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April 19, 2002



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Dear Sirs,

We extend our sincere appreciation for your kind attention being given to our Company.

We are pleased to send you herewith a copy of our Press Announcement made here on April 19, 2002, which includes the Company's business results for the year ended February 28, 2002.

With best wishes,

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Yours faithfully,

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THOMSON
FINANCIAL

K. Uetsuka

Kazuya Uetsuka

Director

Division Manager

Finance Division

The Daiei, Inc.

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PRESS ANNOUNCEMENT (TRANSLATION)

April 19, 2002

The Daiei, Inc.

4-1-1,Minatojima Naka-machi,
Chuo-ku, Kobe 650-0046, Japan

- Securities code No.8263
- The Shares of the Company are listed on the first section of the Stock Exchange in Osaka, Tokyo and Nagoya, and on the Stock Exchange in Fukuoka and Sapporo.
- Annual Closing date: The last day of February
- Interim dividends may be payable
- We adopted a tangen-kabu (unit-share) system, which a fixed number of shares comprise one unit(Tangen).One thousand shares comprise one unit (Tangen)
- Inquiries relating to this announcement should be made to:

Masato Takeda

Department Manager

Accounting Settlement Department, Accounting Division

(Tel.) 03-3433-9535 Tokyo, Japan

The Daiei, Inc. has announced the non-consolidated and consolidated business results for the fiscal year ended February 28, 2002

Notes

As far as non-consolidated financial data are concerned , any fractional sums of less than one million yen are discarded.

1. The financial statements of the fiscal year ended February 28, 2002 were approved at the meeting of the Board of Directors held on April 19, 2002.
2. The ordinary general meeting of shareholders is to be held on May 23, 2002

1. Non-consolidated business results (from March 1,2001 to February 28, 2002)

(1)Business results

| | <u>For the year ended</u> | | Increase (decrease) [%] |
|---|----------------------------|----------------------------|---------------------------------|
| | February 28 <u>2001</u> | February 28 <u>2002</u> | |
| | [In millions of yen] | | |
| Operating revenues | 1,980,568 | 1,731,222 | (12.6) |
| Operating income | 12,257 | 21,722 | 77.2 |
| Ordinary profit | 2,044 | 14,121 | 590.8 |
| Net loss | 192,182 | 458,209 | — |
| | [In yen] | | |
| Loss per share | 269.27 | 643.63 | |
| Diluted earning per share | — | — | |
| Ratio of net loss to shareholders equity (%) | 111.0 | — | |
| Ratio of ordinary profit to: | | | |
| Total assets (%) | 0.2 | 1.1 | |
| Operating revenues (%) | 0.1 | 0.8 | |

Notes

(1) Numbers of shares average

| | <u>Shares average of common stock</u> | <u>Shares average of the 1st Class A preferred stock</u> | <u>Shares average of the 1st Class B preferred stock</u> |
|-------------------------|---|---|---|
| | [In thousands of shares] | | |
| As of February 28, 2002 | 711,911 | 45,000 | 45,000 |
| As of February 28, 2001 | 713,696 | — | — |

(2) Accounting change: None

(3)Used formula of non-consolidated operations at the year ended February 28, 2002

Net income per share

(Net income / Number of shares average of common stock)

(2) Dividends

| | <u>For the year ended</u> | |
|--|-----------------------------|-----------------------------|
| | February 28, <u>2001</u> | February 28, <u>2002</u> |
| | [In yen] | |
| Year-end dividends per share | 0.00 | 0.00 |
| Interim dividends per share | 0.00 | 0.00 |
| Annual dividends per share | 0.00 | 0.00 |
| Total amount of dividends (per annum in million of yen) | 0 | 0 |
| Ratio of dividends to net earnings (%) | — | — |
| Ratio of dividends to shareholders' equity(%) | — | — |

(3) Financial condition

| | <u>For the year ended</u> | |
|---|-----------------------------|-----------------------------|
| | February 28, <u>2001</u> | February 28, <u>2002</u> |
| | [In millions of yen] | |
| Total assets | 1,450,055 | 1,209,374 |
| Shareholders' equity | 218,353 | (240,531) |
| Ratio of shareholders' equity to total assets (%) | 15.1 | (19.9) |
| | [In yen] | |
| Net worth per share | 137.85 | (509.28) |

Notes

(1) The number of shares issued (registered one unit of common stock, 1,000 shares)

| | <u>Shares Issued of common stock</u> | <u>Shares Issued of the 1st Class A preferred stock</u> | <u>Shares Issued of the 1st Class B preferred stock</u> |
|-------------------------|--|--|--|
| | [In thousands of shares] | | |
| As of February 28, 2002 | 707,864 | 45,000 | 45,000 |
| As of February 28, 2001 | 713,696 | — | — |

(2) The number of treasury stocks

| | |
|-------------------------|-----------|
| As of February 28, 2002 | 5,831,311 |
| As of February 28, 2001 | 2,091 |

(3) Used formula of non-consolidated operations at the year ended February 28, 2002

Net worth per share

(Shareholders' equity at the ended February, 2002 — The number of shares issued of the preferred stock at the ended February, 2002 × Issue price) / Number of issued shares of common stock at the ended February, 2002

(4) For the fiscal year ended February 28, 2002, the debt temporarily exceed the asset, due to posting of loss that was accompanied with the implementation of drastic restructuring measures based upon the program.

However we expect this situation will be solved by the financial support from our three main banks, which is planned to be executed by the end of February 2003.

2. Forecast of non-consolidated operations for the year ending February 28, 2003 :

| | For the six months ending <u>August 31, 2002</u> | For the year ending <u>February 28, 2003</u> |
|-------------------------------|---|---|
| | [In millions of yen] | |
| Operating revenues | 830,000 | 1,620,000 |
| Ordinary profit | 11,000 | 20,000 |
| Net income | 127,000 | 136,000 |
| | [In yen] | |
| Interim dividends per share | 0.00 | |
| Year- end dividends per share | | 0.00 |
| Annual dividends per share | | 0.00 |

Notes

Expected net income per share for the fiscal year ending February 28, 2003 is not calculated, because the incorporation of shares and issuing of new shares is planned, thus the number of share issued is expected change.

Forecast of dividends per share for the year ending February 28, 2003

| | For the six months ending <u>August 31, 2002</u> | For the year ending <u>February 28, 2003</u> |
|--|---|---|
| | | (In yen) |
| Interim dividends of common stock | 0.00 | |
| Interim dividends of the 1 st Class-A preferred stock | 0.00 | |
| Interim dividends of the 1 st Class-B preferred stock | 0.00 | |
| Annual dividends of common stock | | 0.00 |
| Annual dividends of the 1 st Class-A preferred stock | | 0.00 |
| Annual dividends of the 1 st Class-B preferred stock | | 0.00 |

3. Consolidated business results (from March 1,2001 to February 28, 2002)

(1)Business results

| | <u>For the year ended</u> | | <u>Increase</u> |
|--------------------------------|---------------------------|--------------------|---------------------|
| | <u>February 28</u> | <u>February 28</u> | <u>(decrease)</u> |
| | <u>2001</u> | <u>2002</u> | <u>[%]</u> |
| | [In millions of yen] | | |
| Operating revenues | 2,914,120 | 2,498,877 | (14.2) |
| Operating income | 45,890 | 44,289 | (3.5) |
| Ordinary profit | 1,043 | 1,520 | 45.7 |
| Net income(or loss) | 45,894 | (332,514) | — |
| | [In yen] | | |
| Net income (or loss) per share | 81.05 | (540.19) | |
| Ratio of net loss to | | | |
| shareholders equity (%) | — | — | |
| Ratio of ordinary profit to: | | | |
| Total assets (%) | 0.0 | 0.1 | |
| Operating revenues (%) | 0.0 | 0.1 | |

Notes

(1) Equity in net profit of affiliates:

| | [In millions of yen] |
|-------------------------------------|------------------------|
| For the year ended February 28,2002 | 2,421 |
| For the year ended February 28,2001 | 1,815 |

(2) Numbers of shares average (consolidated)

| | [In thousands of shares] | | |
|--------------------------------------|----------------------------|-----------------------------|-----------------------------|
| | <u>common stock</u> | The 1 st Class A | The 1 st Class B |
| | | <u>preferred stock</u> | <u>preferred stock</u> |
| For the year ended February 28, 2002 | 615,548 | 45,000 | 45,000 |
| For the year ended February 28, 2001 | 566,211 | — | — |

(3) Accounting change : None

(4)Used formula of consolidated operations at the year ended February 28, 2001 and the year ended February 28, 2002

Net income per share

Net income / Number of shares average of common stock(Except for treasury stock)

(2) Financial condition

| | <u>For the year ended</u> | |
|---|-----------------------------|-----------------------------|
| | February 28, <u>2001</u> | February 28, <u>2002</u> |
| | [In millions of yen] | |
| Total assets | 3,244,071 | 2,558,659 |
| Shareholders' equity | 24,556 | (297,431) |
| Ratio of shareholders' equity to total assets | 0.8% | (11.6%) |
| | [In yen] | |
| Net worth per share | (156.50) | (674.14) |

Note

(1) The numbers of shares issued (registered one unit of common stock, 1,000 shares) (Consolidated)

| | [In thousands of shares] | | |
|--------------------------------------|----------------------------|---|---|
| | <u>common stock</u> | The 1 st Class A <u>preferred stock</u> | The 1 st Class B <u>preferred stock</u> |
| For the year ended February 28, 2002 | 619,151 | 45,000 | 45,000 |
| For the year ended February 28, 2001 | 609,684 | — | — |

(2) Used formula of consolidated operations at the year ended February 28, 2002

Net worth per share

(Shareholders' equity at the ended February, 2002 — The number of shares issued of the preferred stock at the ended February, 2002 × Issue price) / Number of issued shares of common stock at the ended February, 2002

(3) For the fiscal year ended February 28, 2002, the debt temporarily exceed the asset, due to posting of loss that was accompanied with the implementation of drastic restructuring measures based upon the program.

However we expect this situation will be solved by the financial support from our three main banks, which is planned to be executed by the end of February 2003.

(3) Statement of cash flows [Increase (Decrease) in cash]

| | <u>For the year ended</u> | |
|--|-----------------------------|-----------------------------|
| | February 28, <u>2001</u> | February 28, <u>2002</u> |
| Operating activities | (13,273) | 62,192 |
| Investing activities | 209,033 | 112,027 |
| Financing activities | (245,285) | (436,613) |
| Cash and cash equivalents at end of year | 409,636 | 145,688 |

(4) Number of consolidated subsidiaries, unconsolidated subsidiaries and affiliates which are accounted for using the equity method.

| | <u>2002</u> | <u>Increase</u> | <u>Decrease</u> |
|---|-------------|-----------------|-----------------|
| Consolidated subsidiaries | 133 | 3 | 23 |
| Unconsolidated subsidiaries for using the equity method | — | — | — |
| Affiliates for using the equity method | 15 | 2 | 4 |

4. Forecast of consolidated operations for the year ending February 28, 2003 :

| | For the six months ending <u>August 31, 2002</u> | For the year ending <u>February 28, 2003</u> |
|----------------------|---|---|
| | [In millions of yen] | |
| Operating revenues | 1,200,000 | 2,200,000 |
| Ordinary profit | 4,000 | 12,000 |
| Net income | 120,000 | 120,000 |
| | [In yen] | |
| Net income per share | | |

Note

Expected net income per share for the fiscal year ending February 28, 2003 is not calculated, because the incorporation of shares and issuing of new shares is planned, thus the number of share issued is expected change.