

Consolidated Interim Financial Statements

For the Six Months Ended June 20, 2008

July 16, 2008

Name of registrant: Milbon Co., Ltd.

Code No.: 4919

(URL: <http://www.milbon.co.jp>)

Representative: Ryuji Sato, Representative Director and President

Contact: Noboru Shigemune, Finance Director

Scheduled date of submission of this report: September 5, 2008

Stock exchange on which the Company's shares are listed:

Tokyo Stock Exchange-First Section

URL: <http://www.milbon.co.jp>

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Scheduled date of dividend payment: August 8, 2008

(Rounding down to the nearest million below half a million yen)

1. Consolidated Financial Results for the Six Months Ended June 20, 2008 (December 21, 2007 - June 20, 2008)

(1) Consolidated Results of Operations (Percentage figures present an increase/decrease over the preceding accounting term.)

	Sales		Operating income		Ordinary income	
	Million yen	%	Million yen	%	Million yen	%
1H ended June 20, 2008	9,029	1.9	1,783	1.9	1,679	3.5
1H ended June 20, 2007	8,862	2.8	1,750	-4.8	1,623	-5.9
Year ended December 20, 2007	18,045	2.4	3,574	-5.7	3,280	-7.3

	Interim (current term) net income		Interim (current term) net income per share		Diluted interim (current term) net income per share	
	Million yen	%	yen	yen	yen	yen
1H ended June 20, 2008	955	71.6	76.21		-	
1H ended June 20, 2007	556	-51.7	44.41		-	
Year ended December 20, 2007	1,542	-29.5	123.05		-	

(Reference) Equity in earnings (losses) of affiliated companies 1st half ended June 20, 2008: xxx million yen 1st half ended June 20, 2007: xxx million yen Year ended December 20, 2007: xxx million yen

(2) Consolidated Financial Position

	Total assets		Net assets		Equity ratio (Ratio of net assets to total assets)		Net assets per share	
	Million yen	Million yen	Million yen	%	yen	yen	yen	
1H ended June 20, 2008	20,003	15,100	15,100	75.5	1,204.78			
1H ended June 20, 2007	19,298	14,166	14,166	73.4	1,130.31			
Year ended December 20, 2007	18,640	14,557	14,557	78.1	1,161.52			

(Reference) Net worth: 15,100 million yen for the 1st half ended June 20, 2008 14,166 million yen for the 1st half ended June 20, 2007 14,557 million yen for the year ended December 20, 2007

(3) Consolidated Cash Flow

	Cash flows from operating activities		Cash flows from investing activities		Cash flows from financing activities		Cash and cash equivalents at the term end	
	Million yen	Million yen	Million yen	Million yen	Million yen	Million yen	Million yen	Million yen
1H ended June 20, 2008	1,608	-551	-551	-559	1,425			
1H ended June 20, 2007	1,323	-90	-90	-548	1,218			
Year ended December 20, 2007	2,465	-961	-961	-1,097	936			

2. Dividend distributions

(Record date)	Dividend per share				
	1st quarter end	Interim term end	3rd quarter end	Business year end	Annual
Year ended December 20, 2007	yen -	yen 26.00	yen -	yen 27.00	yen 53.00
Year ended December 20, 2008 (actual)	-	26.00	-	-	53.00
Year ending December 20, 2008 (forecast)	-	-	-	27.00	

3. Forecast of consolidated business results for the Fiscal Year Ending December 20, 2008 (December 21, 2007 - December 20, 2008)

(Percentage figures present an increase/decrease over the preceding accounting term.)

	Sales		Operating income		Ordinary income		Current term net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	yen
Full year	18,775	4.0	3,700	3.5	3,470	5.8	2,030	31.6	161.97

4. Other

(1) Changes in significant subsidiaries during the accounting term (changes in specified subsidiaries due to changes in the scope of consolidation) None

(2) Changes in the accounting principles, procedures, and presentation relating to the preparation of interim consolidated financial statements (Matters described in the “Summary of Significant Accounting Policies for the Preparation of Interim Consolidated Financial Statements”)

1) Changes after revisions to the accounting standards, etc.: None

2) Changes in other than the above: None

(3) Number of shares outstanding (common stock)

1) Number of shares outstanding at term-end (including treasury stock)	Interim accounting term ended June 20, 2008: 12,544,408 shares	Interim accounting term ended June 20, 2007: 12,544,408 shares	Accounting term ended December 20, 2007: 12,544,408 shares
2) Number of treasury shares at term-end	Interim accounting term ended June 20, 2008: 11,015 shares	Interim accounting term ended June 20, 2007: 10,941 shares	Accounting term ended December 20, 2007: 11,095 shares

(Note) Refer to “Per Share Information” on page 34 for the number of shares on which interim (current term) net income per share (consolidated) is calculated.

(Reference) Summary of Performances in Financial Statements

1. Performances for the interim consolidated accounting term (December 21, 2007 to June 20, 2008)

(1) Results of Operations (Percentage figures present an increase/decrease over the preceding interim term.)

	Sales		Operating income		Ordinary income	
	Million yen	%	Million yen	%	Million yen	%
1H ended June 20, 2008	8,864	2.3	1,809	1.9	1,727	4.8
1H ended June 20, 2007	8,668	2.8	1,775	-3.1	1,647	-3.9
Year ended December 20, 2007	17,626	2.3	3,562	-5.8	3,278	-7.0

	Interim (current term) net income		Interim (current term) net income per share
	Million yen	%	yen
1H ended June 20, 2008	985	72.1	78.61
1H ended June 20, 2007	572	-50.0	45.67
Year ended December 20, 2007	1561	-28.6	124.58

(2) Financial Position

	Total assets	Net assets	Equity ratio (Ratio of net assets to total assets)	Net assets per share
	Million yen	Million yen	%	yen
1H ended June 20, 2008	20,054	15,207	75.8	1,213.38
1H ended June 20, 2007	19,265	14,206	73.7	1,133.52
Year ended December 20, 2007	18,599	14,606	78.5	1,165.41

(Reference) Net worth: 15,207 million yen for the interim accounting term ended June 20, 2008 14,206 million yen for the interim accounting term ended June 20, 2007 14,606 million yen for the interim accounting term ended December 20, 2007

2. Financial Performance Forecasts for the Accounting Term (December 21, 2007 to December 20, 2008)

(Percentage figures present an increase/decrease over the preceding accounting term.)

	Sales		Operating income		Ordinary income		Current term net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	yen
Full year	18,340	4.0	3,693	3.7	3,468	5.8	2,028	29.9	161.81

* Explanations and other significant matters available for forecasting business performances

(Note to descriptions of the future)

Descriptions of the forecasts in these interim financial statements are based on the information that the Company has obtained and on certain presumptions that the Company thinks reasonable. Accordingly, actual business performances may greatly differ from the forecasts, depending on a variety of factors. For details, refer to “1. Business Results (1) Analysis of business results” on page 4 when utilizing performance forecasts and the applied hypotheses on which performances are forecasted.

1. Business Results

(1) Analysis of business results

1) Business results for the current six-month consolidated accounting term

The Japanese economy during the six-month consolidated accounting term under review hit a temporary lull, as a downturn in overall business performance, brought about by the disruption to financial markets sparked by the subprime mortgage crisis in the United States and the surge in prices of crude oil and other raw materials, caused a slowdown in capital investment in the private sector. With the trend for improvement in employment petering out, private consumption growth also began to slow in early spring, dampened by rising prices.

In our opinion, during the current six-month term the beauty industry as a whole grew slightly. The focus of the market for hair-coloring products, our main items for beauty salons, is shifting from fashion colors to fashionable grey-hair coloring. The permanent wave market continued to show a tendency for slight decline, as the hot permanent wave boom cooled down. On the hair care market, given that adults became the main customers of beauty salons and awareness of hair base materials increased, the market for salon treatments and hair-care products for home use expanded, making up for the decline in the hair-coloring products and permanent wave products.

Under the circumstances, the MILBON Group launched the salon treatment product Linkage-HY in February, the new straight perm formula LISCIO KNOTEUR in April, and the fashionable grey hair coloring product LISEINTER in June, all of which gradually became widely used in beauty salons. Although sales of hair-coloring products fell short of the previous year due to the impact of the major new product ORDEVE launched in April last year, sales of hair care products and permanent wave products remained brisk, bolstered by new products, and as a result domestic sales outperformed the previous year.

MILBON USA, INC., a wholly owned subsidiary, worked to actively introduce new products and construct a marketing system. Although the number of new salons increased, an event that leads to sales was postponed to the third quarter, and as a result sales fell short of the previous year.

MILBON TRADING (SHANGHAI) CO., LTD., established in November last year, was preparing to start operations in January next year and did not contribute to the current term's results.

As a result, consolidated sales for the interim consolidated accounting term under review were 9,029 million yen (a 1.9% increase on a year-on-year basis).

Selling, general and administrative expenses amounted to 4,238 million yen (a 4.2% increase on a year-on-year basis). Although the Company curtailed promotional expenses, which were strategically increased the previous year, labor expenses grew as a result of an increase in staff. As a result, operating income was 1,783 million yen (a 1.9% increase on a year-on-year basis), ordinary income was 1,679 million yen (a 3.5% increase on a year-on-year basis), and interim net income was 955 million yen (a 71.6% increase on a year-on-year basis).

An overview of sales by segment is as follows.

[Sales by product category]

Product Category	Preceding interim consolidated accounting term		Current interim consolidated accounting term		Amount of increase
	Amount (million yen)	Composition ratio (%)	Amount (million yen)	Composition ratio (%)	Amount (million yen)
Permanent wave products	1,022	11.5	1,032	11.5	9
Hair care products	3,980	44.9	4,245	47.0	264
Hair-coloring products	3,676	41.5	3,596	39.8	-80
Other	182	2.1	155	1.7	-27
Total	8,862	100.0	9,029	100.0	167

(Permanent Wave Products)

The hot permanent wave boom cooled down, and the Company estimates that, as a whole, the permanent wave product market showed a tendency for slight decline.

Under the circumstances, the MILBON Group expanded sales of Prejume Perm Selection, a new product, launched in September last year, that allows even color-damaged hair to be permed safely, and launched LISCIO KNOTEUR, a new straight perm formula for hair that is silky and soft to the touch. The products were well-received by beauty salons, and overall sales were higher than the same period of the previous year.

(Hair Care Products)

The Company estimates that, due to the release of high-end shampoos and treatments for home use, competition between home use and professional use products is intensifying, but, as adults become the main customers of beauty salons, the market is expanding for treatment products, including salon treatments for repairing damage according to hair quality and degree of damage and washless hair treatments, for use on repeatedly restyled colored hair. In the Company's opinion, although the market for styling products shrank slightly because the number of customers finishing with a washless hair treatment increased amid demand for a natural style and natural feel, the treatment product market expanded significantly, and the hair care products market as a whole showed an expansionary trend.

Under the circumstances, sales of PREJUME FLOSS, launched in September last year, and PREJUME WAX, launched in November, were solid, the post-color treatment product Linkage-HY, launched in February, was well received and was steadily introduced into beauty salons. Sales of mainstay products for home use AUFHE and REMU were also solid, and overall sales of hair care products were higher than the previous year.

(Hair-coloring Products)

Although the market for fashionable grey hair coloring - a market comprising mainly younger members of the baby-boom generation - expanded, the market for fashion colors shrank under the impact of the falling birth rate, and the Company estimates that, as a whole, the hair-coloring product market showed slight decline.

Under the circumstances, the MILBON Group launched the fashionable grey hair coloring product LISEINTER in June and sales in the grey hair coloring market surpassed the previous year, but sales of fashion-type products were lower than the previous year, under the impact of the first-month sales of the major new product ORDEVE released in April last year. As a result, sales of hair-coloring products as a whole fell slightly.

(Other)

Nothing of note

2) Outlook on the accounting term ending December 20, 2008

The Company estimates that the domestic economy will remain tinged with uncertainty, given the rise in raw material prices caused by surging crude oil prices and the disruption to financial markets sparked by the sub-prime mortgage crisis in the United States.

In the beauty industry, full-scale measures in response to the shortage of human resources resulting from the failing birth rate and the passage of main customers into adulthood are required.

Under the circumstances, the MILBON Group believes it will be able to attain its full-term targets by seeking to expand the number of salons offering the new products Linkage-HY, LISCIO KNOTEUR and LISEINTER launched in the first half and using a collaborative marketing system that incorporates distributor sales to steadily introduce the four new product brands launched in the second half into the market.

(2) Analysis of financial position

1) Assets, liabilities, and net assets

At the end of the interim accounting term, gross assets had increased 1,362 million yen over the end of the previous term to 20,003 million yen. This was mainly attributable to an increase in cash and bank deposits of 518 million yen and an increase in inventory of 526 million yen.

Liabilities increased 820 million yen over the end of the previous term to 4,903 million yen. This was mainly attributable to an increase in trade notes and accounts payable of 948 million yen.

Net assets increased 542 million yen over the end of the previous year to 15,100 million yen. This was mainly attributable to an increase in retained earnings of 616 million yen through the reserve of profits.

As a result, net assets per share increased by 43.26 yen over the end of the preceding year to 1,204.78 yen. The net worth ratio accounted for 75.5%.

2) Consolidated Cash Flow

The outstanding balance of cash and cash equivalents (hereinafter “Funds”) at the end of the interim consolidated accounting term under review increased by 488 million yen to 1,425 million yen on a year-on-year basis, as a result of utilizing Funds accumulated in operating activities into investing activities such as the acquisition of fixed assets and financial activities such as dividend payments.

(Cash flow from operating activities)

Funds from operating activities amounted to 1,608 million yen (a 21.5% increase over the previous term). This was mainly due to 1,675 million yen in current interim net income before tax, 473 million yen in depreciation, and 578 million yen in corporate and other tax payments.

(Cash flow from investing activities)

Funds used as a result of investing activities totaled 551 million yen (a 511.1% increase over the previous term). This was mainly due to expenditure of 542 million yen for the acquisition of tangible fixed assets

(Cash flow from financial activities)

Funds used as a result of financial activities totaled 559 million yen (a 2.0% increase over the corresponding period of the preceding year). The main expenditures among financial activities were repayment of 221 million yen in long-term borrowings and dividend payments of 337 million yen to shareholders.

(Reference) Changes in Cash Flow-related Indices

	Accounting term ended December 20, 2005	Accounting term ended December 20, 2006	Accounting term ended December 20, 2007	Interim accounting term ending June 20, 2008
Net worth ratio (%)	76.6	76.5	78.1	75.5
Net worth ratio on a current value basis (%)	237.3	240.6	179.5	128.1
Ratio of interest-bearing debt to cash	12.0	30.2	15.1	9.0

flow (%)				
Interest coverage ratio (times)	762.1	453.3	381.8	1,062.4

(Note) Net worth ratio: net worth/ total assets

Net worth ratio on a current value basis: aggregate value of listed stocks/total assets

Ratio of interest-bearing debt to cash flow: interest-bearing debt/operating cash flow

Interest coverage ratio: Operating cash flow/interest payments

- * Each of the index figures is calculated based on consolidated financial figures.
- * The aggregate value of listed stock is calculated on the year-end closing price of stock x number of shares outstanding (excluding treasury stock).
- * Operating cash flow was used to calculate these indices.
- * Interest-bearing debts comprise all debts reported on the interim consolidated balance sheet on which interest was paid. The interest payment amount is based on the amount of interest reported in the interim consolidated statement of cash flow.

(3) Basic policies on Profit Sharing and Dividends

The MILBON Group places utmost priority on returning profits to stockholders. The Company allocates a fair proportion of the profits to its stockholders, while at the same time reinforcing the corporate structure by retaining a portion of profits to enhance profitability. The Company also maintains a basic policy of distributing dividends corresponding to business performances.

Furthermore, the Company has decided that interim dividend distribution be determined at a Board of Directors' meeting and that year-end dividend distribution be determined at a general meeting of stockholders. The Company also maintains a basic policy of distributing dividends twice a year.

The Company plans to distribute 26 yen of interim dividends per share and 27 yen of year-end dividends per share (in total, 53 yen of annual dividends) after considering the financial position and profits for the current interim term.

The Company is determined to appropriate retained earnings to capital investment and research and development projects in order to reinforce the corporate structure.

2. Corporate Group Performance

The MILBON Group's organizational structure (lines of business) and the status of the subsidiary are not described in this interim report since they have no significant change from those described in the preceding Securities Report submitted on March 18, 2008.

3. Management Policies

(1) Basic management policies, and (2) Targeted management indices are not described in this interim financial statement because they are the same as disclosed in the consolidated interim financial statements ended December 20, 2006 (disclosed on January 19, 2007).

(3) Medium- and long-term management strategies, and (4) Future tasks are not described in this interim financial statement because they are the same as disclosed in the consolidated interim financial statements ended December 20, 2007 (disclosed on January 18, 2008), which are available from the following URL:

Website of the Company:

URL: <http://www.milbon.co.jp>

Tokyo Stock Exchange Market websites (listed companies):

URL: <http://www.tse.or.jp/tseHpFront/HPLCDS0101.do?method=init>

4. Consolidated Interim Financial Statements

(1) Consolidated Interim Balance Sheet

Account Title	Note	As of Previous Interim Consolidated Accounting Term-End (June 20, 2007)		As of Current Interim Consolidated Accounting Term-End (June 20, 2008)		Condensed Balance Sheet as of Previous Consolidated Accounting Year -End (December 20, 2007)	
		Amount (thousand yen)	Ratio (%)	Amount (thousand yen)	Ratio (%)	Amount (thousand yen)	Ratio (%)
(ASSETS)							
I Current Assets							
1. Cash and bank deposits		1,218,559		1,455,241		936,683	
2. Trade notes and accounts receivable		2,646,172		2,723,852		2,581,854	
3. Inventories		2,003,695		2,282,734		1,756,002	
4. Others		336,986		334,787		365,216	
Total current assets		6,205,415	32.1	6,796,615	34.0	5,639,756	30.3
II Fixed Assets							
1. Tangible assets	*1						
(1) Buildings and other structures	*2	4,277,783		3,916,592		4,084,909	
(2) Machinery, equipment and vehicles for transportation		1,523,240		1,360,413		1,456,801	
(3) Land	*2	4,349,707		4,747,158		4,349,707	
(4) Construction in progress		8,000		126,505		43,995	
(5) Other		238,034		319,921		242,081	
Total tangible assets		10,396,766		10,470,591		10,177,495	
2. Intangible assets		232,661		222,496		248,177	
3. Investment and other assets							
(1) Investment in securities		1,489,896		1,445,290		1,522,038	
(2) Prepaid pension costs		110,550		127,219		117,079	
(3) Others		874,907		983,036		982,508	
Allowance for bad debts		-11,570		-41,627		-46,199	
Total of investment and other assets		2,463,784		2,513,918		2,575,426	
Total fixed assets		13,093,211	67.9	13,207,007	66.0	13,001,099	69.7
Total assets		19,298,626	100.0	20,003,622	100.0	18,640,856	100.0

Account Title	Note	As of Previous Interim Consolidated Accounting Term-End (June 20, 2007)		As of Current Interim Consolidated Accounting Term-End (June 20, 2008)		Condensed Balance Sheet as of Previous Consolidated Accounting Year -End (December 20, 2007)	
		Amount (thousand yen)	Ratio (%)	Amount (thousand yen)	Ratio (%)	Amount (thousand yen)	Ratio (%)
(LIABILITIES)							
I Current Liabilities							
1. Trade notes and accounts payable		1,263,202		1,784,130		835,314	
2. Long-term borrowings to be returned within a year	*2	443,952		54,172		257,952	
3. Accrued expenses payable		1,517,254		1,502,367		1,328,866	
4. Corporate tax payable		738,223		662,673		594,197	
5. Allowance for returned goods		19,218		27,584		19,033	
6. Allowance for bonuses		64,422		63,824		60,319	
7. Other		180,650		151,759		303,607	
Total current liabilities		4,226,923	21.9	4,246,512	21.2	3,399,291	18.2
II Fixed liabilities		59,357		5,185		23,381	
1. Long-term borrowings	*2	-		39,000		39,000	
		845,670		612,892		621,525	
2. Others		905,027	4.7	657,077	3.3	683,906	3.7
Total fixed liabilities		5,131,950	26.6	4,903,590	24.5	4,083,198	21.9
Total liabilities							
(NET ASSETS)							
I Shareholders' equity							
1. Capital stock		2,000,000		2,000,000		2,000,000	
2. Capital surplus		200,073		199,478		199,999	
3. Retained earnings		11,542,431		12,818,938		12,202,125	
4. Treasury stock		-38,123		-37,928		-38,555	
Total shareholders' equity		13,704,380	71.0	14,980,488	74.9	14,363,568	77.1
II Valuation and conversion differences							
1. Net unrealized gain (loss) on securities		444,836		136,091		181,754	
2. Foreign currency translation adjustment		17,459		-16,547		12,335	
Total valuation and conversion differences		462,295	2.4	119,543	0.6	194,089	1.0
Total net assets		14,166,676	73.4	15,100,032	75.5	14,557,658	78.1
Total liabilities and net assets		19,298,626	100.0	30,003,622	100.0	18,640,856	100.0

(2) Consolidated Interim Statements of Income

Account Title	Note	Previous Interim Consolidated Accounting term (From December 21, 2006 To June 20, 2007)		Current Interim Consolidated Accounting Term (From December 21, 2007 To June 20, 2008)		Condensed Balance Sheet for Previous Consolidated Accounting Year (From December 21, 2006 To December 20, 2007)				
		Amount (thousand yen)	Ratio (%)	Amount (thousand yen)	Ratio (%)	Amount (thousand yen)	Ratio (%)			
I Sales			8,862,416	100.0		9,029,644	100.0	18,045,659	100.0	
II Cost of products/merchandise sold			3,046,436	34.4		3,007,524	33.3	6,323,611	35.0	
Total sales revenue			5,815,980	65.6		6,022,119	66.7	11,722,047	65.0	
III Marketing and administrative expenses	*1		4,065,640	45.9		4,238,166	46.9	8,147,698	45.2	
Operating income			1,750,340	19.7		1,783,953	19.8	3,574,348	19.8	
IV Non-operating income										
1. Interest income		2,495			2,475		5,124			
2. Dividends income		1,839			1,868		20,108			
3. Bounty for corporate location		29,911			30,953		29,915			
4. Gain on cancellation of insurance		-			26,339		-			
5. Rent received from employees for their use of company housing		13,119			14,590		29,168			
6. Exchange gain		2,361			-		-			
7. Others		4,105	53,833	0.6	8,038	84,266	0.9	10,765	95,079	0.5
V Non-operating expense										
1. Interest expense		3,983			1,411		6,252			
2. Sales discount		-			153,816		356,916			
3. Foreign exchange loss		175,296			33,002		7,726			
4. Others		1,056	180,336	2.0	8	188,239	2.1	17,610	388,504	2.1
Ordinary income			1,623,836	18.3		1,679,979	18.6	3,280,923	18.2	
VI Extraordinary income										
1. Gain from sale of investment securities		153,244	153,244	1.7	-	-	-	159,573	159,573	0.9
VII Extraordinary loss										
1. Loss on sale of fixed assets		-			76		5,036			
2. Loss on retirement of fixed assets		770			4,582		4,724			
3. Loss on evaluation of investment securities		-			132		20,708			
4. Retirement benefits for directors		729,105			-		729,105			
5. Provision for allowance for bad debts	*2	-			-		35,703			
6. Branch relocation costs	*3	60,800			-		60,800			
7. Provision for allowance for loss on guarantees		-	790,675	8.9	-	4,790	0.1	39,000	895,078	5.0
Net income before taxes and other adjustments			986,406	11.1		1,675,189	18.5	2,545,418	14.1	
Corporate, inhabitant and enterprise taxes		720,667			647,176		1,324,633			
Adjustment for difference of tax allocation between financial accounting and tax accounting		-290,901	429,765	4.8	72,799	719,976	7.9	-321,419	1,003,214	5.5
Net income			556,640	6.3		955,213	10.6	1,542,204	8.6	

(3) Interim Consolidated Statement of Changes in Financial Position

Preceding interim consolidated accounting term (from December 21, 2006 to June 20, 2007)

	Shareholders' equity				
	Capital stock	Capital surplus	Earned surplus	Treasury stock	Total shareholders' equity
Balance at December 20, 2006 (thousand yen)	2,000,000	200,049	11,311,667	-37,292	13,474,424
Changes during the interim consolidated accounting term					
Distribution of surplus			-325,876		-325,876
Net income for the interim period			556,640		556,640
Acquisition of treasury stock				-1,305	-1,305
Disposition of treasury stock		23		473	497
Changes (net) items other than shareholders' equity during the interim consolidated accounting term					
Total of changes in the interim consolidated accounting term (thousand yen)	-	23	230,763	-831	229,956
Balance at June 20, 2007 (thousand yen)	2,000,000	200,073	11,542,431	-38,123	13,704,380

	Valuation and conversion differences			Total net assets
	Net unrealized gain on securities	Foreign currency translation adjustment	Total valuation and conversion differences	
Balance at December 20, 2006 (thousand yen)	574,119	17,033	591,152	14,065,576
Changes during the interim consolidated accounting term				
Distribution of surplus				-325,876
Net income for the interim period				556,640
Acquisition of treasury stock				-1,305
Disposition of treasury stock				497
Changes (net) items other than shareholders' equity during the interim consolidated accounting term	-129,282	425	-128,856	-128,856
Total of changes in the interim consolidated accounting term (thousand yen)	-129,282	425	-128,856	101,099
Balance at June 20, 2007 (thousand yen)	444,836	17,459	462,295	14,166,676

Current interim consolidated accounting term (from December 21, 2007 to June 20, 2008)

	Shareholders' equity				
	Capital stock	Capital surplus	Earned surplus	Treasury stock	Total shareholders' equity
Balance at December 20, 2007 (thousand yen)	2,000,000	199,999	12,202,125	-38,555	14,363,568
Changes during the interim consolidated accounting term					
Distribution of surplus			-338,399		-338,399
Net income for the interim period			955,213		955,213
Acquisition of treasury stock				-560	-560
Disposition of treasury stock		-520		1,187	667
Changes (net) items other than shareholders' equity during the interim consolidated accounting term					
Total of changes in the interim consolidated accounting term (thousand yen)	-	-520	616,813	627	616,920
Balance at June 20, 2008 (thousand yen)	2,000,000	199,478	12,818,938	-37,928	14,980,488

	Valuation and conversion differences			Total net assets
	Net unrealized gain on securities	Foreign currency translation adjustment	Total valuation and conversion differences	
Balance at December 20, 2007 (thousand yen)	181,754	12,335	194,089	14,557,658
Changes during the interim consolidated accounting term				
Distribution of surplus				-338,399
Net income for the interim period				955,213
Acquisition of treasury stock				-560
Disposition of treasury stock				667
Changes (net) items other than shareholders' equity during the interim consolidated accounting term	-45,663	-28,882	-74,545	-74,545
Total of changes in the interim consolidated accounting term (thousand yen)	-45,663	-28,882	-74,545	542,374
Balance at June 20, 2008 (thousand yen)	136,091	-16,547	119,543	15,100,032

Preceding consolidated accounting term (from December 21, 2006 to December 20, 2007)

	Shareholders' equity				
	Capital stock	Capital surplus	Earned surplus	Treasury stock	Total shareholders' equity
Balance at December 20, 2006 (thousand yen)	2,000,000	200,049	11,311,667	-37,292	13,474,424
Changes in amounts during the consolidated accounting term					
Distribution of surplus			-651,746		-651,746
Interim net income			1,542,204		1,542,204
Acquisition of treasury stock				-2,914	-2,914
Disposition of treasury stock		-50		1,650	1,600
Changes in amounts of items other than shareholders' equity during the consolidated accounting term					
Total amount of changes during the consolidated accounting term (thousand yen)	-	-50	890,457	-1,263	889,144
Balance at June 20, 2007 (thousand yen)	2,000,000	199,999	12,202,125	-38,555	14,363,568

	Valuation and conversion differences			Total net assets
	Net unrealized gain on securities	Foreign currency translation adjustment	Total valuation and conversion differences	
Balance at December 20, 2006 (thousand yen)	574,119	17,033	591,152	14,065,576
Changes in amounts during the consolidated accounting term				
Distribution of surplus				-651,746
Interim net income				1,542,204
Acquisition of treasury stock				-2,914
Disposition of treasury stock				1,600
Changes in amounts of items other than shareholders' equity during the consolidated accounting term	-392,364	-4,697	-397,062	-397,062
Total amount of changes during the consolidated accounting term (thousand yen)	-392,364	-4,697	-397,062	492,081
Balance at June 20, 2007 (thousand yen)	181,754	12,335	194,089	14,557,658

(4) Consolidated Interim Cash Flow Statement

		Previous Interim Consolidated Accounting Term (From December 21, 2006 To June 20, 2007)	Current Interim Consolidated Accounting Term (From December 21, 2007 To June 20, 2008)	Condensed Cash Flow Statement for Previous Consolidated Accounting Year (From December 21, 2006 To December 20, 2007)
Account Title	Note	Amount (thousand yen)	Amount (thousand yen)	Amount (thousand yen)
I Operating Activities Cash Flow				
1. Interim (current term) net income before tax and other adjustments		986,406	1,675,189	2,545,418
2. Depreciation expenses		460,526	473,103	967,407
3. Decrease in allowance for bad debts		-	-	35,703
4. Increase in allowance for bonuses		7,417	4,002	3,438
5. Decrease in allowance for directors' bonuses		-44,306	-	-44,306
6. Increase (decrease) in allowance for adjustment of returned goods		1,742	8,551	1,556
7. Increase in allowance for loss on guarantees		-	-	39,000
8. Increase in prepaid pension cost		-5,367	-10,139	-11,895
9. Earned interest and earned dividends		-4,335	-4,344	-25,233
10. Interest payable		3,983	1,411	6,252
11. Foreign exchange loss (gain)		-1,133	30,404	5,012
12. Gain from sale of investment securities		-153,244	-	-159,573
13. Loss from evaluation of investment securities		-	132	20,708
14. Loss on sale of fixed assets		770	76	5,036
15. Loss from sale of fixed assets		-	4,582	4,724
16. Increase in accounts receivable		-144,940	-144,262	-81,053
17. Increase in inventory		-274,421	-540,185	-29,034
18. Increase in accounts payable (decrease)		311,208	788,065	-116,789
19. Other		979,134	120,121	838,717
Sub-total		2,123,440	2,406,708	4,005,090
20. Interest and dividends received		3,080	5,131	23,248
21. Interest payments		-4,083	-1,514	-6,456
22. Retirement benefit payments to directors		-	-222,660	-
23. Corporate tax paid		-798,897	-578,961	-1,556,873
Operating Activities Total		1,323,539	1,608,704	2,465,008

		Previous Interim Consolidated Accounting Term (From December 21, 2006 To June 20, 2007)	Current Interim Consolidated Accounting Term (From December 21, 2007 To June 20, 2008)	Condensed Cash Flow Statement for Previous Consolidated Accounting Year (From December 21, 2006 To December 20, 2007)
Account Title	Note	Amount (thousand yen)	Amount (thousand yen)	Amount (thousand yen)
II Investing Activities Cash Flow				
1. Expenditure to acquire investment securities		-	-27,867	-470,068
2. Proceeds from sale of investment securities		220,089	-	230,089
3. Expenditure for purchase of stocks of non-consolidated subsidiary		-	-	-100,000
4. Expenditure to acquire tangible fixed assets		-257,336	-542,760	-601,382
5. Proceeds from sale of tangible fixed assets		-	10	952
6. Expenditure to acquire intangible fixed assets		-68,944	-12,795	-130,695
7. Expenditure for loans		-7,200	-4,850	-9,600
8. Proceeds from collection of loans		9,557	11,556	23,002
9. Expenditure for deposit of time deposit		-	-32,805	-
10. Expenditure for payment of guarantee money		-3,669	-40,679	-6,332
11. Proceeds from cancellation of guarantees		33,051	2,151	33,236
12. Expenditure for insurance reserve fund		-14,828	-8,977	-29,191
13. Proceeds from cancellation of insurance reserve fund		-	106,417	99,363
14. Other		-1,034	-1,333	-1,319
Investing Activities Total		-90,314	-551,932	-961,946
III Financing Activities Cash Flow				
1. Proceeds from loans of long-term borrowings		-221,976	-221,976	-443,952
2. Net value of proceeds and expenditures from equity		-807	106	-1,313
3. Expenditure due to repayment of finance lease obligations		-1,960	-	-2,636
4. Value of dividend payments		-324,093	-337,981	-650,091
Total Financing Activities		-548,838	-559,851	-1,097,994
IV Effect of Exchange Rate Changes on Cash and Cash Equivalents		233	-8,419	-2,324
V Increase in Cash and Cash Equivalents (Increase (decrease) in cash and cash equivalents)		684,620	488,501	402,743
VI Cash and Cash Equivalents, beginning of term		533,939	936,683	533,939
VII Cash and Cash Equivalents, end of interim term (year)	*	1,218,559	1,425,184	936,683

(5) Summary of Significant Accounting Policies for Preparation of the Consolidated Interim Financial Statements

Title	Previous Interim Consolidated Accounting Term (From December 21, 2006 To June 20, 2007)	Current Interim Consolidated Accounting Term (From December 21, 2007 To June 20, 2008)	Previous Consolidated Accounting Year (From December 21, 2006 To December 20, 2007)
1. Scope of Consolidation	<p>(1) Number of consolidated subsidiaries: 1 Name of the consolidated subsidiary: MILBON USA, INC.</p> <p>(2) Important non-consolidated subsidiaries: Not applicable</p>	<p>(1) Number of consolidated subsidiaries: 1 Name of the consolidated subsidiary: MILBON USA, INC.</p> <p>(2) Important non-consolidated subsidiaries: Milbon Trading (Shanghai) Co., Ltd. Reason for exclusion from consolidation The non-consolidated subsidiary is excluded from consolidation since it is small-sized, its total assets, net sales, interim net income and earned surplus are negligible and have no significant impact on the consolidated interim financial statements, and furthermore it has no materiality as a whole.</p>	<p>(1) Number of consolidated subsidiaries: 1 Name of the consolidated subsidiary: MILBON USA, INC.</p> <p>(2) Important non-consolidated subsidiaries: Milbon Trading (Shanghai) Co., Ltd. Reason for exclusion from consolidation The non-consolidated subsidiary is excluded from consolidation since it is small-sized, its total assets, net sales, interim net income and earned surplus are negligible and have no significant impact on the consolidated interim financial statements, and furthermore it has no materiality as a whole.</p>
2. Application of Equity Method	Not applicable	See left	See left
3. Matters concerning the interim accounting term (business year) of consolidated subsidiaries	Closing date of the interim period for MILBON USA, INC. is March 31. The financial statements as of the interim closing date of the consolidated subsidiary are used, provided that necessary adjustments are made for consolidation purposes with regard to important transactions that take place in the period from April 1 to June 20.	See left	Closing date of the fiscal year for MILBON USA, INC. is September 30. The financial statements as of the closing date of the consolidated subsidiary are used, provided that necessary adjustments are made for consolidation purposes with regard to important transactions that take place in the period from October 1 to December 20.
4. Accounting Standards (1) Evaluation standards and methods for major assets	<p>① Marketable Securities Other marketable securities With a market value: Stated at market value as of the balance sheet date (all variances in evaluation are to be reported as a component of net assets, and the cost of selling these securities is computed using the moving-average method) Without a market value: Market value stated at cost based on the moving-average method</p> <p>② Inventories Merchandise: Stated mainly at cost based on FIFO Finished goods, work in progress, and raw materials Stated mainly at cost based on the gross average method.</p>	<p>① Marketable Securities Other marketable securities With a market value: See left Without a market value: See left</p> <p>② Inventories Merchandise: See left Finished goods, work in progress, and raw materials See left</p>	<p>① Marketable Securities Other marketable securities With a market value: Stated at market value as of the closing date (all variances in evaluation are to be reported as a component of net assets, and the cost of selling these securities is computed using the moving-average method) Without a market value: See left</p> <p>② Inventories Merchandise: See left Finished goods, work in progress, and raw materials See left</p>

Title	Previous Interim Consolidated Accounting Term (From December 21, 2006 To June 20, 2007)	Current Interim Consolidated Accounting Term (From December 21, 2007 To June 20, 2008)	Previous Consolidated Accounting Year (From December 21, 2006 To December 20, 2007)
(2) Methods for depreciation of major assets	<p>① Tangible fixed assets The declining balance method is adopted for the Company, and the straight-line method is adopted for the overseas consolidated subsidiary Periods of depreciation for major assets are as follows: Buildings and structures: 31-50 years Machinery, equipment and vehicles for transportation: 6-9 years (Changes in Accounting Methods) After the Corporation Tax Law was revised, the Company accounted for depreciation costs for depreciation assets acquired on and after April 1, 2007 in the depreciation method prescribed in the revised Corporation Tax Law for the current interim consolidated accounting term. The change had a minor impact on the profit and loss of the Company.</p> <p>② Intangible fixed assets Straight-line method Software for in-house use is depreciated using the straight-line method based on estimated useful life (3-5years)</p>	<p>① Tangible fixed assets The declining balance method is adopted for the Company, and the straight-line method is adopted for the overseas consolidated subsidiary Periods of depreciation for major assets are as follows: Buildings and structures: 31-50 years Machinery, equipment and vehicles for transportation: 6-9 years (Additional Information) Pursuant to an amendment to the Corporate Tax Law, after having fully depreciated tangible fixed assets acquired on or before March 31, 2007 up to 5% of the acquisition cost, based on the prior Corporate Tax Law, the Company and its domestic subsidiaries have depreciated the difference between 5% of the acquisition cost and the memorandum price, using a straight line method over five years and expensed as "Depreciation and amortization." The straight line depreciation starts from the next year, when the book value of tangible assets acquired on and before March 31, 2007 reaches 5% of the acquisition cost. The change had a minor impact on the profit and loss of the Company.</p> <p>② Intangible fixed assets See left</p>	<p>① Tangible fixed assets The declining balance method is adopted for the Company, and the straight-line method is adopted for the overseas consolidated subsidiary Periods of depreciation for major assets are as follows: Buildings and structures: 31-50 years Machinery, equipment and vehicles for transportation: 6-9 years (Changes in Accounting Methods) After the Corporation Tax Law was revised, the Company accounted for depreciation costs for depreciation assets acquired on and after April 1, 2007 in the depreciation method prescribed in the revised Corporation Tax Law for the current consolidated accounting year. As a result, gross profit was down 8,827,000 yen and operating income, ordinary income and net income before income taxes and other adjustments and minority interests were down 11,652,000 yen each, compared to the previous method.</p> <p>② Intangible fixed assets See left</p>
(3) Accounting standards for major allowances	<p>① Allowance for bad debt The Company posts the estimated unrecoverable amount to prepare for losses caused by bad debts based on the historical bad debt rate for general debts and the probability of non-recovery in each case for troubled debts. The allowance for doubtful accounts for the overseas, consolidated subsidiary is generally calculated for individually estimated uncollectible accounts.</p> <p>② Allowance for bonuses The Company and its overseas consolidated subsidiaries calculate the amount to be allocated based on forecasts of employee bonuses (including bonuses for employees who are</p>	<p>① Allowance for bad debt See left</p> <p>② Allowance for bonuses Same as left</p>	<p>① Allowance for bad debt See left</p> <p>② Allowance for bonuses Same as left</p>

Title	Previous Interim Consolidated Accounting Term (From December 21, 2006 To June 20, 2007)	Current Interim Consolidated Accounting Term (From December 21, 2007 To June 20, 2008)	Previous Consolidated Accounting Year (From December 21, 2006 To December 20, 2007)
	<p>concurrently directors and have duties in an employee capacity).</p> <p>③ Allowance for directors' bonuses (Additional Information) Since the Company revised the Directors' Compensation Plan and abolished the provision of directors' bonuses, the Company posted no allowance for directors' bonuses for the current interim consolidated accounting term.</p> <p>④ Allowance for sales returns The Company posts the estimated loss accompanying future returns of merchandise and products based on past return rates to prepare for the loss.</p>	<p>③ -</p> <p>④ Allowance for sales returns Same as left</p>	<p>③ Allowance for directors' bonuses (Additional Information) Since the Company revised the Directors' Compensation Plan and abolished the provision of directors' bonuses, the Company posted no allowance for directors' bonuses for the current consolidated accounting year.</p> <p>④ Allowance for sales returns Same as left</p>

Title	Previous Interim Consolidated Accounting Term (From December 21, 2006 To June 20, 2007)	Current Interim Consolidated Accounting Term (From December 21, 2007 To June 20, 2008)	Previous Consolidated Accounting Year (From December 21, 2006 To December 20, 2007)
	<p>⑤ Employees' pension and retirement benefits In preparation for the payment of retirement benefits to employees, the Company posts the amount for the allowance generated as of the end of the current consolidated interim period based on the estimated amounts of retirement benefits payable and pension plan assets as of the end of the current consolidated interim period. Prior service liabilities are disposed of by the straight-line method over a specified number of years (5 years) within the average remaining employee work period. Resultant differences are disposed of from the fiscal year following the fiscal year in which they occur in proportionally divided amounts based on the straight-line method over a fixed number of years (5 years) within the average remaining employee work period. As the estimated value of pension assets at the end of the current consolidated interim period exceeds the estimated liability for retirement benefits after adjustment of liabilities based on unrecognized past services and unrecognized actuarial gains and losses, the difference is accounted for as prepaid pension expenses.</p> <p>⑥ -</p>	<p>⑤ Employees' pension and retirement benefits Same as left</p> <p>⑥ Allowance for loss on guarantees The Company accounted for estimated loss taking into consideration the financial position of the guarantee recipient in each case, to prepare for loss on guarantees.</p>	<p>⑤ Employees' pension and retirement benefits In order to prepare for employee retirement benefits, the Company has calculated the amounts of retirement benefit liabilities and pension assets anticipated at the end of this consolidated accounting year. Prior service liabilities are disposed of by the straight-line method over a specified number of years (5 years) within the average remaining employee work period. Resultant differences are disposed of from the fiscal year following the fiscal year in which they occur in proportionally divided amounts based on the straight-line method over a fixed number of years (5 years) within the average remaining employee work period. As the estimated value of pension assets at the end of the current consolidated accounting year exceeds the estimated liability for retirement benefits after adjustment of liabilities based on unrecognized past services and unrecognized actuarial gains and losses, the difference is accounted for as prepaid pension expenses.</p> <p>⑥ Allowance for loss on guarantees (Additional Information) Starting from the current consolidated accounting year, the Company accounted for estimated loss taking into consideration the financial position of the guarantee recipient in each case, to prepare for loss on guarantees.</p>

Title	Previous Interim Consolidated Accounting Term (From December 21, 2006 To June 20, 2007)	Current Interim Consolidated Accounting Term (From December 21, 2007 To June 20, 2008)	Previous Consolidated Accounting Year (From December 21, 2006 To December 20, 2007)
(4) Conversion rate of major assets and liabilities in foreign currency into yen	Foreign-currency denominated financial receivables and liabilities are converted into yen at the spot exchange rate effective as of the closing date of the interim accounting term and the transactional exchange gain or loss reflected in earnings. The foreign-currency denominated financial receivables and liabilities of the overseas, consolidated subsidiary are converted into yen at the spot exchange rate effective as of the settlement date of the interim accounting period. Revenues and expenses of the overseas, consolidated subsidiary are translated into yen at the average exchange rate during the term. Exchange differences are included in the exchange adjustment account item under net assets section.	Same as left	Foreign-currency denominated financial receivables and liabilities are converted into yen at the spot exchange rate effective as of the consolidated closing date of the accounting year and the transactional exchange gain or loss reflected in earnings. The foreign-currency denominated financial receivables and liabilities of the overseas, consolidated subsidiary are converted into yen at the spot exchange rate effective as of the closing date of the accounting year. Revenues and expenses of the overseas, consolidated subsidiary are translated into yen at the average exchange rate during the term. Exchange differences are included in the exchange adjustment account item under net assets section.
(5) Accounting for significant leases	Finance leases, except for those under which the ownership of the leased assets is considered to be transferred to the lessee, are accounted for in the same manner as operating leases.	Same as left	Same as left
(6) Other significant accounting policies for preparation of the interim (full term) financial statements	Consumption tax accounting Consumption tax is excluded from the accounts. Temporary consumption taxes paid and temporary consumption taxes received are set off from each other, and the net amount is reported as "Other" of current liabilities.	Treatment of consumption tax Same as left	Treatment of consumption tax Consumption tax is not included.
5. Scope of Funds in the Statement of Cash Flow (Consolidated Interim Cash Flow Statement)	Funds (cash and cash equivalents) in the Consolidated Interim Cash Flow Statement are comprised of cash on hand, demand deposits and highly liquid short-term investments with a maturity of less than 3 months that can be readily converted into cash and carry little risk of fluctuation in value.	Same as left	Funds (cash and cash equivalents) in the Consolidated Cash Flow Statement are comprised of cash on hand, demand deposits and highly liquid short-term investments with a maturity of less than 3 months that can be readily converted into cash and carry little risk of fluctuation in value.

(Additional Information)

Previous Interim Consolidated Accounting Term (From December 21, 2006 To June 20, 2007)	Current Interim Consolidated Accounting Term (From December 21, 2007 To June 20, 2008)	Previous Consolidated Accounting Year (From December 21, 2006 To December 20, 2007)
<p>The ordinary general meeting of shareholders of the Company, held on March 19, 2007, has decided to abolish the Directors' Retirement Benefit Plan and pay directors' retirement benefits to directors upon their retirement in amounts corresponding to their service period until this general meeting of shareholders. As a result, the Company posted 729,105,000 yen of extraordinary loss for directors' retirement benefits, which was presented as accrued liabilities in "Other" in fixed liabilities.</p>	<p>-</p>	<p>The ordinary general meeting of shareholders of the Company, held on March 19, 2007, has decided to abolish the Directors' Retirement Benefit Plan and pay directors' retirement benefits to directors upon their retirement in amounts corresponding to their service period until this general meeting of shareholders. As a result, the Company posted 729,105,000 yen of extraordinary loss for directors' retirement benefits, 222,660,000 yen of which was presented as accrued liabilities in "Accrued amount payable" in current liabilities and 506,445,000 yen of which was presented as accrued liabilities in "Other" in fixed liabilities.</p>

(7) Notes to Interim Consolidated financial Statements
(Notes for Consolidated Interim Balance Sheet)

(thousand yen)

As of Previous Interim Consolidated Accounting Term-End (June 20, 2007)	As of Current Interim Consolidated Accounting Term-End (June 20, 2008)	As of Previous Consolidated Accounting Year-End (December 20, 2007)
*1. Accumulated depreciation of tangible fixed assets 5,141,449	*1. Accumulated depreciation of tangible fixed assets 5,854,701	*1. Accumulated depreciation of tangible fixed assets 5,511,037
*2. Pledged assets and secured liabilities	*2. -	*2. Pledged assets and secured liabilities
(1) Pledged assets		(1) Pledged assets
Buildings and structures 1,304,295		Buildings and structures 1,256,307
Land 1,207,694		Land 1,207,694
Total 2,511,990		Total 2,464,001
(2) Secured liabilities		(2) Secured liabilities
Long-term borrowings to be returned within a year 439,992		Long-term borrowings to be returned within a year 253,992
Long-term borrowings 55,197		Long-term borrowings 21,201
Total 495,189		Total 275,193
3. Contingent liabilities	3. Contingent liabilities	3. -
Guarantee of liabilities	Guarantee of liabilities	
For bank borrowings by business partners of 55,033 (3 cases).	For bank borrowings by business partners of 20,000 (1 case).	

(Notes for Consolidated Interim Statements of Income)

(thousand yen)

Previous Interim Consolidated Accounting Term (From December 21, 2006 To June 20, 2007)	Current Interim Consolidated Accounting Term (From December 21, 2007 To June 20, 2008)	Previous Consolidated Accounting Year (From December 21, 2006 To December 20, 2007)
*1. Major elements of selling, general and administrative expenses	*1. Accumulated depreciation of tangible fixed assets	*1. Accumulated depreciation of tangible fixed assets
Sales promotion 687,938	Sales promotion 646,631	Sales promotion 1,356,473
Compensation, salaries, benefits 1,037,099	Compensation, salaries, benefits 1,097,203	Compensation, salaries, benefits 2,139,216
Provision for accrued bonuses 44,782	Provision for accrued bonuses 43,468	Provision for accrued bonuses 41,968
Retirement benefit costs 75,041	Retirement benefit costs 75,185	Retirement benefit costs 151,900
*2. -	*2. - Gain on sale of fixed assets	*2. Gain on sale of fixed assets
	Machinery, equipment and vehicles 76	Buildings and structures 993
		Machinery, equipment and vehicles 4,006
		Other 36
		<u>Total 5,036</u>
*3. Loss on disposal of fixed assets	*3. Loss on disposal of fixed assets	*3. Loss on disposal of fixed assets
Machinery, equipment and vehicles 415	Buildings and structures 232	Buildings and structures 2,176
Other 354	Machinery, equipment and vehicles 2,280	Machinery, equipment and vehicles 2,011
<u>Total 770</u>	Other 2,069	Other 536
	<u>Total 4,582</u>	<u>Total 4,724</u>

(Interim Consolidated Statement of Changes in Financial Position)

Preceding Consolidated Accounting Year (from December 21, 2006 to June 20, 2007)

1. Matters relating to outstanding shares

Class of stock	End of previous consolidated accounting year	Increase	Decrease	End of current interim consolidated accounting term
Common stock (share)	12,544,408	-	-	12,544,408

2. Matters concerning treasury stock

Class of stock	End of previous consolidated accounting year	Increase	Decrease	End of current interim consolidated accounting term
Common stock (share)	10,712	365	136	10,941

(Reasons for change)

1. The increase was attributed to the acquisition of shares smaller than the unit stock upon request for repurchase.
2. The decrease was attributed to the sale of shares constituting less than one unit upon requests for additional purchases.

3. Matters concerning dividends

(1) Amount of dividends paid

Resolution	Class of stock	Total dividends (thousand yen)	Dividend per share (yen)	Record date	Effective date
Ordinary annual general meeting of shareholders held on March 19, 2007	Common stock	325,876	26	December 20, 2006	March 20, 2007

(2) Among dividends with a reference date falling within this interim consolidated accounting term, those with an effective date following the interim consolidated accounting term.

Resolution	Class of stock	Dividend source	Total dividends (thousand yen)	Dividend per share (yen)	Reference date	Effective date
Board of Directors' meeting held on May 25, 2007	Common stock	Retained earnings	325,870	26	June 20, 2007	August 9, 2007

Current Interim Consolidated Accounting Term (from December 21, 2007 to June 20, 2008)

1. Matters relating to outstanding shares

Class of stock	End of previous consolidated accounting year	Increase	Decrease	End of current interim consolidated accounting term
Common stock (share)	12,544,408	-	-	12,544,408

2. Matters concerning treasury stock

Class of stock	End of previous consolidated accounting year	Increase	Decrease	End of current interim consolidated accounting term
Common stock (share)	11,095	264	344	11,015

(Reasons for change)

- The increase is attributed to the acquisition of shares smaller than the unit stock upon request for repurchase.
- The decrease is attributed to the disposal of shares smaller than the unit stock upon request for additional purchasing.

3. Matters concerning dividends

(1) Amount of dividends paid

Resolution	Class of stock	Total dividends (thousand yen)	Dividend per share (yen)	Record date	Effective date
Ordinary annual general meeting of shareholders held on March 18, 2008	Common stock	338,399	27	December 20, 2007	March 19, 2008

- (2) Among dividends with a reference date falling within this interim consolidated accounting term, those with an effective date following the interim consolidated accounting term.

Resolution	Class of stock	Dividend source	Total dividends (thousand yen)	Dividend per share (yen)	Reference date	Effective date
Board of Directors' meeting held on July 16, 2008	Common stock	Retained earnings	325,868	26	June 20, 2008	August 8, 2008

Preceding consolidated accounting term (from December 21, 2006 to December 20, 2007)

1. Matters relating to outstanding shares

Class of stock	End of previous consolidated accounting year	Increase	Decrease	End of current consolidated accounting year
Common stock (share)	12,544,408	-	-	12,544,408

2. Matters concerning treasury stock

Class of stock	End of previous consolidated accounting year	Increase	Decrease	End of current consolidated accounting year
Common stock (share)	10,712	857	474	11,095

(Reasons for change)

1. The increase is attributed to the acquisition of shares smaller than the unit stock upon request for repurchase.
2. The decrease was attributed to the sale of shares constituting less than one unit upon requests for additional purchases.

3. Matters concerning dividends

(1) Amount of dividends paid

Resolution	Class of stock	Total dividends (thousand yen)	Dividend per share (yen)	Record date	Effective date
Ordinary annual general meeting of shareholders held on March 19, 2007	Common stock	325,876	26	December 20, 2006	March 20, 2007
Board of directors' meeting held on May 25, 2007	Common stock	325,870	26	June 20, 2007	August 9, 2007

(2) Among dividends with a reference date falling within this current consolidated accounting year, those with an effective date following consolidated accounting year.

Resolution	Class of stock	Dividend source	Total dividends (thousand yen)	Dividend per share (yen)	Reference date	Effective date
Board of Directors' meeting held on March 18, 2008	Common stock	Retained earnings	338,399	27	December 20, 2007	March 19, 2008

(Notes for Consolidated Interim Cash Flow Statement)

Previous Interim Consolidated Accounting Term (From December 21, 2006 To June 20, 2007) (thousand yen)	Current Interim Consolidated Accounting Term (From December 21, 2007 To June 20, 2008) (thousand yen)	Previous Consolidated Accounting Year (From December 21, 2006 To December 20, 2007) (thousand yen)														
<p>* Relation between cash and cash equivalent interim term final balances and amounts posted on the interim consolidated balance sheet</p> <p style="text-align: right;">(As of June 20, 2007)</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 80%;">Cash and savings accounts</td> <td style="text-align: right;">1,218,559</td> </tr> <tr> <td style="border-top: 1px solid black;">Cash and cash equivalents</td> <td style="text-align: right; border-top: 1px solid black;">1,218,559</td> </tr> </table>	Cash and savings accounts	1,218,559	Cash and cash equivalents	1,218,559	<p>* Relation between cash and cash equivalent interim term final balances and amounts posted on the interim consolidated balance sheet</p> <p style="text-align: right;">(As of June 20, 2008)</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 80%;">Cash and savings accounts</td> <td style="text-align: right;">1,455,241</td> </tr> <tr> <td style="width: 80%;">Time deposits with tenor of more than 3 months</td> <td style="text-align: right;">-30,057</td> </tr> <tr> <td style="border-top: 1px solid black;">Cash and cash equivalents</td> <td style="text-align: right; border-top: 1px solid black;">1,425,184</td> </tr> </table>	Cash and savings accounts	1,455,241	Time deposits with tenor of more than 3 months	-30,057	Cash and cash equivalents	1,425,184	<p>* Relation between cash and cash equivalent term final balances and amounts posted on the consolidated balance sheet</p> <p style="text-align: right;">(As of December 20, 2007)</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 80%;">Cash and savings accounts</td> <td style="text-align: right;">936,683</td> </tr> <tr> <td style="border-top: 1px solid black;">Cash and cash equivalents</td> <td style="text-align: right; border-top: 1px solid black;">936,683</td> </tr> </table>	Cash and savings accounts	936,683	Cash and cash equivalents	936,683
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Segment Information

1. Business segment information

Previous interim consolidated accounting term (from December 21, 2006 to June 20, 2007), current interim consolidated accounting term (from December 21, 2007 to June 20, 2008), and the previous consolidated accounting year (from December 21, 2006 to December 20, 2007)

The Group manufactured and sold products in a single segment of the hair cosmetic product industry. There is no other specific matter to be reported since the Group had no other types of segment information.

2. Geographical segment information

Previous interim consolidated accounting term (from December 21, 2006 to June 20, 2007), current interim consolidated accounting term (from December 21, 2007 to June 20, 2008), and the previous consolidated accounting year (from December 21, 2006 to December 20, 2007)

Domestic sales accounted for more than 90% of total sales in all segments. Thus, geographical segment information is omitted.

3. Overseas sales

Previous interim consolidated accounting term (from December 21, 2006 to June 20, 2007), current interim consolidated accounting term (from December 21, 2007 to June 20, 2008), and the previous consolidated accounting year (from December 21, 2006 to December 20, 2007)

Overseas sales accounted for less than 10% of consolidated sales. Thus, description of overseas sales is omitted.

(Notes for Lease Transactions)

Previous Interim Consolidated Accounting Term (From December 21, 2006 to June 20, 2007)	Current Interim Consolidated Accounting Term (From December 21, 2007 To June 20, 2008)	Previous Consolidated Accounting Year (From December 21, 2006 To December 20, 2007)																																																
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4. Method of calculating depreciation expense equivalent Depreciation expense equivalent is computed on a straight-line basis over the lease period without residual value.	4. Method of calculating depreciation expense equivalent Same as left	4. Method of calculating depreciation expense equivalent Same as left																																																

(Notes for Securities)

As of the end of the previous interim consolidated accounting term (June 20, 2007)

1. Other securities with available fair market values

(Unit: thousand yen)

	Acquisition Cost	Reported on Interim Consolidated Balance Sheet	Difference
(1) Shares	723,604	1,469,974	746,370
(2) Bonds	-	-	-
(3) Others	-	-	-
Total	723,604	1,469,974	746,370

(Note) In cases where the fair market value of an individual security falls to approximately 30% lower than the acquisition cost, the Company judges the decline to be a “significant decline in value” and employs the impairment accounting procedure. The Company did not record any impairment charges for other securities with fair market values during the current interim consolidated accounting period.

2. Securities with no available fair market values

(Unit: thousand yen)

	Reported on Interim Consolidated Balance Sheet
Other securities Unlisted shares	19,921

As of end of current interim consolidated accounting term (June 20, 2008)

1. Other securities with available fair market values

(Unit: thousand yen)

	Acquisition Cost	Reported on Interim Consolidated Balance Sheet	Difference
(1) Shares	1,200,698	1,429,040	228,341
(2) Bonds	-	-	-
(3) Others	-	-	-
Total	1,200,698	1,429,040	228,341

(Note) In cases where the fair market value of an individual security falls to approximately 30% lower than the acquisition cost, the Company judges the decline to be a “significant decline in value” and employs the impairment accounting procedure. The Company recorded 132,000 yen impairment charges for other securities with a fair market value in the current interim consolidated accounting term.

2. Securities with no available fair market values

(Unit: thousand yen)

	Reported on Interim Consolidated Balance Sheet
Other securities Unlisted shares	16,250

As of the end of the previous consolidated accounting year (December 20, 2007)

1. Other securities with available fair market values

(Unit: thousand yen)

	Acquisition Cost	Reported on Consolidated Balance Sheet	Difference
(1) Shares	1,200,830	1,505,788	304,957
(2) Bonds	-	-	-
(3) Others	-	-	-
Total	1,200,830	1,505,788	304,957

(Note) With regard to the write-down of marketable securities, if the fair value of the securities has dropped approximately 30% compared to the original value, the Company judges the decline to be a “significant decline in value”, and writes down the necessary amount. The Company recorded 20,708,000 yen of impairment charges on other securities with a fair market value in the current consolidated accounting year.

2. Securities with no available fair market values

(Unit: thousand yen)

	Reported on Consolidated Balance Sheet
Other securities Unlisted shares	16,250

(Note) The Company recorded no impairment charges for other securities with no fair market values.

(Derivative Transactions)

Previous interim consolidated accounting term (from December 21, 2006 to June 20, 2007)

Not applicable as there are no amounts to report at the end of this interim accounting term.

Current interim consolidated accounting term (from December 21, 2007 to June 20, 2008)

Not applicable as the Company did not enter into any derivative transaction of any nature whatsoever.

Previous consolidated accounting year (from December 21, 2006 to December 20, 2007)

Not applicable as there are no amounts to report at the end of this consolidated accounting year.

(Stock Options)

Preceding interim consolidated accounting term (from December 21, 2006 to June 20, 2007), current interim consolidated accounting term (from December 21, 2007 to June 20, 2008) and preceding consolidated accounting year (from December 21, 2006 to December 20, 2007)

No applicable matters to report.

(Business combinations)

Preceding interim consolidated accounting term (from December 21, 2006 to June 20, 2007), current interim consolidated accounting term (from December 21, 2007 to June 20, 2008) and preceding consolidated accounting year (from December 21, 2006 to December 20, 2007)

No applicable matters to report.

(Per Share Data)

(Unit: yen)

Previous Interim Consolidated Accounting Term (From December 21, 2006 To June 20, 2007)	Current Interim Consolidated Accounting Term (From December 21, 2007 To June 20, 2008)	Previous Consolidated Accounting Year (From December 21, 2006 To December 20, 2007)
Net assets per share 1,130.31	Net assets per share 1,204.78	Net assets per share 1,161.52
Net income per share 44.41	Net income per share 76.21	Net income per share 123.05
Diluted net income per share of common stock is not shown, since there were no diluted shares.	Diluted net income per share of common stock is not shown, since there were no diluted shares.	Diluted net income per share of common stock is not shown, since there were no diluted shares.

(Note) Interim (current) net income per share is calculated on the following basis:

	Previous Interim Consolidated Accounting Term (From December 21, 2006 To June 20, 2007)	Current Interim Consolidated Accounting Term (From December 21, 2007 To June 20, 2008)	Previous Consolidated Accounting Year (From December 21, 2006 To December 20, 2007)
Net income (thousand yen)	556,640	955,213	1,542,204
Amount not vested in ordinary shareholders (thousand yen)	-	-	-
Net income attributable to common stock (thousand yen)	556,640	955,213	1,542,204
Average number of shares of common stock	12,533,546	12,533,343	12,533,464

(Significant Subsequent Events)

No applicable matters to report.

5. FINANCIAL STATEMENT

(1) FINANCIAL STATEMENT

Account Title	Note	As of Previous Interim Accounting Term-End (June 20, 2007)		As of Current Interim Accounting Term-End (June 20, 2008)		Condensed Balance Sheet as of Previous Fiscal Year-End (December 20, 2007)	
		Amount (thousand yen)	Ratio (%)	Amount (thousand yen)	Ratio (%)	Amount (thousand yen)	Ratio (%)
(ASSETS)							
I Current Assets							
1. Cash and bank deposits		1,168,140		1,397,512		840,681	
2. Trade notes receivable		796,850		583,714		642,397	
3. Accounts receivable		1,862,132		2,164,304		1,947,583	
4. Inventories		1,942,495		2,219,371		1,691,865	
5. Others		277,215		259,045		284,517	
Total current assets		6,046,834	31.4	6,623,949	33.0	5,407,046	29.1
II Fixed Assets							
1. Tangible assets	*1						
(1) Buildings	*2	4,028,404		3,712,232		3,853,774	
(2) Machinery and equipment		1,511,974		1,347,807		1,442,992	
(3) Land	*2	4,349,707		4,747,158		4,349,707	
(4) Construction in progress		8,000		126,505		43,995	
(5) Others		374,048		441,061		372,375	
Total tangible assets		10,272,135		10,374,766		10,062,845	
2. Intangible assets		184,126		190,559		206,804	
3. Investment and other assets							
(1) Investment in securities		1,710,896		1,666,290		1,743,038	
(2) Prepaid pension costs		110,550		127,219		117,079	
(3) Others		952,242		1,083,066		1,073,953	
Allowance for bad debts		-11,570		-11,570		-11,570	
Total of investment and other assets		2,762,119		2,865,006		2,922,502	
Total tangible assets		13,218,381	68.6	13,430,332	67.0	13,192,151	70.9
Total assets		19,265,216	100.0	20,054,281	100.0	18,599,197	100.0

Account Title	Note	As of Previous Interim Accounting Term-End (June 20, 2007)		As of Current Interim Accounting Term-End (June 20, 2008)		Condensed Balance Sheet as of Previous Fiscal Year-End (December 20, 2007)		
		Amount (thousand yen)	Ratio (%)	Amount (thousand yen)	Ratio (%)	Amount (thousand yen)	Ratio (%)	
(LIABILITIES)								
I Current Liabilities								
1. Trade notes payable		782,710		1,202,604		488,485		
2. Accounts payable		480,492		581,526		346,829		
3. Long-term borrowings to be returned within a year	*2	443,952		54,172		257,952		
4. Accrued expenses payable	*2	1,499,042		1,496,237		1,316,939		
5. Corporate tax payable		738,223		662,673		594,197		
6. Consumption tax payable		69,117		35,769		110,288		
7. Allowance for returned goods		19,218		27,584		19,033		
8. Allowance for bonuses		59,700		61,320		55,220		
9. Others		83,709		88,419		143,624		
Total current liabilities			4,176,167	21.7	4,210,307	21.0	3,332,570	17.9
II Fixed liabilities								
1. Long-term borrowings	*2	59,357		5,185		23,381		
2. Allowance for loss on guarantees		-		39,000		39,000		
3. Others		822,737		592,023		597,801		
Total fixed liabilities			882,094	4.6	636,208	3.2	660,182	3.6
Total liabilities			5,058,261	26.3	4,846,515	24.2	3,992,752	21.5
(NET ASSETS)								
I Shareholders' equity			2,000,000		2,000,000		2,000,000	
1. Capital stock								
2. Capital surplus								
(1) Capital reserve		199,120		199,120		199,120		
(2) Other capital surplus		953		358		879		
Total capital surplus			200,073		199,478		199,999	
3. Retained earnings								
(1) Income reserve		300,880		300,880		300,880		
(2) Other retained earnings								
Contingent reserve		5,032		1,161		1,633		
Special depreciation reserve		3,500,000		3,500,000		3,500,000		
Net earned surplus forwarded		7,794,256		9,108,083		8,460,734		
Total retained earnings			11,600,168		12,910,124		12,263,247	
4. Treasury stock			-38,123		-37,928		-38,555	
Total shareholders' equity			13,762,117	71.4	15,071,674	75.1	14,424,690	77.5
II. Valuation and conversion differences								
1. Other net unrealized gain on securities			444,836		136,091		181,754	
Total valuation and conversion difference			444,836	2.3	136,091	0.7	181,754	1.0
Total net assets			14,206,954	73.7	15,207,765	75.8	14,606,445	78.5
Total liabilities and net assets			19,265,216	100.0	20,054,281	100.0	18,599,197	100.0

(2) Interim Statements of Income

Account Title	Note	Previous Interim Consolidated Accounting term (From December 21, 2006 To June 20, 2007)		Current Interim Consolidated Accounting Term (From December 21, 2007 To June 20, 2008)		Condensed Balance Sheet for Previous Consolidated Accounting Year (From December 21, 2006 To December 20, 2007)				
		Amount (thousand yen)	Ratio (%)	Amount (thousand yen)	Ratio (%)	Amount (thousand yen)	Ratio (%)			
I Sales		8,668,663	100.0	8,864,160	100.0	17,626,676	100.0			
II Cost of products/merchandise sold		3,043,903	35.1	3,013,898	34.0	6,326,116	35.9			
Total sales revenue		5,624,760	64.9	5,850,261	66.0	11,300,560	64.1			
III Marketing and administrative expenses		3,848,773	44.4	4,040,745	45.6	7,737,726	43.9			
Operating income		1,775,986	20.5	1,809,515	20.4	3,562,833	20.2			
IV Non-operating income	*1	52,136	0.6	82,245	0.9	92,119	0.5			
V Non-operating expenses	*2	180,174	2.1	164,046	1.8	376,032	2.1			
Current income		1,647,948	19.0	1,727,715	19.5	3,278,920	18.6			
VI Extraordinary income	*3	153,244	1.8	-		159,573	0.9			
VII Extraordinary loss	*4	790,675	9.1	4,790	0.1	859,375	4.9			
Net income before taxes		1,010,518	11.7	1,722,924	19.4	2,579,118	14.6			
Corporate, inhabitant and enterprise taxes		719,481		647,176		1,323,078				
Adjustment of corporate taxes		-281,384	438,096	5.1	90,472	737,648	8.3	-305,331	1,017,747	5.7
Net income after tax		572,422	6.6	985,276	11.1	1,561,371	8.9			

(3) Interim Statement of Changes in Financial Position

Preceding interim accounting term (from December 21, 2006 to June 20, 2007)

	Shareholders' equity			
	Capital stock	Capital surplus		
		Capital reserve	Other capital surplus	Total capital surplus
Balance on December 20, 2006 (thousand yen)	2,000,000	199,120	929	200,049
Changes in amounts during the interim accounting term				
Distribution of surplus				-
Reversal of special depreciation reserve				-
Interim net income				-
Acquisition of treasury stock				-
Disposal of treasury stock			23	23
Change in amounts of items other than shareholders' equity during the interim accounting term (net)				
Total amount of changes during the interim accounting term (thousand yen)	-	-	23	23
Balance on June 20, 2007 (thousand yen)	2,000,000	199,120	953	200,073

	Shareholders' equity						
	Retained earnings					Treasury stock	Total shareholders' equity
	Income reserve	Other retained earnings			Total retained earnings		
		Special depreciation reserve	Contingent reserve	Net earned surplus forwarded			
Balance on December 20, 2006 (thousand yen)	300,880	8,431	3,500,000	7,544,310	-11,353,622	-37,292	13,516,379
Changes in amounts during the interim accounting term							
Distribution of surplus				-325,876	-325,876		-325,876
Reversal of special depreciation reserve		-3,399		3,399	-		-
Interim net income				572,422	572,422		572,422
Acquisition of treasury stock					-	-1,305	-1,305
Disposition of treasury stock					-	473	497
Change in amounts of items other than shareholders' equity during the interim accounting term (net)							
Total amount of changes during the interim accounting term (thousand yen)	-	-3,399	-	249,945	246,546	-831	245,738
Balance on June 20, 2007 (thousand yen)	300,880	5,032	3,500,000	7,794,256	11,600,168	-38,123	13,762,117

	Valuation and conversion differences	Total net assets
--	--------------------------------------	------------------

	Other net unrealized gain on securities	Total valuation and conversion differences	
Balance at December 20, 2006 (thousand yen)	574,119	574,119	14,090,498
Changes in amounts during the interim accounting term			
Distribution of surplus			-325,876
Reversal of special depreciation reserve			-
Interim net income			572,422
Acquisition of treasury stock			-1,305
Disposal of treasury stock			497
Change in amounts of items other than shareholders' equity during the interim accounting term (net)	-129,282	-129,282	-129,282
Total amount of changes during the interim accounting term (thousand yen)	-129,282	-129,282	116,455
Balance on June 20, 2007 (thousand yen)	444,836	444,836	14,206,954

For the six months (from December 21, 2007 to June 20, 2008)

	Shareholders' equity			
	Capital stock	Capital surplus		
		Capital reserve	Other capital surplus	Total capital surplus
Balance on December 20, 2007 (thousand yen)	2,000,000	199,120	879	199,999
Changes in amounts during the interim accounting term				
Distribution of surplus				-
Reversal of special depreciation reserve				-
Interim net income				-
Acquisition of treasury stock				-
Disposal of treasury stock			-520	-520
Change in amounts of items other than shareholders' equity during the interim accounting term (net)				-
Total amount of changes during the interim accounting term (thousand yen)	-	-	-520	-520
Balance on June 20, 2008 (thousand yen)	2,000,000	199,120	358	199,478

	Shareholders' equity						
	Retained earnings					Treasury stock	Total shareholders' equity
	Income reserve	Other retained earnings			Total retained earnings		
		Special depreciation reserve	Contingent reserve	Net earned surplus forwarded			
Balance on December 20, 2007 (thousand yen)	300,880	1,633	3,500,000	8,460,734	12,263,247	-38,555	14,424,690
Changes in amounts during the interim accounting term							
Distribution of surplus				-338,399	-338,399		-338,399
Reversal of special depreciation reserve		-472		472	-		-
Interim net income				985,276	985,276		985,276
Acquisition of treasury stock					-	-560	-560
Disposition of treasury stock					-	1,187	667
Change in amounts of items other than shareholders' equity during the interim accounting term (net)							
Total amount of changes during the interim accounting term (thousand yen)	-	-472	-	647,348	646,876	627	646,983
Balance on June 20, 2008 (thousand yen)	300,880	1,161	3,500,000	9,108,083	12,910,124	-37,928	15,071,674

	Valuation and conversion differences		Total net assets
	Other net unrealized gain on securities	Total valuation and conversion differences	
Balance at December 20, 2007 (thousand yen)	181,754	81,754	14,606,445
Changes in amounts during the interim accounting term			
Distribution of surplus			-338,399
Reversal of special depreciation reserve			-
Interim net income			985,276
Acquisition of treasury stock			-560
Disposal of treasury stock			667
Change in amounts of items other than shareholders' equity during the interim accounting term (net)	-45,663	45,663	-45,663
Total amount of changes during the interim accounting term (thousand yen)	-45,663	-45,663	601,320
Balance on June 20, 2008 (thousand yen)	136,091	136,091	15,207,765

Previous Accounting Year (from December 21, 2006 to December 20, 2007)

	Shareholders' equity			
	Capital stock	Capital surplus		
		Capital reserve	Other capital surplus	Total capital surplus
Balance on December 20, 2006 (thousand yen)	2,000,000	199,120	929	200,049
Changes in amounts during the accounting year				
Distribution of surplus				-
Reversal of special depreciation reserve				-
Interim net income				-
Acquisition of treasury stock				-
Disposal of treasury stock			-50	-50
Changes in amounts of items other than shareholders' equity during the accounting year (net)				
Total amount of changes during the accounting year (thousand yen)	-	-	-50	-50
Balance on December 20, 2007 (thousand yen)	2,000,000	199,120	879	199,999

	Shareholders' equity						
	Retained earnings					Treasury stock	Total shareholders' equity
	Income reserve	Other retained earnings			Total retained earnings		
		Special depreciation reserve	Contingent reserve	Net earned surplus forwarded			
Balance on December 20, 2006 (thousand yen)	300,880	8,431	3,500,000	7,544,310	11,353,622	- 37,292	13,516,379
Changes in amounts during the accounting year							
Distribution of surplus				-651,746	-651,746		-651,746
Reversal of special depreciation reserve		-6,798		6,798	-		-
Interim net income				1,561,371	1,561,371		1,561,371
Acquisition of treasury stock						-2,914	-2,914
Disposal of treasury stock						1,650	1,600
Changes in amounts of items other than shareholders' equity during the accounting year (net)							
Total amount of changes during the accounting year (thousand yen)	-	-6,798	-	916,423	909,624	-1,263	908,311
Balance on December 20, 2007 (thousand yen)	300,880	1,633	3,500,000	8,460,734	12,263,247	-38,555	14,424,690

	Valuation and conversion differences		Total net assets
	Other net unrealized gain on securities	Total valuation and conversion differences	
Balance on December 20, 2006 (thousand yen)	574,119	574,119	14,090,498
Changes in amounts during the accounting year			
Distribution of surplus			-651,746
Reversal of special depreciation reserve			-
Interim net income			1,561,371
Acquisition of treasury stock			-2,914
Disposal of treasury stock			1,600
Changes in amounts of items other than shareholders' equity during the accounting year (net)	-392,364	-392,364	-392,364
Total amount of changes during the accounting year (thousand yen)	-392,364	-392,364	515,946
Balance on December 20, 2007 (thousand yen)	181,754	181,754	14,606,445

(4) Summary of Significant Accounting Policies for Preparation of the Interim Financial Statements

Item	Previous Interim Accounting Term (From December 21, 2006 to June 20, 2007)	Current Interim Accounting Term (From December 21, 2007 to June 20, 2008)	Previous Accounting Year (From December 21, 2006 to December 20, 2007)
1. Evaluation standards and methods for assets	<p>(1) Marketable Securities Shares of subsidiaries Cost accounting based on moving average-method</p> <p>Other securities With a market value: Stated at market value based on the market price as of the last day of the interim accounting term (all variances in evaluation are to be reported as a component of net assets, and the cost of selling these securities is computed using the moving-average method.)</p> <p>Without a market value Market value stated at cost based on the moving-average method</p> <p>(2) Inventories Merchandise: Cost accounting method based on FIFO</p> <p>Finished goods, work in progress: Stated at cost based on gross average method</p> <p>Raw & packaging materials: Stated at cost based on gross average method</p> <p>Stock: Stated at cost based on last cost method</p>	<p>(1) Securities Shares of subsidiaries Same as left</p> <p>Other securities With a market value Same as left</p> <p>Without a market value Same as left</p> <p>(2) Inventories Merchandise: Same as left</p> <p>Finished goods, work in progress: Same as left</p> <p>Raw & packaging materials: Same as left</p> <p>Stock: Same as left</p>	<p>(1) Securities Shares of subsidiaries Same as left</p> <p>Other securities With a market value Stated at market value based on the market price as of the last day of the accounting year (all variances in evaluation are to be reported as a component of net assets, and the cost of selling these securities is computed using the moving-average method.)</p> <p>Without a market value Same as left</p> <p>(2) Inventories Merchandise: Same as left</p> <p>Finished goods, work in progress: Same as left</p> <p>Raw & packaging materials: Same as left</p> <p>Stock: Same as left</p>
2. Methods for depreciation of fixed assets	<p>(1) Tangible fixed assets Declining balance method The declining balance method is also applied to buildings (excluding accessory facilities) acquired from April 1, 1998. Depreciation periods are as shown below: Plants and buildings: 31 to 50 years Machinery and equipment: 9 years (Changes in Accounting Methods) After the Corporation Tax Law was revised, the Company accounted for depreciation costs for depreciation assets acquired on and after April 1, 2007 in the depreciation method prescribed in the revised Corporation Tax Law for the current interim consolidated accounting term. The change had a minor impact on the profit and loss of the Company.</p>	<p>(1) Tangible fixed assets Declining balance method The declining balance method is also applied to buildings (excluding accessory facilities) acquired from April 1, 1998. Depreciation periods are as shown below: Plants and buildings: 31 to 50 years Machinery and equipment: 9 years (Additional Information) Pursuant to an amendment to the Corporate Tax Law, after having fully depreciated tangible fixed assets acquired on or before March 31, 2007 up to 5% of the acquisition cost, based on the prior Corporate Tax Law, the Company and its domestic subsidiaries have depreciated the difference between 5% of the acquisition cost and the memorandum price, using a straight line method over five years and expensed as "Depreciation and amortization." The straight line depreciation starts from the next year, when the book value of tangible assets acquired on and before March 31, 2007 reaches 5% of the acquisition cost. The change had a minor impact on the profit and loss of the Company.</p>	<p>(1) Tangible fixed assets Declining balance method The declining balance method is also applied to buildings (excluding accessory facilities) acquired from April 1, 1998. Depreciation periods are as shown below: Plants and buildings: 31 to 50 years Machinery and equipment: 9 years (Changes in Accounting Methods) After the Corporation Tax Law was revised, the Company accounted for depreciation costs for depreciation assets acquired on and after April 1, 2007 in the depreciation method prescribed in the revised Corporation Tax Law for the current business year. As a result, gross profit was down 8,827,000 yen and operating income, ordinary income and net income before income taxes and minority interests were down 11,652,000 yen each, compared to the previous method.</p>

Item	Previous Interim Accounting Term (From December 21, 2006 to June 20, 2007)	Current Interim Accounting Term (From December 21, 2007 to June 20, 2008)	Previous Accounting Year (From December 21, 2006 to December 20, 2007)
	(2) Intangible fixed assets Straight-line method Software for in-house use is depreciated using the straight-line method based on estimated useful life (5years).	(2) Intangible fixed assets Same as left	(2) Intangible fixed assets Same as left
3. Accounting standards for allowances	<p>(1) Allowance for bad debt The estimated unrecoverable amount to prepare for losses caused by bad debts is posted based on the historical bad debt rate for general debts and the probability of non-recovery in each case for troubled debts.</p> <p>(2) Allowance for bonuses An amount is posted based on estimates to provide for the payment of bonuses to employees (including bonuses for employees who are concurrently directors and have duties in an employee capacity)</p> <p>(3) Allowance for directors' bonuses (Additional Information) Since the Company revised the Directors' Compensation Plan and abolished the provision of directors' bonuses, the Company posted no allowance for directors' bonuses for the current interim consolidated accounting term.</p> <p>(4) Allowance for returns The estimated loss accompanying future returns of merchandise and products is posted based on past return rates to prepare for the loss.</p> <p>(5) Allowance for employee retirement In preparation for the payment of retirement benefits to employees, the Company posts an amount at the end of the current interim accounting term based on estimated retirement liabilities and pension assets as of the end of the current fiscal year. Prior service liabilities are disposed of by the straight-line method over a specified number of years (5 years) within the average remaining employee work period. Resultant differences are disposed of from the fiscal year following the fiscal year in which they occur in proportionally divided amounts based on the straight-line method over a fixed number of years (5 years) within the average remaining employee work period. As the estimated value of pension assets at the end of the current interim accounting term exceeds the estimated liability for retirement benefits after adjustment of liabilities based on unrecognized past services and unrecognized actuarial gains and losses, the difference is accounted for as prepaid pension expenses.</p>	<p>(1) Allowance for bad debt Same as left</p> <p>(2) Allowance for bonuses Same as left</p> <p>(3) Allowance for directors' bonuses -</p> <p>(4) Allowance for returns Same as left</p> <p>(5) Allowance for employee retirement Same as left</p>	<p>(1) Allowance for bad debt Same as left</p> <p>(2) Allowance for bonuses Same as left</p> <p>(3) Allowance for directors' bonuses (Additional Information) Since the Company revised the Directors' Compensation Plan and abolished the provision of directors' bonuses, the Company posted no allowance for directors' bonuses for the current business year.</p> <p>(4) Allowance for returns Same as left</p> <p>(5) Allowance for employee retirement In preparation for the payment of retirement benefits to employees, the Company posts an amount at the end of the current interim accounting term based on estimated retirement liabilities and pension assets as of the end of the current fiscal year. Prior service liabilities are disposed of by the straight-line method over a specified number of years (5 years) within the average remaining employee work period. Resultant differences are disposed of from the fiscal year following the fiscal year in which they occur in proportionally divided amounts based on the straight-line method over a fixed number of years (5 years) within the average remaining employee work period. As the estimated value of pension assets at the end of the current interim accounting term exceeds the estimated liability for retirement benefits after adjustment of liabilities based on unrecognized past services and unrecognized actuarial gains and losses, the difference is accounted for as prepaid pension expenses.</p>

Item	Previous Interim Accounting Term (From December 21, 2006 to June 20, 2007)	Current Interim Accounting Term (From December 21, 2007 to June 20, 2008)	Previous Accounting Year (From December 21, 2006 to December 20, 2007)
	(6) -	(6) Allowance for loss on guarantees The Company accounted for estimated loss taking into consideration the financial position of the guarantee recipient in each case, to prepare for loss on guarantees.	(6) Allowance for loss on guarantees (Additional Information) Starting from the current consolidated accounting year, the Company accounted for estimated loss taking into consideration the financial position of the guarantee recipient in each case, to prepare for loss on guarantees.

Item	Previous Interim Accounting Term (From December 21, 2006 to June 20, 2007)	Current Interim Accounting Term (From December 21, 2007 to June 20, 2008)	Previous Accounting Year (From December 21, 2006 to December 20, 2007)
4. Conversion rate of assets and liabilities denominated in foreign currencies into yen	Foreign currency denominated financial receivables and liabilities are converted into yen at the spot exchange rate effective as of the last day of the interim accounting term and the transactional exchange gain or loss reflected in earnings.	Same as left	Foreign currency denominated financial receivables and liabilities are converted into yen at the spot exchange rate effective as of the last day of the fiscal year and the transactional exchange gain or loss is reflected in earnings.
5. Accounting for leases	Finance leases, except for those under which the ownership of the leased assets is considered to be transferred to the lessee, are accounted for in the same manner as operating leases.	Same as left	Same as left
6. Other significant accounting policies for preparation of the interim (full term) financial statements	Consumption tax For consumption tax accounting, consumption tax is excluded from the accounts. Temporary consumption taxes paid and temporary consumption taxes received are set off from each other, and the net amount is reported as consumption tax payable on the balance sheet.	Consumption tax Same as left	Consumption tax Consumption tax is excluded from the accounts.

(Additional Information)

Previous Interim Accounting Term (From December 21, 2006 to June 20, 2007)	Current Interim Accounting Term (From December 21, 2007 to June 20, 2008)	Previous Accounting Year (From December 21, 2006 to December 20, 2007)
<p>The ordinary general meeting shareholders of the Company, held on March 19, 2007, has decided to abolish the Directors' Retirement Benefit Plan and pay directors' retirement benefits to directors upon their retirement in amounts corresponding to their service period until this general meeting of shareholders. As a result, the Company posted 729,105,000 yen of extraordinary loss for directors' retirement benefits, which was presented as accrued liabilities in "Other" in fixed liabilities.</p>		<p>The ordinary general meeting of shareholders of the Company, held on March 19, 2007, has decided to abolish the Directors' Retirement Benefit Plan and pay directors' retirement benefits to directors upon their retirement in amounts corresponding to their service period until this general meeting of shareholders. As a result, the Company posted 729,105,000 yen of extraordinary loss for directors' retirement benefits, 222,660,000 yen of which was presented as accrued liabilities in "Accrued amount payable" in current liabilities and 506,445,000 yen of which was presented as accrued liabilities in "Other" in fixed liabilities.</p>

(5) Notes to Interim Financial Statements
(Notes for Interim Balance Sheet)

As of Previous Interim Accounting Term-End (June 20, 2007) (thousand yen)	As of Current Interim Accounting Term-End (June 20, 2008) (thousand yen)	As of Previous Accounting Year-End (December 20, 2007) (thousand yen)
*1. Accumulated depreciation of tangible fixed assets 5,099,746	*1. Accumulated depreciation of tangible fixed assets 5,806,736	*1. Accumulated depreciation of tangible fixed assets 5,462,838
*2 Pledged assets and secured liabilities	*2 -	*2 Pledged assets and secured liabilities
(1) Pledged assets		(1) Pledged assets
Buildings 1,304,295		Buildings 1,256,307
Land 1,207,694		Land 1,207,694
Total 2,511,990		Total 2,464,001
(2) Secured liabilities		(2) Secured liabilities
Long-term borrowings to be returned within a year 439,992		Long-term borrowings to be returned within a year 253,992
Long-term borrowings 55,197		Long-term borrowings 21,201
Total 495,189		Total 275,193
3. Contingent liabilities Guarantee of liabilities The Company extended guarantee to business partners for their bank borrowings of 55,033,000 yen (three cases).	3. Contingent liabilities Guarantee of liabilities The Company extended guarantee to business partners for their bank borrowings of 20,000,000 yen (one case).	3. -

(Notes for Interim Statements of Income)

Previous Interim Accounting Term (From December 21, 2006 to June 20, 2007) (thousand yen)	Current Interim Accounting Term (From December 21, 2007 to June 20, 2008) (thousand yen)	Previous Accounting Year (From December 21, 2006 to December 20, 2007) (thousand yen)
*1. Major non-operating revenues	*1. Major non-operating revenues	*1. Major non-operating revenues
Interest income 1,232	Interest income 1,293	Interest income 2,520
Dividend income 1,839	Dividend income 1,868	Dividend income 20,108
Bounty for corporate location 29,911	Bounty for corporate location 30,953	Business tax refund 29,911
	Gain on cancellation of insurance 26,339	
*2 Major non-operating expenses	*2 Major non-operating expenses	*2 Major non-operating expenses
Interest paid 3,866	Interest paid 1,347	Interest paid 6,077
Sales discounts 175,296	Sales discounts 153,816	Sales discounts 356,915
*3 Major extraordinary profits	*3 -	*3 Major extraordinary profits
Gain on sales of investment in securities 153,244		Gain on sales of investment in securities 159,573
*4 Major extraordinary losses	*4 -	*4 Major extraordinary losses
Directors' retirement benefits 729,105		Loss on retirement of fixed assets 729,105
*5 Depreciation	*5 Depreciation	*5 Depreciation
Tangible fixed assets 415,179	Tangible fixed assets 427,598	Tangible fixed assets 874,823
Intangible fixed assets 28,899	Intangible fixed assets 32,945	Intangible fixed assets 61,384

(Interim Statement of Changes in Financial Position)

Previous Interim Accounting Term (from December 21, 2006 to June 20, 2007)

Matters concerning treasury stock

Class of stock	Previous fiscal year	Increase	Decrease	End of current interim accounting term
Common stock (share)	10,712	365	136	10,941

(Reasons for change)

1. The increase is attributed to the acquisition of shares smaller than the unit stock upon request for repurchase.
2. The decrease was attributed to the sale of shares constituting less than one unit upon requests for additional purchases.

Current Interim Accounting Term (from December 21, 2007 to June 20, 2008)

Matters concerning treasury stock

Class of stock	Previous fiscal year	Increase	Decrease	End of current interim accounting term
Common stock (share)	11,095	264	344	11,015

(Reasons for change)

1. The increase is attributed to the acquisition of shares smaller than the unit stock upon request for repurchase.
2. The decrease was attributed to the sale of shares constituting less than one unit upon requests for additional purchases.

Preceding business year (from December 21, 2006 to December 20, 2007)

Matters concerning treasury stock

Class of stock	Previous fiscal year	Increase	Decrease	End of current accounting year
Common stock (share)	10,712	857	474	11,095

(Reasons for change)

1. The increase is attributed to the acquisition of shares smaller than the unit stock upon request for repurchase.
2. The decrease was attributed to the sale of shares constituting less than one unit upon requests for additional purchases.

(Notes for Lease Transactions)

Previous Interim Accounting Term (From December 21, 2006 to June 20, 2007) (thousand yen)	Current Interim Accounting Term (From December 21, 2007 to June 20, 2008) (thousand yen)	Previous Accounting Year (From December 21, 2006 to December 20, 2007) (thousand yen)																																																																														
<p>Finance leases other than those deemed to transfer ownership of leased properties to lessees</p> <p>1. Purchase price equivalent, accumulated depreciation equivalent and book value equivalent of leased items are as follows:</p> <table border="1" data-bbox="110 470 526 667"> <thead> <tr> <th></th> <th>Purchase price equivalent</th> <th>Accumulated depreciation equivalent</th> <th>Book value equivalent at interim term-end</th> </tr> </thead> <tbody> <tr> <td>Automotive equipment</td> <td>29,307</td> <td>18,869</td> <td>10,438</td> </tr> <tr> <td>Tools and fixtures</td> <td>177,612</td> <td>74,981</td> <td>102,631</td> </tr> <tr> <td>Total</td> <td>206,920</td> <td>93,850</td> <td>113,069</td> </tr> </tbody> </table> <p>(Note) The purchase price equivalent is reported as the total amount of lease payments through the life of a lease, including the amount representing interest, since the total amount of future lease payments is not significant in relation to total tangible fixed assets at the end of the interim accounting term.</p> <p>2. Future minimum lease payments equivalent at the end of the interim term</p> <table border="1" data-bbox="201 1056 526 1188"> <tbody> <tr> <td>Due within one year</td> <td>50,369</td> </tr> <tr> <td>Due after one year</td> <td>62,700</td> </tr> <tr> <td>Total</td> <td>113,069</td> </tr> </tbody> </table> <p>(Note) The future minimum lease payments equivalent at the end of the interim term is reported as the total amount of future minimum lease payments, including the amount representing interest, since the total amount of future minimum lease payments at the end of the interim term is not significant in relation to total tangible fixed assets at the end of the interim term.</p> <p>3. Lease expense and depreciation expense equivalent</p> <table border="1" data-bbox="110 1625 526 1717"> <tbody> <tr> <td>(1) Lease expense</td> <td>24,308</td> </tr> <tr> <td>(2) Depreciation expense equivalent</td> <td>24,308</td> </tr> </tbody> </table> <p>4. Method of calculating depreciation expense equivalent Depreciation expense equivalent is computed on a straight-line basis over the lease period without residual value.</p>		Purchase price equivalent	Accumulated depreciation equivalent	Book value equivalent at interim term-end	Automotive equipment	29,307	18,869	10,438	Tools and fixtures	177,612	74,981	102,631	Total	206,920	93,850	113,069	Due within one year	50,369	Due after one year	62,700	Total	113,069	(1) Lease expense	24,308	(2) Depreciation expense equivalent	24,308	<p>Finance leases other than those deemed to transfer ownership of leased properties to lessees</p> <p>1. Purchase price equivalent, accumulated depreciation equivalent and book value equivalent of leased items are as follows:</p> <table border="1" data-bbox="552 470 967 667"> <thead> <tr> <th></th> <th>Purchase price equivalent</th> <th>Accumulated depreciation equivalent</th> <th>Book value equivalent at interim term-end</th> </tr> </thead> <tbody> <tr> <td>Automotive equipment</td> <td>6,321</td> <td>5,531</td> <td>790</td> </tr> <tr> <td>Tools and fixtures</td> <td>240,963</td> <td>84,922</td> <td>156,041</td> </tr> <tr> <td>Total</td> <td>247,285</td> <td>90,454</td> <td>156,831</td> </tr> </tbody> </table> <p>Same as left</p> <p>2. Future minimum lease payments equivalent at the end of the interim term</p> <table border="1" data-bbox="610 1056 967 1188"> <tbody> <tr> <td>Due within one year</td> <td>49,575</td> </tr> <tr> <td>Due after one year</td> <td>107,255</td> </tr> <tr> <td>Total</td> <td>156,831</td> </tr> </tbody> </table> <p>Same as left</p> <p>3. Lease expense and depreciation expense equivalent</p> <table border="1" data-bbox="552 1625 967 1717"> <tbody> <tr> <td>(1) Lease expense</td> <td>26,107</td> </tr> <tr> <td>(2) Depreciation expense equivalent</td> <td>26,107</td> </tr> </tbody> </table> <p>4. Method of calculating depreciation expense equivalent Same as left</p>		Purchase price equivalent	Accumulated depreciation equivalent	Book value equivalent at interim term-end	Automotive equipment	6,321	5,531	790	Tools and fixtures	240,963	84,922	156,041	Total	247,285	90,454	156,831	Due within one year	49,575	Due after one year	107,255	Total	156,831	(1) Lease expense	26,107	(2) Depreciation expense equivalent	26,107	<p>Finance leases other than those deemed to transfer ownership of leased properties to lessees</p> <p>1. Purchase price equivalent, accumulated depreciation equivalent and book value equivalent of leased items are as follows:</p> <table border="1" data-bbox="998 470 1414 680"> <thead> <tr> <th></th> <th>Purchase price equivalent</th> <th>Accumulated depreciation equivalent</th> <th>Book value equivalent at accounting year-end</th> </tr> </thead> <tbody> <tr> <td>Automotive equipment</td> <td>24,675</td> <td>16,618</td> <td>8,057</td> </tr> <tr> <td>Tools and fixtures</td> <td>245,572</td> <td>91,550</td> <td>154,021</td> </tr> <tr> <td>Total</td> <td>270,247</td> <td>108,169</td> <td>162,078</td> </tr> </tbody> </table> <p>(Note) The purchase price equivalent is reported as the total amount of lease payments through the life of a lease, including the amount representing interest, since the total amount of future lease payments is not significant in relation to total tangible fixed assets at the end of the year.</p> <p>2. Future minimum lease payments equivalent at the end of the term</p> <table border="1" data-bbox="1024 1056 1414 1188"> <tbody> <tr> <td>Due within one year</td> <td>55,648</td> </tr> <tr> <td>Due after one year</td> <td>106,430</td> </tr> <tr> <td>Total</td> <td>162,078</td> </tr> </tbody> </table> <p>(Note) The future minimum lease payments equivalent at the end of the year is reported as the total amount of future minimum lease payments, including the amount representing interest, since the total amount of future minimum lease payments at the end of the year is not significant in relation to total tangible fixed assets at the end of the year.</p> <p>3. Lease expense and depreciation expense equivalent</p> <table border="1" data-bbox="998 1625 1414 1745"> <tbody> <tr> <td>(1) Lease expense</td> <td>52,094</td> </tr> <tr> <td>(2) Depreciation expense equivalent</td> <td>52,094</td> </tr> </tbody> </table> <p>4. Method of calculating depreciation expense equivalent Same as left</p>		Purchase price equivalent	Accumulated depreciation equivalent	Book value equivalent at accounting year-end	Automotive equipment	24,675	16,618	8,057	Tools and fixtures	245,572	91,550	154,021	Total	270,247	108,169	162,078	Due within one year	55,648	Due after one year	106,430	Total	162,078	(1) Lease expense	52,094	(2) Depreciation expense equivalent	52,094
	Purchase price equivalent	Accumulated depreciation equivalent	Book value equivalent at interim term-end																																																																													
Automotive equipment	29,307	18,869	10,438																																																																													
Tools and fixtures	177,612	74,981	102,631																																																																													
Total	206,920	93,850	113,069																																																																													
Due within one year	50,369																																																																															
Due after one year	62,700																																																																															
Total	113,069																																																																															
(1) Lease expense	24,308																																																																															
(2) Depreciation expense equivalent	24,308																																																																															
	Purchase price equivalent	Accumulated depreciation equivalent	Book value equivalent at interim term-end																																																																													
Automotive equipment	6,321	5,531	790																																																																													
Tools and fixtures	240,963	84,922	156,041																																																																													
Total	247,285	90,454	156,831																																																																													
Due within one year	49,575																																																																															
Due after one year	107,255																																																																															
Total	156,831																																																																															
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(Notes for Securities)

As of the end of the previous interim accounting term (June 20, 2007)

No shares of subsidiaries or affiliates with available fair market values.

Current Interim Accounting Term End (June 20, 2008)

No shares of subsidiaries or affiliates with available fair market values.

Previous Fiscal Year End (December 20, 2007)

No shares of subsidiaries or affiliates with available fair market values.

(Business Combination)

Preceding interim accounting term (from December 21, 2006 to June 20, 2007), current interim accounting term (from December 21, 2007 to June 20, 2008) and preceding business year (from December 21, 2006 to December 20, 2007)

Not applicable

(Per Share Data)

Previous Interim Accounting Term (From December 21, 2006 To June 20, 2007)	Current Interim Accounting Term (From December 21, 2007 To June 20, 2008)	Previous Fiscal Year (From December 21, 2006 To December 20, 2007)
Net assets per share 1,133.52	Net assets per share 1,213.38	Net assets per share 1,165.41
Net income per share 45.67	Net income per share 78.61	Net income per share 124.58
Diluted net income per share of common stock is not shown, since there were no diluted shares.	Diluted net income per share of common stock is not shown, since there were no diluted shares.	Diluted net income per share of common stock is not shown, since there were no diluted shares.

(Note) Interim (annual) net income per share is calculated on the following basis:

	Previous Interim Accounting Term (From December 21, 2006 To June 20, 2007)	Current Interim Accounting Term (From December 21, 2007 To June 20, 2008)	Previous Fiscal Year (From December 21, 2006 To December 20, 2007)
Interim net income (thousand yen)	572,422	985,276	1,561,371
Amount not vested in ordinary shareholders (thousand yen)	-	-	-
Net income attributable to common stock (thousand yen)	572,422	986,276	1,561,371
Average number of shares of common stock	12,533,546	12,533,343	12,533,464

(Significant Subsequent Events)

No applicable matters to report.

6. Production, Orders Received, and Sales

(1) Production performance

Item	Previous Interim Accounting Term (From December 21, 2006 To June 20, 2007)		Current Interim Accounting Term (From December 21, 2007 To June 20, 2008)		Previous Fiscal Year (From December 21, 2006 To December 20, 2007)	
	Amount (thousand yen)	Composition ratio (%)	Amount (thousand yen)	Composition ratio (%)	Amount (thousand yen)	Composition ratio (%)
Permanent wave products	1,175,965	11.0	1,358,871	11.6	2,249,155	11.0
Hair care products	4,726,991	44.3	5,315,203	45.3	9,910,147	48.4
Hair-coloring products	4,639,581	43.4	4,925,795	42.0	8,074,045	39.5
Other	139,906	1.3	138,416	1.1	234,069	1.1
Total	10,682,445	100.0	11,738,286	100.0	20,467,416	100.0

(Note) Amounts are calculated based on sales prices and do not include consumption tax.

(2) Purchasing

Item	Previous Interim Accounting Term (From December 21, 2006 To June 20, 2007)		Current Interim Accounting Term (From December 21, 2007 To June 20, 2008)		Previous Fiscal Year (From December 21, 2006 To December 20, 2007)	
	Amount (thousand yen)	Composition ratio (%)	Amount (thousand yen)	Composition ratio (%)	Amount (thousand yen)	Composition ratio (%)
Permanent wave products	1,603	1.4	1,267	1.0	2,890	1.1
Hair care products	18,489	15.8	11,550	9.2	34,484	13.1
Hair-coloring products	25,835	22.0	10,650	8.5	32,477	12.3
Other	71,233	60.8	101,935	81.3	193,480	73.5
Total	117,161	100.0	125,403	100.0	263,332	100.0

(Note) Amounts are calculated based on sales prices and do not include consumption tax.

(3) Orders received

Previous interim accounting term (from December 21, 2006 to June 20, 2007), current interim accounting term (from December 21, 2007 to June 20, 2008), and previous fiscal year (from December 21, 2006 to December 20, 2007)
 Since the MILBON Group carries out make-to-stock production, this item is not applicable.

(4) Sales performance

Item	Previous Interim Accounting Term (From December 21, 2006 To June 20, 2007)		Current Interim Accounting Term (From December 21, 2007 To June 20, 2008)		Previous Fiscal Year (From December 21, 2006 To December 20, 2007)	
	Amount (thousand yen)	Composition ratio (%)	Amount (thousand yen)	Composition ratio (%)	Amount (thousand yen)	Composition ratio (%)
Permanent wave products	1,022,825	11.5	1,032,615	11.5	2,076,732	11.5
Hair care products	3,980,745	44.9	4,245,644	47.0	8,468,352	46.9

Hair-coloring products	3,676,477	41.5	3,596,177	39.8	7,098,964	39.4
Other	182,368	2.1	155,206	1.7	401,609	2.2
Total	8,862,416	100.0	9,029,644	100.0	18,045,659	100.0

(Note) Amounts do not include consumption tax, etc.