following year

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.

Record Date for Shareholders

Year-end Dividend: August 20

Interim Dividend: February 20

Method of Public Notice: Notification will be given in the Nihon Keizai Shimbun.

Administrator of Shareholders’ Register: Mizuho Trust & Banking Co., Ltd.
2-1, Yaesu 1-chome, Chuo-ku, Tokyo

Handling 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: 0120-288-324 (toll free number)

Intermediary Offices: Domestic Branches of Mizuho Trust & Banking Co., Ltd.
Head Office and Domestic Branches of Mizuho Investors Securities Co., Ltd.