

# Brief announcement of non-consolidated interim financial statements for the accounting period ended September 2007

Nov. 6, 2007

Name of listed company: TAYA Co., Ltd.  
Code number: 4679  
(URL <http://www.taya.co.jp/>)  
Representative: Kazumasa Taya  
President

Listed stock exchange: Tokyo Stock Exchange (First Section)  
Location of head office: Tokyo

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Date of the board of directors' meeting for interim financial results: Dec. 17, 2007 Commencement date of dividend payments: -  
Adoption of the trade unit system: Adopted (Stock trade unit: 100 stocks)

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

## 1. Financial results for the interim period ended September 2007 (April 1, 2007 to September 30, 2007)

### (1) Operating results

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

	Sales		Operating income		Ordinary income	
	million yen	%	million yen	%	million yen	%
Interim period ended September 2007	6,780	(0.7)	300	(1.1)	300	(0.2)
Interim period ended September 2006	6,826	(2.6)	304	79.7	301	87.9
Period ending March 2007	13,602		625		621	

	Net profit for the current interim period		Net profit per share for the current interim period		Current net profit per share after adjustment of latent shares	
	million yen	%	yen	sen	yen	sen
Interim period ended September 2006	122	(5.4)	24.25			
Interim period ended September 2005	129		25.62			
Period ended March 2006	269		53.34			

(Reference) Profit and loss on investments based on the equity method for the term ended September 2007: - million yen; for the term ended September 2006: - 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
Interim period ended September 2007	8,676	4,577	52.8	905.16
Interim period ended September 2006	8,929	4,426	49.6	875.19
Period ended March 2007	8,836	4,566	51.7	902.91

(Reference) Shareholders' equity at the end of the term ended September 2007: 4,577 million yen; for the term ended September 2006: 4,426 million yen; for the year ended March 2007: 4,566million yen.

### (3) Cash flow

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

	Cash flow from operations	Cash flow from investments	Cash flow from financial activities	Closing balance of cash and cash equivalents
	million yen	million yen	million yen	million yen
Interim period ended September 2007	253	(160)	(197)	1,313
Interim period ended September 2006	312	(88)	(133)	1,764
Period ended March 2007	641	(434)	(462)	1,417

## 2. Dividend payments

Cash dividend	Dividends per share (yen)		
	Interim dividend	Final dividend	Annual dividend
Period ended March 2007		22.00	22.00
Period ending March 2008	0.00		
Period ending March 2008 (forecast)		22.00	22.00

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

(The percentages represent the rates of increase or decrease over 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
Full year	13,800	1.5	700	12.0	680	9.3	300	11.2	59.31

4. Others

(1) Changes in principles and procedures of the accounting method, and changes to presentation method, regarding the preparation of interim financial statements (matters to be entered in changes of important matters on which financial statements are based)

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 15 (Important accounting policy for the preparation of interim financial statements) 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 term for the term ended September 2007: 5,100,000 shares; for the term ended September 2006: 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 term for the term ended September 2007: 42,500 shares; for the term ended September 2006: 42,500 shares; for the year ended March 2007: 42,500 shares.

(NOTE) Please refer to page 25 (Per share information) for the number of shares to be the base for the calculation of current net profit per share.

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

(Notification about the statement regarding the future outlooks, etc.)

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

# 1. Operating results

## **(1) Analysis of business performance**

### Operating results for the current interim term

The Japanese economy during the current interim term exhibited a recovery, supported by an increase in capital investment and improvement of the employment environment due to robust corporate earnings. However, uncertainties over the future remain, including sharp rises in crude oil prices and concerns about the health of the financial system triggered by the issue of subprime loans in the U.S. Though it showed some signs of improvement, consumer spending continues to lack force due to both the increased tax burden resulting from the abolition of proportional tax reductions and the concern about rises in commodity prices following hikes in materials prices.

In the hairdressing industry, the business environment remained harsh, as excessive competition further prevailed. In addition, there was unseasonable weather including a long-lasting rainy season, lower-than-usual temperatures in July and sweltering summer heat in August.

Based on these circumstances, the Company has made “Advancement of Technique” its new theme, since this is a primary task of the beauty business, and strived to satisfy customers’ ever-changing requirements and expectations while also gaining customers’ trust by putting the highest priority on the improvement of individual beauticians’ technique, and offering satisfaction through hair design to customers.

With regard to sales strategy, the Company started offering “jelly-like, glossy, elastic hair” by including collagen treatment in all permanent and hair coloring treatments for free at all designer brand salons except Shampoo salons, in response to the opinions of customers. The Company had developed hairstyles for children in collaboration with a console manufacturer, and launched them at Shampoo salons in July prior to the start of summer vacations.

With regard to the strategy to revitalize beauty salons, the Company newly opened “TAYA Ikebukuro Metropolitan Plaza Salon” and renovated three existing salons, while closing two beauty salons. “Courrege Salon de Beauté Hiroshima Hondori Salon” was closed in June for a half-year suspension of operations due to rebuilding of the building in which it is located. As a result, the number of directly managed operations as of the end of the current interim term is 142 beauty salons and one retail shop.

Due to these measures, customers’ salon visit cycles have become shorter. However, the Company is having difficulty acquiring new customers. As a result, sales by existing salons declined by 1.0% compared with the previous interim term, and the Company’s business performance ended up as unsatisfactory.

Consequently, sales declined to 6,780 million yen (a decrease of 0.7% from the same period the previous year) and operating income fell to 300 million yen (a decrease of 1.1% from the same period the previous year, with ordinary income standing at 300 million yen (a decrease of 0.2% from the same period the previous year) and net profit amounting to 122 million yen (a decrease of 5.4% from the same period the previous year).

### Outlook for the full year

The Japanese economy is projected over the fiscal year to maintain a gradual recovery, but a full-scale recovery of consumer spending alone will remain far from reassuring because of such uncertainties as the issue of pension and tax increases. In the hairdressing industry, the business environment is expected to get harsher, as salon operators will vie fiercely in getting customers amid intensified competition.

Under such circumstances, the Company will do its utmost to solidify a relationship of mutual trust with customers by pursuing further “Advancement of Technique” and continuing to develop menus that meet the expectations of each customer and provide excellent services, and to acquire new customers through these efforts.

The Company will strive to enhance recognition and penetration into the market of its collagen-

added permanent and hair coloring treatments, which have been offered since this spring. This effort will involve having customers actually feel the effects of treatment themselves, while newly proposing a total beauty solution including not only hair but also skin care, through the “Tours en l’air” series skin care items launched this October. The Company will also focus on strengthening efforts to acquire male customers by offering variety of hairstyles.

As for its strategy to increase and upgrade salons and shops, the Company aims to proactively set up new ones. However, it now takes time to select properties because the business environment as it impacts establishment of salons and shops is greatly changing. The factors involved include skyrocketing rents and the introduction of time lease contracts, resulting from land price rises centering in urban regions and an increase in the number of revenue-generating properties owned by funds.

Taking the above issues into account, the Company expects sales of 13,800 million yen (a year-on-year increase of 1.5%), operating income of 700 million yen (a year-on-year increase of 12.0%) and ordinary income of 680 million yen (a year-on-year increase of 9.3%), with current net profit of 300 million yen (a year-on-year increase of 11.2%).

## (2) Analysis of financial status

### 1) Status of assets, liabilities and net assets

Total assets at the end of the current interim term were 8,676 million yen, a decrease of 159 million yen from the end of the previous fiscal year.

The remaining balance of current assets was 2,783 million yen, a decrease of 45 million yen from the end of the previous fiscal year. The decrease was mainly attributable to a decline of 86 million yen in cash and deposits resulting from repayment of long-term loans payable, redemption of corporate bonds, etc., and to a decrease of 29 million yen in accounts receivable-trade, though other accounts receivable increased by 60 million yen.

The remaining balance of fixed assets stood at 5,893 million yen, a decrease of 114 million yen from the end of the previous fiscal year. The decrease was primarily due to a decrease of 89 million yen in tangible fixed assets due to depreciation, etc. and a fall of 36 million yen in key money and guarantee money following the closure of salons.

Total liabilities amounted to 4,098 million yen, a decrease of 171 million yen from the end of the previous fiscal year.

The remaining balance of current liabilities was 2,796 million yen, an increase of 63 million yen from the end of the previous fiscal year. The main increasing factors were accounts payable, which increased by 39 million yen, and short-term loans, which increased by 102 million yen due to the procurement of seasonal money. The main decreasing factor was unpaid corporate taxes, which decreased by 84 million yen.

The remaining balance of fixed liabilities was 1,302 million yen, a decrease of 235 million yen from the end of the previous fiscal year. This was primarily attributable to the redemption of corporate bonds totaling 90 million yen, a decrease of 105 million yen in long-term loans payable and a decline of 48 million yen in long-term accounts payable.

Net assets stood at 4,577 million yen, an increase of 11 million yen from the end of the previous fiscal year.

This increase was attributable to the interim net profit of 122 million yen and the decrease was due to a dividend payment of 111 million yen.

### 2) Cash flows

Cash and cash equivalents (“funds”) at the end of the current interim term decreased 104 million yen from the end of the previous fiscal year to 1,313 million yen.

Detailed cash flows in the current interim term are shown below:

(Cash flow from operations)

The funds obtained as the result of business activities in the current interim term amounted to 253 million yen (a decrease of 58 million yen from the same period the previous year). This was primarily attributable to current net profit before tax of 268 million yen and paid corporate tax, etc. of 229 million yen (as compared with 170 million yen in the same period the previous year).

(Cash flow from investments)

The funds used as the result of investment activities in the current interim term amounted to 160 million yen (a decrease of 71 million yen from the same period the previous year). This was mainly due to an expenditure of 111 million yen for the acquisition of tangible fixed assets.

(Cash flow from financial activities)

The funds used as the result of financing activities in the current interim term amounted to 197 million yen (a decrease of 64 million yen from the same period the previous year). This was primarily attributable to redemption of corporate bonds totaling 90 million yen (the same amount as that in the same period the previous year) and payment of dividends of 111 million yen (compared with 101 million yen in the same period of the previous year).

(Reference) Trend of cash flow indices

	Year ended March 2004	Year ended March 2005	Year ended March 2006	Year ended March 2007	Interim term ended September 2007
Capital ratio (%)	50.4	45.8	49.4	51.7	52.8
Mark-to-market capital ratio (%)	51.1	46.6	60.2	56.0	50.7
Interest-bearing debt/Operating cash flow ratio (%)	55.7	11.5	3.4	3.4	3.9
Interest coverage ratio	1.3	6.2	20.5	18.4	14.3

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  
(For the interim term, cash flow from operations is doubled to report on an annual basis.)

Interest coverage ratio: Operating cash flows/Interest payment

Note 1: Total market capitalization is calculated based on the number of outstanding shares, excluding treasury stock.

Note 2: Cash flow represents cash flow from operating activities.

Note 3: Interest-bearing debt represents all interest-bearing debts recorded on the balance sheets (interim balance sheets).

**(3) Basic dividend policy and dividends for the current interim period**

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, unchanged from the previous fiscal year, to meet the support and

expectations of shareholders, after comprehensively taking into account the financial conditions, earnings of the current term, etc.

#### **(4) Business and other management risks**

The Company identifies the following factors as potential risks that could influence its earnings, financial position, stock price, etc.

(1) Specific management policy adopted by the Company:

It is essential for the business development of the Company to employ beauticians that have 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. If the recruiting or the educational training does not proceed 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 the winter months; and in March, when the entrance and graduation ceremonies of kindergartens, schools and companies as well as welcome parties are held, in comparison with other months of the year. On the other hand, such bad weather as cool summers, warm winters, long periods of rain, and typhoons 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 the 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 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
- (2) Targeted financial indexes
- (3) Medium- to long-term corporate strategy
- (4) Items to be considered

Recording is omitted, since there are no significant material changes in the content disclosed by the brief announcement of non-consolidated financial statements for the accounting period ended March 2007 (disclosed on May 7, 2007).

The said brief announcement of non-consolidated financial statements is available on the website at the following URL.

(Website of the Company)

<http://www.taya.co.jp/tww/ir/tanshin.html>

(Website of the Tokyo Stock Exchange [page for searching information on listed companies])

<http://www.tse.or.jp/listing/compsearch/index.html>



#### 4. Non-consolidated financial statement, etc.

##### (1) Interim balance sheet

Unit: thousand yen

Items	Notes	End of the previous interim term (as of September 30, 2006)		End of the current interim term (as of September 30, 2007)		Year-on-year Increase/ decrease	Balance sheet for the previous fiscal year (as of March 31, 2007)	
		Amount	Breakdown	Amount	Breakdown		Amount	Breakdown
(Assets)			%		%			%
I Current assets								
1. Cash and deposits		1,954,878		1,731,101			1,818,070	
2. Accounts receivable-trade		521,744		553,380			583,359	
3. Inventories		154,983		185,972			166,258	
4. Deferred tax assets		98,019		94,995			103,810	
5. Others		176,524		219,726			159,725	
Bad debt reserves		(2,167)		(1,989)			(2,406)	
Total current assets		2,903,983	32.5	2,783,188	32.1	(120,795)	2,828,817	32.0
II Fixed assets								
1. Tangible fixed assets	*1							
(1) Buildings	*2	2,047,801		1,951,327			2,040,734	
(2) Land	*2	1,377,828		1,377,828			1,377,828	
(3) Others		12,663		11,180			11,642	
Total tangible fixed assets		3,438,294		3,340,336		(97,957)	3,430,205	
2. Intangible fixed assets		34,285		33,645		(639)	33,422	
3. Investments and other assets								
(1) Deferred tax assets		141,446		154,390			146,018	
(2) Security deposit and guarantee money		2,328,234		2,284,995			2,321,915	
(3) Others	*2	94,668		91,908			87,898	
Bad debt reserves		(11,783)		(11,754)			(11,795)	
Total		2,552,566		2,519,540		(33,025)	2,544,036	
Total fixed assets		6,025,146	67.5	5,893,523	67.9	(131,622)	6,007,664	68.0
Total assets		8,929,130	100.0	8,676,711	100.0	(252,418)	8,836,481	100.0

Unit: thousand yen

Items	Notes	End of the previous interim term (as of September 30, 2006)			End of the current interim term (as of September 30, 2007)			Year-on-year Increase/ decrease	Balance sheet for the previous fiscal year (as of March 31, 2007)		
		Amount		Breakdown	Amount		Breakdown		Amount		Breakdown
(Liabilities)				%			%				%
I Current liabilities											
1. Notes payable		411,124			454,343				429,616		
2. Accounts payable-trade		92,697			95,380				80,885		
3. Short-term loans	*2	228,802			255,999				153,001		
4. Long-term loans due within one year	*2	333,288			355,002				348,937		
5. Corporate bonds to be redeemed within one year		180,000			180,000				180,000		
6. Accounts payable-other		367,563			301,830				351,507		
7. Accrued expenses		573,567			586,115				589,716		
8. Unpaid corporate taxes		176,789			174,902				259,412		
9. Bonus reserve		182,974			180,006				178,090		
10. Others	*4	151,893			212,737				161,249		
Total current liabilities			2,698,698	30.2		2,796,318	32.2	97,619		2,732,417	30.9
II Fixed liabilities											
1. Corporate bonds		400,000			220,000				310,000		
2. Long-term loans payable	*2	842,277			557,975				663,244		
3. Retirement benefit reserve		256,724			277,028				270,060		
4. Long-term accounts payable		299,577			244,357				292,603		
5. Others		5,584			3,169				1,684		
Total fixed liabilities			1,804,163	20.2		1,302,530	15.0	(501,632)		1,537,592	17.4
Total liabilities			4,502,862	50.4		4,098,848	47.2	(404,013)		4,270,010	48.3

Unit: thousand yen

Items	Notes	End of the previous interim term (as of September 30, 2006)		End of the current interim term (as of September 30, 2007)		Year-on-year Increase/ decrease	Balance sheet for the previous fiscal year (as of March 31, 2007)	
		Amount	Breakdown	Amount	Breakdown		Amount	Breakdown
(Net assets)			%		%			%
I Shareholders' equity								
1. Capital stock		1,480,180	16.6	1,480,180	17.1		1,480,180	16.7
2. Capital surplus								
(1) Capital reserve		1,702,245		1,702,245			1,702,245	
Total capital surplus		1,702,245	19.1	1,702,245	19.6		1,702,245	19.3
3. Retained earnings								
(1) Profit reserve		66,920		66,920			66,920	
(2) Other retained earnings								
Separate reserve		860,000		860,000			860,000	
Earned surplus carried forward		435,300		586,895			575,504	
Total retained earnings		1,362,220	15.3	1,513,815	17.4	151,594	1,502,424	17.0
4. Treasury stock		(118,377)	(1.4)	(118,377)	(1.3)		(118,377)	(1.3)
Total shareholders' equity		4,426,268	49.6	4,577,862	52.8	151,594	4,566,471	51.7
Total net assets		4,426,268	49.6	4,577,862	52.8	151,594	4,566,471	51.7
Total liabilities and net assets		8,929,130	100.0	8,676,711	100.0	(252,418)	8,836,481	100.0

## (2) Interim income statement

Unit: thousand yen

Items	Notes	Previous term (April 1 to September 30, 2006)		Current term (April 1 to September 30, 2007)		Year-on- year Increase/ decrease	Balance sheet for the previous fiscal year (April 1, 2006 to March 31, 2007)		
		Amount	Breakdown	Amount	Breakdown		Amount	Breakdown	
I Sales		6,826,252	100.0	6,780,564	100.0	(45,687)		13,602,555	100.0
II Cost of sales		5,780,211	84.7	5,743,545	84.7	(36,665)		11,531,772	84.8
Gross profit		1,046,040	15.3	1,037,018	15.3	(9,021)		2,070,782	15.2
III Sales and administrative expenses		741,979	10.9	736,213	10.9	(5,765)		1,445,588	10.6
Operating income		304,061	4.4	300,804	4.4	(3,256)		625,194	4.6
IV Non-operating income	*1	20,932	0.3	24,300	0.4	3,368		44,664	0.3
V Non-operating expenses	*2	23,849	0.3	24,424	0.4	574		47,962	0.3
Ordinary income		301,143	4.4	300,680	4.4	(463)		621,896	4.6
VI Extraordinary income	*3	1,240	0.0	458	0.0	(782)		989	0.0
VII Extraordinary losses	*4,6	24,776	0.3	32,889	0.5	8,112		48,815	0.4
Current net profit before tax		277,607	4.1	268,249	3.9	(9,357)		574,070	4.2
Corporate tax, inhabitant tax and enterprise tax		149,010		145,151				315,632	
Amount of adjustment for corporate tax		(994)	2.2	441	2.1	(2,422)		(11,357)	2.2
Current net profit		129,591	1.9	122,656	1.8	(6,934)		269,794	2.0

(3) Interim statement of shareholders' equity  
The previous interim term (April 1 to September 30, 2006)

Unit: thousand yen

	Shareholders' equity									Total net assets
	Capital stock	Capital surplus		Profit reserve	Retained earnings			Treasury stock	Total shareholders' equity	
		Capital reserve	Total capital surplus		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 interim term										
Dividend of surplus (Note)						(101,150)	(101,150)		(101,150)	(101,150)
Current net profit						129,591	129,591		129,591	129,591
Net changes during the current interim term	—	—	—	—	—	28,441	28,441	—	28,441	28,441
Balance as of September 30, 2006	1,480,180	1,702,245	1,702,245	66,920	860,000	435,300	1,362,220	(118,377)	4,426,268	4,426,268

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

The current interim term (April 1 to September 30, 2007)

Unit: thousand yen

	Shareholders' equity									Total net assets
	Capital stock	Capital surplus		Profit reserve	Retained earnings			Treasury stock	Total shareholders' equity	
		Capital reserve	Total capital surplus		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 interim term										
Dividend of surplus						(111,265)	(111,265)		(111,265)	(111,265)
Current net profit						122,656	122,656		122,656	122,656
Net changes during the current interim term	—	—	—	—	—	11,391	11,391	—	11,391	11,391
Balance as of September 30, 2007	1,480,180	1,702,245	1,702,245	66,920	860,000	586,895	1,513,815	(118,377)	4,577,862	4,577,862

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

Unit: thousand yen

	Shareholders' equity									Total net assets
	Capital stock	Capital surplus		Profit reserve	Retained earnings			Treasury stock	Total shareholders' equity	
		Capital reserve	Total capital surplus		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 2006.

## (4) Interim cash flow statement

Unit: thousand yen

Items	Notes	Previous term (April 1 to September 30, 2006)	Current term (April 1 to September 30, 2007)	Year-on-year increase/ decrease	Cash flow statement for the previous fiscal year (April 1, 2006 to March 31, 2007)
		Amount	Amount	Increase/decrease	Amount
I Cash flow from operations					
Current net profit before tax		277,607	268,249		574,070
Depreciation		104,801	103,092		214,665
Impairment loss		10,055	14,746		10,055
Increase (decrease) in bonus reserve		(5,560)	1,916		(10,443)
Increase in retirement benefit reserve		2,726	6,968		16,062
Decrease in bad debt reserve		(1,240)	(458)		(989)
Interest received		(479)	(2,244)		(2,001)
Interest paid		17,481	15,757		31,618
Loss from disposal of fixed assets		3,221	18,143		27,259
Decrease (increase) in accounts receivable-trade		5,486	29,978		(56,678)
Decrease (increase) in inventory		1,218	(19,713)		(10,056)
Increase (decrease) in trade payables		8,078	36,016		33,172
Others		75,658	26,081		102,772
Sub-total		499,056	498,533	(523)	929,507
Amount of received interest		392	2,279		1,592
Amount of interest payments		(16,801)	(17,739)		(34,926)
Paid corporate taxes		(170,551)	(229,375)		(254,621)
Cash flow from operations		312,096	253,697	(58,398)	(641,551)

Unit: thousand yen

Items	Notes	Previous term (April 1 to September 30, 2006)	Current term (April 1 to September 30, 2007)	Year-on-year increase/ decrease	Cash flow statement for the previous fiscal year (April 1, 2006 to March 31, 2007)
		Amount	Amount	Increase/decrease	Amount
II Cash flow from investments					
Payment for time deposits		(238,457)	(516,866)		(545,378)
Income from withdrawal of time deposits		240,678	499,632		337,820
Payment for the acquisition of tangible fixed assets		(124,699)	(111,946)		(261,464)
Expenditure for payment of security deposit and guarantee money		(26,432)	(14,811)		(43,712)
Income due to the recovery of security deposit and guarantee money		67,830	22,678		86,949
Others		(7,343)	(38,740)		(9,021)
Cash flow from investments		(88,424)	(160,054)	(71,629)	(434,805)
III Cash flow from financial activities					
Income from additional short-term loans		396,000	460,000		691,000
Repayment of short-term loans		(274,998)	(357,002)		(645,799)
Income from long-term loans		100,000	70,700		100,000
Repayment of long-term loans		(162,506)	(169,904)		(325,890)
Outflow by redemption of corporate bonds		(90,000)	(90,000)		(180,000)
Dividend payments		(101,548)	(111,460)		(102,023)
Cash flow from financial activities		(133,052)	(197,846)	(64,793)	(462,712)
IV Amount of increase (decrease) in cash and cash equivalents		90,619	(104,202)	(194,822)	(255,967)
V Opening balance of cash and cash equivalents		1,673,649	1,417,682	(255,967)	1,673,649
VI Closing balance of cash and cash equivalents	*	1,764,269	1,313,480	(450,789)	1,417,682



## Important accounting policy for the preparation of interim financial statements

Items	Previous term (April 1 to September 30, 2006)	Current term (April 1 to September 30, 2007)	Previous fiscal year (April 1, 2006 to March 31, 2007)
1. Standards for and methods of evaluating assets	(1) Inventories Merchandise and materials for beauty treatment: At cost, based on the moving average method Supplies: At cost, based on the final purchase cost	(1) Inventories Merchandise and materials for beauty treatment: Same as on the left  Supplies: Same as on the left	(1) Inventories 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). 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	(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). Useful lives: Buildings: 8 to 60 years Furniture and fixtures: 3 to 10 years Buildings under “time lease contracts” are amortized based on the useful lives determined by individual time lease terms. [Change in accounting policy] With the revision of the Corporation Tax Law, the Company adopted the depreciation method based on the revised Corporation Tax Law to tangible fixed assets acquired on and after April 1, 2007, effective from the interim period under review. The influence of the change on profit and loss is immaterial. [Additional information] Following the revision of the Corporation Tax Law, with regard to assets acquired on and before March 31, 2007, the Company equally amortizes, effective from the interim period under review, the difference between the amount equivalent to 5% of the acquisition value and the remainder value over a period of five years and includes the amount in depreciation expenses, starting from the following fiscal year of the fiscal year when the value of assets reached 5% of their acquisition value as a result of the application of the depreciation method based on the Corporate Tax Law before the revision. The influence of the change on profit and loss is immaterial.  (2) Intangible fixed assets Same as on the left	(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). Useful lives: Buildings: 8 to 60 years Furniture and fixtures: 3 to 10 years  (2) Intangible fixed assets Same as on the left

Items	Previous term (April 1 to September 30, 2006)	Current term (April 1 to September 30, 2007)	Previous fiscal year (April 1, 2006 to March 31, 2007)
	<p>applied to software for the Company's use based on the usable period in the Company (five years).</p> <p>(3) Long-term prepaid expenses Straight-line method.</p>	<p>(3) Long-term prepaid expenses Same as on the left</p>	<p>(3) Long-term prepaid expenses Same as on the left</p>
<p>3. Accounting standards for reserves</p>	<p>(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.</p> <p>(2) Bonus reserve A reserve is set aside for the payment of bonuses to employees to provide for bonuses accrued in the current interim term, based on bonuses to be paid in the future.</p> <p>(3) Retirement benefits and allowances reserve A certain amount that is deemed to have accrued at the end of the current interim term is set aside to provide for retirement benefits and allowances to employees based on the expected amount of retirement benefit liabilities at the end of the current fiscal year. The entire difference from the actuarial calculation shall be treated as an expense in the accounting term when that difference occurs.</p>	<p>(1) Reserves for bad debts Same as on the left</p> <p>(2) Bonus reserve Same as on the left</p> <p>(3) Retirement benefits and allowances reserve Same as on the left</p>	<p>(1) Reserves for bad debts Same as on the left</p> <p>(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.</p> <p>(3) Retirement benefits and allowances reserve A certain amount is set aside to provide for retirement benefits and allowances to employees based on the expected amount of retirement benefit liabilities at the end of the current fiscal year. The entire difference from the actuarial calculation shall be treated as an expense in the accounting term when that difference occurs.</p>
<p>4. Lease transactions</p>	<p>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.</p>	<p>Same as on the left</p>	<p>Same as on the left</p>
<p>5. Method for hedging accounting</p>	<p>(1) Method for hedging accounting Because interest rate swap transactions satisfy the requirements for special treatment, this special treatment is applied to these transactions.</p> <p>(2) Hedging vehicles and hedged items Hedging vehicles: Interest rate swap Hedged items: Borrowings</p>	<p>(1) Method for hedging accounting Same as on the left</p> <p>(2) Hedging vehicles and hedged items Hedging vehicles: Same as on the left Hedged items: Same as on the left</p>	<p>(1) Method for hedging accounting Same as on the left</p> <p>(2) Hedging vehicles and hedged items Hedging vehicles: Same as on the left Hedged items: Same as on the left</p>

Items	Previous term (April 1 to September 30, 2006)	Current term (April 1 to September 30, 2007)	Previous fiscal year (April 1, 2006 to March 31, 2007)
	<p>(3) Hedging policy The Company uses hedging transactions in order to avert risks associated with interest rate changes in the future.</p> <p>(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.</p>	<p>(3) Hedging policy Same as on the left</p> <p>(4) Valuation method for the effectiveness of hedging activities Same as on the left</p>	<p>(3) Hedging policy Same as on the left</p> <p>(4) Valuation method for the effectiveness of hedging activities Same as on the left</p>
6. Scope of funds in the interim cash flow statement	Funds (cash and cash equivalents) in the interim cash flow statement 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	Funds (cash and cash equivalents) in the cash flow statement 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.
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	(1) Accounting for consumption taxes, etc. Same as on the left

## Changes of important matters that are the bases for the preparation of interim financial statements

Previous term (April 1 to September 30, 2006)	Current term (April 1 to September 30, 2007)	Previous fiscal year (April 1, 2006 to March 31, 2007)
<p>(Accounting Standard for presentation of net assets in the balance sheet) The Company adopted accounting standards for presentation of net assets from the current interim term, 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).</p> <p>The amount corresponding to the total of shareholders’ equity is 4,426,268,000 yen. The section of net assets in the interim balance sheet was created based on the revised regulations for interim financial statement in line with the revision of the regulations.</p>	<p style="text-align: center;">—————</p>	<p>(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).</p> <p>The amount corresponding to the total of shareholders’ equity is 4,566,471,000 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.</p>

## Notes

(Notes on balance sheet)

Unit: thousand yen

Items	End of the previous interim term (as of September 30, 2006)	End of the current interim term (as of September 30, 2007)	End of the previous fiscal year (as of March 31, 2007)
*1. Accumulated amount of depreciation on tangible fixed assets	1,497,063	1,665,794	1,588,064
*2. Assets provided as security and secured liabilities			
(1) Assets provided as security			
Buildings	566,912	540,626	553,040
Land	1,317,838	1,317,838	1,317,838
Security deposit and guarantee money	408,041	408,041	408,041
Total	2,292,791	2,266,506	2,278,920
(2) Liabilities in connection with the above			
Short-term loans payable	228,802	255,999	153,001
Long-term loans payable (including the portion of long-term loans payable within one year)	1,175,565	921,977	1,012,181
Total	1,404,367	1,168,976	1,165,182
3. Contingent liabilities	(1) Guarantee for borrowings from financial institutions • Guarantees for ex-employees based on a program to assist employees become independent: 39,111 The net amount of suspense payments and receipts for consumption taxes, etc. was presented as part of "Others" of the current liabilities.	(1) Guarantee for borrowings from financial institutions • Guarantees for ex-employees based on a program to assist employees become independent: 31,666 Same as on the left	(1) Guarantee for borrowings from financial institutions • Guarantees for ex-employees based on a program to assist employees become independent: 34,756
*4. Treatment of consumption taxes, etc			

## (Notes on interim income statement)

Unit: thousand yen

Items	Previous term (April 1 to September 30, 2006)	Current term (April 1 to September 30, 2007)	Previous fiscal year (April 1, 2006 to March 31, 2007)
*1. Major items in non-operating income			
Interests received	479	2,244	2,001
*2. Major items in non-operating expenses			
Interest paid	15,537	15,757	31,618
*3. Major items in extraordinary income			
Gain on reversal of allowance for bad debts	1,240	458	989
*4. Major items in extraordinary losses			
Loss from disposal of fixed assets	3,221	18,143	27,259
Impairment loss	10,055	14,746	10,055
Directors' retirement benefits	11,500		11,500
5. Amount of depreciation			
Tangible fixed assets	103,863	102,086	212,763
Intangible fixed assets	938	1,005	1,901
*6. Impairment loss	<p>The Company posted an impairment loss in the following asset groups in the current interim term.</p> <p style="text-align: center;">Location Purpose of usage Type</p> <p>Chuo-ku, Fukuoka city Salon Buildings, lease assets and others</p> <p>Omiya-ku, Saitama city Salon Buildings and lease assets</p> <p>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 5,596,000 yen for buildings, 4,251,000 yen for lease assets, and 208,000 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%.</p>	<p>The Company posted an impairment loss in the following asset groups in the current interim term.</p> <p style="text-align: center;">Location Purpose of usage Type</p> <p>Atsuta-ku, Nagoya city Salon Buildings, lease assets and others</p> <p>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 10,476,000 yen for buildings, 4,269,000 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%.</p>	<p>The Company posted an impairment loss in the following asset groups in the current fiscal year.</p> <p style="text-align: center;">Location Purpose of usage Type</p> <p>Chuo-ku, Fukuoka city Salon Buildings, lease assets and others</p> <p>Omiya-ku, Saitama city Salon Buildings and lease assets</p> <p>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 5,596,000 yen for buildings, 4,251,000 yen for lease assets, and 208,000 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%.</p>

(Interim statement of shareholders' equity)

Previous interim term (April 1 to September 30, 2006)

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

Unit: thousand shares

	Balance at the end of the previous fiscal year	Increase during the current interim term	Decrease during the current interim term	Balance at the end of the current interim term
Shares outstanding				
Common stock	5,100			5,100
Total	5,100			5,100
Treasury stock				
Common stock	42			42
Total	42			42

2. Matters concerning dividend

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

Current interim term (April 1 to September 30, 2007)

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

Unit: thousand shares

	Balance at the end of the previous fiscal year	Increase during the current interim term	Decrease during the current interim term	Balance at the end of the current interim term
Shares outstanding				
Common stock	5,100			5,100
Total	5,100			5,100
Treasury stock				
Common stock	42			42
Total	42			42

2. Matters concerning dividend

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

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: thousand shares

	Balance at the end of the previous fiscal year	Increase during the current interim term	Decrease during the current interim term	Balance at the end of the current interim term
Shares outstanding				
Common stock	5,100			5,100
Total	5,100			5,100
Treasury stock				
Common stock	42			42
Total	42			42

2. Matters concerning share warrant and treasury stocks

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)	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

(Notes on the interim cash flow statement)

Unit: thousand yen

Previous term (April 1 to September 30, 2006)	Current term (April 1 to September 30, 2007)	Previous fiscal year (April 1, 2006 to March 31, 2007)
* Relationship between the interim closing balance of cash and cash equivalents and the amount recorded in the interim balance sheet (as of September 30, 2006)	* Relationship between the interim closing balance of cash and cash equivalents and the amount recorded in the interim balance sheet (as of September 30, 2007)	* 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 1,954,878	Cash and cash accounts 1,731,101	Cash and cash accounts 1,818,070
Time deposit, deposited for a period of three months or more (190,609)	Time deposit, deposited for a period of three months or more (417,621)	Time deposit, deposited for a period of three months or more (400,387)
Cash and cash equivalents <u>1,764,269</u>	Cash and cash equivalents <u>1,313,480</u>	Cash and cash equivalents <u>1,417,682</u>



## (Notes on lease transactions)

Unit: thousand yen

Items	Previous term (April 1 to September 30, 2006)				Current term (April 1 to September 30, 2007)				Previous fiscal year (April 1, 2006 to March 31, 2007)						
	Acquisition price of leased property	Accumulated depreciation	Accumulated impairment loss	Interim closing balance	Acquisition price of leased property	Accumulated depreciation	Accumulated impairment loss	Interim closing balance	Acquisition price of leased property	Accumulated depreciation	Accumulated impairment loss	Closing balance			
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 the interim closing balance				(1) Acquisition price of leased property, accumulated depreciation, accumulated impairment loss and interim closing balance				(1) Acquisition price of leased property, accumulated depreciation, accumulated impairment loss and closing balance						
	Tools and fixtures	1,076,612	668,729	5,584	402,298	Tools and fixtures	775,898	466,537	8,555	300,805	Tools and fixtures	960,750	595,633	1,639	363,477
	Software	21,240	13,806		7,434	Software	21,240	18,054		3,186	Software	21,240	15,930		5,310
	Total	1,097,852	682,535	5,584	409,732	Total	797,138	484,591	8,555	303,991	Total	981,990	611,563	1,639	368,787
	(2) Interim closing balance of prepaid lease fees Interim closing balance of prepaid lease fees One year or less 189,748 <u>Over one year 226,766</u> Total 416,515 Balance of impairment loss of lease assets 5,584				(2) Interim closing balance of prepaid lease fees Interim closing balance of prepaid lease fees One year or less 138,292 <u>Over one year 180,270</u> Total 318,563 Balance of impairment loss of lease assets 3,169				(2) Closing balance of prepaid lease fees Closing balance of prepaid lease fees One year or less 165,490 <u>Over one year 211,228</u> 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 during the current interim term Lease fees paid 121,070 Reversal of impairment loss of lease assets 3,463 Amount equivalent to depreciation expenses 116,359 Amount equivalent to paid interest 3,892 Impairment loss 4,251				(3) Lease fees paid, reversal of impairment loss of lease assets, amount equivalent to depreciation expenses, amount equivalent to paid interest and impairment loss during the current interim term Lease fees paid 96,305 Reversal of impairment loss of lease assets 2,769 Amount equivalent to depreciation expenses 92,296 Amount equivalent to paid interest 3,940 Impairment loss 4,269				(3) Lease fees paid, reversal of impairment loss of lease assets, amount equivalent to depreciation expenses, amount equivalent to paid interest and impairment loss during the current year 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.				(4) Method of calculating the amount equivalent to depreciation expenses Same as on the left				(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 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.				(5) Method of calculating the amount equivalent to interest paid Same as on the left				(5) Method of calculating the amount equivalent to interest paid Same as on the left							

(Notes on securities)

Previous interim term (as of September 30, 2006)

N/A

Current interim term (as of September 30, 2007)

N/A

Previous fiscal year (as of March 31, 2007)

N/A

(Notes on derivative transactions)

Previous interim term (April 1 to September 30, 2006)

The description of derivative transactions is omitted because the Company adopted accounting for hedging transactions for all these transactions.

Current interim term (April 1 to September 30, 2007)

The description of derivative transactions is omitted because the Company adopted accounting for hedging transactions for all these transactions.

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

The description of derivative transactions is omitted because the Company adopted accounting for hedging transactions for all these transactions.

(Notes on profit or loss under the equity method, etc.)

Previous interim term (April 1 to September 30, 2006)

N/A

Current interim term (April 1 to September 30, 2007)

N/A

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

N/A

(Per share information)

	Previous interim term (April 1 to September 30, 2006)	Current interim term (April 1 to September 30, 2007)	Current fiscal year (April 1, 2006 to March 31, 2007)
Net assets per share (yen)	875.19	905.16	902.91
Current net profit per share (yen)	25.62	24.25	53.34
Current net profit per share after adjustment of latent shares	No statement is made of the amount of current net profit per share after the adjustment for residual stocks, since there is no residual stock that has any dilution effect.	No statement is made of the amount of current net profit per share after the adjustment for residual stocks, since there is no residual stock that has any dilution effect.	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 interim term (April 1 to September 30, 2006)	Current interim term (April 1 to September 30, 2007)	Current fiscal year (April 1, 2006 to March 31, 2007)
Current net profit (thousand yen)	129,591	122,656	269,794
Amount which dose not belong to shareholders of common stock (thousand yen)			
Current net income which belongs to common stock (thousand yen)	129,591	122,656	269,794
Average number of common stock during the term (thousand shares)	5,057	5,057	5,057

(Important post-balance sheet events)

Previous interim term (April 1 to September 30, 2006)

N/A

Current interim term (April 1 to September 30, 2007)

N/A

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

N/A

## 5. Comparison of sales by category

Unit: thousand yen

Items	Previous term (April 1 to September 30, 2006)		Current term (April 1 to September 30, 2007)		Previous fiscal year (April 1, 2006 to March 31, 2007)	
	Amount	Breakdown	Amount	Breakdown	Amount	Breakdown
		%		%		%
Haircare services	6,168,400	90.4	6,096,201	89.9	12,220,605	89.9
Merchandise	630,090	9.2	663,980	9.8	1,296,152	9.5
Others	27,761	0.4	20,382	0.3	85,797	0.6
Total	6,826,252	100.0	6,780,564	100.0	13,602,555	100.0