

**Non-Consolidated Financial Results ( Unaudited )**
**Five-Year Summary**

(Thousands of yen)

| ※  | 2001       | 2002       | 2003       | 2004       | 2005       |
|--|------------|------------|------------|------------|------------|
| <b>Results</b>                               |            |            |            |            |            |
| Net sales                                    | 57,494,765 | 54,708,730 | 55,056,122 | 55,957,361 | 55,636,685 |
| (% increase/decrease)                        | [- 4.1%]   | [- 4.8%]   | [0.6%]     | [1.6%]     | [-0.6%]    |
| Franchises                                   | 46,906,934 | 43,265,205 | 41,491,527 | 40,986,858 | 41,263,105 |
| Company-owned stores                         | 8,702,852  | 9,747,983  | 12,037,366 | 13,434,673 | 12,224,964 |
| Other operating income                       | 1,884,979  | 1,695,542  | 1,527,227  | 1,535,829  | 2,148,613  |
| Cost of sales                                | 36,986,862 | 34,582,298 | 33,229,375 | 32,824,800 | 32,491,718 |
| Gross sales                                  | 20,507,902 | 20,126,432 | 21,826,746 | 23,132,561 | 23,144,967 |
| Selling, general and administrative expenses | 18,266,497 | 19,059,002 | 20,057,929 | 20,954,069 | 20,654,506 |
| Operating income                             | 2,241,404  | 1,067,430  | 1,768,817  | 2,178,491  | 2,490,460  |
| Ordinary income                              | 2,761,922  | 1,712,873  | 2,089,688  | 2,501,143  | 2,944,252  |
| Income before income taxes                   | 1,521,346  | 791,305    | 2,270,102  | 1,974,699  | -9,007,022 |
| Net income                                   | 784,212    | 336,371    | 1,133,740  | 1,011,198  | -7,446,395 |
| <b>Per Share of Common Stock</b>             |            |            |            |            |            |
| Net income                                   | 24.50      | 10.65      | 35.60      | 31.71      | -238.57    |
| Cash dividends                               | 10.00      | 16.00      | 20.00      | 22.00      | 24.00      |
| Net assets                                   | 1,353.60   | 1,355.58   | 1,382.75   | 1,404.54   | 1,140.89   |
| Payout ratio                                 | 40.2%      | 150.3%     | 55.6%      | 69.4%      | -          |
| <b>Financial Position</b>                    |            |            |            |            |            |
| Current assets                               | 20,375,287 | 19,165,214 | 21,028,026 | 17,056,247 | 17,872,229 |
| Total assets                                 | 53,944,149 | 53,079,236 | 54,229,818 | 54,527,086 | 46,746,650 |
| Current liabilities                          | 8,331,250  | 8,211,115  | 8,812,837  | 8,839,399  | 9,773,731  |
| Shareholders' equity                         | 43,328,592 | 42,824,139 | 43,587,471 | 44,248,542 | 35,334,712 |
| Capital expenditures                         | 1,141,945  | 1,336,052  | 2,633,318  | 1,877,741  | 1,916,225  |
| <b>Management Indices</b>                    |            |            |            |            |            |
| Ratio of operating income to net sales       | 3.9%       | 2.0%       | 3.2%       | 3.9%       | 4.5%       |
| Ratio of ordinary income to net sales        | 4.8%       | 3.1%       | 3.8%       | 4.5%       | 5.3%       |
| Return on sales (ROS)                        | 1.4%       | 0.6%       | 2.1%       | 1.8%       | -13.4%     |
| Ratio of ordinary income to total assets     | 5.1%       | 3.2%       | 3.9%       | 4.6%       | 5.8%       |
| Return on equity (ROE)                       | 1.8%       | 0.8%       | 2.6%       | 2.3%       | -18.7%     |
| Shareholders' equity ratio                   | 80.3%      | 80.7%      | 80.4%      | 81.1%      | 75.6%      |

※ Fiscal years ended March 31

**Non-Consolidated Balance Sheets ( Unaudited )**

March 31, 2005 and 2004

|                                 | 2005       | 2004       |
|---------------------------------|------------|------------|
| <Assets>                        |            |            |
| <b>Current Assets</b>           | 17,872,229 | 17,056,247 |
| Cash and deposits               | 5,828,390  | 5,312,984  |
| Accounts receivable             | 4,007,876  | 3,799,719  |
| Marketable securities           | 5,348,238  | 6,809,577  |
| Merchandise, Supplies           | 2,117,982  | 792,338    |
| Deferred tax assets             | 28,628     | 363,050    |
| Short-term loans receivable     | 460,737    | 283        |
| Other                           | 563,939    | 350,993    |
| Allowance for doubtful accounts | -483,565   | -372,700   |

|                                     |            |            |
|-------------------------------------|------------|------------|
| <b>Fixed Assets</b>                 | 28,874,420 | 37,470,839 |
| Property and Equipment              | 9,719,283  | 20,923,049 |
| Buildings                           | 4,619,685  | 6,349,598  |
| Land                                | 3,655,843  | 13,033,575 |
| Other                               | 1,392,885  | 1,539,876  |
| <b>Intangible Fixed Assets</b>      | 1,595,632  | 942,574    |
| <b>Investments and Other Assets</b> | 17,559,505 | 15,605,214 |
| Investments in securities           | 3,034,810  | 6,401,901  |
| Investments in affiliated companies | 4,371,062  | 3,401,974  |
| Deferred tax assets                 | 3,608,663  | 907,637    |
| Other                               | 7,055,454  | 5,834,588  |
| Allowance for doubtful accounts     | -210,486   | -310,886   |
| Allowance for investment losses     | -300,000   | -630,000   |
| <b>Total Assets</b>                 | 46,746,650 | 54,527,086 |

(Thousands of yen)

|  | 2005       | 2004       |
|--|------------|------------|
| <Liabilities>  |            |            |
| <b>Current Liabilities</b>   | 9,773,731  | 8,839,399  |
| Trade accounts payable   | 4,938,179  | 4,972,723  |
| Income taxes payable   | 804,894    | 544,874    |
| Consumption tax payable  | 9,593      | 183,849    |
| Reserve for bonus payments   | 327,000    | 350,000    |
| Other  | 3,694,060  | 2,787,951  |
| <b>Fixed Liabilities</b>   | 1,638,206  | 1,439,144  |
| Severance and retirement benefits for employees                        | 67,698     | 67,670     |
| Severance and retirement benefits for directors and corporate auditors | —          | —          |
| Provision for loss on guarantees                                       | 161,000    | 122,000    |
| Other  | 1,394,699  | 1,249,473  |
| <b>Total Liabilities</b>   | 11,411,937 | 10,278,544 |

|  |            |            |
|--|------------|------------|
| <Shareholders' Equity>                               |            |            |
| Common stock   | 11,412,845 | 11,412,845 |
| Capital surplus                                      | 11,100,524 | 11,100,524 |
| Retained earnings                                    | 13,839,124 | 22,052,194 |
| Revenue reserves                                     | 798,649    | 798,649    |
| Voluntary reserve                                    | 17,000,000 | 17,000,000 |
| Unappropriated retained earnings for the period      | -3,959,524 | 4,253,545  |
| Loss from revaluation of other securities            | 310,655    | 260,523    |
| Treasury Stock                                       | -1,328,436 | -577,544   |
| <b>Total Shareholders' Equity</b>                    | 35,334,712 | 44,248,542 |
| <b>Total of Liabilities and Shareholders' Equity</b> | 46,746,650 | 54,527,086 |

**Non-Consolidated Statements of Operations ( Unaudited )**

March 31, 2005 and 2004

(Thousands of yen)

|  | <b>2005</b> | <b>2004</b> |
|--|-------------|-------------|
| Net sales                                      | 55,636,685  | 55,957,361  |
| Cost of sales                                  | 32,491,718  | 32,824,800  |
| Gross profit on sales                          | 23,144,967  | 23,132,561  |
| Selling, general and administrative expenses   | 20,654,506  | 20,954,069  |
| Operating income                               | 2,490,460   | 2,178,491   |
| Non-operating income                           | 2,696,147   | 2,232,038   |
| Non-operating expenses                         | 2,242,356   | 1,909,386   |
| Ordinary income                                | 2,944,252   | 2,501,143   |
| Extraordinary gains                            | 470,994     | 313,618     |
| Extraordinary losses                           | 12,422,269  | 840,063     |
| Income before income taxes                     | -9,007,022  | 1,974,699   |
| Income taxes                                   | 1,077,000   | 729,000     |
| Adjustments for taxes                          | -2,637,626  | 234,501     |
| Net income for the year                        | -7,446,395  | 1,011,198   |
| Balance brought forward from the previous term | 3,863,601   | 3,557,475   |
|  | 1,434       | -           |
| Interim period dividends                       | 375,295     | 315,128     |
| Unappropriated income for the year             | -3,959,524  | 4,253,545   |

**Appropriation of Earnings ( Unaudited )**

March 31, 2005 and 2004

|   | <b>2005</b> | <b>2004</b> |
|---|-------------|-------------|
| Unappropriated income for the year            | -3,959,524  | 4,253,545   |
| will be appropriated as follows:              |             |             |
| Dividends                                     | 371,529     | 377,943     |
| Bonuses to directors                          | 12,000      | 12,000      |
| (of which, bonuses to auditors)               | 1,800       | 1,800       |
| (per share)                                   | 12.00       | 12.00       |
| Total   | 383,529     | 389,943     |
| Balance carried forward to the following term | 656,945     | 3,863,601   |

**Share Information****Per Share Indicators ( Unaudited )**

Fiscal years to March 31

(Yen)

|                                | 2001     | 2002     | 2003     | 2004     | 2005     |
|--------------------------------|----------|----------|----------|----------|----------|
| Net income per share           | 24.50    | 10.65    | 35.60    | 31.71    | -238.57  |
| Shareholders' equity per share | 1,353.60 | 1,355.58 | 1,382.75 | 1,404.54 | 1,140.89 |
| Dividends per share            | 10.00    | 16.00    | 20.00    | 22.00    | 24.00    |
| (Interim)                      | 5.00     | 8.00     | 8.00     | 10.00    | 12.00    |
| (Year end)                     | 5.00     | 8.00     | 12.00    | 12.00    | 12.00    |

**Shareholder by Type**

|                                       |       |
|---------------------------------------|-------|
| Security holding organizations        | 0.1%  |
| Government/local public organizations | 0.0%  |
| Banks                                 | 9.2%  |
| Life insurance                        | 7.0%  |
| Nonlife insurance                     | 0.1%  |
| Other financial institutions          | 0.1%  |
| Securities companies                  | 0.7%  |
| Other corporations                    | 17.8% |
| Own shares                            | 3.3%  |
| Foreign companies/individuals         | 16.9% |
| Individuals                           | 44.9% |

**Shareholders by Region**

|          |       |
|----------|-------|
| Hokkaido | 0.5%  |
| Tohoku   | 0.9%  |
| Kanto    | 59.4% |
| Chubu    | 8.5%  |
| Kinki    | 10.7% |
| Chugoku  | 1.4%  |
| Shikoku  | 2.0%  |
| Kyushu   | 1.9%  |
| Overseas | 14.8% |

**Shareholder Status**

|                             |             |  |
|-----------------------------|-------------|--|
| Number of shares authorized | 101,610,000 | Number of shareholders: 11,543 (of which, lot holders: 10,932) |
| Number of shares issued     | 32,009,910  | (decrease of 1,046 shareholders from end of previous term)     |

**Major Shareholders**

| Name   | Shares Held (thousands) | Voting Rights |
|--|-------------------------|---------------|
| MLI EFG Non-Treaty Custody Account                             | 2,194                   | 7.2%          |
| Nitto Co., Ltd.  | 1,415                   | 4.7%          |
| Kobai Shokuhin Kogyo Co., Ltd.                                 | 1,400                   | 4.6%          |
| Northern Trust Company (AVFC) sub-account American clients     | 1,325                   | 4.1%          |
| Nippon Life Insurance Company                                  | 1,243                   | 3.9%          |
| Daido Life Insurance Company                                   | 790                     | 3.3%          |
| Japan Trustee Services Bank, Ltd. ( Trust Account )            | 604                     | 2.5%          |
| The Bank of Tokyo - Mitsubishi, Ltd.                           | 595                     | 1.9%          |
| AIU Insurance Company ORD - 4                                  | 590                     | 1.9%          |
| Northern Trust Company (AVFC) Ryu S tax Exempted Pension Funds | 527                     | 1.8%          |

(as of March 31, 2005)

1. The MLIEFG Non-treaty Custody Account refers to the custodian bank and is registered as the holder of the shares for which it is in charge of management/custody (custodian).
2. Northern Trust Company (AVFC) Sub-account American Clients is a custodian bank and is registered as the holder of the shares for which it is in charge of management/custody (custodian).
3. Northern Trust Company (AVFC) Re U.S. Tax Exempted Pension Funds is the custodian bank and is registered as the holder of the shares for which it is in charge of management/custody (custodian).
4. The total number of shares held by Japan Trustee Service Bank, Ltd. (Trust Account) is related to securities investment trusts, etc.
5. Although the Company holds 1,049,000 shares as treasury stock, it is excluded from the above-mentioned major shareholders, since it has no voting rights.
6. Although a notification report (dated May 22, 2000) of substantial (quantity) shareholdings as well as an amended report (dated March 9, 2005) with the details that follow below has been submitted by Silchester International Investors, Ltd., we have not included said firm among the above-mentioned major shareholders, since we have not been able to verify the exact number of shares held in said firm's name at the end of the fiscal period under review. For your reference, we have received a separate report from the company to the effect that the shareholdings are registered under the name of the Northern Trust Company (AVFC) Sub-account American Clients, etc., which is the custodian bank charged with management/custody of the shares.

Holder of substantial share quantity: Silchester International Investors, Ltd.  
Address: Heath Court House 20, Saville Row, London W1S 3PR, England, UK  
Number of shares held: 2,187,100  
Total number of shares outstanding (as of March 31, 2004): 32,009,910  
Percentage of shares outstanding held by said party: 6.83%

7. Although a notification report (dated October 25, 2004) of substantial (quantity) shareholdings as well as an amended report (dated November 19, 2004) with the details that follow below has been submitted by Steel Partners Japan Co., Ltd., we have not included said firm among the above-mentioned major shareholders, since we have not been able to verify the exact number of shares held in said firm's name at the end of the fiscal period under review. For your reference, we have received a separate report from the company to that effect that the shareholdings are registered under the name of the MLIEFG Non-treaty Custody Account, the custodian bank charged with management/custody of the shares.

Holder in large numbers: Steel Partners Japan Strategic Fund Offshore LP  
Address: Hemisphere Fund Managers Limited., P.O. Box 30362, SMB 3rd Floor, Harbour Centre, North Church Street, George Town, Grand Cayman, Cayman Islands, B.W.I  
Number of shares held: 1,958,000  
Total number of shares outstanding (as of November 12, 2004) 32,009,910  
Percentage of the number of stocks outstanding held by said party 6.12%

**Consolidated Five-year Summary ( Unaudited )**

Fiscal years to March 31

(Thousands of yen)

|                      | <b>2001</b> | <b>2002</b> | <b>2003</b> | <b>2004</b> | <b>2005</b> |
|----------------------|-------------|-------------|-------------|-------------|-------------|
| Net sales            | 70,819,787  | 72,122,436  | 65,668,290  | 58,675,779  | 59,345,939  |
| Operating income     | 2,527,043   | 1,461,303   | 2,328,852   | 2,114,967   | 2,046,123   |
| Ordinary income      | 2,973,154   | 2,050,318   | 2,604,808   | 2,521,773   | 2,615,928   |
| Net income           | 1,017,821   | 694,216     | 1,058,733   | 1,087,365   | -7,348,474  |
| Total assets         | 64,847,686  | 65,289,634  | 57,523,715  | 56,776,018  | 48,336,544  |
| Shareholders' equity | 43,515,272  | 43,959,561  | 44,549,234  | 44,819,287  | 35,538,357  |

**Business Segment Information ( Unaudited )**

(Thousands of yen)

|   | <b>MOS Burger<br/>Business</b> | <b>Restaurant<br/>Business</b> | <b>Other</b> | <b>Total</b> | <b>Corporate<br/>or Elimination</b> | <b>Consolidated</b> |
|---|--------------------------------|--------------------------------|--------------|--------------|-------------------------------------|---------------------|
| I. Net Sales and Operating Income                 |                                |                                |              |              |                                     |                     |
| Net sales   |                                |                                |              |              |                                     |                     |
| (1) External customers                            | 56,717,383                     | 2,152,595                      | 475,960      | 59,345,939   | -                                   | 59,345,939          |
| (2) Inter-segment                                 | 2,922                          | 3,555                          | 747,802      | 754,280      | -754,280                            | -                   |
| Total   | 56,720,306                     | 2,156,150                      | 1,223,763    | 60,100,220   | -754,280                            | 59,345,939          |
| Operating expenses                                | 54,442,676                     | 2,488,372                      | 1,164,079    | 58,095,128   | -795,312                            | 57,299,816          |
| Operating income                                  | 2,277,629                      | -332,221                       | 59,683       | 2,005,091    | 41,031                              | 2,046,123           |
| II. Assets, Depreciation and Capital Expenditures |                                |                                |              |              |                                     |                     |
| Assets  | 44,324,886                     | 837,349                        | 3,824,951    | 48,987,187   | -650,643                            | 48,336,544          |
| Depreciation                                      | 1,597,234                      | 66,861                         | 45,516       | 1,709,612    | 60                                  | 1,709,672           |
| Capital expenditures                              | 3,290,140                      | 106,285                        | 269,928      | 3,666,354    | 540                                 | 3,666,894           |

## Consolidated Subsidiaries

(Thousands of yen)

| <b>Subsidiary</b>              | <b>Capitalization</b> | <b>Share</b> | <b>Principal Business Operations</b>   |
|--------------------------------|-----------------------|--------------|--|
| MHS, Inc.                      | 10,000                | 100%         | Food sanitation inspection             |
| MOS Credit, Inc.               | 300,000               | 100%         | Financing                              |
| TOMOS, Inc.                    | 200,000               | 98.6%        | Chirimentei Chinese-style restaurants  |
| Shikina, Inc.                  | 350,000               | 100%         | Japanese-style restaurant AEN          |
| Partnersfor, Inc.              | 227,100               | 99.1%        | MOS Burger in Hokkaido area            |
| MOS FOOD SERVICES KYUSYU, Inc. | 250,000               | 100%         | MOS Burger in Kyusyu area              |
| MOS FOOD SERVICES TOHOKU, Inc. | 240,000               | 100%         | MOS Burger in Hokkaido and Tohoku area |
| MOS FOOD SERVICES KANSAI, Inc. | 350,000               | 100%         | MOS Burger in Kansai area              |

**Consolidated Balance Sheets ( Unaudited )**

March 31, 2005 and 2004

|                                      | 2005       | 2004       |
|--------------------------------------|------------|------------|
| <Assets>                             |            |            |
| <b>Current Assets</b>                | 19,057,232 | 18,442,714 |
| Cash and deposits                    | 6,904,982  | 6,080,565  |
| Accounts receivable                  | 4,015,874  | 3,927,939  |
| Marketable securities                | 5,368,386  | 6,829,724  |
| Inventories                          | 2,198,534  | 833,050    |
| Deferred tax assets                  | 282,958    | 375,463    |
| Other                                | 807,903    | 816,417    |
| Allowance for doubtful accounts      | -521,407   | -420,446   |
| <b>Fixed Assets</b>                  | 29,279,312 | 38,333,303 |
| Property and Equipment               | 10,761,090 | 21,277,335 |
| Buildings and structures             | 5,471,044  | 6,952,748  |
| Machinery and transport equipment    | 6,041      | 23,565     |
| Instruments, appliances and fixtures | 1,454,222  | 1,209,859  |
| Land                                 | 3,748,488  | 13,072,271 |
| Construction in progress             | 81,292     | 18,891     |
| <b>Intangible Assets</b>             | 1,696,945  | 1,061,719  |
| <b>Investments and Other Assets</b>  | 16,821,276 | 15,994,247 |
| Investments in securities            | 4,750,188  | 8,641,298  |
| Long-term loans receivable           | 1,956,288  | 1,883,665  |
| Guarantees                           | 4,769,363  | 4,542,710  |
| Deferred tax assets                  | 3,695,935  | 795,269    |
| Other                                | 2,373,499  | 928,548    |
| Allowance for doubtful accounts      | -423,998   | -497,244   |
| Allowance for investment losses      | -300,000   | -300,000   |
| <b>Total Assets</b>                  | 48,336,544 | 56,776,018 |

(Thousands of yen)

|  | 2005       | 2004       |
|--|------------|------------|
| <Liabilities>  |            |            |
| <b>Current Liabilities</b>   | 11,340,372 | 10,520,801 |
| Accounts payable   | 5,059,964  | 5,093,795  |
| Short-term bank loans  | 1,233,568  | 1,314,040  |
| Income taxes payable   | 856,108    | 559,510    |
| Reserve for bonus payments   | 371,600    | 397,740    |
| Other  | 3,819,130  | 3,155,714  |
| <b>Fixed Liabilities</b>   | 1,456,419  | 1,435,928  |
| Long-term bank loans   | 29,411     | 38,410     |
| Severance and retirement benefits for employees                        | 67,698     | 69,488     |
| Severance and retirement benefits for directors and corporate auditors | 5,380      | 7,975      |
| Other  | 1,353,929  | 1,320,055  |
| <b>Total Liabilities</b>   | 12,796,792 | 11,956,730 |
| <Minority Interests>   |            |            |
| Minority Interests   | 1,394      | —          |
| <Shareholders' Equity>   |            |            |
| Common stock   | 11,412,845 | 11,412,845 |
| Capital surplus  | 11,100,524 | 11,100,524 |
| Retained earnings  | 15,261,536 | 23,564,877 |
| Net unrealized gain (loss) on securities                               | 310,655    | 260,523    |
| Foreign statement translation adjustment                               | -831,915   | -711,929   |
| Treasury stock   | -1,715,287 | -807,553   |
| <b>Total Shareholders' Equity</b>                                      | 35,538,357 | 44,819,287 |
| <b>Total Liabilities, Minority Interests and Shareholders' Equity</b>  | 48,336,544 | 56,776,018 |

**Consolidated Statements of Operations ( Unaudited )**

March 31, 2005 and 2004

(Thousands of yen)

|  | <b>2005</b> | <b>2004</b> |
|--|-------------|-------------|
| Net sales                                    |             |             |
| Net sales                                    | 59,345,939  | 58,675,779  |
| Cost of sales                                | 33,642,926  | 34,198,042  |
| Gross profit on sales                        | 25,703,013  | 24,477,736  |
| Selling, general and administrative expenses | 23,656,889  | 22,362,769  |
| Operating income                             | 2,046,123   | 2,114,967   |
| Non-operating income                         | 2,693,702   | 2,318,974   |
| Interest earned                              | 67,018      | 73,793      |
| Dividend income                              | 11,436      | 10,732      |
| Gain on bond retirement                      | —           | —           |
| Marketable Securities income                 | —           | 4,053       |
| Rent income                                  | 1,534,549   | 1,404,377   |
| Campaign support funds                       | 718,871     | 488,969     |
| Investment return under the equity method    | 99,293      | 64,603      |
| Miscellaneous income                         | 262,532     | 272,445     |
| Non-operating expenses                       | 2,123,897   | 1,912,169   |
| Interest expense                             | 4,883       | 6,823       |
| Rent expenses                                | 1,819,187   | 1,669,500   |
| Miscellaneous expenditures                   | 299,825     | 235,844     |
| Ordinary income                              | 2,615,928   | 2,521,773   |
| Extraordinary gains                          | 81,176      | 271,738     |
| Extraordinary losses                         | 11,740,082  | 635,905     |
| Income before income taxes                   | -9,042,977  | 2,157,606   |
| Income taxes                                 | 1,133,695   | 767,579     |
| Adjustments for taxes                        | -2,828,146  | 302,660     |
| Minority interests                           | 51          | —           |
| Net income                                   | -7,348,474  | 1,087,365   |