May 7, 2012

Brief announcement of non-consolidated financial statements (Japanese GAAP) for the accounting period ended March 2012

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Code number: 4679 Location of head office: Tokyo
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Scheduled date of the general shareholders' meeting: June 19, 2012 Scheduled date of starting the payment of dividend: June 20, 2012
Scheduled date of submission of financial statements: June 20, 2012
Supplementary material on financial results: to be prepared
Financial results briefing: to be held

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

1. Financial results for the accounting period ended March 2012 (April 1, 2011 to March 31, 2012)

(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 2012	12,518	(0.3)	505	142.0	502	157.6
Period ended March 2011	12,556	(0.9)	208	-	194	-

	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 operating income to sales
	million yen	%	yen sen	yen sen	%	%	%
Period ended March 2012	161	-	32.02	-	3.7	5.7	4.0
Period ended March 2011	(37)	-	(7.48)	-	(0.8)	2.3	1.7

(NOTE) Profit and loss on investments based on the equity method for the year ended March 2012: - million yen; for the year ended March 2011: - million yen.

(2) Financial position

	Total assets	Net assets	Capital ratio	Net assets per share
	million yen	million yen	%	yen sen
Period ended March 2012	8,992	4,418	49.1	884.15
Period ended March 2011	8,479	4,408	52.0	871.77

(NOTE) Shareholders' equity at the end of the year ended March 2012:4,418 million yen; for the year ended March 2011:4,408 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 2012	655	(57)	(9)	1,865
Period ended March 2011	480	(292)	(169)	1,277

2. Dividend payments

	Annual amount of dividend per share					Annual total amount of dividends	Divided payout ratio	Ratio of dividend to net assets
	First quarter	Second quarter	Third quarter	Final	Full year			
	yen sen	yen sen	yen sen	yen sen	yen sen	million yen	%	%
Period ended March 2011	-	0.00	-	22.00	22.00	111	-	2.5
Period ended March 2012	-	0.00	-	22.00	22.00	109	68.7	2.5
Period ending March 2013 (Projection)	-	0.00	-	22.00	22.00	-	-	-

3. Projected financial results for the period ending March 2013 (April 1, 2012 to March 31, 2013)

(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	6,250	0.4	240	4.6	235	2.1	110	22.2	22.01
Full year	12,750	1.8	540	6.8	535	6.5	250	54.7	50.03

*Notes

(1) Changes in accounting policy, changes in accounting estimates and restatement
1) Changes in accounting policy associated with the revision of accounting standards, etc. : None
2) Changes in accounting policy other than those in 1) above : None
3) Changes in accounting estimates : Yes
4) Restatement : None
(NOTE) Please refer to page 18 (Change in accounting estimate) 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 2012: 5,100,000 shares; for the year ended March 2011: 5,100,000 shares.

2) The number of the treasury stock at the end of the current year ended March 2012: 102,895 shares; for the year ended March 2011: 42,860 shares.

3) The average number of shares outstanding for the year ended March 2012: 5,047,617 shares; for the year ended March 2011: 5,057,140 shares.

(NOTE) Please refer to page 35 (Per share information) for the number of shares to be the base for the calculation of current net profit per share.

* Representation of Implementation Conditions regarding Audit Procedures

This annual financial summary does not fall within the scope of the Audit Procedures for Financial Statements referenced in the Financial Instruments and Exchange Act. At the time of disclosure of the annual financial summary, the Company has not finished audit procedures based on the Financial Instruments and Exchange Act.

* Explanation on an appropriate use of the projected business performance and other remarks

Statements concerning revisions to the business performance forecasts contain estimates based on the Company’s future outlook and plans as of the date of the announcement of this material, and actual business performance may differ from the projected figures because of various uncertainties involved in forecasting. Please refer to page 4 of the attached material for the above projected business performance.

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1. Operating results

(1) Analysis of business performance

(Operating results of the current fiscal year)

Despite the significant impact of the Great East Japan Earthquake, the Japanese economy during the fiscal year under review gradually improved, with manufacturing activities rebounding following an early recovery from supply-chain disruptions. However, economic conditions remained challenging due to the yen's rapid appreciation, Europe's sovereign debt crisis, rising oil prices, and other factors, which make it difficult to predict the domestic economic outlook.

The beauty industry is still facing an increasingly tough business environment because consumers are becoming increasingly savings-oriented due to concerns about the employment and earning environments, although temporary effects of the earthquake on the industry have generally subsided.

Under these circumstances, the Company has been working on "creating beauty salons customers are happy with," improving techniques and customer service skills of all employees, and providing new services, in order to use beauty to bring a smile to customers under the slogan "Ability to make others happy."

The Company proposed simpler-to-care-for and easier-to-craft hair designs, by adding variations of hair colors through the introduction of new original hair colors every season and using original hair perm techniques. The Company also offered customer-oriented services such as new hair treatments launched to make hair, including roots, healthier. In addition, the Company released a stream of seasonal, original shampoos and treatments this year by developing hair care products that are suitable for seasonal changes of weather.

The Company opened two new salons (MICHEL DERVYN Atre Yotsuya & TAYA Fukuyama Tenmaya), and relocated one salon (TAYA Shinsaibashi). The Company also closed two salons (Shampoo Atre Yotsuya & TAYA bluelabel Fukuyama CASPA), due to full building renovation or closure. At the end of the fiscal year under review, the Company had 147 beauty salons and one retail shop.

Customer visit frequency was affected by the Great East Japan Earthquake, despite implementation of these measures, and operating results were weak, with a 2.3% decrease in the number of customer visits and a 1.7% decrease in sales year-on-year.

However, the Company also focused on reinforcing its revenue-earning structure by improving productivity based on human resources development and appropriate staffing of beauticians, strictly managing beauty material use, saving electricity, and cutting unnecessary expenses.

As a result, the Company's sales for the fiscal year under review were 12,518 million yen (down 0.3% from a year earlier). The Company recorded operating income of 505 million yen (up 142.0% from a year earlier) and ordinary income of 502 million yen (up 157.6% from a year earlier). As a result, the Company posted current net income of 161 million yen (net loss of 37 million yen in the previous fiscal year).

(Outlook for the next period)

The economic outlook in the coming period remains uncertain, due to the effects of rising oil prices and electricity rates and other factors, despite signs of a gradual recovery. The management environment is also anticipated to remain challenging due to continuing savings-oriented purchasing behavior in consumer markets, which are affected by the psychological effects of proposed increases of consumption taxes and social security payments.

Under these circumstances, the Company, under the slogan "Ability to make you smile," will improve customer services further and aim to establish "the best regional salons in terms of customer satisfaction by offering excellent techniques and services," thereby putting smiles on our customers' faces through the techniques and customer service skills and smiles of beauticians.

The Company will open salons in areas where synergies with existing salons are expected and improve management efficiency through scrap-and-build programs.

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

(Outlook for the business performance in the fiscal year ending March 2013)

Sales	12,750 million yen	(Year-on year increase: 1.8%)
Operating income	540 million yen	(Year-on year increase: 6.8%)
Ordinary income	535 million yen	(Year-on year increase: 6.5%)
Current net profit	250 million yen	(Year-on year increase: 54.7%)

(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 8,992 million yen, an increase of 513 million yen from that of the end of the previous fiscal year.

The remaining balance of current assets was 3,061 million yen (an increase of 693 million yen from that at the end of the previous fiscal year) and the remaining balance of fixed assets was 5,930 million yen (a decrease of 180 million yen from that at the end of previous fiscal year). The main factors underlying the increase were rises of 607 million yen in cash and deposits and 83 million yen in accounts receivable. The main factors underlying the decrease were declines of 100 million yen in long-term deposits and 62 million yen in buildings due to depreciation, etc.

Total liabilities as of the end of the current fiscal year amounted to 4,574 million yen, an increase of 503 million yen from that at the end of previous fiscal year. The remaining balance of current liabilities was 2,733 million yen (an increase of 557 million yen from that at the end of previous fiscal year) and the remaining balance of fixed liabilities was 1,841 million yen (a decrease of 53 million yen from that at the end of previous fiscal year). The main factors underlying the increase were a net rise of 332 million yen in short or long-term loans payable and a rise of 152 million yen in accounts payable-other. The main factor underlying the decrease was a decline of 126 million yen resulting from the redemption of corporate bonds.

The shareholders' equity as of the end of current fiscal year was 4,418 million yen, an increase of 9 million yen from that at the end of previous fiscal year. As a result of the above, the capital-to-asset ratio decreased from 52.0% at the end of previous fiscal year to 49.1%.

2) Cash flows

Cash and cash equivalents (“funds” hereinafter) as of the end of the current fiscal year increased by 587 million yen from the previous fiscal year to 1,865 million yen.

Detailed cash flows in the current period are shown below.

(Cash flow from operations)

The increase in funds as the result of operating activities in the current fiscal year amounted to 655 million yen (480 million yen in the same period of the previous year). This is primarily attributable to a pretax net profit of 452 million yen, depreciation expenses of 268 million yen, and an increase in accounts payable-other of 175 million yen in relation to new salon facilities, etc., while there was a payment of 229 million yen for corporate taxes and an increase of 83 million yen in accounts receivable.

(Cash flow from investments)

The funds used as a result of investment activities in the current fiscal year amounted to 57 million yen (292 million yen in the same period last year). This is mainly attributable to an outflow for the acquisition of tangible fixed assets amounting to 122 million yen used to open new salons and relocate a salon and a branch office.

(Cash flow from financial activities)

The funds used as a result of financing activities in the current fiscal year amounted to 9 million yen (169 million yen in the same period last year). This is mainly attributable to a net increase of outstanding short and long-term loans payable of 332 million yen, an outflow for the redemption of corporate bonds of 126 million yen, and payment of dividends of 111 million yen.

(Reference) Trend of cash flow indices

	36th period ended March 2010	37th period ended March 2011	38th period ended March 2012
Capital ratio (%)	53.7	52.0	49.1
Mark-to-market capital ratio (%)	41.3	39.2	38.7
Interest-bearing debt/Operating cash flow ratio (year)	28.6	4.0	3.2
Interest coverage ratio (multiple)	2.0	14.7	22.3

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 aregular dividend for the current fiscal year. The Company is scheduled to pay a regular dividend of 22 yen per share for fiscal year ending March 2012.

(4) Business and other management risks

The operating results, stock price and financial conditions of the Company may be affected by risks which are explained as below.

The matters concerning the future mentioned in the following are judged by the Company based on the current conditions at the end of the current fiscal year.

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 business the Company engages in, 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) 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.

7) Accounting for the impairment

When impairment is needed for assets of the Company due to the decline of the substantial value, there may be some impact on the Company's operating results.

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 22, 2011).

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 10% (Results of current period: 3.7 %)
[Targeted return on shareholders' equity has been revised from 15% to 10%.]
2) Ratio of ordinary income to sales 10% (Results of current period: 4.0%)
3) Current net profit per share 150 yen (Results of current period: 32.02 yen)

(3) Medium- to long-term corporate strategy

The Company has been promoting the midterm management plan "TAYA-Solid 2012" (announced on May 8, 2009), based on its basic management policy. However, there was a significant discrepancy between business performance in the fiscal year ended March 2012 (final target year) and this mid-term management plan, due to lower-than-expected sales of existing salons, resulting from fewer customer visits and lower-than-scheduled number of new salon openings, as well as continuing savings-oriented behavior in consumer markets associated with the long-term economic downturn.

Targets and results of Medium-term Management Plan "TAYA-Solid 2012" are as follows:

<u>Medium-term Management Plan "TAYA-Solid 2012"</u>
(Target fiscal year: Fiscal year ending March 2012)

Sales	14,700 million yen (100.0%)
Operating income	920 million yen (6.3%)
Ordinary income	920 million yen (6.3%)
Current net profit	410 million yen (2.8%)
EPS	81 yen
Number of beauty salons	162

[Results in the fiscal year ended in March 2012]

[Sales	12,518 million yen (100.0%)]
[Operating income	505 million yen (4.0%)]
[Ordinary income	502 million yen (4.0%)]
[Current net profit	161 million yen (1.3%)]
[EPS	32.02 yen]

Number of beauty salons	147
[Difference (achievement rate)]	
[Sales	(2,182) million yen (85.2%)]
[Operating income	(415) million yen (54.9%)]
[Ordinary income	(418) million yen (54.6%)]
[Current net profit	(249) million yen (39.3%)]
[EPS	(48.98) yen]
Number of beauty salons	(15)

The Company developed and announced its new mid- to long-term management plan "MLP 2019" in May 7, 2012, taking into account the current economic downturn, which is expected to be prolonged. The Company will strengthen its corporate structure based on this plan.

For details of this new plan, please refer to "Mid- to Long-term Management Plan, MLP 2019" publicly announced on May 7, 2012.

(4) Items to be addressed

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, responding to diversifying customer needs and lifestyles, 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.

4. Financial statements

(1) Balance sheet

Unit: thousand yen

	Previous fiscal year (as of March 31, 2011)	Current fiscal year (as of March 31, 2012)
Assets		
Current assets		
Cash and deposits	1,521,609	2,129,313
Accounts receivable-trade	472,748	555,885
Merchandise	48,941	48,011
Materials for beauty treatments	30,832	34,208
Supplies	24,961	20,083
Prepaid expenses	132,676	134,266
Deferred tax assets	114,392	111,714
Others	23,109	29,511
Bad debt reserves	(915)	(1,008)
Total current assets	2,368,356	3,061,987
Fixed assets		
Tangible fixed assets		
Buildings	4,040,016	4,154,089
Accumulated depreciation	(2,191,620)	(2,367,900)
Buildings (net value)	1,848,395	1,786,188
Structures	26,304	26,304
Accumulated depreciation	(19,394)	(20,463)
Structures (net value)	6,910	5,840
Equipment, tools and fixtures	50,429	49,540
Accumulated depreciation	(49,274)	(48,931)
Equipment, tools and fixtures (net value)	1,155	609
Land	1,377,828	1,375,445
Lease assets	116,706	136,414
Accumulated depreciation	(50,362)	(72,899)
Lease assets (net value)	66,344	63,514
Total tangible fixed assets	3,300,634	3,231,599
Intangible fixed assets		
Software	866	3,449
Lease assets	10,345	30,324
Others	30,097	30,097
Total intangible fixed assets	41,309	63,871
Investments and other assets		
Investments in subsidiaries and affiliated companies	125	119
Long-term loans to employees	1,460	572
Bankruptcy reorganization claims	1,650	-
Long-term prepaid expenses	43,507	43,559
Deferred tax assets	250,534	233,370
Long-term deposits	300,000	200,000
Security deposit and guarantee money	2,152,514	2,141,330
Others	35,804	31,127
Long-term bad debt reserves	(16,735)	(15,188)
Total of investment and other assets	2,768,860	2,634,891
Total fixed assets	6,110,804	5,930,362
Total assets	8,479,161	8,992,349

Unit: thousand yen

	Previous fiscal year (as of March 31, 2011)	Current fiscal year (as of March 31, 2012)
Liabilities		
Current liabilities		
Notes payable	342,844	322,317
Accounts payable-trade	56,662	84,353
Short-term loans payable	106,900	149,668
Long-term loans payable due within one year	341,579	502,866
Corporate bonds to be redeemed within one year	126,000	128,000
Lease obligations	27,379	37,794
Accounts payable-other	163,484	316,108
Accrued expenses	500,276	556,696
Unpaid corporate taxes	186,763	228,986
Unpaid consumption taxes	67,195	91,548
Advances received	40	44
Deposits received	36,673	86,362
Unearned revenues	988	980
Bonus reserve	218,810	217,109
Asset Retirement Obligations	-	10,281
Total current liabilities	2,175,598	2,733,117
Fixed liabilities		
Corporate bonds	278,000	150,000
Long-term loans payable	940,423	1,069,121
Lease obligations	56,251	62,215
Retirement benefit reserve	361,375	372,517
Asset Retirement Obligations	189,132	172,809
Long-term accounts payable	69,725	14,363
Total fixed liabilities	1,894,908	1,841,026
Total liabilities	4,070,506	4,574,143
Net assets		
Shareholders’ equity		
Capital stock	1,480,180	1,480,180
Capital surplus		
Capital reserve	1,702,245	1,702,245
Total capital surplus	1,702,245	1,702,245
Retained earnings		
Profit reserve	66,920	66,920
Other retained earnings		
Separate reserve	860,000	860,000
Earned surplus carried forward	417,941	468,316
Total retained earnings	1,344,861	1,395,236
Treasury stock	(118,632)	(159,455)
Total shareholders’ equity	4,408,654	4,418,206
Total net assets	4,408,654	4,418,206
Total liabilities and net assets	8,479,161	8,992,349

(2) Income statement

Unit: thousand yen

	Previous fiscal year (April 1, 2010 to March 31, 2011)	Current fiscal year (April 1, 2011 to March 31, 2012)
Sales		
Sales of beauty treatments	11,151,594	11,126,791
Sales of goods	1,359,676	1,340,642
Others	45,139	51,188
Totals sales	12,556,410	12,518,622
Cost of sales		
Cost of beauty treatments	10,199,898	9,889,300
Cost of goods sold	655,256	637,989
Others	21,011	23,026
Total cost of sales	10,876,167	10,550,316
Gross profit	1,680,243	1,968,306
Sales and administrative expenses	1,471,319	1,462,767
Operating income	208,923	505,539
Non-operating income		
Interest received	1,776	1,377
Real estate lease	10,656	11,261
Others	30,421	24,287
Total non-operating income	42,854	36,925
Non-operating expenses		
Interest expense	31,501	26,629
Interest paid for corporate bonds	2,145	2,391
Bond issuance cost	6,024	-
Real estate rental expenses	10,067	6,450
Others	7,105	4,784
Total non-operating expenses	56,844	40,256
Ordinary income	194,934	502,207
Extraordinary income		
Income from compensation for closed salons and shops	-	3,000
Reversal of allowance for bad debts	279	-
Total extraordinary income	279	3,000
Extraordinary losses		
Loss from sales of fixed assets	-	7,069
Loss from disposal of fixed assets	2,552	12,703
Impairment loss	28,913	28,130
Loss caused by the disaster	7,376	-
Reserve for bad loans	15,037	-
Loss on adjustment for changes of Accounting Standard for Asset Retirement Obligations	85,671	-
Others	-	4,650
Total extraordinary losses	139,550	52,553
Current net profit before tax	55,662	452,654
Corporate tax, inhabitant tax and enterprise tax	155,567	271,181
Amount of adjustment for corporate tax	(62,091)	19,841
Total of corporate tax and others	93,475	291,023
Current net profit or loss	(37,813)	161,631

(3) Statement of shareholders’ equity

Unit: thousand yen

	Previous fiscal year (April 1, 2010 to March 31, 2011)	Current fiscal year (April 1, 2011 to March 31, 2012)
Shareholders’ equity		
Capital stock		
Balance as of previous fiscal year	1,480,180	1,480,180
Changes during the current fiscal year		
Net changes during the current fiscal year	-	-
Balance as of current fiscal year	1,480,180	1,480,180
Capital surplus		
Capital reserve		
Balance as of previous fiscal year	1,702,245	1,702,245
Changes during the current fiscal year		
Net changes during the current fiscal year	-	-
Balance as of current fiscal year	1,702,245	1,702,245
Total capital surplus		
Balance as of previous fiscal year	1,702,245	1,702,245
Changes during the current fiscal year		
Net changes during the current fiscal year	-	-
Balance as of current fiscal year	1,702,245	1,702,245
Retained earnings		
Profit reserve		
Balance as of previous fiscal year	66,920	66,920
Changes during the current fiscal year		
Net changes during the current fiscal year	-	-
Balance as of current fiscal year	66,920	66,920
Other retained earnings		
Separate reserve		
Balance as of previous fiscal year	860,000	860,000
Changes during the current fiscal year		
Net changes during the current fiscal year	-	-
Balance as of current fiscal year	860,000	860,000
Earned surplus carried forward		
Balance as of previous fiscal year	567,012	417,941
Changes during the current fiscal year		
Dividend of surplus	(111,257)	(111,257)
Current net profit or loss	(37,813)	161,631
Net changes during the current fiscal year	(149,070)	50,374
Balance as of current fiscal year	417,941	468,316
Total retained earnings		
Balance as of previous fiscal year	1,493,932	1,344,861
Changes during the current fiscal year		
Dividend of surplus	(111,257)	(111,257)
Current net profit or loss	(37,813)	161,631
Net changes during the current fiscal year	(149,070)	50,374
Balance as of current fiscal year	1,344,861	1,395,236
Treasury stock		
Balance as of previous fiscal year	(118,632)	(118,632)
Changes during the current fiscal year		
Acquisition of treasury stock	-	(40,822)
Net changes during the current fiscal year	-	(40,822)

	Previous fiscal year (April 1, 2010 to March 31, 2011)	Current fiscal year (April 1, 2011 to March 31, 2012)
Balance as of current fiscal year	(118,632)	(159,455)
Total shareholders' equity		
Balance as of previous fiscal year	4,557,725	4,408,654
Changes during the current fiscal year		
Dividend of surplus	(111,257)	(111,257)
Current net profit or loss	(37,813)	161,631
Acquisition of treasury stock	-	(40,822)
Net changes during the current fiscal year	(149,070)	9,551
Balance as of current fiscal year	4,408,654	4,418,206
Total net asset		
Balance as of previous fiscal year	4,557,725	4,408,654
Changes during the current fiscal year		
Dividend of surplus	(111,257)	(111,257)
Current net profit or loss	(37,813)	161,631
Acquisition of treasury stock	-	(40,822)
Net changes during the current fiscal year	(149,070)	9,551
Balance as of current fiscal year	4,408,654	4,418,206

(4) Cash flow statement

(Unit: Thousand yen)

	Previous fiscal year (April 1, 2010 to March 31, 2011)	Current fiscal year (April 1, 2011 to March 31, 2012)
Cash flow from operations		
Current net profit before tax	55,662	452,654
Depreciation	284,592	268,059
Impairment loss	28,913	28,130
Increase (decrease) in bonus reserve	(279)	(1,700)
Increase (decrease) in retirement benefit reserve	13,943	11,142
Increase (decrease) in bad debt reserve	14,758	196
Interest received	(1,776)	(1,377)
Interest paid	31,501	26,629
Loss from retirement of fixed assets	2,552	12,195
Loss (gain) from sales of fixed assets	-	6,613
Income from compensation for closed salons and shops	-	(3,000)
Loss on adjustment for changes of Accounting Standard for Asset Retirement Obligations	85,671	-
Loss caused by the disaster	7,376	-
(Increase) decrease in accounts receivable-trade	73,795	(83,133)
(Increase) decrease in inventory	(8,037)	2,431
Increase (decrease) in trade payables	(44,110)	13,108
Increase (decrease) in accounts payable-other	(38,408)	175,018
Increase (decrease) in unpaid consumption tax, etc.	12,884	24,352
Others	12,266	(15,631)
Sub-total	531,306	915,690
Amount of received interest	1,944	1,447
Amount of interest payments	(32,577)	(29,419)
Income from compensation for closed salons and shops received	10,991	3,000
Paid casualty loss	-	(6,087)
Paid corporate taxes	(31,454)	(229,619)
Cash flow from operations	480,210	655,010

(Unit: Thousand yen)

	Previous fiscal year (April 1, 2010 to March 31, 2011)	Current fiscal year (April 1, 2011 to March 31, 2012)
Cash flow from investments		
Payment for time deposits	(534,717)	(457,331)
Income from withdrawal of time deposits	516,609	537,558
Payment for acquisition of tangible fixed assets	(246,404)	(122,123)
Proceeds from sales of tangible fixed assets	-	2,383
Expenditure for security deposit and guarantee money payment	(24,619)	(63,220)
Income due to the recovery of security deposit and guarantee money	4,820	68,121
Others	(8,578)	(23,118)
Cash flow from investments	(292,890)	(57,729)
Cash flow from financial operations		
Income from additional short-term loans	433,000	654,000
Repayment of short-term loans	(543,360)	(611,232)
Income from long-term loans	457,300	719,000
Repayment of long-term loans	(551,045)	(429,015)
Proceeds from issuance of bonds	300,000	-
Outflow by redemption of corporate bonds	(96,000)	(126,000)
Expenditure for long-term accounts payable repayment	(32,794)	(33,223)
Expenditure for lease obligation repayment	(26,009)	(30,911)
Expenditure for acquiring treasury stock	-	(40,822)
Dividend payments	(110,779)	(111,112)
Cash flow from financial operations	(169,688)	(9,316)
Translation adjustments on cash and cash equivalents	(214)	(34)
Amount of increase (decrease) in cash and cash equivalents	17,416	587,930
Opening balance of cash and cash equivalents	1,260,076	1,277,492
Closing balance of cash and cash equivalents	1,277,492	1,865,423

(5) Note concerning events or conditions that may cast significant doubt over the precondition of a going concern
N/A

(6) Material accounting policy
1. Standard and method of evaluating inventories
Merchandise and materials for beauty treatment:
mainly a cost accounting approach with a moving-average method (a method in which book value is written down based on a decrease in profitability and is used for balance sheet values).
Supplies:
at cost, based on the final purchase cost.

2. Depreciation of fixed assets
1) Tangible fixed assets (excluding lease 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

Depreciation for buildings leased on fixed term contracts is calculated based on each fixed term instead of their useful lives.
2) Intangible fixed assets (excluding lease 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) Lease assets
straight-line method over the lease period with a residual value of zero.
Of finance lease contracts under which ownership does not transfer to the lessee, lease contracts that began on March 31, 2008 or before are based on the accounting method applied to operating lease transactions.
4) Long-term prepaid expenses
Straight-line method.

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 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.

4. Scope of funds in the Cash Flow Statement

Funds 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 value fluctuation, and can be reimbursed within three months of their acquisition.

5. Other important matters that are the bases for the preparation of financial statements

1) Accounting for consumption taxes, etc.

Based on net sales exclusive of taxes.

(7) Change of presentation method

(Cash flow statement)

"(Decrease) increase in accounts payable-other" included in "Others" of "Cash flow from operations" in the previous fiscal year was disclosed separately in the current fiscal year because the materiality of this amount increased. Financial statements of the previous fiscal year were reclassified to reflect this change of presentation method.

As a result, a decrease of 26,142,000 yen disclosed in "Others" of "Cash flow from operations" in the cash flow statement for the previous fiscal year was reclassified into a decrease of 38,408,000 yen in "Accounts payable-other" and an increase of 12,266,000 yen in "Others."

(8) Change in accounting estimate

(Change in estimated asset retirement obligations)

With regard to asset retirement costs, actual obligations for the current fiscal year were lower than initially estimated, and are overstated by 32,476,000 yen. As a result, the Company has deducted this amount from the initially estimated amount.

(9) Additional information

(Adoption of Accounting Standard and Guidance for Accounting Changes and Error Corrections)

The Company adopts the "Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Statement No. 24 released on December 4, 2009) and the "Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No. 24 released on December 4, 2009) for accounting changes and corrections to past errors in the current fiscal year and beyond.

(10) Notes on financial statements

(Notes on balance sheet)

*1. Assets provided as security and secured debt

Assets provided as security are as follows:

Unit: thousand yen

	Previous fiscal year (as of March 31, 2011)	Current fiscal year (as of March 31, 2012)
Buildings	453,267	426,674
Land	1,317,838	1,315,455
Security deposit and guarantee money	273,589	273,589
Total	2,044,696	2,015,720

Secured debts are as follows:

Unit: thousand yen

	Previous fiscal year (as of March 31, 2011)	Current fiscal year (as of March 31, 2012)
Short-term loans payable	91,900	149,668
Long-term loans payable (including long-term loans repayable within one year)	1,029,216	1,290,459
Total	1,121,116	1,440,127

2. Guarantee liabilities

Unit: thousand yen

	Previous fiscal year (as of March 31, 2011)	Current fiscal year (as of March 31, 2012)
Guarantee liabilities for borrowings from financial institutions by former employees based on a program to assist employees become independent	6,934	3,610

3. The Company has made an overdraft agreement with two banks so as to effectively raise working capital. The amount not to be funded under the agreement at the end of the current fiscal year is as follows:

Unit: million yen

	Previous fiscal year (as of March 31, 2011)	Current fiscal year (as of March 31, 2012)
Overdraft limit	300	400
Funded amount	15	-
Balance	285	400

(Notes on income statement)

*1 The percentages of sales and administrative expenses for the previous and current fiscal years that are classified as sales expenses are approximately 7.5% and 6.8%, respectively, and the same percentages of general expenses are approximately 92.5% and 93.2%, respectively.

The major items and their amounts are as follows:

Unit: thousand yen

	Previous fiscal year (April 1, 2010 to March 31, 2011)	Current fiscal year (April 1, 2011 to March 31, 2012)
Advertising expenses	111,577	99,666
Remuneration to officers	125,426	138,116
Salary and bonuses	622,370	608,523
Reserve for bonus additionally counted	66,375	65,604
Retirement benefit expenses	5,419	5,530
Welfare expenses	105,478	102,618
Traveling & transportation expenses	50,588	49,396
Depreciation costs	23,268	32,304
Additional bad debt reserves	-	46

*2 Loss from sales of fixed assets consists of the following items.

Unit: thousand yen

	Previous fiscal year (April 1, 2010 to March 31, 2011)	Current fiscal year (April 1, 2011 to March 31, 2012)
Buildings	-	4,743
Land	-	2,326
Total	-	7,069

*3 Loss from disposal of fixed assets consists of the following items.

Unit: thousand yen

	Previous fiscal year (April 1, 2010 to March 31, 2011)	Current fiscal year (April 1, 2011 to March 31, 2012)
Buildings	2,552	12,195
Others	-	507
Total	2,552	12,703

*4. Impairment loss

Previous fiscal year (April 1, 2010 to March 31, 2011)

The Company posted an impairment loss for the following asset groups:

Location	Purpose of usage	Type
Chuo-ku, Sapporo-shi	Salon	Building
Izumi-ku, Sendai-shi	Salon	Buildings and lease assets
Nakagyo-ku, Kyoto-shi	Salon	Buildings and 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 22,009 thousand yen for buildings and 6,904 thousand yen for leased 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%.

Current fiscal year (April 1, 2011 to March 31, 2012)
The Company posted an impairment loss for the following asset groups:

Location	Purpose of usage	Type
Shibuya-ku, Tokyo	Salon	Building
Naka-ku, Hiroshima-shi	Salon	Buildings, tools, furniture and fixtures
Tama-shi, Tokyo	Salon	Building
Niihama-shi, Ehime Prefecture	Salon	Buildings, tools, furniture and fixtures
Nakagyo-ku, Kyoto-shi	Salon	Buildings and 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 26,927 thousand yen for buildings, 1,193 thousand yen for leased assets and 9 thousand yen for tools, furniture and fixtures.

In addition, the collectible value of such group of assets is measured based on usable value, and future cash flows are discounted by 4%.

(Notes on statement of shareholders' equity)

Previous fiscal year (April 1, 2010 to March 31, 2011)

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

Unit: shares

	Balance at the beginning of the current 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	42,860	-	-	42,860
Total	42,860	-	-	42,860

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 22, 2010	Common stock	111,257	22	March 31, 2010	June 23, 2010

(2) Dividends for which record date belongs to current fiscal year and effective date belongs to 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 21, 2011	Common stock	111,257	Retained earnings	22	March 31, 2011	June 22, 2011

Current fiscal year (April 1, 2011 to March 31, 2012)

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

Unit: shares

	Balance at the beginning of the current 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)	42,860	60,035	-	102, 895
Total	42,860	60,035	-	102, 895

(Note) 60,035 treasury stocks that increased during the current fiscal year consist of 60,000 treasury stocks acquired in accordance with the passing of a resolution of the board of directors and an increase of 35 stocks as a result of the purchase of shares constituting less than one unit.

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 21, 2011	Common stock	111,257	22	March 31, 2011	June 22, 2011

(2) Dividends for which record date belongs to current fiscal year and effective date belongs to 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, 2012	Common stock	109,936	Retained earnings	22	March 31, 2012	June 20, 2012

(Notes on cash flow statement)

*1 Relationship between the closing balance of cash and cash equivalents and the amount recorded in the Balance Sheet

Unit: thousand yen

	Previous fiscal year (April 1, 2010 to March 31, 2011)	Current fiscal year (April 1, 2011 to March 31, 2012)
Cash and cash accounts	1,521,609	2,129,313
Time deposit, deposited for a period of more than three months	(244,116)	(263,889)
Cash and cash equivalents	1,277,492	1,865,423

(Note on lease transactions)

1. Finance lease transactions

Finance lease transactions, excluding transactions that involve transference of the ownership of the lease subject to the lessee.

1) Contents of lease assets

a) Tangible fixed assets

Facilities in the beauty industry (equipment, tools and fixtures)

b) Intangible fixed assets

Software

2) Method for calculating depreciation of lease assets

As stated in Material accounting policy "2. Depreciation of fixed assets"

Among non-transfer ownership finance lease transactions, those, which started on March 31, 2008, or before, are based on the accounting method applied to operating lease transactions as shown below.

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

Unit: thousand yen

	Previous fiscal year (as of March 31, 2011)		
	Acquisition price of leased property	Accumulated depreciation	Closing balance
Tools, furniture and fixtures	195,128	147,633	47,494
Total	195,128	147,633	47,494

Unit: thousand yen

	Current fiscal year (as of March 31, 2012)		
	Acquisition price of leased property	Accumulated depreciation	Closing balance
Tools, furniture and fixtures	111,118	97,943	13,175
Total	111,118	97,943	13,175

(2) Closing balance of prepaid lease fees

Unit: thousand yen

	Previous fiscal year (as of March 31, 2011)	Current fiscal year (as of March 31, 2012)
Closing balance of prepaid lease fees		
One year or less	35,547	13,986
Over one year	14,487	-
Total	50,034	13,986

(3) Lease fees paid, amount equivalent to depreciation expenses and amount equivalent to paid interest

Unit: thousand yen

	Previous fiscal year (April 1, 2010 to March 31, 2011)	Current fiscal year (April 1, 2011 to March 31, 2012)
Lease fees paid	47,694	36,489
Amount equivalent to depreciation expenses	44,310	33,848
Amount equivalent to paid interest	2,182	941

(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.

(Impairment loss)
No impairment loss was recognized for lease assets.

(Financial products)

1. Matters concerning situations of financial instruments

(1) Policy for handling financial instruments

The Company raises funds required for equipment in light of its equipment plan (mainly by borrowing from banks or the issuance of corporate bonds).
The Company invests extra funds on principal-protected time deposits and raises short-term working capital by borrowing from banks. The Company conducts derivatives transactions in order to avoid the risks to be explained later, without making speculative transactions.

(2) Descriptions and risk of financial instruments

Operating receivables including sales receivables, security deposit and guarantee money are exposed to the credit risks of trading counterparties. Banks have right to terminate long-term savings.
Most operating payables including notes payable and accounts payable are due and payable within three months.

Long-term debt and corporate bonds, mainly for the purpose of fund raising for equipment investment, are paid or redeemed with fixed amounts in a certain period of time.

(3) Risk management system concerning financial instruments

1) Management of credit risk (Risk concerning nonperformance by counterparties)

groups and branches in the business division periodically monitor the situation of major transaction counterparties for operating receivables, security deposit and guarantee money and the accounting group manages due dates and outstanding balances every month in order to early grasp concerns on collection due to the worsening of their financial conditions and alleviate these concerns.

In long-term deposits, credit risk is small because we transact with only highly-rated banks.
In derivatives transactions, there is almost no credit risk since counterparties are limited to banks which are rated high.

2) Management of market risk (Interest fluctuation risk)

In long-term deposits, interests received and the evaluation amount may vary depending on the change in interest rates and exchange rates.
The department in charge performs and manages derivatives transactions with the approval of the board of directors. Transaction results are reported monthly to the board of directors.

3) Management on liquidity risk concerning fund raising (Risk on the failure of the payment on due dates)

In this Company the department in charge develops and updates cash management plans at appropriate times based on reports from each department and maintains liquidity in hands in order to manage liquidity risks.

2. Matters on the market value of financial instruments

Previous fiscal year (as of March 31, 2011)

	Amount recorded on the balance sheet (thousand yen)	Market value (thousand yen)	Balance (thousand yen)
(1) Cash and deposits	1,521,609	1,521,609	-
(2) Accounts receivable-trade	472,748	472,748	-
(3) Long-term deposits	300,000	289,317	(10,682)
(4) Security deposit and guarantee money	2,152,514	2,135,463	(17,050)
Total assets	4,446,871	4,419,139	(27,732)
(1) Notes payable	342,844	342,844	-
(2) Trade accounts payable	56,662	56,662	-
(3) Short-term loans	106,900	106,900	-
(4) Accounts payable-other	163,484	163,484	-
(5) Unpaid corporate taxes	186,763	186,763	-
(6) Unpaid consumption taxes	67,195	67,195	-
(7) Corporate bonds	404,000	408,082	4,082
(8) Long-term loans payable	1,282,002	1,305,631	23,629
(9) Lease obligations	83,631	82,161	(1,470)
(10) Long-term accounts payable	69,725	69,600	(124)
Total Liabilities	2,763,209	2,789,326	26,116

Current fiscal year (as of March 31, 2012)

	Amount recorded on the balance sheet (thousand yen)	Market value (thousand yen)	Balance (thousand yen)
(1) Cash and deposits	2,129,313	2,129,313	-
(2) Accounts receivable-trade	555,885	555,885	-
(3) Long-term deposits	200,000	199,351	(648)
(4) Security deposit and guarantee money	2,141,330	2,128,646	(12,683)
Total assets	5,026,529	5,013,196	(13,332)
(1) Notes payable	322,317	322,317	-
(2) Trade accounts payable	84,353	84,353	-
(3) Short-term loans	149,668	149,668	-
(4) Accounts payable-other	316,108	316,108	-
(5) Unpaid corporate taxes	228,986	228,986	-
(6) Unpaid consumption taxes	91,548	91,548	-
(7) Corporate bonds	278,000	280,707	2,707
(8) Long-term loans payable	1,571,987	1,596,351	24,364
(9) Lease obligations	100,010	98,463	(1,546)
(10) Long-term accounts payable	14,363	14,281	(81)
Total Liabilities	3,157,342	3,182,787	25,444

(Note)The calculation method of the market value of financial instruments

Assets

(1) Cash and deposits, (2) Accounts receivable-trade

As they are settled in a short time and the market value is almost the same as book value, the book value is used.

(3) Long-term deposits

The market value for long term deposits is calculated with the discounted present value obtained from future cash flow with yields of government bonds depending on the residual period.

(4) Security deposit and guarantee money

The market value for security deposit and guarantee money is calculated with the discounted present value obtained from the cash flow for each tenant with yields of government bonds depending on the residual period.

Liabilities

(1) Notes payable, (2) Trade accounts payable, (3) Short-term loans, (4) Accounts payable-other, (5) Unpaid corporate taxes and (6) Unpaid consumption taxes, etc.

As they are settled in a short time and the market value is almost the same as book value, the book value is used.

(7) Corporate bonds

The market value of corporate bonds is calculated with the discounted present value obtained with interest rate and guarantee fee, which are expected to adopt for the additional issuance of similar corporate bonds. Corporate bonds to be scheduled to be redeemed within a year are also included.

(8) Long-term loans payable

The market value of long-term loans payable is calculated with the discounted present value obtained from principal and interests with interest rate estimated to be adopted for the additional similar borrowing. Long-term loans payable to be scheduled to be repaid within a year is included in long-term loans payable.

(9) Lease obligations, (10) Long-term accounts payable

The market value of them is calculated with the present value discounted with the interest rate estimated to be applied for similar lease transactions and long-term accounts payable transactions. Lease obligations include current and fixed liabilities. Long-term accounts payable scheduled to be paid in a year is included in accounts payable.

3. Scheduled redeemed amount of monetary receivables after settlement day

Previous fiscal year (as of March 31, 2011)

	Within a year (thousand yen)	More than one year and within five years (thousand yen)	More than five years and within ten years (thousand yen)	More than ten years (thousand yen)
(1) Cash and deposits	1,521,609	-	-	-
(2) Accounts receivable-trade	472,748	-	-	-
(3) Long-term deposits (Note 1)	-	100,000	200,000	-
Total	1,994,357	100,000	200,000	-

(Note)
1. The scheduled redeemed amount for long-term deposits is the amount when banks don't exercise their termination rights.
2. Security deposits and guarantee money are not written because scheduled redemption is not determined.

Current fiscal year (as of March 31, 2012)

	Within a year (thousand yen)	More than one year and within five years (thousand yen)	More than five years and within ten years (thousand yen)	More than ten years (thousand yen)
(1) Cash and deposits	2,129,313	-	-	-
(2) Accounts receivable-trade	555,885	-	-	-
(3) Long-term deposits (Note 1)	-	100,000	100,000	-
Total	2,685,198	100,000	100,000	-

(Note)
1. The scheduled redeemed amount for long-term deposits is the amount when banks don't exercise their termination rights.
2. Security deposits and guarantee money are not written because scheduled redemption is not determined.

4. Scheduled payment amounts of corporate bonds, long-term loans payable, lease obligations and long-term accounts payable after the settlement date.

Previous fiscal year (as of March 31, 2011)

	Within a year (thousand yen)	More than one year and within five years (thousand yen)	More than five years and within ten years (thousand yen)	More than ten years (thousand yen)
Corporate bonds	126,000	278,000	-	-
Long-term loans payable	341,579	898,769	41,654	-
Lease obligations	27,379	56,251	-	-
Other debt with interests (Note)	77,902	69,725	-	-
Total	572,861	1,302,746	41,654	-

(Note) Other debt with interests includes part of accounts payable-other and long-term accounts payable.

Current fiscal year (as of March 31, 2012)

	Within a year (thousand yen)	More than one year and within five years (thousand yen)	More than five years and within ten years (thousand yen)	More than ten years (thousand yen)
Corporate bonds	128,000	150,000	-	-
Long-term loans payable	502,866	992,441	76,680	-
Lease obligations	37,794	62,215	-	-
Other debt with interests (Note)	55,362	14,363	-	-
Total	724,022	1,219,019	76,680	-

(Note) Other debt with interests includes part of accounts payable-other and long-term accounts payable.

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

Previous fiscal year (April 1, 2010 to March 31, 2011)

N/A

Current fiscal year (April 1, 2011 to March 31, 2012)

N/A

(Notes on deferred tax accounting)

1. Breakdown of the reasons for deferred tax assets and deferred tax liabilities

(Unit: thousand yen)

	Previous fiscal year (as of March 31, 2011)	Current fiscal year (as of March 31, 2012)
(Deferred tax assets)		
Denial of bonus reserve	89,033	82,523
Impairment loss	38,469	41,552
Denial of retirement benefit reserve	147,043	136,144
asset retirement obligations	76,958	68,157
Others	55,856	49,241
Total deferred tax assets	407,361	377,619
Valuation reserve	(16,185)	(15,254)
Net deferred tax assets	391,176	362,364
(Deferred tax liabilities)		
Asset retirement obligations	(26,249)	(17,279)
Total deferred tax liabilities	(26,249)	(17,279)
Net deferred tax assets	364,927	345,085

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

	Previous fiscal year (as of March 31, 2011)	Current fiscal year (as of March 31, 2012)
Legal effective tax rate	40.7	40.7
(Adjustment)		
Items which are not counted permanently as the loss such as entertainment expenses	24.1	3.0
Per capita levy of local residential tax	107.8	13.5
Increase or decrease in valuation reserves	(5.3)	(0.1)
Decrease in deferred tax assets at year-end due to tax rate changes	-	7.4
Others	0.6	(0.2)
Corporate tax rate after the adoption of deferred tax accounting	167.9	64.3

(Unit: %)

3. Revision of deferred tax assets and liabilities due to corporate tax rate changes

With the issuance of the “Act for Partial Amendment of the Income Tax Act, etc. for the Purpose of Establishing a Taxation System Reflecting Structural Changes in the Economy and Society” (Law No. 114 of 2011) and the “Act on Special Measure for Securing Funds Necessary to Implement Measures for Promoting Recovery from the Great East Japan Earthquake” (Law No. 117 of 2011) on December 2, 2011, corporate income tax rates will be reduced and a special recovery tax will be imposed for the fiscal years beginning on or after April 1, 2012. As a result, the legal effective tax rate for the calculation of deferred tax assets and liabilities will be reduced from 40.7% to 38.0% for temporary differences scheduled to be eliminated from the fiscal year beginning April 1, 2012 up to the fiscal year beginning April 1, 2014, and to 35.6% for fiscal years beginning on or after April 1, 2015.

These tax rate changes resulted in a decrease of deferred tax assets (after deducting deferred tax liabilities) by 33,365,000 yen and an increase in the adjustment for corporate tax by the same amount.

(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, 2011)	Current fiscal year (as of March 31, 2012)
Retirement benefit payment liability		
(1) Retirement benefit liabilities	(361,375)	(372,517)
(2) Retirement benefit reserves	(361,375)	(372,517)

3. Breakdown of retirement benefit payment expenses

Unit: thousand yen

	Previous fiscal year (April 1, 2010 to March 31, 2011)	Current fiscal year (April 1, 2011 to March 31, 2012)
Retirement benefit cost	58,665	61,486
(1) Service costs	58,834	57,901
(2) Interest expense	2,432	2,891
(3) Disposed amount of the expense for the difference in actuarial calculation	(2,600)	693

4. Assumption for the calculation of retirement benefit liabilities

(1) Periodic allocation method of expected retirement benefit amounts

Periodic fixed amount standard

(2) Discount rate

Previous fiscal year (April 1, 2010 to March 31, 2011)	Current fiscal year (April 1, 2011 to March 31, 2012)
0.8%	0.6%

(3) Number of years for amortization of the difference in actuarial calculation

The entire difference is recognized as an expense when incurred.

(Asset retirement obligations)

1. Asset retirement obligations posted on the Balance Sheet

a. Outline of these asset retirement obligations posted

Obligations of the restoration to the original conditions on fixed-period lease agreement of beauty salons.

b. Calculation method of the amount of the subject asset retirement obligations

The amount of the asset retirement obligation is calculated for the property leased on the fixed-period agreement, estimating the lease period, using yield of government bond depending on the lease period as the discount rate.

c. Increase or decrease of the total amount of the subject asset retirement obligations

Unit: thousand yen

	Previous fiscal year (April 1, 2010 to March 31, 2011)	Current fiscal year (April 1, 2011 to March 31, 2012)
Opening balance (Note)	168,300	189,132
Increase due to the acquisition of tangible fixed assets	17,512	46,693
Adjustment by the lapse of time	3,319	1,452
Decrease due to the fulfillment of asset retirement obligations	-	(21,710)
Increase (decrease) due to the change in estimate	-	(32,476)
Closing balance	189,132	183,091

(Note) The previous fiscal year's opening balance is the balance at the beginning of the year calculated in accordance with the "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No. 18, March 31, 2008), and the "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No. 21, March 31, 2008).

d. Change in estimated asset retirement obligations

Because asset retirement costs for the current fiscal year were lower than initially estimated, and are overstated by 32,476,000 yen, the Company has deducted this amount from the initially estimated obligations.

2. Asset retirement obligations for those other than that posted on the balance sheet

The Company assumes liabilities concerning the restoration to original conditions at the evacuation for salons used on the lease agreement. However, it is impossible to make a reasonable estimation of asset retirement liabilities for lease agreements other than fixed term lease agreements, if the use period of the leases assets is not clear and transfer is not scheduled at the present time. Therefore, asset retirement obligations for them are not posted.

(Segment information)

[Segment information]

Previous fiscal year (From April 1, 2010 to March 31, 2011) and Current fiscal year (From April 1, 2011 to March 31, 2012)

As the Company consists of one segment of beauty business, the description is omitted.

[Associated information]

Previous fiscal year (From April 1, 2010 to March 31, 2011)

1. Information for each product or service

(Unit: thousand yen)

	Beauty treatments	Merchandise	Others	Total
Sales for external customers	11,151,594	1,359,676	45,139	12,556,410

2. Information for each region

(1) Sales amount

Sales to external customers in Japan exceed 90% of those on the income statement, the description is omitted.

(2) Tangible fixed assets

As the Company has no tangible fixed assets in other region than Japan, the description is omitted.

3. Information for each major customer

In sales to external customers, there is no customer that exceeds 10% of sales in the income statement, the description is omitted.

Current fiscal year (From April 1, 2011 to March 31, 2012)

1. Information for each product or service

(Unit: thousand yen)

	Beauty treatments	Merchandise	Others	Total
Sales for external customers	11,126,791	1,340,642	51,188	12,518,622

2. Information for each region

(1) Sales amount

Sales to external customers in Japan exceed 90% of those on the income statement, the description is omitted.

(2) Tangible fixed assets

As the Company has no tangible fixed assets in other region than Japan, the description is omitted.

3. Information for each major customer

In sales to external customers, there is no customer that exceeds 10% of sales in the income statement, the description is omitted.

[Information on the impairment loss of fixed assets for each reportable segment]

Previous fiscal year (From April 1, 2010 to March 31, 2011)

As the Company consists of one segment, the description is omitted.

Current fiscal year (From April 1, 2011 to March 31, 2012)

As the Company consists of one segment, the description is omitted.

(Per share information)

	Previous fiscal year (April 1, 2010 to March 31, 2011)	Current fiscal year (April 1, 2011 to March 31, 2012)
Net assets per share (yen)	871.77	884.15
Current net income per share/(current net loss per share) (yen)	(7.48)	32.02
Current net profit per share after adjustment of latent shares	No statement is made of the amount of current net profit per share after adjusting for residual stocks, because the Company posted a current net loss per share and there were no residual stocks that had a dilution effect.	No statement is made of the amount of current net profit per share after adjusting for residual stocks because there were no residual stocks that had a dilution effect.

Note: The base data for calculating current net income per share or current net loss per share are as follows.

	Previous fiscal year (April 1, 2010 to March 31, 2011)	Current fiscal year (April 1, 2011 to March 31, 2012)
Current net income or loss (thousand yen)	(37,813)	161,631
Amount which dose not belong to shareholders of common stock (thousand yen)	-	-
Current net income or loss which belongs to common stock (thousand yen)	(37,813)	161,631
Average number of common stocks outstanding for the fiscal year (thousand shares)	5,057	5,047

(Important post-balance sheet events)

N/A

5. Others

(1) Change in officers

1) Change in the representatives

N/A

2) Change in other officers

N/A

(2) Others

Comparison of sales by category

(Unit: thousand yen)

Items	Previous fiscal year (April 1, 2010 to March 31, 2011)		Current fiscal year (April 1, 2011 to March 31, 2012)		Comparison with the previous year
	Amount	Breakdown	Amount	Breakdown	Increase or decrease
		%		%	
Beauty treatments	11,151,594	88.8	11,126,791	88.9	(24,803)
Merchandise	1,359,676	10.8	1,340,642	10.7	(19,033)
Others	45,139	0.4	51,188	0.4	6,049
Total	12,556,410	100.0	12,518,622	100.0	(37,787)