

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

(Thousands of yen)

※	2002	2003	2004	2005	2006
<b>Results</b>					
Net sales	54,708,730	55,056,122	55,957,361	55,636,685	51,657,883
(% increase/decrease)	[- 4.8%]	[0.6%]	[1.6%]	[-0.6%]	[-7.2%]
Franchisees	43,265,205	41,491,527	40,986,858	41,263,105	43,140,825
Company-owned stores	9,747,983	12,037,366	13,434,673	12,224,964	6,346,176
Other operating income	1,695,542	1,527,227	1,535,829	2,148,613	2,170,882
Cost of sales	34,582,298	33,229,375	32,824,800	32,491,718	31,975,324
Gross profit on sales	20,126,432	21,826,746	23,132,561	23,144,967	19,682,558
Selling, general and administrative expenses	19,059,002	20,057,929	20,954,069	20,654,506	16,807,893
Operating income	1,067,430	1,768,817	2,178,491	2,490,460	2,874,665
Ordinary income	1,712,873	2,089,688	2,501,143	2,944,252	3,687,488
Income before income taxes	791,305	2,270,102	1,974,699	-9,007,022	3,563,745
Net income	336,371	1,133,740	1,011,198	-7,446,395	1,806,309
<b>Per Share of Common Stock</b>					
Net income	10.65	35.60	31.71	-238.57	58.25
Cash dividends	16.00	20.00	22.00	24.00	26.00
Net assets	1,355.58	1,382.75	1,404.54	1,140.89	1,156.86
Payout ratio	150.3%	55.6%	69.4%	-	44.6%
<b>Financial Position</b>					
Current assets	19,165,214	21,028,026	17,056,247	17,872,229	15,546,015
Total assets	53,079,236	54,229,818	54,527,086	46,746,650	43,395,839
Current liabilities	8,211,115	8,812,837	8,839,399	9,773,731	6,665,385
Shareholders' equity	42,824,139	43,587,471	44,248,542	35,334,712	34,717,741
<b>Management Indices</b>					
Ratio of operating income to net sales	2.0%	3.2%	3.9%	4.5%	5.6%
Ratio of ordinary income to net sales	3.1%	3.8%	4.5%	5.3%	7.1%
Return on sales (ROS)	0.6%	2.1%	1.8%	-13.4%	3.5%
Ratio of ordinary income to total assets	3.2%	3.9%	4.6%	5.8%	8.2%
Return on equity (ROE)	0.8%	2.6%	2.3%	-18.7%	5.2%
Shareholders' equity ratio	80.7%	80.4%	81.1%	75.6%	80.0%

※ Fiscal years ended March 31

### Non-Consolidated Balance Sheets ( Unaudited )

March 31, 2006 and 2005

	2006	2005
<Assets>		
<b>Current Assets</b>	15,546,015	17,872,229
Cash and deposits	2,740,259	5,828,390
Accounts receivable	4,314,547	4,007,876
Marketable securities	2,348,432	5,348,238
Merchandise, Supplies	2,688,971	2,117,982
Deferred tax assets	18,919	28,628
Short-term loans receivable	1,760,389	460,737
Other	2,020,699	563,939
Allowance for doubtful accounts	-346,204	-483,565

<b>Fixed Assets</b>	27,849,823	28,874,420
Property and Equipment	6,263,582	9,719,283
Buildings	3,402,747	4,619,685
Land	1,875,328	3,655,843
Other	985,120	1,392,885
<b>Intangible Fixed Assets</b>	1,545,061	1,595,632
<b>Investments and Other Assets</b>	20,041,180	17,559,505
Investments in securities	5,543,978	3,034,810
Investments in affiliated companies	5,662,560	4,371,062
Deferred tax assets	404,288	3,608,663
Other	9,388,579	7,055,454
Allowance for doubtful accounts	-214,229	-210,486
Allowance for investment losses	-744,000	-300,000
<b>Total Assets</b>	43,395,839	46,746,650

(Thousands of yen)

	2006	2005
<Liabilities>		
<b>Current Liabilities</b>	6,665,385	9,773,731
Trade accounts payable	3,841,204	4,938,179
Income taxes payable	41,027	804,894
Consumption tax payable	97,949	9,593
Reserve for bonus payments	301,922	327,000
Other	2,383,280	3,694,060
<b>Fixed Liabilities</b>	2,012,712	1,638,206
Severance and retirement benefits for employees	5,425	67,698
Severance and retirement benefits for directors and corporate auditors	—	—
Provision for loss on guarantees	257,000	161,000
Other	1,750,286	1,409,507
<b>Total Liabilities</b>	8,678,098	11,411,937

<Shareholders' Equity>		
Common stock	11,412,845	11,412,845
Capital surplus	11,100,524	11,100,524
Retained earnings	14,817,229	13,839,124
Revenue reserves	798,649	798,649
Voluntary reserve	12,000,000	17,000,000
Unappropriated retained earnings for the period	2,018,580	-3,959,524
Loss from revaluation of other securities	441,375	310,655
Treasury Stock	-3,054,232	-1,328,436
<b>Total Shareholders' Equity</b>	34,717,741	35,334,712
<b>Total of Liabilities and Shareholders' Equity</b>	43,395,839	46,746,650

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

March 31, 2006 and 2005

(Thousands of yen)

	<b>2006</b>	<b>2005</b>
Net sales	51,657,883	55,636,685
Cost of sales	31,975,324	32,491,718
Gross profit on sales	19,682,558	23,144,967
Selling, general and administrative expenses	16,807,893	20,654,506
Operating income	2,874,665	2,490,460
Non-operating income	2,997,707	2,696,147
Non-operating expenses	2,184,884	2,242,356
Ordinary income	3,687,488	2,944,252
Extraordinary gains	1,151,224	470,994
Extraordinary losses	1,274,967	12,422,269
Income before income taxes	3,563,745	-9,007,022
Income taxes	46,332	1,077,000
Adjustments for taxes	1,711,104	-2,637,626
Net income for the year	1,806,309	-7,446,395
Balance brought forward from the previous term	656,945	3,863,601
Treasury stock disposal difference loss	41,524	1,434
Interim period dividends	403,150	375,295
Unappropriated income for the year	2,018,580	-3,959,524

**Appropriation of Earnings ( Unaudited )**

March 31, 2006 and 2005

	<b>2006</b>	<b>2005</b>
Unappropriated income for the year	2,018,580	-3,959,524
will be appropriated as follows:		
Dividends	389,964	371,529
Bonuses to directors	15,000	12,000
(of which, bonuses to auditors)	2,200	1,800
(per share)	13.00	12.00
Total	404,964	383,529
Balance carried forward to the following term	1,613,615	656,945

## Share Information

### Per Share Indicators ( Unaudited )

Fiscal years to March 31

(Yen)

	2002	2003	2004	2005	2006
Net income per share	10.65	35.60	31.71	-238.57	58.25
Shareholders' equity per share	1,355.58	1,382.75	1,404.54	1,140.89	1,156.86
Dividends per share	16.00	20.00	22.00	24.00	26.00
(Interim)	8.00	8.00	10.00	12.00	13.00
(Year end)	8.00	12.00	12.00	12.00	13.00

### Ownership and Distribution of share

Individuals	16,258,664 (50.8%)
Other corporations	5,799,850 (18.1%)
Foreign companies/individuals	2,749,913 (8.6%)
Banks	2,665,057 (8.3%)
Life insurance	2,357,157 (7.4%)
Own shares	2,012,647 (6.3%)
Securities companies	124,906 (0.4%)
Nonlife insurance	30,745 (0.1%)
Other financial institutions	11,971 (0.0%)

### Distribution of Shares by Area

Kanto	20,926,323 (65.4%)
Kinki	3,760,297 (11.7%)
Chubu	2,789,367 (8.7%)
Shikoku	700,014 (2.2%)
Kyushu	708,139 (2.2%)
Chugoku	502,538 (1.6%)
Tohoku	343,871 (1.1%)
Hokkaido	186,583 (0.6%)
Overseas	2,092,778 (6.5%)

**Shareholder Status**

Number of shares authorized	101,610,000
Number of shares issued	32,009,910
Number of shareholders	19,614 (of which, unit holders: 19,443)

**Major Shareholders**

Name	Shares Held (thousands)	Voting Rights
Steel Partners Japan Strategic Fund (offshore), L.P	1,770	5.9%
KOBAL FOOD, Inc	1,400	4.7%
Nippon Life Insurance Company	1,343	4.5%
Nitto Co., Ltd.	1,214	4.1%
Bank of Tokyo-Mitsubishi UFJ	829	2.8%
Daido Life Insurance Company	790	2.6%
Yamazaki Baking Co., Ltd.	618	2.1%
AIU Insurance Company ORD - 4	591	2.0%
The Master Trust Bank of Japan, Ltd. (Trust Account)	435	1.5%
Nippon Meat Packers, Inc.	431	1.4%

Treasury stock of 2,012 thousand shares was excluded from the above list due to non-voting rights. (as of March 31, 2006)

**【Special Benefit Plan for Shareholders】**

The Company issues coupon tickets to shareholders twice a year, which is applied to all stores of Mos Burger Group \* throughout Japan according to the number of shares held. \* Each store of Mos Burger Group: Mos Burger, Mother Leaf, 8°C, Stephan Grill, MOS's-C, Chirimen-tei, AEN, etc. (some of stores are excluded from the subject of its coupon ticket)

**■ Issue Date: June, November (planned)****■ Eligible Shareholders for coupon ticket**

Coupon ticket is only for shareholders who hold more than one unit of shares (100 shares). For June issue, shareholders who are registered on the Company's shareholders register as of the end of March each year will be subject to the issue. For November issue, shareholders who are registered on the Company's shareholders register as of the end of September each year will be subject to the issue.

**■ Details of Special Benefit Plan**

100 shares or more - less than 500 shares ····· ¥1,000 worth of coupon ticket-a-year (¥500 worth coupon ticket×1 sheet×2 times)

500 shares or more - less than 1,000 shares ····· ¥6,000 worth coupon ticket-a-year (¥500 coupon ticket×6 sheets×2 times)

1,000 shares or more ····· ¥20,000 worth coupon ticket -a-year (¥500 coupon ticket×20 sheets×2 times)

**■ Expiration Date**

For June issue – will be effective till the end of March of the following year

For November issue – will be effective till the end of September of the following year

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

Fiscal years to March 31

(Thousands of yen)

	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Net sales	72,122,436	65,668,290	58,675,779	59,345,939	58,216,912
Operating income	1,461,303	2,328,852	2,114,967	2,046,123	2,315,523
Ordinary income	2,050,318	2,604,808	2,521,773	2,615,928	3,194,795
Net income	694,216	1,058,733	1,087,365	-7,348,474	1,092,020
Total assets	65,289,634	57,523,715	56,776,018	48,336,544	46,139,035
Shareholders' equity	43,959,561	44,549,234	44,819,287	35,538,357	35,071,728

**Business Segment Information ( Unaudited )**

(Thousands of yen)

	<b>MOS Burger Business</b>	<b>Restaurant Business</b>	<b>Other</b>	<b>Total</b>	<b>Corporate or Elimination</b>	<b>Consolidated</b>
I. Net Sales and Operating Income						
Net sales						
(1) External customers	55,228,763	2,189,731	798,417	58,216,912	-	58,216,912
(2) Inter-segment	119,494	1,747	783,171	904,413	-904,413	-
Total	55,348,258	2,191,479	1,581,588	59,121,326	-904,413	58,216,912
Operating expenses	52,848,137	2,371,243	1,446,800	56,666,181	-764,791	55,901,389
Operating income	2,500,120	-179,763	134,787	2,455,145	-139,621	2,315,523
II. Assets, Depreciation and Capital Expenditures						
Assets	41,888,883	836,297	6,173,796	48,898,977	-2,759,942	46,139,035
Depreciation	1,760,037	61,197	180,559	2,001,794	-	2,001,794
Capital expenditures	2,089,855	35,830	860,344	2,986,030	-	2,986,030

## Consolidated Subsidiaries

(Thousands of yen)

Subsidiary	Capitalization	Share	Principal Business Operations
MHS, Inc.	10,000	100%	Food sanitation inspection
MOS Credit, Inc.	300,000	100%	Financing
TOMOS, Inc.	200,000	98.6%	Chirimentei Chinese-style restaurant
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.	450,000	100%	MOS Burger in Kansai area
MOS FOOD SERVICES KITA-KANTO, Inc.	300,000	100%	MOS Burger in Kita-kannto area
MOS FOOD SERVICES MINAMI-KANTO, Inc.	375,000	100%	MOS Burger in Minami-kannto area
CreateM's, Inc.	155,000	95.2%	MOS Burger in Tohoku area
MOS Human Academy, Inc.	50,000	100%	Personnel Training
MES, Inc.	30,000	100%	Engage in restaurant maintenance works

**Consolidated Balance Sheets ( Unaudited )**

March 31, 2006 and 2005

	2006	2005
<Assets>		
<b>Current Assets</b>	16,730,433	19,057,232
Cash and deposits	5,022,679	6,904,982
Accounts receivable	4,059,052	4,015,874
Marketable securities	2,368,582	5,368,386
Inventories	2,749,593	2,198,534
Deferred tax assets	1,701,304	282,958
Other	1,190,533	807,903
Allowance for doubtful accounts	-361,313	-521,407
<b>Fixed Assets</b>	29,408,602	29,279,312
Property and Equipment	8,967,640	10,761,090
Buildings and structures	4,647,695	5,471,044
Machinery and transport equipment	2,753	6,041
Instruments, appliances and fixtures	2,324,241	1,454,222
Land	1,967,973	3,748,488
Construction in progress	24,976	81,292
<b>Intangible Assets</b>	1,635,143	1,696,945
<b>Investments and Other Assets</b>	18,805,818	16,821,276
Investments in securities	7,373,281	4,750,188
Long-term loans receivable	3,359,679	1,956,288
Guarantees	5,024,083	4,769,363
Deferred tax assets	487,275	3,695,935
Other	3,341,206	2,373,499
Allowance for doubtful accounts	-479,707	-423,998
Allowance for investment losses	-300,000	-300,000
<b>Total Assets</b>	46,139,035	48,336,544

(Thousands of yen)

	2006	2005
<Liabilities>		
<b>Current Liabilities</b>	9,169,993	11,340,372
Accounts payable	3,884,678	5,059,964
Short-term bank loans	1,824,976	1,233,568
Income taxes payable	126,304	856,108
Reserve for bonus payments	378,244	371,600
Other	2,955,790	3,819,130
<b>Fixed Liabilities</b>	1,881,891	1,456,419
Long-term bank loans	447,520	29,411
Severance and retirement benefits for employees	10,851	67,698
Severance and retirement benefits for directors and corporate auditors	—	5,380
Other	1,423,519	1,353,929
<b>Total Liabilities</b>	11,051,885	12,796,792
<Minority Interests>		
Minority Interests	15,421	1,394
<Shareholders' Equity>		
Common stock	11,412,845	11,412,845
Capital surplus	11,100,524	11,100,524
Retained earnings	15,911,403	15,261,536
Net unrealized gain (loss) on securities	441,750	310,655
Foreign statement translation adjustment	-61,502	-831,915
Treasury stock	-3,733,292	-1,715,287
<b>Total Shareholders' Equity</b>	35,071,728	35,538,357
<b>Total Liabilities, Minority Interests and Shareholders' Equity</b>	46,139,035	48,336,544

**Consolidated Statements of Operations ( Unaudited )**

March 31, 2006 and 2005

(Thousands of yen)

	<b>2006</b>	<b>2005</b>
Net sales		
Net sales	58,216,912	59,345,939
Cost of sales	33,364,187	33,642,926
Gross profit on sales	24,852,725	25,703,013
Selling, general and administrative expenses	22,537,201	23,656,889
Operating income	2,315,523	2,046,123
Non-operating income	2,883,452	2,693,702
Interest earned	89,944	67,018
Dividend income	22,223	11,436
Marketable Securities income	-	-
Rent income	1,661,590	1,534,549
Campaign support funds	833,328	718,871
Investment return under the equity method	64,714	99,293
Miscellaneous income	211,650	262,532
Non-operating expenses	2,004,180	2,123,897
Interest expense	7,408	4,883
Rent expenses	1,781,519	1,819,187
Miscellaneous expenditures	215,253	299,825
Ordinary income	3,194,795	2,615,928
Extraordinary gains	1,034,823	81,176
Extraordinary losses	1,290,218	11,740,082
Income before income taxes	2,939,400	-9,042,977
Income taxes	129,897	1,133,695
Adjustments for taxes	1,717,812	-2,828,146
Minority interests	329	51
Net income	1,092,020	-7,348,474