May 8, 2008

Brief announcement of non-consolidated financial statements for the accounting period ended March 2008

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 24, 2008
Scheduled date of starting the payment of dividend: June 25, 2008
Scheduled date of submission of financial statements: June 25, 2008

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

1. Financial results for the accounting period ended March 2008 (April 1, 2007 to March 31, 2008)

(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 2008	13,429	(1.3)	643	2.9	647	4.1
Period ended March 2007	13,602	(3.0)	625	9.7	621	12.4

	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 2008	302	12.2	59.85	-	6.5	7.6	4.8
Period ended March 2007	269	138.8	53.34	-	6.0	7.0	4.6

(NOTE) Profit and loss on investments based on the equity method for the year ended March 2008: - million yen; for the year ended March 2007: - million yen.

(2) Financial position

	Total assets	Net assets	Capital ratio	Net assets per share
	million yen	million yen	%	yen sen
Period ended March 2008	8,314	4,757	57.2	940.76
Period ended March 2007	8,836	4,566	51.7	902.91

(NOTE) Shareholders' equity at the end of the year ended March 2008: 4,757 million yen; for the year ended March 2007: 4,566 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 2008	370	(174)	(423)	1,190
Period ended March 2007	641	(434)	(462)	1,417

2. Dividend payments

	Dividend per share			Annual total amount of dividends	Divided payout ratio	Ratio of dividend to net assets
	Interim dividend (Second quarter dividend)	Final dividend	Full year dividend			
	yen sen	yen sen	yen sen	million yen	%	%
Period ended March 2007	-	22.00	22.00	111	41.2	2.5
Period ended March 2008	-	22.00	22.00	111	36.8	2.4
Period ending March 2009 (Projection)	-	22.00	22.00	-	31.8	-

3. Projected financial results for the period ending March 2009 (April 1, 2008 to March 31, 2009)

(The percentages shown for full year represent the rates of increase or decrease over the previous accounting period. The percentages shown for second quarter represent the rates of increase or decrease over the second quarter 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
Second quarter	6,840	0.9	360	19.7	350	16.4	145	18.2	28.67
Full year	14,000	4.2	790	22.8	770	18.9	350	15.6	69.20

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 19 (Material accounting policy) 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 2008: 5,100,000 shares; for the year ended March 2007: 5,100,000 shares.

2) The number of the treasury stock at the end of the current year ended March 2008: 42,561 shares; for the year ended March 2007: 42,500 shares.
(NOTE) Please refer to page 31 (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
Descriptions concerning future outlooks, including projected business performance, stated in this material are based on information the Company has obtained as of the date of the announcement of this material as well as certain preconditions considered rational, and therefore actual business results may significantly differ from the projected performance because of various factors. Please refer to page 4 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 showed a moderate recovery, supported by an increase in capital investment in the private sector and improvement of the employment environment thanks to steady corporate performance in the first half of the fiscal year. In the second half of the fiscal year, however, the economic prospects are increasingly uncertain because of the global financial unrest triggered by the subprime mortgage loan fiasco in the United States, as well as rising raw material prices caused by prolonged high prices of crude oil.

In the hairdressing industry, the business environment grew ever severer as excessive competition further prevailed, in addition, bad weather affected the business and personal consumption remained sluggish.

Given the circumstances, the Company, under the theme “Advancement of Technique,” has strived to meet ever-changing customers’ needs and expectations and gain their trust, by placing the top priority on the improvement of individual beautician’s techniques and offering customer satisfaction through hair design.

The Company has introduced a sales strategy called “Moist, Shiny and Bouncy Hair,” offering a free collagen treatment service when perming and coloring hair at all the designers’ brand salons except for Shampoo brand ones. In addition, the Shampoo brand salons have developed and introduced hairstyles for children in collaboration with a video game maker.

In the second half of the fiscal year, the Company has marketed a new skincare series “Tours en l'air” as part of its fresh proposals for the total beauty that includes hair and makeup. Also, the Company has started a free eyebrow-trimming service for male customers.

Three beauty salons, including “TAYA Ikebukuro Metropolitan Plaza Salon,” were newly opened, four were refurbished, one underwent a brand conversion, three were transferred and four were closed. As a result, there are 143 beauty salons and one retail shop as of the end of the current fiscal year.

Thanks to these measures, the customers’ salon visit cycle became shorter, but it was difficult to acquire new customers and therefore sales of the existing salons fell by 0.9% compared with the previous fiscal year.

Nevertheless, the management has strived to improve financial strength by improving productivity through such measures as upgrading technical levels of beauticians and properly reassigning them, as well as by cutting costs.

Consequently, although sales decreased to be 13,429 million yen (a decrease of 1.3% from the same period last year), operating income increased to 643 million yen (an increase of 2.9% from the same period last year), ordinary income increased to 647 million yen (an increase of 4.1% from the same period last year) and current net profit also increased to be 302 million yen (an increase of 12.2% from the previous fiscal year).

(Outlook for the next period)

The business environment is expected to be severer in the next period as there is concern over rising prices caused by surging raw material prices, and consumer spending may continue to be weak because of concerns over life in the future while problems related to pension and tax reforms remain.

Under these circumstances, the Company will strive to strengthen its system to boost performance by putting priority on creating satisfaction for each customer under the slogan "Spirit and Technique Together," capping off the three-year campaign—"Improvement of Technique, Quality and Spirit."

Also, the Company will strive to build a management foundation toward business expansion and growth by promoting the ongoing midterm management plan "TAYA-Solid 2010" and improving the corporate value through efficient management.

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 2009)

Sales	14,000 million yen	(Year-on year increase: 4.2%)
Operating income	790 million yen	(Year-on year increase: 22.8%)
Ordinary income	770 million yen	(Year-on year increase: 18.9%)
Current net profit	350 million yen	(Year-on year increase: 15.6%)

(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 8,314 million yen, a decrease of 522 million yen from that of the end of the previous fiscal year.

The remaining balance of current assets was 2,615 million yen (a decrease of 213 million yen from that at the end of previous fiscal year) and the remaining balance of fixed assets was 5,699 million yen (a decrease of 308 million yen from that at the end of previous fiscal year). The main increasing factor was other accounts receivable, which increased by 65 million yen, and the main decreasing factor was cash and deposits, which decreased by 205 million yen, key money and guarantee money, which decreased by 161 million yen, tangible fixed assets, which decreased by 146 million yen mainly due to depreciation.

Total liabilities as of the end of the current fiscal year amounted to 3,556 million yen, a decrease of 713 million yen from that at the end of previous fiscal year.

The remaining balance of current liabilities was 2,368 million yen (a decrease of 363 million yen from that at the end of previous fiscal year) and the remaining balance of fixed liabilities was 1,187 million yen (a decrease of 349 million yen from that at the end of previous fiscal year). The main decreasing factors were decrease of corporate bonds and short-term loans of 312 million yen by the redemption and the due reimbursement, and notes payable (decrease of 92 million yen), and accounts payable (decrease of 86 million yen).

The shareholders' equity as of the end of current fiscal year was 4,757 million yen, an increase of 191 million yen from that at the end of previous fiscal year. As a result of the above, the capital-to-asset ratio increased from 51.7% at the end of previous fiscal year to 57.2%.

2) Cash flows

Cash and cash equivalents ("funds" hereinafter) at the end of the current fiscal year decreased 227 million yen from that period last year, to 1,190 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 370 million yen (a decrease of 270 million yen from the same period last year). The decrease, despite an increased current net profit before tax of 624 million yen, is mainly caused by a decreased trade payables (96 million yen compared with increase of 33 million yen in the same period last year) and larger payment amount of corporate tax, etc., (386 million yen compared with 254 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 174 million yen (a decrease of 260 million yen from the same period last year). This is mainly attributable to the outflow of the acquisition of tangible fixed assets 263 million yen used (261 million yen in the same period last year), an inflow of 184 million yen (86 million yen in the same period last year) by the return of security deposits and guarantee money associated with the closure of salons, and increase of time deposits by 21 million yen (205 million yen increase in the same period last year).

(Cash flow from financial activities)

The funds used as the result of financing activities in the current fiscal year amounted to 423 million yen (a decrease of 38 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 132 million yen (the net decrease in the same period last year was 180 million yen) and dividend payments of 111 million yen (102 million yen in the same period last year).

(Reference) Trend of cash flow indices

	32nd period ended March 2006	33rd period ended March 2007	34th period ended March 2008
Capital ratio (%)	49.4	51.7	57.2
Mark-to-market capital ratio (%)	60.2	56.0	44.7
Interest-bearing debt/Operating cash flow ratio (year)	3.4	3.4	4.6
Interest coverage ratio (multiple)	20.5	18.4	10.3

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. In addition, the Company also plans to pay 22 yen per share as a regular dividend for the next fiscal year.

(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 20, 2007).

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: 6.5%)
2) Ratio of ordinary income to sales ...10% (Results of current period: 4.8%)
3) Current net profit per share ……150 yen (Results of current period: 59.85 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.

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

Progress

Although the Company set a target of 14,000 million yen in sales in the initial fiscal year of the three-year midterm management plan from 2007 to 2009, it failed to achieve this because of rising tenant fees amid surging land prices in major cities as well as contract changes, which made it difficult to open new salons and the Company could not open them as planned. The Company, therefore, has reviewed this plan and announced revisions to the midterm plan today (May 8, 2008).

(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.

The Company will implement measures incorporated in the midterm plan to achieve its target in the next fiscal year, the second year of the midterm plan—"TAYA-Solid 2010."

4. Financial statements, etc.

(1) Balance sheet

Unit: thousand yen

		Previous fiscal year (as of March 31, 2007)			Current fiscal year (as of March 31, 2008)			Year-on-year increase/ decrease
Items	Notes	Amount		Breakdown	Amount		Breakdown	Increase or decrease
(Assets)				%			%	
I. Current assets								
1. Cash and deposits			1,818,070			1,612,139		
2. Accounts receivable-trade			583,359			539,791		
3. Merchandise			83,183			70,614		
4. Materials for beauty treatments			52,587			49,493		
5. Supplies			30,487			32,432		
6. Prepaid expenses			135,654			122,223		
7. Deferred tax assets			103,810			98,696		
8. Other accounts receivable			-			88,214		
9. Others			24,070			3,316		
Bad debt reserves			(2,406)			(1,866)		
Total current assets			2,828,817	32.0		2,615,057	31.5	(213,759)
II. Fixed assets								
1. Tangible fixed assets								
(1) Buildings	*1	3,559,667			3,543,166			
Accumulated depreciation		1,518,933	2,040,734		1,647,791	1,895,374		
(2) Structures		16,656			16,656			
Accumulated depreciation		9,083	7,573		10,119	6,537		
(3) Furniture and fixtures		64,116			59,774			
Accumulated depreciation		60,047	4,068		56,277	3,497		
(4) Land	*1		1,377,828			1,377,828		
Total tangible fixed assets			3,430,205	38.8		3,283,238	39.5	(146,967)
2. Intangible fixed assets								
(1) Software			3,324			2,798		
(2) Others			30,097			30,097		
Total intangible fixed assets			33,422	0.4		32,895	0.4	(526)

Unit: thousand yen

Items	Notes	Previous fiscal year (as of March 31, 2007) Amount		Breakdown	Current fiscal year (as of March 31, 2008) Amount		Breakdown	Year-on-year increase/ decrease Increase or decrease
3. Investments and other assets								
(1) Investments in subsidiaries and affiliated companies			136			136		
(2) Long-term loans to employees			2,561			2,507		
(3) Bankruptcy reorganization claims			11,650			11,650		
(4) Long-term prepaid expenses			30,479			51,272		
(5) Deferred tax assets			146,018			150,448		
(6) Key money and guarantee money	*1		2,321,915			2,160,888		
(7) Membership rights			10,190			10,190		
(8) Others			32,881			7,845		
Long-term bad debt reserves			(11,795)			(11,684)		
Total of investment and other assets			2,544,036	28.8		2,383,253	28.6	(160,783)
Total fixed assets			6,007,664	68.0		5,699,387	68.5	(308,277)
Total assets			8,836,481	100.0		8,314,445	100.0	(522,036)

Unit: thousand yen

Items	Notes	Previous fiscal year (as of March 31, 2007) Amount		Breakdown	Current fiscal year (as of March 31, 2008) Amount		Breakdown	Year-on-year increase/decrease Increase or decrease
(Liabilities)				%			%	
I. Current liabilities								
1. Notes payable			429,616			337,219		
2. Trade accounts payable			80,885			76,300		
3. Short-term loans	*1		153,001			152,800		
4. Long-term loans due within one year	*1		348,937			343,646		
5. Corporate bonds to be redeemed within one year			180,000			180,000		
6. Accounts payable-other			351,507			264,912		
7. Accrued expenses			589,716			533,681		
8. Unpaid corporate taxes			259,412			194,133		
9. Unpaid consumption taxes			81,513			66,335		
10. Deposits received			78,548			41,307		
11. Unearned revenues			1,187			1,381		
12. Bonus reserve			178,090			177,056		
Total current liabilities			2,732,417	30.9		2,368,774	28.5	(363,643)
II. Fixed liabilities								
1. Corporate bonds			310,000			130,000		
2. Long-term loans payable	*1		663,244			536,687		
3. Retirement benefit reserve			270,060			284,238		
4. Long-term accounts payable			292,603			236,137		
5. Others			1,684			780		
Total fixed liabilities			1,537,592	17.4		1,187,842	14.3	(349,749)
Total liabilities			4,270,010	48.3		3,556,617	42.8	(713,392)

Unit: thousand yen

Items	Notes	Previous fiscal year (as of March 31, 2007) Amount		Breakdown	Current fiscal year (as of March 31, 2008) 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	17.8	-
2. Capital surplus								
(1) Capital reserve		1,702,245			1,702,245			
Total capital surplus			1,702,245	19.3		1,702,245	20.5	-
3. Retained earnings								
(1) Profit reserve		66,920			66,920			
(2) Other retained earnings								
Separate reserve		860,000			860,000			
Earned surplus carried forward		575,504			766,906			
Total retained earnings			1,502,424	17.0		1,693,826	20.3	191,402
4. Treasury stock			(118,377)	(1.3)		(118,423)	(1.4)	(45)
Total shareholders' equity			4,566,471	51.7		4,757,827	57.2	191,356
Total net assets			4,566,471	51.7		4,757,827	57.2	191,356
Total liabilities and net assets			8,836,481	100.0		8,314,445	100.0	(522,036)

(2) Income statement

Unit: thousand yen

Items	Notes	Previous fiscal year (April 1, 2006 to March 31, 2007) Amount		Breakdown	Current fiscal year (April 1, 2007 to March 31, 2008) Amount		Breakdown	Year-on-year increase/decrease Increase or decrease
				%			%	
I. Sales								
1. Sales of beauty treatments		12,220,605			12,045,171			
2. Sales of goods		1,296,152			1,325,558			
3. Others		85,797	13,602,555	100.0	59,227	13,429,957	100.0	(172,597)
II. Cost of sales								
1. Cost of beauty treatments		10,888,439			10,670,087			
2. Cost of goods sold		578,531			607,063			
3. Others		64,801	11,531,772	84.8	33,331	11,310,482	84.2	(221,290)
Gross profit			2,070,782	15.2		2,119,475	15.8	48,692
III. Sales and administrative expenses	*1		1,445,588	10.6		1,476,300	11.0	30,711
Operating profit			625,194	4.6		643,175	4.8	17,981
IV. Non-operating income								
1. Interest income		2,001			4,613			
2. Real estate lease income		13,492			15,428			
3. Others		29,171	44,664	0.3	31,363	51,405	0.4	6,740
V. Non-operating expenses								
1. Interest expense		31,618			30,775			
2. Interest paid for corporate bonds		4,100			3,903			
3. Real estate rental expenses		7,496			8,182			
4. Others		4,747	47,962	0.3	4,214	47,076	0.4	(886)
Ordinary income			621,896	4.6		647,504	4.8	25,608
VI. Extraordinary income								
1. Leave compensation revenue		-			36,639			
2. Indemnification gain on closed salons and shops		-			40,000			
3. Insurance revenue		-			34,868			
4. Reversal of allowance for bad debts		989	989	0.0	651	112,158	0.9	111,169

Unit: thousand yen

		Previous fiscal year (April 1, 2006 to March 31, 2007)			Current fiscal year (April 1, 2007 to March 31, 2008)			Year-on-year increase/ decrease
Items	Notes	Amount		Breakdown	Amount		Breakdown	Increase or decrease
VII. Extraordinary losses								
1. Director's retirement benefit		11,500			-			
2. Loss from disposal of fixed assets	*2	27,259			71,853			
3. Impairment loss	*3	10,055			14,746			
4. Fire loss		-	48,815	0.4	48,154	134,754	1.0	85,939
Current net profit or loss before tax			574,070	4.2		624,908	4.7	50,838
Corporate tax, inhabitant tax and enterprise tax		315,632			321,558			
Amount of adjustment for corporate tax		(11,357)	304,275	2.2	683	322,241	2.4	17,966
Current net profit or loss			269,794	2.0		302,667	2.3	32,872

(3) Statement of shareholders' equity

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

Unit: thousand yen

	Shareholders' equity									Total net assets
	Capital stock	Capital surplus		Retained earnings				Treasury stock	Total shareholders' equity	
		Capital reserve	Total capital surplus	Profit reserve	Other retained earnings		Total retained earnings			
					Separate reserve	Earned surplus carried forward				
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.

The current fiscal year (April 1, 2007 to March 31, 2008)

	Shareholders' equity									Total net assets
	Capital stock	Capital surplus		Retained earnings				Treasury stock	Total shareholders' equity	
		Capital reserve	Total capital surplus	Profit reserve	Other retained earnings		Total retained earnings			
					Separate reserve	Earned surplus carried forward				
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
Changes during the current fiscal year										
Dividend of surplus						(111,265)	(111,265)		(111,265)	(111,265)
Current net profit						302,667	302,667		302,667	302,667
Acquisition of treasury stock								(45)	(45)	(45)
Net changes during the current fiscal year	-	-	-	-	-	191,402	191,402	(45)	191,356	191,356
Balance as of March 31, 2008	1,480,180	1,702,245	1,702,245	66,920	860,000	766,906	1,693,826	(118,423)	4,757,827	4,757,827

(4) Cash flow statement

Unit: thousand yen

		Previous fiscal year (April 1, 2006 to March 31, 2007)	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		574,070	624,908	
Depreciation		214,665	208,796	
Impairment loss		10,055	14,746	
Increase in bonus reserve		(10,443)	(1,034)	
Increase in retirement benefit reserve		16,062	14,177	
Decrease in bad debt reserve		(989)	(651)	
Interest received		(2,001)	(4,613)	
Interest paid		31,618	30,775	
Loss from retirement of fixed assets		27,259	61,721	
Leave compensation revenue		-	(36,639)	
Income from compensation for closed beauty salons		-	(40,000)	
Insurance revenue		-	(34,868)	
Fire loss		-	48,154	
Decrease (increase) in accounts receivable-trade		(56,678)	43,568	
Decrease (increase) in inventory		(10,056)	13,717	
Increase (decrease) in trade payables		33,172	(96,982)	
Decrease in unpaid consumption tax, etc.		(13,345)	(15,177)	
Others		116,117	(86,564)	
Sub-total		929,507	744,036	(185,471)
Amount of received interest		1,592	4,437	
Amount of interest payments		(34,926)	(35,881)	
Leave compensation received		-	24,825	
Indemnification of closed salons and shops received		-	40,000	
Fire loss expenditure		-	(20,442)	
Paid corporate taxes		(254,621)	(386,378)	
Cash flow from operations		641,551	370,597	(270,954)

Unit: thousand yen

		Previous fiscal year (April 1, 2006 to March 31, 2007)	Current fiscal year (April 1, 2007 to March 31, 2008)	Year-on-year increase/ decrease
Items	Notes	Amount	Amount	Increase or decrease
II. Cash flow from investments				
Payment for time deposits		(545,378)	(715,419)	
Income from withdrawal of time deposits		337,820	693,761	
Payment for acquisition of tangible fixed assets		(261,464)	(263,077)	
Expenditure for payment of security deposit and guarantee money		(43,712)	(32,697)	
Income due to the recovery of security deposit and guarantee money		86,949	184,079	
Others		(9,021)	(40,836)	
Cash flow from investments		(434,805)	(174,190)	260,615
III. Cash flow from financial operations				
Income from additional short-term loans		691,000	820,000	
Repayment of short-term loans		(645,799)	(820,201)	
Income from long-term loans		100,000	225,700	
Repayment of long-term loans		(325,890)	(357,548)	
Outflow by redemption of corporate bonds		(180,000)	(180,000)	
Expenditure for acquiring treasury stock		-	(45)	
Dividend payments		(102,023)	(111,899)	
Cash flow from financial operations		(462,712)	(423,994)	38,718
IV. Amount of decrease in cash and cash equivalents		(255,967)	(227,587)	28,379
V. Opening balance of cash and cash equivalents		1,673,649	1,417,682	(255,967)
VI. Closing balance of cash and cash equivalents	*	1,417,682	1,190,095	(227,587)

Material accounting policy

Items	Previous fiscal year (April 1, 2006 to March 31, 2007)	Current fiscal year (April 1, 2007 to March 31, 2008)
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 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 (Change in accounting policy) In line with the revision of the Corporation Tax Law, the method for depreciating tangible fixed assets that were acquired on or after April 1, 2007 has been changed to the one stipulated by the revised law, starting the current fiscal year. This change has no major impact on the previously reported financial results. (Additional information) In line with the revision of the Corporation Tax Law, the method for depreciating assets that were acquired on or before March 31, 2007 should follow the law before the revision, and starting from the fiscal year following the fiscal year when the depreciation reached 5% of the acquisition price, the difference between 5% of the acquisition price and the memorandum price is depreciated evenly for five years and declared as a depreciation cost. This change has no major impact on the previously reported financial results. (2) Intangible fixed assets Same as on the left (3) Long-term prepaid expenses Same as on the left

Items	Previous fiscal year (April 1, 2006 to March 31, 2007)	Current fiscal year (April 1, 2007 to March 31, 2008)
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 fiscal year, 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
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

Items	Previous fiscal year (April 1, 2006 to March 31, 2007)	Current fiscal year (April 1, 2007 to March 31, 2008)
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, 2006 to March 31, 2007	Current fiscal year (April 1, 2007 to March 31, 2008)
(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, 2006 to March 31, 2007)	Current fiscal year (April 1, 2007 to March 31, 2008)
(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.	(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 in the current fiscal year, and therefore is indicated separately. "Other accounts receivable" as of the end of the previous fiscal year was 22,686 thousand yen.

Notes

(Notes on balance sheet)

Unit: thousand yen

Previous fiscal year (as of March 31, 2007)		Current fiscal year (as of March 31, 2008)	
*1. Assets provided as security		*1. Assets provided as security	
(1) Assets provided as security		(1) Assets provided as security	
Buildings	553,040	Buildings	527,633
Land	1,317,838	Land	1,317,838
Security deposit and guarantee money	408,041	Security deposit and guarantee money	287,525
Total	2,278,920	Total	2,132,997
(2) Liabilities in connection with the above		(2) Liabilities in connection with the above	
Short-term loans payable	153,001	Short-term loans payable	152,800
Long-term loans payable (including long-term loans repayable within one year)	1,012,181	Long-term loans payable (including long-term loans repayable within one year)	880,333
Total	1,165,182	Total	1,033,133
2. Contingent liabilities		2. Contingent liabilities	
Guarantee for borrowings from financial institutions		Guarantee for borrowings from financial institutions	
Guarantees for ex-employees based on a program to assist employees become independent	34,756	Guarantees for ex-employees based on a program to assist employees become independent	28,576

(Notes on income statement)

Unit: thousand yen

Previous fiscal year (April 1, 2006 to March 31, 2007)	Current fiscal year (April 1, 2007 to March 31, 2008)
*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	*1. The percentage of sales and administrative expenses that are classified as cost of sales is approximately 7.6%, and the same percentage of general expenses is approximately 92.4%. The major items and their amounts are as follows: Advertising expenses 112,535 Remuneration to directors 148,548 Salary and bonuses 600,794 Reserve for bonus additionally counted 31,659 Retirement benefit expenses 4,400 Welfare expenses 88,572 Traveling & transportation expenses 55,874 Depreciation costs 23,350
*2. Fixed assets disposal loss Buildings 22,660 Restoration expenses 1,123 Others 3,476 Total 27,259	*2. Fixed assets disposal loss Buildings 45,979 Restoration expenses 10,026 Others 15,848 Total 71,853
*3. Impairment loss The Company posted an impairment loss for the following asset groups in the current fiscal year:	*3. Impairment loss The Company posted an impairment loss for the following asset groups in the current fiscal year:

Previous fiscal year:

Location	Purpose of usage	Type
Chuo-ku, Fukuoka city	Salon	Building, lease assets, others
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%.

Current fiscal year:

Location	Purpose of usage	Type
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 10,476 thousand yen for buildings, 4,269 thousand yen for lease assets.
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)

Previous 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	5,100,000	-	-	5,100,000
Total	5,100,000	-	-	5,100,000
Treasury stock				
Common stock	42,500	-	-	42,500
Total	42,500	-	-	42,500

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

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

Current fiscal year (April 1, 2007 to March 31, 2008)

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	5,100,000	-	-	5,100,000
Total	5,100,000	-	-	5,100,000
Treasury stock				
Common stock (Note)	42,500	61	-	42,561
Total	42,500	61	-	42,561

(Note) An increase of 61 shares in the total number of common stocks of treasury stock is caused by acquisition of odd-lot shares.

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 19, 2007	Common stock	111,265	22	March 31, 2007	June 20, 2007

(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

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 24, 2008	Common stock	111,263	Retained earnings	22	March 31, 2008	June 25, 2008

(Notes on cash flow statement)

Unit: thousand yen

Previous fiscal year (April 1, 2006 to March 31, 2007)	Current fiscal year (April 1, 2007 to March 31, 2008)
* 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	* Relationship between the closing balance of cash and cash equivalents and the amount recorded in the Balance Sheet (as of March 31, 2008) Cash and cash accounts 1,612,139 Time deposit, deposited for a period of three months or more (422,044) Cash and cash equivalents 1,190,095

(Note on lease transactions)

Unit: thousand yen

Previous 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

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, 2007 to March 31, 2008)

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	708,821	413,617	7,506	287,698
Software	21,240	20,178	-	1,062
Total	730,061	433,795	7,506	288,760

(2) Closing balance of prepaid lease fees

One year or less	117,598
Over one year	117,443
Total	295,042

Balance of impairment loss of lease assets 780

(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	179,321
Reversal of impairment loss of lease assets	5,173
Amount equivalent to depreciation expenses	165,950
Amount equivalent to paid interest	7,786
Impairment loss	4,269

(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, 2007)

N/A

Current fiscal year (As of March 31, 2008)

N/A

(Note on derivative transactions)

Previous fiscal year (April 1, 2006 to March 31, 2007)	Current fiscal year (April 1, 2007 to March 31, 2008)
1. Statement on transaction status	1. Statement on transaction status
(1) Outline of transactions The derivative transactions which the Company is utilizing are interest swap transactions.	(1) Outline of the transaction Same as on the left
(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.	(2) Transaction policy Same as on the left
(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.	(3) Utilization purpose of the transaction Same as on the left
1)Method for hedging accounting Because interest rate swap transactions satisfy the requirements for special treatment, this special treatment is applied to these transactions.	1)Method for hedging accounting Same as on the left
2)Hedging vehicles and hedged items Hedging vehicles: Interest rate swap Hedged items: Borrowings	2)Hedging vehicles and hedged items Hedging vehicles: Same as on the left Hedged items: Same as on the left
3)Hedging policy The Company uses hedging transactions in order to avert risks associated with interest rate changes in the future.	3)Hedging policy Same as on the left
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)Valuation method for the effectiveness of hedging activities Same as on the left
(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.	(4) Risks related to the transaction Same as on the left
(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.	(5) Risk management system for the transaction Same as on the left
2. Current value, etc., of transactions No statement is made of the current value, etc., as hedge accounting is adopted for derivative transactions.	2. Current value, etc., of transactions Same as on the left

(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, 2007)	Current fiscal year (as of March 31, 2008)
Retirement benefit payment liability (1) Retirement benefit liabilities	(270,060)	(284,238)
(2) Retirement benefit reserves	(270,060)	(284,238)

3. Breakdown of retirement benefit payment expenses

Unit: thousand yen

	Previous fiscal year (April 1, 2006 to March 31, 2007)	Current fiscal year (April 1, 2007 to March 31, 2008)
Retirement benefit cost	61,796	57,010
(1) Service costs	53,010	55,996
(2) Interest expense	5,079	5,245
(3) Disposed amount of the expense for the difference in actuarial calculation	3,706	(4,231)

4. Assumption for the calculation of retirement benefit liabilities

	Previous fiscal year (as of March 31, 2007)	Current fiscal year (as of March 31, 2008)
(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

(Stock options and others)

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

N/A

Current fiscal year (April 1, 2007 to March 31, 2008)

N/A

(Notes on deferred tax accounting)

<table>
<tr><th>Previous fiscal year
(as of March 31, 2007)</th><th>Current fiscal year
(as of March 31, 2008)</th></tr>
<tr><td>
1. Breakdown of the reasons for deferred tax assets and deferred tax liabilities
(Unit: thousand yen)
Current fiscal year
Denial of bonus reserve 72,465
Impairment loss 11,068
Denial of unpaid corporate tax, etc. 23,934
Denial of retirement benefit reserve 109,887
Others 32,473
Total deferred tax assets 249,828
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: %)
Legal effective tax rate 40.7
(Adjustment)
Items which are not counted permanently as the loss such as entertainment expenses 1.9
Per capita levy of local residential tax 10.3
Others 0.1
Corporate tax rate after the adoption of deferred tax accounting 53.0
</td><td>
1. Breakdown of the reasons for deferred tax assets and deferred tax liabilities
(Unit: thousand yen)
Current fiscal year
Denial of bonus reserve 72,044
Impairment loss 7,757
Denial of unpaid corporate tax, etc. 19,375
Denial of retirement benefit reserve 115,656
Others 34,311
Total deferred tax assets 249,145
Net deferred tax assets 249,145

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
(Adjustment)
Items which are not counted permanently as the loss such as entertainment expenses 1.9
Per capita levy of local residential tax 9.6
Others (0.6)
Corporate tax rate after the adoption of deferred tax accounting 51.6
</td></tr>
</table>

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

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

N/A

Current fiscal year (April 1, 2007 to March 31, 2008)

N/A

(Transactions with related parties)

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

N/A

Current fiscal year (April 1, 2007 to March 31, 2008)

N/A

(Per share information)

	Previous fiscal year (April 1, 2006 to March 31, 2007)	Current fiscal year (April 1, 2007 to March 31, 2008)
Net assets per share (yen)	902.91	940.76
Current net profit per share (yen)	53.34	59.85
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, 2006 to March 31, 2007)	Current fiscal year (April 1, 2007 to March 31, 2008)
Current net profit (thousand yen)	269,794	302,667
Amount which dose not belong to shareholders of common stock (thousand yen)	—	—
Net income which belongs to common stock (thousand yen)	269,794	302,667
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 24, 2008)

1. Candidates for Directors

Yasuto Matsumoto (incumbent Managing Executive Officer, Director of Human Resources)

Toshiharu Uehara (incumbent Managing Executive Officer, President of Kansai Office)

2. Exiting Directors

N/A

3. Candidate for the Corporate Auditors

N/A

4. Exiting Corporate Auditors

N/A

(2) Others

Comparison of sales by category

(Unit: thousand yen)

Items	Previous year (April 1, 2006 to March 31, 2007)		Current year (April 1, 2007 to March 31, 2008)		Comparison with the previous year
	Amount	Breakdown	Amount	Breakdown	Increase or decrease
		%		%	
Beauty treatments	12,220,605	89.9	12,045,171	89.7	(175,434)
Merchandise	1,296,152	9.5	1,325,558	9.9	29,405
Others	85,797	0.6	59,227	0.4	(26,569)
Total	13,602,555	100.0	13,429,957	100.0	(172,597)