

Right-on.

Right-on Report

For New Growth

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®

The 29th Business Report
(August 21, 2007–August 20, 2008)

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 29th fiscal term ended August 20, 2008.

Results for the term

We continued to take steps to achieve our five pillars of success, namely “the right time, the right product, the right quantity, the right place, and the right price.” By using our *Scheme for Large Sales* (store-opening, merchandise and sales strategies, and a back-up system that supports these strategies), we are seeking to bolster earnings.

In terms of products, having examined the balance of our products both in quality and quantity on a monthly basis, we sought to optimize product line-ups in the stores. As to national brands, we strove to differentiate ourselves from our competitors by planning and selling our own customer-order products. In the private brands, based on the concept of “seasonal basics,” we planned and developed basic products that many customers feel the need to buy.

On the sales front, we strove to develop stores that make customers say “I would love to come here again.” In addition, while bolstering the sales skills of fashion advisors (part-time staff who excel at customer service and selling products) and other part-time staff, we organized sales contests in an effort to boost sales capabilities.

As part of our product supply system we have continued to reduce the loss of sales opportunities by cutting the delivery time from our distribution centers to the stores. We also established an environment in which store staff can concentrate on sales through improvement of in-store operational efficiency by moving more in-store operations such as unpacking products to the 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 in accordance with targets, seasons and goals. We also continued to adopt and improve integrated marketing activities that incorporate the three elements of products, sales floors and sales promotion. Through these activities, we were committed to boosting product appeal and bolstering sales by applying the aforementioned sales promotion media and sales promotion tools to our core products and sales floors.

With regard to store openings and closings, we opened a total of 54 new stores this term (47 new stores and seven stores that changed category), while closing a total of 32 stores (with the closure of 25 stores and the category changes of seven stores) to increase efficiency. As a result, the number of stores as of the end of the term stood at 468.

In an effort to ensure that our sales areas remain fresh and attractive at all times, we have also undertaken large scale renovations at the existing stores. We have continued to focus on improving product quality, increasing name recognition and establishing brand identities in our FLASH REPORT and MPS stores. We, however, decided to close the SPICE ISLAND stores this term as we could not see any prospect of earnings improving.

In spite of all of these initiatives, we faced a very difficult sales environment, as we were not fully prepared to cope with the slump in sales of pants, our core product, and the unusual weather conditions. As a result, net sales declined 2.3% year-on-year to 104,235 million yen, regrettably the first decline since the Company was established.

We recorded a gross margin on sales of 47.0%, a significant improvement from 45.1% for the previous term, as a result of which we were able to minimize losses from cut-price sales, reflecting an improvement in the operational accuracy of the *Scheme for Large Sales*. Despite this, operating income fell 4.6% from the previous term, to 5,610 million yen, and ordinary income declined 7.3% to 5,585 million yen.

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 2,475 million yen (down 5.8% year-on-year).

We look forward to your continued support and encouragement.

Our basic philosophy lies in the *primacy of the business front line* (business management from the vantage point of stores). We will continue to implement this basic principle of the *primacy of the business front line* in future, and we will make sure we reflect the opinions of the front-line staff who deal with customers on a daily basis in all our strategies and measures. Through these initiatives, we will strive to enter a new growth stage. We look forward to your continued support as we pursue these initiatives in the future.



November 2008
Masahiro Fujiwara
President and Representative Director

Net Sales ▶ **104,235** million yen
(down 2.3%)

We faced a very difficult sales environment as we were not fully prepared to cope with the slump in sales of our core product, pants, and the unusual weather conditions. As a result, net sales declined 2.3% year on year to 104,235 million yen, the first decline since the Company was established.

Gross Profit on Sales ▶ **49,041** million yen
(up 1.8%)

We recorded a gross margin on sales of 47.0%, a significant improvement from 45.1% for the previous term, as a result of which we were able to minimize losses from cut-price sales, reflecting our initiatives in achieving effective inventory control under the *Scheme for Large Sales*.

Selling, General and Administrative Expenses ▶ **43,431** million yen
(up 2.7%)

With our efforts to achieve appropriate control of expenses, selling, general and administrative expenses totaled less than the initial plan of 44,150 million yen. However, given stagnant sales, cost efficiency deteriorated, with selling, general and administrative expenses standing at 41.7% of net sales from 39.6% for the previous term.

Ordinary Income ▶ **5,585** million yen
(down 7.3%)

Having been unable to deter a decline in profits caused by lower sales, operating income fell by 4.6% year-on-year, to 5,610 million yen, and ordinary income declined by 7.3%, to 5,585 million yen.

Net Income ▶ **2,475** million yen
(down 5.8%)

Net income was down 5.8% year-on-year to 2,475 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 from losses on store closures and impairment losses.

Capital Investment ▶ **6,506** million yen
(down 24.2%)

Total capital investment came to 6,506 million yen, a decrease of 24.2% year-on-year, reflecting the limited number of new stores opened as a result of a review of the new store opening plan during this term.



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

Implementing the *Primacy of the Business Front Line*

The *primacy of the business front line* is a principle according to which everything begins at store level. By executing strategies and measures based on the *primacy of the business front line*, we have improved our business performance.

As a result of our store network expanding nationwide in line with the expansion of our business results, the *primacy of the business front line* is now required to evolve further. For example, we need to launch products appropriately to respond to timing variances for selling seasonal products nationwide, reflecting the climate differences in each location. In addition, we are required to deal with different types of customers and provide popular products by taking the geographical environment and store type into account.

To respond to the requirements of individual stores, we need to evolve the *primacy of the business front line*, and put it into practice by paying even closer attention than before. For these reasons, we will work on the “implementation of the *primacy of the business front*

line” as our main theme for the 30th fiscal term.

In implementing the *primacy of the business front line*, we will develop a corporate culture in which each member of our staff reflects on what is required to address and resolve store issues. To share the issues perceived by each member of staff on a timely basis, we will review the organizational structure and procedures of meetings, and will strive to establish good communication flows between staff and management, and between stores and head office.

Under the theme of the “implementation of the *primacy of the business front line*,” we will identify the issues unique to each store through communication with front-line staff. We will respond to proposals or requests associated with these issues, and promptly address them based on collaboration between front-line staff and headquarters. In this way, we will steadily strengthen the competitiveness of each store, and will strive to bolster our earnings.

●SY conference

We have been holding the “SY conference” as a forum for front-line store staff and head office staff, including management, to exchange views. SY stands for *Sugu Yaru*, a Japanese term meaning prompt action. In an effort to address issues promptly, decisions regarding responses to questions or issues raised by the front line are made through collaboration between the front line and head office at the SY conference. The SY conference plays a symbolic role in the implementation of the *primacy of the business front line*.

We will strive to optimize the characteristics of each store by reflecting the opinions of front-line staff, who deal with customers on a daily basis, in all our strategies and measures, and we will aim to bolster sales.



National store manager training session

Scheme for Large Sales

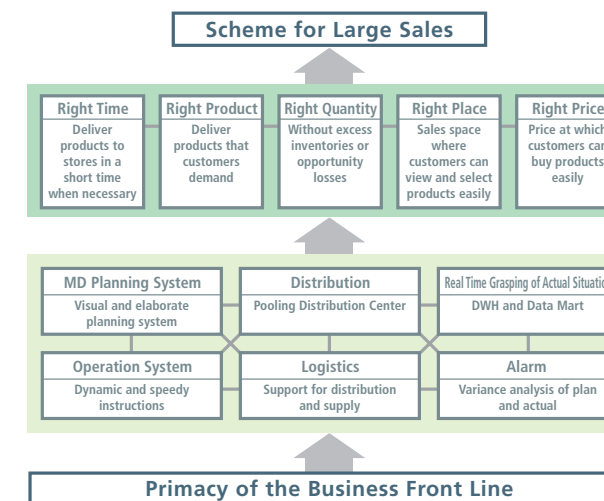
Our *Scheme for Large Sales* is a unique system designed in accordance with our business model that is based on the principle of the *primacy of the business front line*.

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

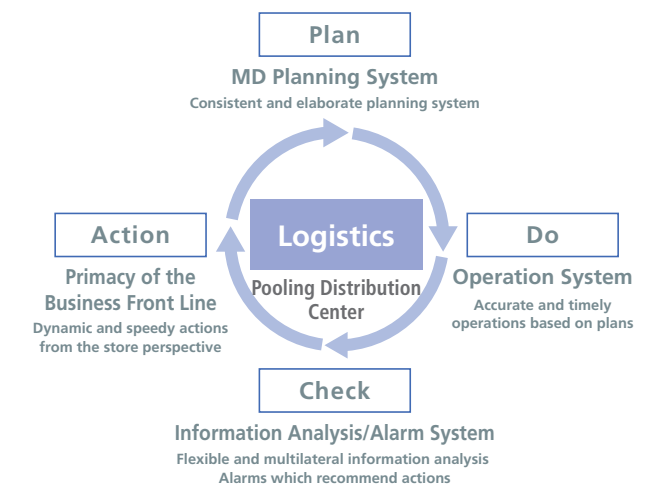
to sell out products), and to realize the five pillars of success, namely “the right time, the right product, the right quantity, the right place, and the right price.”

To develop a *Scheme for Large Sales*, we have been actively investing in systems. Based on this initiative, we achieved a higher gross margin on sales for the 29th fiscal term. We will continue to use these systems effectively to achieve new growth.

●Scheme for Large Sales



●Cycle of the *Scheme for Large Sales*



Voice of Staff

Implementation of the *primacy of the business front line*



Kaori Yoshikawa
Area Manager in Sanin Area
(Chugoku Shikoku Block)

A national store manager training session was held this fall with the theme of “implementation of the *primacy of the business front line*—store managers who can propose ideas to increase sales.” During the training session, supervisors presented examples of proposals from the front line to head office, and there was also a presentation on the essential characteristics of store managers who are able to increase sales. I learned once again in this training session that it was important to take the initiative in dealing with issues, and act and put forward proposals for improvement.

I have been working as an area manager since the 29th fiscal term. At the beginning, I could only manage to carry out the responsibilities I was given. However, this training session gave me clear guidance on the kinds of initiatives I am required to carry out.

• To establish a store that is able to earn profit and receives the support of customers, maintain a view from a management perspective, and take action while always

trying to identify what the store is lacking.

• Develop store managers who have a strong determination to continue their efforts to achieve goals.

I will try to keep these two points at the forefront of my mind and apply them to daily operations.

In the 30th fiscal term, we initiated a number of measures that reflected the opinions of the front line, including MD to adapt to the climate. In addition, in line with an increase in the number of SY conferences held, opportunities to point out or propose issues and requests have increased, resulting in the development of better communication flows from the front lines to head office. I believe that measures for addressing issues have been carried out promptly.

No actions produce no changes.

I will focus on operations by taking decisive actions, through which the front line can inspire the head office.

●Differentiation strategies

We offer a range that reflects the opinions of customers by listening to the opinions of the front line. We are also differentiating ourselves from our 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 our product-procurement ability based on our economies of scale.

We will plan and develop private brands based on the concept of “seasonal basics.” When items are in season, we have access to the biggest harvests and can enjoy the best flavors. We will apply this to our products to offer a seasonal advantage. In other words, we intend to offer products that will sell at 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 these products on basic items that customers feel the need to buy.

●Poster models for the 30th period



In national brands, we will develop a number of our original products by strengthening our partnership with suppliers. As we enter the milestone 30th fiscal term, we will promote special models of national brands to commemorate the 30th anniversary of Right-on, in order to strengthen the competitiveness of our stores.

●Achieving the five pillars of success

To achieve the five pillars of success, we will carry out MD to adapt to the climate and customers from the 30th fiscal term. By reflecting the opinions of front-line staff who deal with customers on a daily basis, we will introduce items that suit the climate of each region and the customers of each store. In addition, even after the introduction of the above items, we will adopt product control and change item prices in accordance with the climate of regions our stores are located and the characteristics of customers to maximize sales and profits.

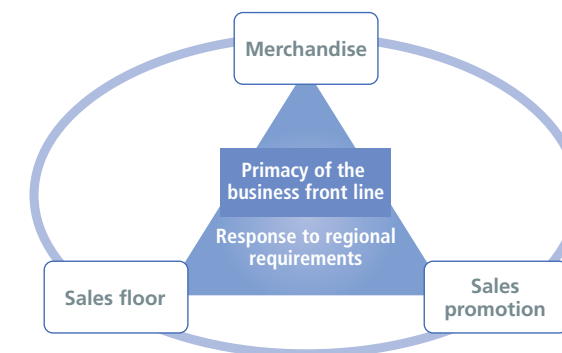
●30th anniversary special model



We employ a mixed media strategy that uses a variety of media, including TV commercials, having products featured in magazines, promotional activities via leaflets, sending out email newsletters and direct mail. By using different forms of media depending on the target audience, the timing and the purpose of marketing, we will strive to enhance our ability to attract customers.

We intend to conduct integrated marketing activities incorporating the three elements of products, sales floors and sales promotions, 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. The details of promotional activities will be determined based on the *primacy of the business front line* in accordance with regional requirements. In line with the introduction of different items by region (MD to adapt to the climate), we will promote seasonal items during the best season in each region to maximize effects of sales promotion.

●Evolution of “integrated marketing”



By improving training for store staff, we will strive to provide service that exceeds customer expectations, and develop stores that will make customers say “I would love to come here again.”

To strength sales capabilities, we are working especially closely with fashion advisors (part-time staff who excel at customer service and selling products) and deploying part-time staff, to pursue our commitment to improving their sales skills.

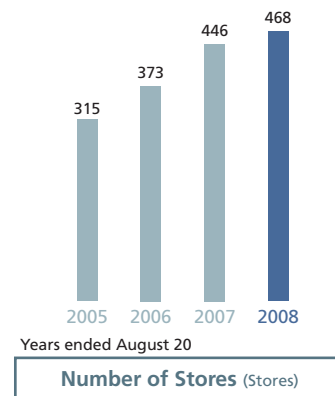
We also organize themed sales contests each season in order to boost sales motivation and instill a keener sense of competition between stores. We will conduct fine-tuned store management to improve sales at existing stores as well as future new store openings, while training store manager or its candidate who is able to increase sales.

When implementing the *primacy of the business front line*, store managers and front-line staff play key roles. To develop front-line staff who can carry out the *primacy of the business front line*, and can make proposals and requests to improve the competitiveness of their stores, we will encourage the voluntary submission of proposals from staff members, and resolve issues unique to each store without fail, while developing human resources by using OJT and training.



Store-opening Strategy

We have opened 468 stores nationwide, primarily based on the business type of Right-on, our core business. With regard to opening new stores in the future, we will seek to improve the accuracy of market research, and open stores that present a dominant feature in key areas and facilities to expand the sales share. We will also carry out “scrap and build” when required to bolster the efficiency of our stores. We plan to open 30 new stores and close 15 stores during the 30th fiscal term.



National total:
468 stores
(as of August 20, 2008)

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

Right-on	440
FLASH REPORT	26
MPS	2(3)
Total	468(3)

* Figures in parentheses refer to the number of stores attached to other businesses.

●Number of stores by area at the end of the term

Hokkaido area	22	Kinki area	69
Tohoku area	28	Chugoku area	25
Chubu area	28	Shikoku area	13
Kanto area	164	Kyushu area	52
Tokai area	64	Okinawa area	3

Outlook for the 30th Fiscal Term

We expect that we will face an even more difficult sales environment during the 30th fiscal term, given the slowdown in consumer spending and increasing concerns over the economic slump, in addition to growing competition in the industry due to reasons such as the entry of foreign competitors into the market.

With this in mind, we intend to develop seasonal basics under the principle of the “implementation of the primacy of the business front line,” and we will strive to achieve our five pillars of success by launching products that have been selected reflecting the climate of various regions our stores are located in and the different type of customers who visit our stores. We will also endeavor to enhance our performance by strengthening integrated marketing activities incorporating the three elements of

products, sales floors and sales promotions, and developing stores that will make customers say “I would love to come here again.”

In terms of results for the coming term, we forecast net sales of 105,000 million yen, operating income of 5,800 million yen, ordinary income of 5,800 million yen and net income of 2,500 million yen.

Forecasts for the 30th fiscal term

Net sales	105,000 million yen
Operating income	5,800 million yen
Ordinary income	5,800 million yen
Net income	2,500 million yen

Right-on Store Types

Shopping Centers

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



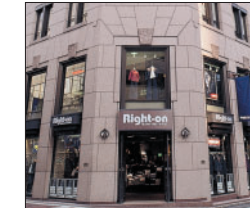
Suburban Roadside Stores

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.



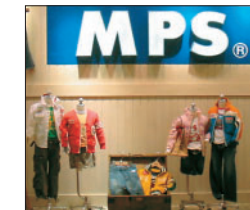
Store Brands

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.

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.

New Store Types

RAPUA



* Opened in November 2008

- RAPUA is a women's fashion store with a wide mix of merchandise assortment consisting of carefully selected original items, mainly fitting the description “American casual.” The store aims to offer customers a satisfying shopping experience by providing comfortable fashion items that match today's mood.
- RAPUA provides casual and basic everyday wear, focusing on the look and feel of the material to ensure superior comfort, and offers a wide selection of choice at reasonable prices.

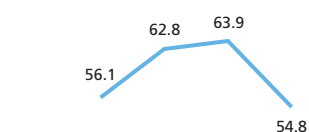
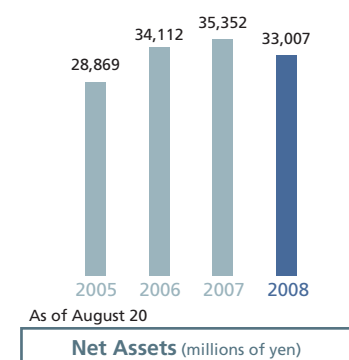
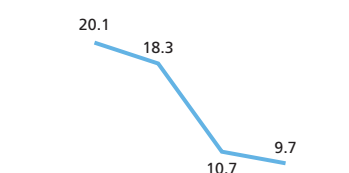
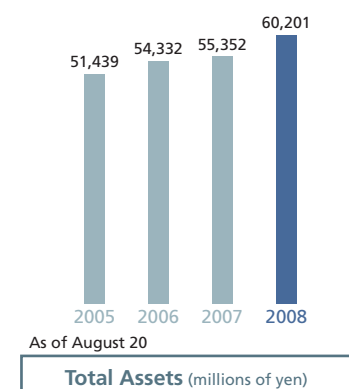
E-commerce business

* Commenced in November 2008

The internet-based mail order business has grown dramatically in recent years. To capture this new business opportunity, we began to run an e-commerce business (internet mail order service) in November 2008 in an effort to bolster sales.

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

Balance Sheets (Summary)



(Unit: millions of yen)

Item	Current term (as of August 20, 2008)		Previous term (as of August 20, 2007)	
	Value	Ratio	Value	Ratio
Assets				
Current assets	24,988	41.5%	19,804	35.8%
Cash and time deposits	8,717		4,540	
Accounts receivable-trade	1,296		1,196	
Merchandise	11,698		10,172	
Accrued income	2,106		2,146	
Other	1,169		1,748	
Fixed assets	35,213	58.5%	35,547	64.2%
Tangible assets	18,038	30.0%	18,173	32.8%
Buildings	11,639		11,514	
Structures	377		404	
Tools, furniture and fixtures	3,952		4,259	
Land	1,952		1,952	
Construction in progress	117		42	
Intangible assets	2,500	4.1%	3,161	5.7%
Investments and other assets	14,674	24.4%	14,212	25.7%
Guarantee and rental deposits	13,929		13,453	
Other	1,220		1,263	
Allowance for doubtful accounts	(475)		(504)	
Total assets	60,201	100.0%	55,352	100.0%

Point 1 Assets

Total assets as of the end of the term came to 60,201 million yen, a rise of 4,849 million yen year-on-year. Current assets rose by 5,183 million yen compared to the end of the previous term to 24,988 million yen. This was mainly due to an increase in cash and time deposits (up 4,176 million yen year-on-year). Fixed assets decreased by 333 million yen compared to the end of the previous term to 35,213 million yen. This was mainly due to a decline in tangible and intangible assets (down 795 million yen year-on-year), offsetting an increase in guarantee and rental deposits (up 476 million yen year-on-year).

(Unit: millions of yen)

Item	Current term (as of August 20, 2008)		Previous term (as of August 20, 2007)	
	Value	Ratio	Value	Ratio
Liabilities				
Current liabilities	21,237	35.3%	19,041	34.4%
Notes payable-trade	204		152	
Trust payable	12,462		12,440	
Accounts payable-trade	1,679		1,781	
Current portion of long-term loans payable	2,166		566	
Accounts payable-other	1,525		1,630	
Income taxes payable	1,092		456	
Reserve for bonuses	479		464	
Other	1,628		1,550	
Long-term liabilities	5,956	9.9%	958	1.7%
Long-term debt	5,695		661	
Other	261		296	
Total liabilities	27,194	45.2%	19,999	36.1%
Net assets				
Shareholders' equity	32,957	54.7%	35,253	63.7%
Capital stock	6,189	10.3%	6,189	11.2%
Capital surplus	6,475	10.7%	6,475	11.7%
Capital reserve	6,475		6,475	
Retained earnings	23,776	39.5%	22,741	41.1%
Legal reserve	78		78	
Other retained earnings	23,698		22,663	
Special reserve	4,000		4,000	
Retained earnings carried forward	19,698		18,663	
Treasury stock	(3,484)	(5.8%)	(153)	(0.3%)
Valuation and translation adjustments	49	0.1%	98	0.2%
Unrealized gains on marketable securities	49		98	
Total net assets	33,007	54.8%	35,352	63.9%
Total liabilities and net assets	60,201	100.0%	55,352	100.0%

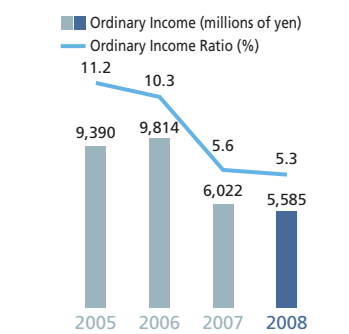
Point 2 Liabilities

Total liabilities as of the end of the term came to 27,194 million yen, a rise of 7,194 million yen compared to the end of the previous term. Current liabilities rose by 2,196 million yen compared to the end of the previous term to 21,237 million yen. This was mainly due to an increase in current portion of long-term loans payable (up 1,600 million yen year-on-year) and an increase in income taxes payable (up 636 million yen year-on-year). Long-term liabilities increased by 4,998 million yen compared to the end of the previous term to 5,956 million yen. This was mainly due to an increase in long-term debt (up 5,033 million yen year-on-year).

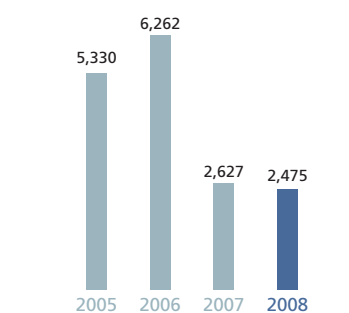
Point 3 Net assets

Total net assets as of the end of the term came to 33,007 million yen, a decrease of 2,344 million yen compared to the end of the previous term. This principally resulted from a decline associated with the acquisition of treasury stock (down 3,330 million yen year-on-year), offsetting an increase in retained earnings (up 1,035 million yen year-on-year). The equity ratio as a percentage of total assets came to 54.8%.

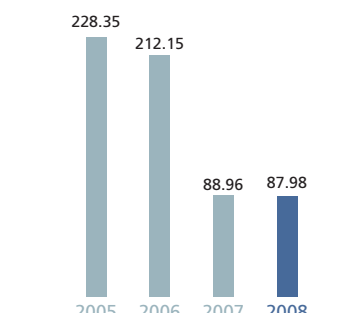
Statements of Income (Summary)



Years ended August 20
Ordinary Income and Ordinary Income Ratio



Years ended August 20
Net Income (millions of yen)



Years ended August 20
Net Income per Share (yen)

(Unit: millions of yen)

Item	Current term (year ended August 20, 2008)		Previous term (year ended August 20, 2007)	
Net sales	104,235	100.0%	106,676	100.0%
Cost of sales	55,194		58,516	
Gross profit on sales	49,041	47.0%	48,160	45.1%
Selling, general and administrative expenses	43,431		42,282	
Operating income	5,610	5.3%	5,877	5.5%
Non-operating income	268		321	
Non-operating expenses	293		177	
Ordinary income	5,585	5.3%	6,022	5.6%
Extraordinary income	64		119	
Extraordinary losses	1,114		1,320	
Income before income taxes	4,534	4.3%	4,821	4.5%
Income taxes				
Current:	2,190		2,431	
Deferred:	(131)		(237)	
Net income	2,475	2.4%	2,627	2.5%

Point

During the term under review, we faced a very difficult sales environment, as we were not fully prepared to cope with the slump in sales of pants, our core products, and unusual weather conditions. As a result, net sales declined 2.3% year-on-year to 104,235 million yen, the first decline since the Company was established.

We recorded a gross margin on sales of 47.0%, a significant improvement from 45.1% for the previous term, as a result of which we were able to limit losses from cut-price sales, reflecting an improvement in the operational accuracy of the *Scheme for Large Sales*. Despite this, operating income fell 4.6% from the previous term, to 5,610 million yen, and ordinary income declined 7.3% to 5,585 million yen.

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 2,475 million yen (down 5.8% year-on-year).

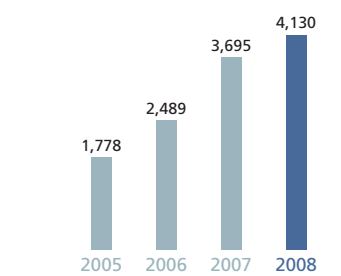
Statements of Cash Flows (Summary)

(Unit: millions of yen)

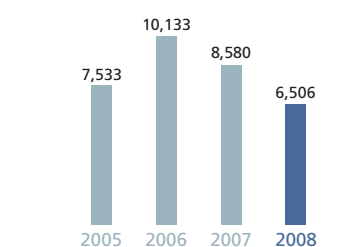
Item	Current term (year ended August 20, 2008)		Previous term (year ended August 20, 2007)	
Cash flows from operating activities	8,310		6,612	
Cash flows from investing activities	(5,996)		(7,515)	
Cash flows from financing activities	1,862		(988)	
Net increase (decrease) in cash and cash equivalents	4,176		(1,892)	
Cash and cash equivalents at beginning of the term	4,540		6,432	
Cash and cash equivalents at end of the term	8,717		4,540	

Point

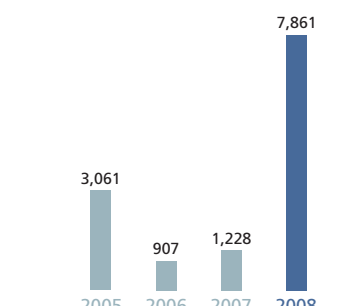
Cash and cash equivalents at the end of the term increases by 4,176 million yen compared to the end of the previous term, to 8,717 million yen (up 92.0% year-on-year). This increase was mainly due to the posting of income before income taxes totaling 4,534 million yen and proceeds from long-term debt offsetting factors such as the cost of acquiring tangible assets and the payment of guarantee deposits as part of opening new stores and store refurbishment, and the cost of acquiring treasury stock.



Years ended August 20
Depreciation (millions of yen)



Years ended August 20
Capital Investment (millions of yen)



Years ended August 20
Interest-bearing Debt (millions of yen)

Statement of Changes in Net Assets

(From August 21, 2007 to August 20, 2008)

(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, 2007	6,189	6,475	22,741	(153)	35,253	98	35,352
Changes during the current term							
Dividends from retained earnings	—	—	(738)	—	(738)	—	(738)
Dividends (Interim) from retained earnings	—	—	(701)	—	(701)	—	(701)
Net income	—	—	2,475	—	2,475	—	2,475
Acquisition of treasury stock	—	—	—	(3,330)	(3,330)	—	(3,330)
Increase/(decrease) on unrealized gains on marketable securities directly recorded in net assets	—	—	—	—	—	(48)	(48)
Total changes during the current term	—	—	1,035	(3,330)	(2,295)	(48)	(2,344)
Balance as of August 20, 2008	6,189	6,475	23,776	(3,484)	32,957	49	33,007

Corporate Data (as of August 20, 2008)

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: 987
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 18, 2008)

Masahiro Fujiwara	President and Representative Director
Tatsuharu Yokouchi	Director
Hiroshi Nakagawa	Director
Hirohisa Minamiya	Director
Yasuhiro Umeda	Director
Kazushi Orita	Director
Yusuke Fujiwara	Director
Noriyuki Miura	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 29th general meeting of shareholders on November 18, 2008 and assumed their posts.

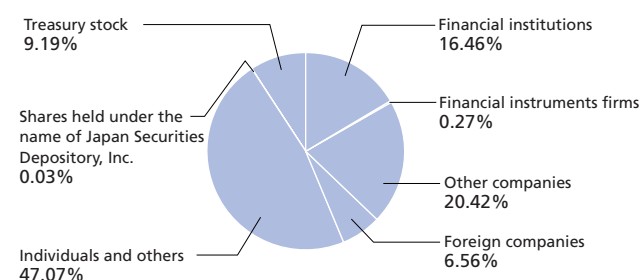
Stock Information (as of August 20, 2008)

Total number of shares authorized 60,000,000
 Total number of shares issued and outstanding 29,620,300
 Number of shareholders 13,611

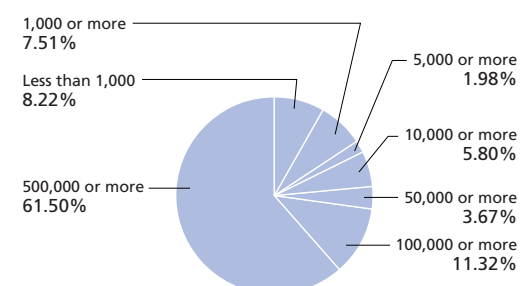
Major shareholders

Name	Number of shares held (thousands of shares)	Ratio of shares held (%)
Masahiro Fujiwara	5,210	17.59
Fujiwara Kosan Inc.	4,873	16.45
RIGHT ON Co., Ltd.	2,721	9.19
Yusuke Fujiwara	1,724	5.82
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	687	2.32
Eiko Fujiwara	674	2.28
Nippon Life Insurance Company	635	2.14
Ichigo Asset Trust	602	2.03
Japan Trustee Services Bank, Ltd. (Trust Account)	558	1.88
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

To carry out capital policies that respond flexibly to changes in the business environment, and to return profits to shareholders, we acquired treasury stock during the term under review. Details are as follows:

Date of acquisition	Method of acquisition	Number of shares acquired	Acquisition amount
October 1 to October 31, 2007	Purchase in the market by the trust method	1 million shares	1,340 million yen
December 3 to December 21, 2007	Purchase in the market by the trust method	480 thousand shares	640 million yen
March 31 to May 28, 2008	Purchase in the market by the trust method	580 thousand shares	690 million yen
June 3 to July 31, 2008	Purchase in the market by the trust method	490 thousand shares	550 million yen
August 1 to August 11, 2008	Purchase in the market by the trust method	80 thousand shares	90 million yen

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 x 3)
500 - 999	5,000 yen (1,000 yen coupon x 5)
1,000 -	7,000 yen (1,000 yen coupon x 7)

The expiration date is November 20 of the year after the coupon is presented.

Website Information

Information about Right-on is available at the following URLs:

- IR site: <http://www.right-on.co.jp/biz/ir/index.htm>
* On the IR site, settlement information is available, including data on monthly sales with year-on-year changes and financial results.
- Corporate information: <http://www.right-on.co.jp/biz/index.htm>
- Corporate site: <http://right-on.co.jp/> / <http://www.right-on.co.jp/english/>
- Mobile phone website: <http://right-on.co.jp>



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

Shares per Trading Unit:

100 shares

Handling Office of Administrator of Shareholders' Register:

Stock Transfer Agency Department, Head Office, Mizuho Trust & Banking Co., Ltd.
 2-1, Yaesu 1-chome, Chuo-ku, Tokyo

Public Notice:

The Company makes public notices electronically. However, if the Company is unable to give an electronic public notice because of an unavoidable reason, public notices may be given in the Nihon Keizai Shimbun.

For Mails & Contact:

	Up to December 30, 2008	From January 5, 2009
Mailing address	Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd. 2-1, Yaesu 1-chome, Chuo-ku, Tokyo	Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd. 8-4, Izumi 2-chome, Suginami-ku, Tokyo
Inquiries (payment of unpaid dividends, etc.)	Toll-free number: 0120-288-324 (unchanged)	

Note: Following the relocation of the share registrar's office, the mailing address has been changed as shown above.
 The securities companies with whom shareholder has account will continuously handle administrative operations such as changes of registered address.