Brief announcement of non-consolidated financial statements for the accounting period ended March 2007

May 7, 2007

Name of listed company: Taya Co., Ltd.
Listed stock exchange: Tokyo Stock Exchange (First Section)
Code number: 4679
Location of head office: Tokyo
(URL http://www.taya.co.jp/)
Representative: Kazumasa Taya
President
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Scheduled date of the general shareholders' meeting: June 19, 2007
Scheduled date of starting the payment of dividend: June 20, 2007
Scheduled date of submission of financial statements: June 20, 2007

(Amounts less than 1 million yen were rounded down.)

1. Financial results for the accounting period ended March 2007 (April 1, 2006 to March 31, 2007)

(1) Operating results (The percentages represent the rates of increase or decrease over the previous accounting period)

	Sales		Operating income		Ordinary income	
	million yen	%	million yen	%	million yen	%
Period ended March 2007	13,602	(3.0)	625	9.7	621	12.4
Period ended March 2006	14,017	0.6	570	-	553	-

	Current net profit		Current net profit per share	Current net profit per share after adjustment of latent shares	Return on shareholder's equity	Ratio of ordinary income to total assets	Ratio of ordinary income to sales
	million yen	%	yen sen	yen sen	%	%	%
Period ended March 2007	269	138.8	53.34	-	6.0	7.0	4.6
Period ended March 2006	112	-	22.33	-	2.6	6.0	4.1

(NOTE) Profit and loss on investments based on the equity method for the year ended March 2007: - million yen; for the year ended March 2006: - million yen.

(2) Financial position

	Total assets	Net assets	Capital ratio	Net assets per share
	million yen	million yen	%	yen sen
Period ended March 2007	8,836	4,566	51.7	902.91
Period ended March 2006	8,908	4,397	49.4	869.56

(NOTE) Shareholders' equity at the end of the year ended March 2007: 4,566 million yen; for the year ended March 2006: - million yen.

(3) Cash flow

	Cash flow from operations	Cash flow from investments	Cash flow from financial operations	Closing balance of cash and cash equivalents
	million yen	million yen	million yen	million yen
Period ended March 2007	641	(434)	(462)	1,417
Period ended March 2006	764	(51)	(802)	1,673

2. Dividend payments

	Dividend per share			Annual total amount of dividends	Divided payout ratio	Ratio of dividend to net assets
	Interim dividend	Final dividend	Full year dividend			
	yen sen	yen sen	yen sen	million yen	%	%
Period ended March 2006	-	20.00	20.00	101	89.5	2.3
Period ended March 2007	-	22.00	22.00	111	41.2	2.5
Period ending March 2008 (Projection)	-	22.00	22.00	-	42.8	-

3. Projected financial results for the period ending March 2008 (April 1, 2007 to March 31, 2008)

(The percentages shown for full year represent the rates of increase or decrease over the previous accounting period. The percentages shown for first half represent the rates of increase or decrease over the interim period of the previous year.)

	Sales		Operating income		Ordinary income		Current net profit		Current net profit per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen sen
First half	6,780	(0.7)	310	2.0	300	(0.4)	80	(38.3)	15.81
Full year	14,000	2.9	710	13.6	690	11.0	260	(3.6)	51.40

4. Others

(1) Change of important accounting policy
1) Change associated with the revision of the accounting standards, etc.: Yes
2) Change other than the above 1): None
(NOTE) Please refer to page 21 (Change of accounting method) for the details.

(2) The number of outstanding shares (common stock)
1) The number of outstanding shares (including treasury stocks) at the end of the year ended March 2007: 5,100,000 shares; for the year ended March 2006: 5,100,000 shares.
2) The number of the treasury stock at the end of the current year ended March 2007: 42,500 shares; for the year ended March 2006: 42,500 shares.
(NOTE) Please refer to page 30 (Per share information) for the number of shares to be the base for the calculation of current net profit per share.

* Explanation on an appropriate use of the projected business performance and other remarks
(Notification about the statement regarding the future outlooks, etc.)

The projected financial results include the figures forecast based on future outlooks and plans as of the date of announcement. The projection includes uncertain factors, so actual business performance may differ from the projected business performance. Please refer to page 2 of the attached material for the above projected business performance.

1. Operating results

(1) Analysis of business performance

(Operating results of the current fiscal year)

The Japanese economy during the current fiscal year in general showed a steady and gradual recovery, supported by an increase in capital investment in the private sector and improvement of the employment environment based on improved corporate profitability. However, expansion of consumer spending was limited, and the lack of increases in personal income kept general households from feeling the economic recovery.

In the hairdressing industry, the business environment grew ever more severe, as excessive competition due to the increase of beauty parlors further prevailed. In addition, weather related issues such as a long-lasting rainy season and a warm winter affected the business.

The Company has strived for a full-scale recovery of business performance by means of rolling out “Morale Enhancement Activities” to offer high quality services which resonate with the customer’s heart and remain in the customer’s memory, promoting the enhancement of sales activity based on customer satisfaction (extended capture of customers, increase in per-customer spending, etc.) and furthermore, upgrading existing salons and pursuing effective management.

As for sales strategy, an emphasis was made to promote to customers special features of the Company by proposing hairstyles chosen from the customers’ perspective, such as “Popularity No.1 hairstyle chosen by our customers” and “Popular menu for our customers”, and changing one’s image into those such as “Cute”, “Celebrity”, “Sweet” and “Glamorous” by means of perms, hair-coloring and makeup.

In the second half of current fiscal year, an effort was made to promote features of the Company to customers by integrating the Company’s original operating system and menu including “Counseling”, “Beauty Treatments” and “Services”, which the Company proposes to customers as “TAYA’s Beauty System”, and advertising it through the distribution of leaflets, etc., and also by posting at the front of salons the reasons why the concept “Quick, Cheap and Safe” of the shampoo brand for low-priced salons can be realized.

In the area of staff training, the Company developed a new educational tool and know-how concerning the basic technique, “Cut,” and enabled accurate and quick acquisition of technique. Also, education and training in pursuit of “Entertaining Customers” and “Customer Satisfaction” were continuously performed by holding seminars by lecturers selected from inside and outside of the company.

As regards the strategy to increase and upgrade the salons/shop, three salons, consisting of “TAYA Asagaya Salon”, “TAYA Funabashi Salon” and “TAYA Nagareyama Ootakanomori SC Salon,” were newly opened after a 2 year interruption, and 6 beauty salons were refurbished, 1 beauty salon underwent a brand conversion and the façades of 65 salons were modified. On the other hand, 3 in-shop type beauty salons were closed due to the closure of landlords’ shops, etc. As a result, the number of directly operated salons/shop as of the end of current fiscal year became 144 beauty salons and 1 retail shop. (The number of salons and shops is same as the number as of the end of the previous fiscal year.)

Thanks to these measures, the customers’ salon visit cycle became shorter and per-customer spending increased. However, due to the decline in consumption after the summer and increasingly severe competition in the industry, it was difficult to acquire new customers and to secure relatively new and floating customers as stable customers. As a result, sales by existing salons declined by 1.3% compared with the previous fiscal year due to the decreased number of visits by the customers, and the Company's business performance ended up as unsatisfactory.

Nevertheless, the management strived for improvement of financial strength by implementing such measures as the properly rearranged assignment of beauticians, productivity improvement by upgrading technical levels and curtailment of unnecessary expenditures.

Consequently, although sales decreased to be 13,602 million yen (a decrease of 3.0% from the same period last year), ordinary income increased to 621 million yen (an increase of 12.4% from the same period last year) and current net profit also increased to be 269 million yen (an increase of 138.8% from the same period last year).

(Outlook for the next period)

The Japanese economy in the coming fiscal year is predicted to maintain a gradual recovery based on improved corporate profits, but consumer spending will continue to be weak.

In the hairdressing industry, the participants in the market will be divided into winners and losers because of further aggravated competition and the industry will enter into a new era of drastic changes by participants from other industries and various business collaborations.

Therefore, the Company will make "Advancement of Technique" its new theme following the currently developing "Morale Enhancement Activities," since it is the task of the beauty business, and will proceed on to satisfy customers' ever-changing requirements and expectations and acquire the customers' trust by putting the highest priority on the improvement of individual beautician's technique and offering "Heartfelt Design," or satisfaction through hair design, to customers.

The Company will furthermore proceed toward more effective management, enhance the profitability of salons/shop by fully utilizing headquarters functions, strive for increased corporate value and make its best effort to establish a management structure for expansion and growth in the future.

As regards the strategy to increase and upgrade the salons/shop, the Company will restart the addition of new salons on a full scale basis and execute the refurbishing and scrap-and-build of existing salons. On the other hand, there will be some salons which will be forced to close due to reconstruction of rented buildings because of aging and the necessity for earthquake resistance measures, and it is predicted that the elimination of fixed assets, etc., will exceed that of the current fiscal year.

Taking the above into account, the business performance of the next fiscal year is predicted to be as follows:

(Overlook for the business performance in the fiscal year ending March 2008)

Sales	14,000 million yen	(Year-on year increase: 2.9%)
Operating income	710 million yen	(Year-on year increase: 13.6%)
Ordinary income	690 million yen	(Year-on year increase: 11.0%)
Current net profit	260 million yen	(Year-on year decrease: 3.6%)

(2) Analysis of financial status

1) Status of assets, liabilities and shareholders' equity

The total asset as of the end of the current fiscal year was 8,836 million yen, a decrease of 72 million yen from that of the end of the previous fiscal year.

The remaining balance of current assets was 2,828 million yen (a decrease of 33 million yen from that at the end of previous fiscal year) and the remaining balance of fixed assets was 6,007 million yen (a decrease of 39 million yen from that at the end of previous fiscal year). The main increasing factor was accounts receivable-trade, which increased by 56 million yen, and the main decreasing factor was tangible fixed assets, which deceased by 49 million yen mainly due to depreciation.

Total liabilities as of the end of the current fiscal year amounted to 4,270 million yen, a decrease of 240 million yen from that at the end of previous fiscal year.

The remaining balance of current liabilities was 2,732 million yen (an increase of 212 million yen from that at the end of previous fiscal year) and the remaining balance of fixed liabilities was 1,537 million yen (a decrease of 453 million yen from that at the end of previous fiscal year). The main increasing factors were short-term loans, which increased by 45 million yen due to the procurement of seasonal money (tax payment and bonus), and unpaid corporate tax, etc., which increased by 59 million yen. The main decreasing factors were the due reimbursement of long-term loans and the redemption of corporate bonds, which amounted to 405 million yen.

The shareholders' equity as of the end of current fiscal year was 4,566 million yen, an increase of 168 million yen from that at the end of previous fiscal year. As a result of the above, the capital-to-asset ratio increased from 49.4% at the end of previous fiscal year to 51.7%.

2) Cash flows

Cash and cash equivalents ("funds" hereinafter) at the end of the current fiscal year decreased 255 million yen from that period last year, to 1,417 million yen.

Detailed cash flows in the current period are shown below.

(Cash flow from operations)

The increase in funds as the result of business activities in the current fiscal year amounted to 641 million yen (a decrease of 123 million yen from the same period last year). The decrease, despite an increased current net profit before tax of 574 million yen, is mainly caused by a smaller fixed asset elimination loss (27 million yen compared with 228 million yen in the same period last year) and larger payment of corporate tax, etc., (254 million yen compared with 130 million yen in the same period last year).

(Cash flow from investments)

The funds used as the result of investment activities in the current fiscal year amounted to 434 million yen (an increase of 383 million yen from the same period last year). This is mainly attributable to the outflow of 545 million yen used to increase the term deposit (279 million yen in the same period last year) although there also was an inflow of 86 million yen (246 million yen in the same period last year) by the return of security deposits and guarantee money associated with the closure of salons.

(Cash flow from financial activities)

The funds used as the result of financing activities in the current fiscal year amounted to 462 million yen (a decrease of 339 million yen from the same period last year). The decrease is mainly attributable to the net decrease of outstanding long-term and short-term borrowings of 180 million yen (the net decrease in the same period last year was 495 million yen).

(Reference) Trend of cash flow indices

	31st period ended March 2005	32nd period ended March 2006	33rd period ended March 2007
Capital ratio (%)	45.8	49.4	51.7
Mark-to-market capital ratio (%)	46.6	60.2	56.0
Interest-bearing debt/Operating cash flow ratio (%)	11.5	3.4	3.4
Interest coverage ratio	6.2	20.5	18.4

Capital ratio: Net worth/Total assets
Mark-to-market capital ratio: Total market capitalization/Total assets
Interest-bearing debt/Operating cash flow ratio: Interest bearing debt/Operating cash flows
Interest coverage ratio: Operating cash flows/Interest payment

*1. Total market capitalization was computed by multiplying closing stock prices at year-end by total outstanding shares (excluding treasury stocks) at year-end.
2. Operating cash flow represents cash flow from operating activities in the cash flow statement. Interest-bearing debt represents all interest-bearing debts recorded on the balance sheet. In addition, interest payments represent the interest payment recorded in the cash flow statement.

(3) Basic dividend policy and dividend of current year and next year

It is the Company's basic policy to ensure the stable distribution of dividends to its shareholders, to return profits to shareholders in line with the Company's business results, and to make every effort to expand its operations. The retained earnings of the Company will be used to strengthen its financial position by maximizing corporate value. Retained earnings will also be used to expand the Company's businesses in the future to meet the expectations of shareholders.

Based on such policy, the Company is prepared to pay 22 yen per share as a regular dividend for the current fiscal year (an increase of 2 yen over the previous fiscal year). In addition, the Company also plans to pay 22 yen per share as a regular dividend for the next fiscal year, although the net profit for the next fiscal year is predicted to decline.

(4) Business and other management risks

Regarding the operation status, financial conditions, etc., stated in this brief announcement of account settlement, the remarks made hereunder explain such matters which may significantly affect the judgment of the investors.

1) Specific management policy adopted by the Company:

It is essential for the business development of the Company to employ beauticians having national licenses. For the maintenance and improvement of its service quality, the Company has been recruiting such licensed beauticians as regular salaried employees in principle and sending them out to the job after educating them by the novice training course or the mid-career new employee training course held at the Company's training facilities and offices. When the recruiting or the educational training does not proceed on as planned, the business development, operation performance, etc., of the Company may be disturbed.

2) Situation to cause unusual fluctuation of the financial conditions and the operation

performance:

The sales amount of the Company tends to increase in July, when the sense of season is felt strongly, December among other winter months and March, when the entrance and graduation ceremonies of kindergartens, schools and companies as well as the welcome parties are held, in comparison with other months of the year. On the other hand, such bad weathers as cool summer, warm winter, long rain and typhoon may adversely affect the business development, operation performance, etc., of the Company.

3) Heavy dependence on specific business partners, etc., with which the continuity of business is unstable:

For majority cases of the business development by the Company, the salons are located in the rental spaces or the shops of other businesses rather than the Company's own properties. Although the relations with the landlords and developers are favorable at this moment, when such occasion arises that the continuation of such business partner becomes questionable, there may be the possibility that the lease and guarantee money cannot be recovered or the Company's salon has to be removed or the business has to be discontinued, and the business development, operation performance, etc. of the Company may be disturbed.

4) Heavy dependence on specific products or technologies, of which future prospects are unknown:

For the development of the Company's business, as stated above, it is deemed important to have the beauticians, who have national licenses and are highly supported by the customers, do the job. If such specialists quit the Company in large number, the business development, operation performance, etc. of the Company may be disturbed.

5) Specific legal regulations, etc.

The Beauticians Law, which applies to the Company, may possibly be revised or the way in which this law is construed may alter if there is any change in the social situation, or such like. This may affect the Company's business.

6) Others (related to the management of personal information):

The Company has been doing its best to perfectly protect the security of personal information by continuously improving the customer database access conditions and the security systems. In addition, the Company has reinforced the internal security control environment by conducting thorough education of the employees to heighten their consciousness in the handling of information, constraining the number of staff authorized to access the information and constructing a supervision system.

The Company will conduct tight security control of personal information hereafter; however, should a leakage of personal information occur, the business development, operation performance, etc. of the Company may be disturbed.

2. Status of the corporate group

The statement is omitted, since there is no material change from the "Business System Diagram (Outline of Business)" shown in the latest financial report (published on June 21, 2006).

3. Management policy

(1) Basic management policy

The Company aims to enhance the techniques, creativity, sensitivity and service quality of its beauty therapists, while placing great emphasis throughout its businesses on the use of exceptional practical techniques. Our Company's principal goal is to add beauty to the lives of our customers through hair care, in line with the Company's mission statement: "Our contribution to society is to provide everybody with hopes and dreams."

The Company acknowledges that its role in society, in conducting its businesses, is to pursue the four goals of customer satisfaction, shareholder satisfaction, employee satisfaction and community satisfaction.

(2) Targeted financial indexes

The Company aims at achieving the major financial indexes below:

1) Return on shareholders' equity ...15% (Results of current period: 6.0%)
2) Ratio of ordinary income to sales ...10% (Results of current period: 4.6%)
3) Current net profit per share ……150 yen (Results of current period: 53.34 yen)

(3) Medium- to long-term corporate strategy

The Company will approach the management issues through the "TAYA-Solid 2010" Medium-term Management Plan (publicly announced on May 7, 2007), which was established based on the basic management policy, and will proceed on to accomplish the same.

The outline of Medium-term Management Plan "TAYA-Solid 2010" is as follows:

Basic Policies

(1) To strengthen the profit-making structure and shift operations toward a profit-oriented growth strategy
(2) To promote the expansion of the salon network based on the area strategy
(3) To enhance capital efficiency and realize the improvement of corporate value

By implementing the above, the Company will firm up its position as the leading company in the industry and establish a foundation for a long-lasting growth.

Medium-term Management Objectives

(Fiscal year to accomplish the target: Fiscal year ending March 2010)

Sales amount	16,200 million yen	(100.0%)
Operating income:	1,230 million yen	(7.6%)
Ordinary income:	1,190 million yen	(7.3%)
Current net profit:	550 million yen	(3.4%)
EPS:	108 yen	

Main measures to be taken:

(1) Personal policy
1) Enhancement of the quality and quantity of designers
2) Thorough implementation of effective staff assignment

(2) Sales policy
1) Promotion of individuation and personalization

(3) Salon development policy

1) Effective expansion of salon network

(4) Corporate reform policy:

1) Improvement of profitability

2) Implementation of CSR

(4) Items to be considered

In accordance with its mission statement, the Company will continue to create an environment that benefits its customers, regardless of their age, gender or race. The Company, as a leading company in the hairdressing industry, will simultaneously pursue profitability and growth, with the emphasis on continuously developing new technology, training its employees, disseminating information, increasing the number of its beauty salons, and reasonably reducing costs.

The Company will also comply with laws and ordinances, further enhance its internal control system and strive to improve and reinforce its corporate culture to be able to quickly and flexibly cope with changes in such management environments as the economic structure and social situation.

(5) Matters related to the parent company

N/A

4. Financial statements, etc.

(1) Balance sheet

Unit: thousand yen

		Previous fiscal year (as of March 31, 2006)			Current fiscal year (as of March 31, 2007)			Year-on-year increase/ decrease
Items	Notes	Amount		Breakdown	Amount		Breakdown	Increase or decrease
(Assets)				%			%	
I. Current assets								
1. Cash and deposits			1,866,479			1,818,070		
2. Accounts receivable-trade			526,681			583,359		
3. Merchandise			64,804			83,183		
4. Materials for beauty treatments			56,633			52,587		
5. Supplies			34,763			30,487		
6. Prepaid expenses			115,274			135,654		
7. Deferred tax assets			101,573			103,810		
8. Other accounts receivable			97,582			-		
9. Others			1,582			24,070		
Bad debt reserves			(3,324)			(2,406)		
Total current assets			2,862,051	32.1		2,828,817	32.0	(33,233)
II. Fixed assets								
(1) Tangible fixed assets								
1. Buildings	*1	3,457,298			3,559,667			
Accumulated depreciation		1,369,3874	2,087,923		1,518,933	2,040,734		
2. Structures		16,656			16,656			
Accumulated depreciation		7,875	8,781		9,083	7,573		
3. Furniture and fixtures		64,606			64,116			
Accumulated depreciation		59,462	5,143		60,047	4,068		
4. Land	*1		1,377,828			1,377,828		
Total tangible fixed assets			3,479,677	39.1		3,430,205	38.8	(49,472)
(2) Intangible fixed assets								
1. Software			4,826			3,324		
2. Others			30,097			30,097		
Total intangible fixed assets			34,924	0.4		33,422	0.4	(1,501)

Unit: thousand yen

Items	Notes	Previous fiscal year (as of March 31, 2006) Amount		Breakdown	Current fiscal year (as of March 31, 2007) Amount		Breakdown	Year-on-year increase/ decrease Increase or decrease
(3) Investments and other assets								
1. Investments in subsidiaries and affiliated companies			126			136		
2. Long-term loans to employees			4,044			2,561		
3. Bankruptcy reorganization claims			11,650			11,650		
4. Long-term prepaid expenses			41,215			30,479		
5. Deferred tax assets			136,897			146,018		
6. Key money and guarantee money	*1		2,304,626			2,321,915		
7. Membership rights			10,190			10,190		
8. Others			35,221			32,881		
Long-term bad debt reserves			(11,866)			(11,795)		
Total of investment and other assets			2,532,104	28.4		2,544,036	28.8	11,931
Total fixed assets			6,046,706	67.9		6,007,664	68.0	(39,041)
Total assets			8,908,757	100.0		8,836,481	100.0	(72,275)

Unit: thousand yen

		Previous fiscal year (as of March 31, 2006)		Current fiscal year (as of March 31, 2007)		Year-on-year increase/ decrease
Items	Notes	Amount	Breakdown	Amount	Breakdown	Increase or decrease
(Liabilities)			%		%	
I. Current liabilities						
1. Notes payable		399,836		429,616		
2. Trade accounts payable		82,218		80,885		
3. Short-term loans	*1	107,800		153,001		
4. Long-term loans due within one year	*1	325,890		348,937		
5. Corporate bonds to be redeemed within one year		180,000		180,000		
6. Accounts payable-other		356,075		351,507		
7. Accrued expenses		547,538		589,716		
8. Unpaid corporate taxes		200,225		259,412		
9. Unpaid consumption taxes		94,858		81,513		
10. Deposits received		35,847		78,548		
11. Unearned revenues		1,212		1,187		
12. Bonus reserve		188,534		178,090		
Total current liabilities		2,520,036	28.3	2,732,417	30.9	212,381
II. Fixed liabilities						
1. Corporate bonds		490,000		310,000		
2. Long-term loans payable	*1	912,181		663,244		
3. Retirement benefit reserve		253,997		270,060		
4. Long-term accounts payable		329,920		292,603		
5. Others		4,795		1,684		
Total fixed liabilities		1,990,894	22.3	1,537,592	17.4	(453,302)
Total liabilities		4,510,930	50.6	4,270,010	48.3	(240,920)

Unit: thousand yen

Items	Notes	Previous fiscal year (as of March 31, 2006) Amount		Breakdown	Current fiscal year (as of March 31, 2007) Amount		Breakdown	Year-on-year increase/ decrease Increase or decrease
(Shareholders' equity)								
I. Capital stock	*2		1,480,180	16.6		-	-	(1,480,180)
II. Capital surplus								
1. Capital reserve		1,702,245			-			
Total capital surplus			1,702,245	19.1		-	-	(1,702,245)
III. Retained earnings								
1. Profit reserve		66,920			-			
2. Voluntary reserve								
(1) Separate reserve		860,000			-			
3. Unappropriated retained earnings		406,859			-			
Total retained earnings			1,333,779	15.0		-	-	(1,333,779)
IV. Treasury stock	*4		(118,377)	(1.3)		-	-	118,377
Total shareholders' equity			4,397,826	49.4		-	-	(4,397,826)
Total liabilities and shareholders' equity			8,908,757	100.0		-	-	(8,908,757)

Unit: thousand yen

Items	Notes	Previous fiscal year (as of March 31, 2006) Amount		Breakdown	Current fiscal year (as of March 31, 2007) Amount		Breakdown	Year-on-year increase/ decrease Increase or decrease
(Net assets)								
I Shareholders' equity								
1. Capital stock			-	-		1,480,180	16.7	1,480,180
2. Capital surplus								
(1) Capital reserve		-			1,702,245			
Total capital surplus			-	-		1,702,245	19.3	1,702,245
3. Retained earnings								
(1) Profit reserve		-			66,920			
(2) Other retained earnings								
Separate reserve		-			860,000			
Earned surplus carried forward		-			575,504			
Total retained earnings			-	-		1,502,424	17.0	1,502,424
4. Treasury stock			-	-		(118,377)	(1.3)	(118,377)
Total shareholders' equity			-	-		4,566,471	51.7	4,566,471
Total net assets			-	-		4,566,471	51.7	4,566,471
Total liabilities and net assets			-	-		8,836,481	100.0	8,836,481

(2) Income statement

Unit: thousand yen

Items	Notes	Previous fiscal year (April 1, 2005 to March 31, 2006) Amount		Breakdown	Current fiscal year (April 1, 2006 to March 31, 2007) Amount		Breakdown	Year-on-year increase/ decrease Increase or decrease
				%			%	
I. Sales								
1. Sales of beauty treatments		12,672,525			12,220,605			
2. Sales of goods		1,292,976			1,296,152			
3. Others		51,600	14,017,103	100.0	85,797	13,602,555	100.0	(414,547)
II. Cost of sales								
1. Cost of beauty treatments		11,464,139			10,888,439			
2. Cost of goods sold		568,419			578,531			
3. Others		21,676	12,054,235	86.0	64,801	11,531,772	84.8	(522,462)
Gross profit			1,962,867	14.0		2,070,782	15.2	107,914
III. Sales and administrative expenses	*1		1,392,774	9.9		1,445,588	10.6	52,814
Operating profit			570,093	4.1		625,194	4.6	55,100
IV. Non-operating income								
1. Interest income		515			2,001			
2. Real estate lease income		14,900			13,492			
3. Others		27,101	42,516	0.3	29,171	44,664	0.3	2,148
V. Non-operating expenses								
1. Interest expense		37,697			31,618			
2. Interest paid for corporate bonds		4,561			4,100			
3. Real estate rental expenses		9,862			7,496			
4. Others		7,282	59,403	0.5	4,747	47,962	0.3	(11,440)
Ordinary income			553,206	3.9		621,896	4.6	68,689
VI. Extraordinary income								
1. Indemnification gain on closed salons and shops		15,814			-			
2. Reversal of allowance for bad debts		2,450	18,264	0.2	989	989	0.0	(17,275)

Unit: thousand yen

Items	Notes	Previous fiscal year (April 1, 2005 to March 31, 2006) Amount		Breakdown	Current fiscal year (April 1, 2006 to March 31, 2007) Amount		Breakdown	Year-on-year increase/ decrease Increase or decrease
VII. Extraordinary losses								
1. Director's retirement benefit		-			11,500			
2. Loss from disposal of fixed assets	*2	228,283			27,259			
3. Impairment loss	*3	33,372	261,655	1.9	10,055	48,815	0.4	(212,840)
Current net profit or loss before tax			309,815	2.2		574,070	4.2	264,254
Corporate tax, inhabitant tax and enterprise tax		171,133			315,632			
Amount of adjustment for corporate tax		25,716	196,849	1.4	(11,357)	304,275	2.2	107,425
Current net profit or loss			112,966	0.8		269,794	2.0	156,828
Profits carried-over from the previous period			293,893			-		
Unappropriated retained earnings at the end of the current period			406,859			-		

(3) Statement of shareholders' equity

The current fiscal year (April 1,2006 to March 31, 2007)

Unit: thousand yen

	Shareholders' equity									Total net assets
		Capital surplus		Retained earnings						
					Other retained earnings					
	Capital stock	Capital reserve	Total capital surplus	Profit reserve	Separate reserve	Earned surplus carried forward	Total retained earnings	Treasury stock	Total shareholders' equity	
Balance as of March 31, 2006	1,480,180	1,702,245	1,702,245	66,920	860,000	406,859	1,333,779	(118,377)	4,397,826	4,397,826
Changes during the current fiscal year										
Dividend of surplus (Note)						(101,150)	(101,150)		(101,150)	(101,150)
Current net profit						269,794	269,794		269,794	269,794
Net changes during the current fiscal year	-	-	-	-	-	168,644	168,644	-	168,644	168,644
Balance as of March 31, 2007	1,480,180	1,702,245	1,702,245	66,920	860,000	575,504	1,502,424	(118,377)	4,566,471	4,566,471

(Note) Subject to appropriation by the ordinary general meeting of shareholders held in June 20, 2006.

(4) Cash flow statement

Unit: thousand yen

		Previous fiscal year (April 1, 2005 to March 31, 2006)	Current fiscal year (April 1, 2006 to March 31, 2007)	Year-on-year increase/ decrease
Items	Notes	Amount	Amount	Increase or decrease
I. Cash flow from operations				
Current net profit or loss before tax		309,815	574,070	
Depreciation		228,465	214,665	
Impairment loss		33,372	10,055	
Increase (decrease) in bonus reserve		31,820	(10,443)	
Increase in retirement benefit reserve		22,169	16,062	
Decrease in bad debt reserve		(2,450)	(989)	
Interest received		(515)	(2,001)	
Interest paid		37,697	31,618	
Loss from retirement of fixed assets		228,283	27,259	
Income from compensation for closed beauty salons		(15,814)	-	
Decrease (increase) in accounts receivable-trade		19,915	(56,678)	
Decrease (increase) in inventory		27,560	(10,056)	
Increase in trade payables		33,492	33,172	
Increase (decrease) in unpaid consumption tax, etc.		26,766	(13,345)	
Others		(48,325)	116,117	
Sub-total		932,253	929,507	(2,745)
Amount of received interest		513	1,592	
Amount of interest payments		(37,343)	(34,926)	
Paid corporate taxes		(130,789)	(254,621)	
Cash flow from operations		764,634	641,551	(123,082)

Unit: thousand yen

Items	Notes	Previous fiscal year (April 1, 2005 to March 31, 2006) Amount	Current fiscal year (April 1, 2006 to March 31, 2007) Amount	Year-on-year increase/ decrease Increase or decrease
II. Cash flow from investments				
Payment for time deposits		(279,183)	(545,378)	
Income from withdrawal of time deposits		263,334	337,820	
Payment for acquisition of tangible fixed assets		(288,953)	(261,464)	
Expenditure for payment of security deposit and guarantee money		(5,629)	(43,712)	
Income due to the recovery of security deposit and guarantee money		246,705	86,949	
Others		12,157	(9,021)	
Cash flow from investments		(51,568)	(434,805)	(383,237)
III. Cash flow from financial operations				
Income from additional short-term loans		490,000	691,000	
Repayment of short-term loans		(470,503)	(645,799)	
Income from long-term loans		120,000	100,000	
Repayment of long-term loans		(634,538)	(325,890)	
Outflow by redemption of corporate bonds		(180,000)	(180,000)	
Dividend payments		(127,188)	(102,023)	
Cash flow from financial operations		(802,229)	(462,712)	339,516
IV. Amount of decrease in cash and cash equivalents		(89,163)	(255,967)	(166,803)
V. Opening balance of cash and cash equivalents		1,762,813	1,673,649	(89,163)
VI. Closing balance of cash and cash equivalents	*	1,673,649	1,417,682	(255,967)

(5) Profit disposal plan

Unit: thousand yen

Items	Notes	Current fiscal year To be approved by General Meeting of Shareholders held on June 20, 2006 Amount	
I. Unappropriated retained earnings at the end of the current period			406,859
II. Amount of profit disposal			
1. Dividend		101,150	101,150
III. Profits carried-forward to the next period			305,709

Material accounting policy

Items	Previous fiscal year (April 1, 2005 to March 31, 2006)	Current fiscal year (April 1, 2006 to March 31, 2007)
1. Standard and method of evaluating inventories	Merchandise and materials for beauty treatment: at cost, based on the moving average method. Supplies: at cost, based on the final purchase cost.	Merchandise and materials for beauty treatment: Same as on the left Supplies: Same as on the left
2. Depreciation of fixed assets	(1) Tangible fixed assets Declining method. However, the straight-line method is used for buildings acquired on or after April 1, 1998 (excluding attached equipment). Major items are deemed to have the following useful lives: Buildings: 8 to 60 years Furniture and fixtures: 3 to 10 years (2) Intangible fixed assets Straight-line method. The straight-line method is applied to software for the Company's use based on the usable period in the Company (five years). (3) Long-term prepaid expenses Straight-line method.	(1) Tangible fixed assets Same as on the left (2) Intangible fixed assets Same as on the left (3) Long-term prepaid expenses Same as on the left
3. Accounting standards for reserves	(1) Reserves for bad debts As the reserve for losses from the default on payment of accounts receivable, the amount that it is impossible to collect is set aside based on the actual bad debt ratio for general receivables and by individually considering the possibility of collecting specified receivables, such as receivables over which there is concern about their collection. (2) Bonus reserve A reserve is set aside for the payment of bonuses to employees to provide for bonuses accrued in the current period, based on bonuses to be paid in the future. (3) Retirement benefits and allowances reserve The Company sets aside an amount based on the expected amount of retirement benefit liabilities at the end of the Current fiscal year, to cover employees' retirement benefits and allowances. The entire difference from the actuarial calculation shall be treated as an expense in the accounting period when that difference occurs.	(1) Reserves for bad debts Same as on the left (2) Bonus reserve Same as on the left (3) Retirement benefits and allowances reserve Same as on the left

Items	Previous fiscal year (April 1, 2005 to March 31, 2006)	Current fiscal year (April 1, 2006 to March 31, 2007)
4. Lease transactions	Finance lease transactions other than those under which ownership of the leased equipment is transferred to the lessee are based on the accounting method applied to operating lease transactions.	Same as on the left
5. Method for hedging accounting	(1) Method for hedging accounting Because interest rate swap transactions satisfy the requirements for special treatment, this special treatment is applied to these transactions. (2) Hedging vehicles and hedged items Hedging vehicles: Interest rate swap Hedged items: Borrowings (3) Hedging policy The Company uses hedging transactions in order to avert risks associated with interest rate changes in the future. (4) Valuation method for the effectiveness of hedging activities The Company's method satisfies the requirements for special treatment of interest rate swap transactions, and the effectiveness of hedging activities is determined based on the effectiveness of that method.	(1) Method for hedging accounting Same as on the left (2) Hedging vehicles and hedged items Hedging vehicles: Same as on the left Hedged items: Same as on the left (3) Hedging policy Same as on the left (4) Valuation method for the effectiveness of hedging activities Same as on the left
6. Scope of cash in the Cash Flow Statement	Cash in the Cash Flow Statement (cash and cash equivalents) consist of cash on hand, deposits that can be withdrawn at any time, and short-term investments that can be converted into cash easily, involve only a minor risk of price fluctuation, and can be reimbursed within three months of their acquisition.	Same as on the left
7. Other important matters that are the bases for the preparation of interim financial statements	(1) Accounting for consumption taxes, etc. Based on net sales exclusive of taxes.	(1) Accounting for consumption taxes, etc. Same as on the left

Change of accounting method

Previous fiscal year (April 1, 2005 to March 31, 2006	Current fiscal year (April 1, 2006 to March 31, 2007)
(Accounting standards for impairment of fixed assets) The Company adopted accounting standards for impairment of fixed assets from the current fiscal year, in accordance with the "Opinions concerning the establishment of accounting standards for impairment of fixed assets" (Financial Accounting Council, August 9, 2002) and the "Implementation guide of accounting standards for impairment of fixed assets" (Implementation guide of corporate accounting standards No. 6, October 31, 2003). As a result, the current net profit before tax decreased by 33,372 thousand yen. In addition, the accumulated impairment loss was directly deducted from each asset amount based on the revised regulations for financial statements.	? ? ? ? ? ? ? ?
? ? ? ? ? ? ? ?	(Accounting Standard for presentation of net assets in the balance sheet) The Company adopted accounting standards for presentation of net assets from the current fiscal year, in accordance with the "Corporate Accounting Standards for Presentation of Net Assets in the Balance Sheet" (Corporate Accounting Standards No. 5, December 9, 2005) and "Implementation Guide of Corporate Accounting Standards for Presentation of Net Assets in the Balance Sheet" (Implementation Guide of Corporate Accounting Standards No. 8, December 9, 2005). The amount corresponding to the total of shareholders' equity is 4,566,471 thousand yen. The section of net assets in the balance sheet was created based on the revised regulations for financial statement in line with the revision of the regulations.

Change of indication method

Previous fiscal year (April 1, 2005 to March 31, 2006)	Current fiscal year (April 1, 2006 to March 31, 2007)
(Balance sheet) "Other accounts receivable" which had been included in the "Others" of current assets until the previous fiscal year exceeded one percent of the total amount of assets, and therefore is indicated separately. "Accrued revenue" as of the end of previous fiscal year was 32,808 thousand yen.	(Balance sheet) "Accrued revenue" which had been stated separately until the previous fiscal year became less than one percent of the total amount of assets (the balance at the end of the current fiscal year was 22,686 thousand yen) and therefore is included in the "Others" of current assets.

Notes

(Notes on balance sheet)

Unit: thousand yen

Previous fiscal year (as of March 31, 2006)	Current fiscal year (as of March 31, 2007)
*1. Assets provided as security (1) Assets provided as security Buildings 581,256 Land 1,317,838 Security deposit and guarantee money 408,041 Total 2,307,135 (2) Liabilities in connection with the above Short-term loans payable 107,800 Long-term loans payable (including long-term loans repayable within one year) 1,238,071 Total 1,345,871	*1. Assets provided as security (1) Assets provided as security Buildings 553,040 Land 1,317,838 Security deposit and guarantee money 408,041 Total 2,278,920 (2) Liabilities in connection with the above Short-term loans payable 153,001 Long-term loans payable (including long-term loans repayable within one year) 1,012,181 Total 1,165,182
*2. Authorized and outstanding shares Authorized shares Common stock 16,000,000 shares Outstanding shares Common stock 5,100,000 shares	*2. ? ? ? ? ? ? ? ?
3. Contingent liabilities Guarantee for borrowings from financial institutions Guarantees for ex-employees based on a program to assist employees become independent 19,672	3. Contingent liabilities Guarantee for borrowings from financial institutions Guarantees for ex-employees based on a program to assist employees become independent 34,756
*4. Treasury stock The Company owns 42,500 shares of common stock as treasury stock.	*4. ? ? ? ? ? ? ? ?

(Notes on income statement)

Unit: thousand yen

Previous fiscal year (April 1, 2005 to March 31, 2006)

*1. The percentage of sales and administrative expenses that are classified as cost of sales is approximately 5.6%, and the same percentage of general expenses is approximately 94.4%.

The major items and their amounts are as follows:

Advertising expenses	77,836
Remuneration to directors	198,963
Salary and bonuses	514,807
Reserve for bonus additionally counted	28,193
Retirement benefit expenses	4,924
Welfare expenses	83,758
Traveling & transportation expenses	62,082
Depreciation costs	25,629

*2. Fixed assets disposal loss

Buildings	113,041
Restoration expenses	75,208
Others	40,033
Total	228,283

*3. Impairment loss

The Company posted an impairment loss for the following asset groups in the current fiscal year:

Location	Purpose of usage	Type
Chuo-ku, Fukuoka city	Salon	Buildings, furniture and fixtures, lease assets
Atsuta-ku, Nagoya city	Salon	Building, lease assets

The Company regards each salon as a group, by considering it to be a basic and minimum unit that generates cash flows. The book value of a group of assets of salons whose operating activities continuously result in losses is reduced to a collectible value, and the reduced value is posted as impairment loss in the extraordinary loss section. The impairment loss consists of 20,845 thousand yen for buildings, 10,455 thousand yen for lease assets and 2,070 thousand yen for others.
In addition, the collectible value of such group of assets is measured based on usable value, and future cash flows are discounted by 2%.

Current fiscal year (April 1, 2006 to March 31, 2007)

*1. The percentage of sales and administrative expenses that are classified as cost of sales is approximately 6.7%, and the same percentage of general expenses is approximately 93.3%.

The major items and their amounts are as follows:

Advertising expenses	96,746
Remuneration to directors	162,348
Salary and bonuses	561,715
Reserve for bonus additionally counted	28,698
Retirement benefit expenses	7,766
Welfare expenses	90,097
Traveling & transportation expenses	53,729
Depreciation costs	24,164

*2. Fixed assets disposal loss

Buildings	22,660
Restoration expenses	1,123
Others	3,476
Total	27,259

*3. Impairment loss

The Company posted an impairment loss for the following asset groups in the current fiscal year:

Location	Purpose of usage	Type
Chuo-ku, Fukuoka city	Salon	Buildings, furniture and fixtures, lease assets
Omiya-ku, Saitama city	Salon	Building, lease assets

The Company regards each salon as a group, by considering it to be a basic and minimum unit that generates cash flows. The book value of a group of assets of salons whose operating activities continuously result in losses is reduced to a collectible value, and the reduced value is posted as impairment loss in the extraordinary loss section. The impairment loss consists of 5,596 thousand yen for buildings, 4,251 thousand yen for lease assets and 208 thousand yen for others.
In addition, the collectible value of such group of assets is measured based on usable value, and future cash flows are discounted by 2%.

(Notes on statement of shareholders' equity)

Current fiscal year (April 1, 2006 to March 31, 2007)

1. Matters concerning the types and total number of shares outstanding and the types and number of treasury stocks

Unit: shares

	Balance at the end of the previous fiscal year	Increase during the current fiscal year	Decrease during the current fiscal year	Balance at the end of the current fiscal year
Shares outstanding				
Common stock	5,057,500	-	-	5,057,500
Total	5,057,500	-	-	5,057,500
Treasury stock				
Common stock	42,500	-	-	42,500
Total	5,100,000	-	-	5,100,000

2. Statement on stock warrant and treasury stock warrant

N/A

3. Matters concerning dividend

(1) Dividend paid

Resolution	Types of shares	Total amount of dividend paid (thousand yen)	Dividend per share (yen)	Record date	Effective date
General shareholders' meeting held on June 20, 2006	Common stock	101,150	20	March 31, 2006	June 21, 2006

(2) Dividends for which the standard date for eligibility belongs to current fiscal year and effectiveness of dividend payment occurs in the next fiscal year

The following dividend payment will be presented as an agenda for resolution.

Resolution	Types of shares	Total amount of dividend paid (thousand yen)	Resource of dividend	Dividend per share (yen)	Record date	Effective date
General shareholders' meeting held on June 19, 2007	Common stock	111,265	Retained earnings	22	March 31, 2007	June 20, 2007

(Notes on cash flow statement)

Unit: thousand yen

Previous fiscal year (April 1, 2005 to March 31, 2006)	Current fiscal year (April 1, 2006 to March 31, 2007)
* Relationship between the closing balance of cash and cash equivalents and the amount recorded in the Balance Sheet (as of March 31, 2006) Cash and cash accounts 1,866,479 Time deposit, deposited for a period of three months or more (192,829) Cash and cash equivalents 1,673,649	* Relationship between the closing balance of cash and cash equivalents and the amount recorded in the Balance Sheet (as of March 31, 2007) Cash and cash accounts 1,818,070 Time deposit, deposited for a period of three months or more (400,387) Cash and cash equivalents 1,417,682

(Note on lease transactions)

Unit: thousand yen

Previous fiscal year (April 1, 2005 to March 31, 2006)

1. Finance lease transactions, excluding transactions that involve a transference of the ownership of the lease subject to the borrower

(1) Acquisition price of leased property, accumulated depreciation, accumulated impairment loss and closing balance

	Acquisition price of leased property	Accumulated depreciation	Accumulated impairment loss	Closing balance
Tools and fixtures	1,110,367	638,278	4,795	467,293
Software	21,240	11,682	-	9,558
Total	1,131,607	649,960	4,795	476,851

(2) Closing balance of prepaid lease fees

One year or less	211,465
Over one year	277,789
Total	489,255

Balance of impairment loss of lease assets 4,795

(3) Lease fees paid, reversal of impairment loss of lease assets, amount equivalent to depreciation expenses, amount equivalent to paid interest and impairment loss

Lease fees paid	266,185
Reversal of impairment loss of lease assets	5,659
Amount equivalent to depreciation expenses	257,609
Amount equivalent to paid interest	9,169
Impairment loss	10,455

(4) Method of calculating the amount equivalent to depreciation expenses

This was calculated based on the straight-line method over the lease period with a residual value of zero.

(5) Method of calculating the amount equivalent to interest paid

The difference between the total amount of lease fees and the amount equivalent to the acquisition price of the leased properties is assumed to be the amount equivalent to the interest paid, and the method of allocation to each term is based on the interest method.

Current fiscal year (April 1, 2006 to March 31, 2007)

1. Finance lease transactions, excluding transactions that involve a transference of the ownership of the lease subject to the borrower

(1) Acquisition price of leased property, accumulated depreciation, accumulated impairment loss and closing balance

	Acquisition price of leased property	Accumulated depreciation	Accumulated impairment loss	Closing balance
Tools and fixtures	960,750	595,633	1,639	363,477
Software	21,240	15,930	-	5,310
Total	981,990	611,563	1,639	368,787

(2) Closing balance of prepaid lease fees

One year or less	165,490
Over one year	211,228
Total	376,718

Balance of impairment loss of lease assets 1,639

(3) Lease fees paid, reversal of impairment loss of lease assets, amount equivalent to depreciation expenses, amount equivalent to paid interest and impairment loss

Lease fees paid	231,833
Reversal of impairment loss of lease assets	7,332
Amount equivalent to depreciation expenses	222,763
Amount equivalent to paid interest	7,854
Impairment loss	4,175

(4) Method of calculating the amount equivalent to depreciation expenses

Same as on the left

(5) Method of calculating the amount equivalent to interest paid

Same as on the left

(Note on securities)

Previous fiscal year (As of March 31, 2006)

N/A

Current fiscal year (As of March 31, 2007)

N/A

(Note on derivative transactions)

<table>
<tr><th>Previous fiscal year
(April 1, 2005 to
March 31, 2006)</th><th>Current fiscal year
(April 1, 2006 to
March 31, 2007)</th></tr>
<tr><td>1. Statement on transaction status
(1) Outline of transactions
The derivative transactions which the Company is utilizing are interest swap transactions.
(2) Transaction policy
The Company conducts derivative transactions for the purpose of avoiding the risk of interest fluctuation and will not do any speculative transaction in principle.
(3) Utilization purpose of transactions
The Company is avoiding the risk associated with future interest fluctuation for a part of the borrowings by fixing the interest rate in advance by means of interest swap transaction in order to stabilize its profit-making structure.
1)Method for hedging accounting
Because interest rate swap transactions satisfy the requirements for special treatment, this special treatment is applied to these transactions.
2)Hedging vehicles and hedged items
Hedging vehicles:
Interest rate swap
Hedged items:
Borrowings
3)Hedging policy
The Company uses hedging transactions in order to avert risks associated with interest rate changes in the future.
4)Valuation method for the effectiveness of hedging activities
The Company's method satisfies the requirements for special treatment of interest rate swap transactions, and the effectiveness of hedging activities is determined based on the effectiveness of that method.
(4) Transaction related risks
Swap transactions involve the risk associated with the fluctuation of market interest rate.
As the Company is limiting its transaction counterpart to highly-rated financial institutions, credibility risk is recognized to be almost zero.
(5) Risk management system for transactions
The financial department is in charge of the execution and management of derivative transactions by obtaining approval of the Board of Directors in accordance with internal rules.
2. Current value, etc., of transactions
No statement is made of the current value, etc., as hedge accounting is adopted for derivative transactions.</td><td>1. Statement on transaction status
(1) Outline of the transaction
Same as on the left
(2) Transaction policy
Same as on the left
(3) Utilization purpose of the transaction
Same as on the left
(4) Risks related to the transaction
Same as on the left
(5) Risk management system for the transaction
Same as on the left
2. Current value, etc., of transactions
Same as on the left</td></tr>
</table>

(Note on Retirement benefits)

1. Outline of the Company's retirement benefit system

The Company has adopted a lump sum retirement allowance system based on a defined benefit system.

2. Retirement benefit payment liability and its breakdown

Unit: thousand yen

	Previous fiscal year (as of March 31, 2006)	Current fiscal year (as of March 31, 2007)
Retirement benefit payment liability		
(1) Retirement benefit liabilities	(253,997)	(270,060)
(2) Retirement benefit reserves	(253,997)	(270,060)

3. Breakdown of retirement benefit payment expenses

Unit: thousand yen

	Previous fiscal year (April 1, 2005 to March 31, 2006)	Current fiscal year (April 1, 2006 to March 31, 2007)
Retirement benefit cost	59,163	61,796
(1) Service costs	50,957	53,010
(2) Interest expense	4,636	5,079
(3) Disposed amount of the expense for the difference in actuarial calculation	3,569	3,706

4. Assumption for the calculation of retirement benefit liabilities

	Previous fiscal year (as of March 31, 2006)	Current fiscal year (as of March 31, 2007)
(1) Periodic allocation method of expected retirement benefit amounts	Periodic fixed amount standard	Periodic fixed amount standard
(2) Discount rate	2.0%	2.0%
(3) Number of years for amortization of the difference in actuarial calculation	Writing off of the entire amount in the period it occurred	Same as on the left

(Notes on deferred tax accounting)

Previous fiscal year (as of March 31, 2006)		Current fiscal year (as of March 31, 2007)	
1. Breakdown of the reasons for deferred tax assets and deferred tax liabilities	(Unit: thousand yen)	1. Breakdown of the reasons for deferred tax assets and deferred tax liabilities	(Unit: thousand yen)
Current fiscal year		Current fiscal year	
Amount exceeding the limit of the addition to bonus reserve	76,714	Denial of bonus reserve	72,465
Impairment loss	10,725	Impairment loss	11,068
Denial of unpaid corporate tax, etc.	18,196	Denial of unpaid corporate tax, etc.	23,934
Excess amount to retirement benefit reserve	103,351	Denial of retirement benefit reserve	109,887
Others	29,483	Others	32,473
Total deferred tax assets	238,471	Total deferred tax assets	249,828
Net deferred tax assets	238,471	Net deferred tax assets	249,828
2. Breakdown of main items which caused significant difference, if any, between the legal effective tax rate and the corporate tax rate after the adoption of deferred tax accounting	(Unit: %)	2. Breakdown of main items which caused significant difference, if any, between the legal effective tax rate and the corporate tax rate after the adoption of deferred tax accounting	(Unit: %)
Legal effective tax rate	40.7	Legal effective tax rate	40.7
(Adjustment)		(Adjustment)	
Items which are not counted permanently as the loss such as entertainment expenses	3.2	Items which are not counted permanently as the loss such as entertainment expenses	1.9
Per capita levy of local residential tax	19.6	Per capita levy of local residential tax	10.3
Others	0.0	Others	0.1
Corporate tax rate after the adoption of deferred tax accounting	63.5	Corporate tax rate after the adoption of deferred tax accounting	53.0

(Profit and loss under the equity method, etc.)

Previous fiscal year (April 1, 2005 to March 31, 2006)

N/A

Current fiscal year (April 1, 2006 to March 31, 2007)

N/A

(Transactions with related parties)

Previous fiscal year (April 1, 2005 to March 31, 2006)

N/A

Current fiscal year (April 1, 2006 to March 31, 2007)

N/A

(Stock option, etc.)

Previous fiscal year (April 1, 2005 to March 31, 2006)

N/A

(Important post-balance sheet events)

Current fiscal year (April 1, 2006 to March 31, 2007)

N/A

(Per share information)

	Previous fiscal year (April 1, 2005 to March 31, 2006)	Current fiscal year (April 1, 2006 to March 31, 2007)
Net assets per share (yen)	869.56	902.91
Current net profit per share (yen)	22.33	53.34
Current net profit per share after adjustment of latent shares	No statement is made of the amount of current net profit per share after the adjustment for residual stocks, since there is no residual stock that has any dilution effect.	No statement is made of the amount of current net profit per share after the adjustment for residual stocks, since there is no residual stock that has any dilution effect.

Note: The base data for calculating current net profit per share are as follows.

	Previous fiscal year (April 1, 2005 to March 31, 2006)	Current fiscal year (April 1, 2006 to March 31, 2007)
Current net profit (thousand yen)	112,966	269,794
Amount which dose not belong to shareholders of common stock (thousand yen)	—	—
Net income which belongs to common stock (thousand yen)	112,966	269,794
Average number of common stock during the fiscal year (thousand shares)	5,057	5,057

(Important post-balance sheet events)

N/A

5. Others

(1) Change in officials

1) Change in the representatives

N/A

2) Change in other officials (as of June 19, 2007)

1. Candidates for Directors

N/A

2. Exiting Directors

N/A

3. Candidate for the Corporate Auditors

Corporate auditor (part-time position) Junko Takahashi (Certified tax accountant)

(Note: Junko Takahashi is a candidate for Outside Corporate Auditor.)

4. Exiting Corporate Auditors

Corporate auditor (part-time position) Yuzo Takahashi

(Note: Yuzo Takahashi is an Outside Corporate Auditor.)

(2) Others

Comparison of sales by category

(Unit: thousand yen)

Items	Previous year (April 1, 2005 to March 31, 2006)		Current year (April 1, 2006 to March 31, 2007)		Comparison with the previous year
	Amount	Breakdown	Amount	Breakdown	Increase or decrease
		%		%	
Beauty treatments	12,672,525	90.4	12,220,605	89.9	(451,919)
Merchandise	1,292,976	9.2	1,296,152	9.5	3,175
Others	51,600	0.4	85,797	0.6	34,196
Total	14,017,103	100.0	13,602,555	100.0	(414,547)