Consolidated Financial Statements for the Fiscal Term Ended December 20, 2009 Summary

January 20, 2010

Name of registrant: Milbon Co., Ltd.
Code No: 4919
Representative: Ryuji Sato, President
Officer in charge: Masahiro Murai, Executive Director

Stock exchange on which the Company's shares are listed: Tokyo Stock Exchange, First Section
URL http://www.milbon.co.jp

Tel: +81-6-6928-2331

Scheduled date of annual general meeting of shareholders: March 18, 2010
Scheduled filing date for Securities Reports: March 18, 2010
Scheduled starting date of dividend payments: March 19, 2010

(Truncated to the nearest million yen)

1. Results for the consolidated fiscal year ended December 20, 2009 (December 21, 2008 - December 20, 2009)

(1) Financial results (Percentages indicate increases or decreases in comparison with figures recorded during the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
	(Unit: million yen)	%	(Unit: million yen)	%	(Unit: million yen)	%	(Unit: million yen)	%
1 H ended December 20, 2009	19,189	2.7	3,277	-12.5	3,103	-11.7	1,785	-11.9
1 H ended December 20, 2008	18,692	3.6	3,745	4.8	3,513	7.1	2,027	31.5

	Net income per share	Diluted net income per share	Ratio of net income to shareholders' equity	Ratio of the ordinary income to the total assets	Ratio of the operating income to the net sales
	Yen	Yen	%	%	%
1 H ended December 20, 2009	142.46	-	11.0	15.5	17.1
1 H ended December 20, 2008	161.78	-	13.4	18.4	20.0

(Reference) Equity in earnings (losses) of affiliated companies
Fiscal year ended December 20, 2009, None, Fiscal year ended December 20, 2008, None

(2) Financial position

	Total assets	Net assets	Equity ratio	Net asset per share
	(Unit: million yen)	(Unit: million yen)	%	Yen
1 H ended December 20, 2009	20,353	16,653	81.8	1,328.80
1 H ended December 20, 2008	19,614	15,668	79.9	1,250.17

(Reference) Equity capital
Fiscal year ended December 20, 2009, 16,653 million yen, Fiscal year ended December 20, 2008, 15,668 million yen

(3) Cash flow (on a consolidated basis)

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Outstanding balance of cash and cash equivalents at the current term end date
	(Unit: million yen)	(Unit: million yen)	(Unit: million yen)	(Unit: million yen)
1 H ended December 20, 2009	3,079	-1,680	-725	1,666
1 H ended December 20, 2008	2,304	-1,398	-922	1,010

2. Payment of Dividends

	Dividends per share					Total dividends (Total)	Dividend payout ratio (Consolidated)	Dividends on equity (Consolidated)
(Record date)	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	End of fiscal year	Total			
	Yen	Yen	Yen	Yen	Yen	(Unit: million yen)	%	%
1 H ended December 20, 2008	-	26.00	-	29.00	55.00	689	34.0	4.6
1 H ended December 20, 2009	-	27.00	-	28.00	55.00	689	38.6	4.3
1 H ended December 20, 2010 (forecast)	-	27.00	-	28.00	55.00	-	36.1	-

3. Consolidated Performance Forecasts for the Next Fiscal Term (December 21, 2009 - December 20, 2010)

(In the case of "Full year", "%" indicates the increase or decrease in comparison with the "Full year" in the previous fiscal year; in the case of "2nd quarter consolidated accumulative period", "%" indicates the increase or decrease against the same quarter in the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	(Unit: million yen)	%	(Unit: million yen)	%	(Unit: million yen)	%	(Unit: million yen)	%	Yen
2nd quarter consolidated accumulative period	9,695	3.3	1,731	2.3	1,615	-0.8	900	-1.4	71.81
Full year	19,860	3.5	3,620	10.4	3,370	8.6	1,910	7.0	152.40

4. Others

(1) Changes in important subsidiaries during the fiscal year (changes in specified subsidiaries accompanied by changes in the scope of consolidation); Yes

New: 1 company (Company name: Milbon Korea Co., Ltd.)

Excluded: No companies (Company name:)

(Note) For details, please refer to “Corporate Group Performance” on page 10.

(2) Changes in accounting policies and procedures and methods of presentation related to the preparation of consolidated financial statements (changes to be described in Summary of Significant Accounting Policies)

1) Changes due to amendment to accounting standards; Yes

2) Changes other than those in 1) above; None

(Note) For details, please refer to “Summary of Significant Accounting Policies (Change in Accounting Policies)” on page 24.

(3) Number of shares outstanding (common shares)

1) Number of shares outstanding at the end of fiscal year (including treasury shares)

Year ended December 20, 2009, 12,544,408 shares, Year ended December 20, 2008, 12,544,408 shares

2) Number of treasury shares at the end of fiscal year

Year ended December 20, 2009, 11,617 shares, Year ended December 20, 2008, 11,380 shares

(Note) For the number of shares to calculate net income per share (on a consolidated basis), refer to page 41 for “Per Share Data”.

(Reference) Summary of non-consolidated performance

1. Results for the Non-Consolidated fiscal year ended December 20, 2009 (December 21, 2008 - December 20, 2009)

(1) Non-Consolidated Financial results (Percentages indicate increases or decreases in comparison with figures recorded during the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
	(Unit: million yen)	%	(Unit: million yen)	%	(Unit: million yen)	%	(Unit: million yen)	%
1 H ended December 20, 2009	18,946	3.4	3,348	-11.6	3,164	-11.5	1,827	-12.1
1 H ended December 20, 2008	18,322	3.9	3,788	6.3	3,574	9.0	2,078	33.1

	Net income per share	Diluted net income per share
	Yen	Yen
1 H ended December 20, 2009	145.81	-
1 H ended December 20, 2008	165.86	-

(2) Non-Consolidated Financial position

	Total assets	Net assets	Equity ratio	Net asset per share
	(Unit: million yen)	(Unit: million yen)	%	Yen
1 H ended December 20, 2009	20,548	16,891	82.2	1,347.81
1 H ended December 20, 2008	19,696	15,789	80.2	1,259.85

(Reference) Equity capital

Fiscal year ended December 20, 2009, 16,891 million yen, Fiscal year ended December 20, 2008, 15,789 million yen

2. Non-Consolidated Performance Forecasts for the Next Fiscal Term (December 21, 2009 - December 20, 2010)

(In the case of “Full year”, “%” indicates the increase or decrease in comparison with the “Full year” in the previous fiscal year; in the case of “2nd quarter consolidated accumulative period”, “%” indicates the increase or decrease against the same quarter in the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	(Unit: million yen)	%	(Unit: million yen)	%	(Unit: million yen)	%	(Unit: million yen)	%	Yen
2nd quarter consolidated accumulative period	9,577	3.3	1,819	4.7	1,704	2.4	979	3.7	78.17
Full year	19,525	3.1	3,750	12.0	3,500	10.6	2,030	11.1	161.97

* Explanation on Appropriate Uses of Earnings Forecasts and Other Special Instructions

(Note concerning the descriptions of the future)

The descriptions of the future such as earnings forecasts shown in this material are based on the information currently available and a certain assumption judged as reasonable, and actual performances may differ substantially due to various factors. For notes on the use of the assumed preconditions for earnings forecasts, refer to page 4 for “(1) Analysis of Business Results, 1 Business Results”.

1. Business Results

(1) Analysis of Business Results

1) Business results for the current consolidated fiscal year under review

During the consolidated fiscal year under review, the impact of the global financial crisis, etc, spread to the real economy and although some signs of recovery were apparent in exports and production, the Japanese economy continued to find itself in severe circumstances because of factors including the stagnation of personal consumption and private facility investment.

In the beauty salon industry, declines in customer visits to salons due to the lengthening of the visit cycle and reductions in average customer spending could be seen and the severe situation for the industry continued unchanged.

In this kind of environment, although the market for hair coloring products contracted slightly and the permanent wave market is on a declining trend, the market for hair care products has grown slightly due to factors such as comprehensive initiatives including the promotion of salon treatment menus aimed at the repair of damaged hair as well as shampoos and treatment used at home, etc.

Under such circumstances, DEESSE’S NEU, the hair care brand that the Milbon Group launched in February produced results in excess of those planned. In addition, INPHENOM DAILY CARE, the shampoo and treatment launched in July, has contributed to an increase in sales for hair care products overall due to the synergistic effects of proposal activities linked with the treatment menus practiced at beauty salons. As a result, sales in Japan increased for the 14th term in succession. However, it was not possible to make up for the declines in the permanent wave product and hair coloring product sectors leading to results falling below those initially planned.

At MILBON USA, Inc., a wholly owned subsidiary, the development of new customers for LISCIO, the straight hair brand and flagship high-end product, and increases in new business for NIGELLE RX, a leave-in treatment, among salons that already use LISCIO, have progressed well, but despite this, sales were lower than in the previous year under the impact of the deterioration of the American economy.

At Milbon Trading (Shanghai) Co., Ltd., a wholly owned subsidiary, increases in new business for hair color products among customers previously acquired mainly with hair care products have progressed well and the company is promoting the creation of successful salons refined down to 30 salons in Shanghai City and 3 provinces (Guangdong, Jiangsu, Zhejiang) with certainty and in accordance with plans.

Milbon Korea Co., Ltd., the wholly owned subsidiary established in July, is advancing preparations aimed at the start of business from January 2010.

Although the Milbon Group is operating in a difficult environment, consolidated sales for the consolidated accounting year under review increased 497 million yen to 19,189 million yen (a 2.7% increase over the previous year).

Selling, general and administrative expenses increased by 5.4% over the previous year to 8,937 million yen as a result of sales promotion costs for new products and labor costs exceeding those for the previous year.

Operating income decreased 467 million yen to 3,277 million yen (a 12.5% decrease over the previous year) due to the increase in selling, general and administrative expenses, ordinary income decreased 410 million yen to 3,103 million yen (an 11.7% decrease over the previous year) and net income decreased 242 million yen to 1,785 million yen (an 11.9% decrease over the previous year).

Breakdown of sales by product type is shown as follows:
[Breakdown of sales by product type]

Product type	Previous fiscal year		Current fiscal year		Increase/ (decrease)
	Sales amount (million yen)	Ratio (%)	Sales amount (million yen)	Ratio (%)	Sales amount (million yen)
Permanent wave products	2,111	11.3	2,025	10.6	-85
Hair care products	9,032	48.3	9,864	51.4	831
Hair coloring products	7,173	38.4	6,969	36.3	-204
Others	374	2.0	330	1.7	-44
Total	18,692	100.0	19,189	100.0	497

(Permanent wave products sector)

A trend towards a halt in the decline of prices was apparent in the permanent wave products sector, but the frequency of use of perm products declined because of the impact of the economic slump and it is presumed that the industry as a whole has decreased in size.

Under such circumstances, the Milbon Group launched LISCIO KNOTEUR SH in March as part of the lineup to reinforce LISCIO KNOTEUR, the new straight perm agent launched in April 2008 that gives a soft touch and shine to hair. In addition, the company launched PREJUME CMC WAVE in September and made efforts towards sales expansion and proposal activities communicating the attractions of perm styles to customers. However, sales in the permanent wave product sector overall fell below sales for the previous year.

(Hair care products sector)

Competition for high-end hair care products for the public market and the pro-use products sold exclusively to beauty salons has become even more severe. In this environment, it is estimated that the hair care product market overall increased slightly in size due to factors such as comprehensive hair care measures including salon treatment menus for the repair of hair.

Under such circumstances, DEESSE’S NEU, which the Milbon Group launched in February, has received high evaluations from both hair designers and general consumers who say that its function, feeling of use, design and price balance are super, and the product received the Good Design Prize for fiscal year 2009. Along with the results for INPHENOM, the shampoo and treatment for use in hair treatment after-care, which the company launched exclusively for salons in July, sales greatly exceeded those for the previous year.

(Hair coloring products sector)

Although the fashionable gray hair coloring market expanded, mainly for second generation baby boomers, sales in the hair coloring market as a whole are presumed to be on a declining trend due to the contraction of the fashion coloring market under the impact of the decreasing birth rate and the declines in customer visits to salons due to the lengthening of the visit cycle.

Under these circumstances, in March the Milbon Group launched FARGLAN, an acidic hair coloring product for professional stylists to exhibit the coloring techniques possessed by hair designers to the maximum. As a result of making efforts for the expansion of sales in the gray hair coloring market in combination with LISEINTER, the existing fashionable gray hair coloring product, sales in the gray hair coloring market overall were higher than in the previous year, but it was not possible to absorb the decline in fashion color products overall and sales in the hair coloring market as a whole fell below those for the previous year.

(Others)

There are no particular items to present.

2) Prospect for next fiscal year

In regard to the economic environment in Japan, in spite of the fact that signs of a partial stoppage in the decline of personal consumption, which stagnated against the backdrop of uncertainty over employment and the income environment under the impact of the global financial crisis, and signs of a partial economic recovery are visible, the employment situation continues to be in a serious situation and difficult conditions are expected in general for the future as well.

In the beauty salon industry, difficult conditions are expected in general for the future as well due to declines in customer visits to salons because of the lengthening of the visit cycle, the sluggish growth of average customer spending and significant changes in the demographic situation due to the decline in the female population, but while female lifestyles are diversifying and requests made to hair designers are changing, we think that making various proposals enabling customers to realize the image of the woman they want to be will be an important issue of beauty salon management from now on.

Under these circumstances, the Milbon Group will decipher customers' images of the woman they want to be and work on revenue increasing and customer expansion support for beauty salons based on the themes of "increasing the level of the company's compound proposal capabilities" to design hair with shape, color and materials, and "backup for the cultivation of professional hair designers" who will realize the images of the women customers want to be.

In order to achieve this, we will launch the new styling product QUFRA, the new straight perm product LISCIO GRANFE, and the new permanent wave product LIFUME, which will lead to the improvement of silhouette design and realize the images of the women customers want to be, and promote the proposal of silhouette design responsive to subtle changes in women's senses of value, preferences, hair quality and hair. In addition, we will also promote the promotion of the personal hair care techniques unique to professional hair designers based on the launch of DEESSE'S APRAU and newly & highly valued shampoo and treatment, a new hair care product.

With these efforts, the Company expects to achieve consolidated sales of 19,860 million yen (a 3.5% increase over the previous year), consolidated operating income of 3,620 million yen (a 10.4% increase over the previous year), consolidated ordinary income of 3,370 million yen (an 8.6% increase over the previous year) and consolidated net income of 1,910 million yen (a 7.0% increase over the previous year).

(2) Analysis of the Financial Position

1) Assets, liabilities and net assets

Assets at the end of the current consolidated fiscal year increased 739 million yen to 20,353 million yen compared to the end of the previous consolidated fiscal year.

Current assets expanded 511 million yen to 6,987 million yen compared to the end of the previous consolidated fiscal year. The major variable factor was an increase of 603 million yen in cash and deposits.

Fixed assets increased by 227 million yen to 13,366 compared to the end of the previous consolidated fiscal year. The major variable factors were an increase of 1,444 million yen due to asset acquisitions including a partial advance payment for the refurbishment of Tokyo Branch and the establishment of the Production Technology Development Center and a decrease of 1,116 million yen due to the posting of depreciation charges.

Current liabilities fell 46 million yen to 3,246 million yen compared to the end of the previous consolidated fiscal year. The major variable factors were decreases of 125 million yen in accounts and trade notes payable and of 140 million yen in accrued income taxes, etc, and an increase of 175 million yen in accrued liabilities.

Fixed liabilities decreased 198 million yen to 453 million yen compared to the end of the previous consolidated fiscal year. The major variable factor was a decrease of 194 million yen in long-term accrued liabilities. This arose due to the transfer of accrued retirement benefits for directors scheduled to leave office to current liabilities.

Net assets increased 985 million yen to 16,653 million yen compared to the end of the previous consolidated fiscal year. The major variable factors were that although retained earnings increased 1,072 million yen valuation differences of other marketable securities decreased 22 million yen and the foreign currency translation adjustment account decreased 64 million yen.

As a result, the company’s equity ratio increased from 79.9% at the end of the previous consolidated accounting year to 81.8%. Net assets per share based on the number of outstanding shares at the end of the term increased from 1,250.17 yen at the end of the previous consolidated accounting year to 1,328.80 yen.

2) Cash flows

Cash and cash equivalents (hereinafter referred to as "funds") at the end of the current consolidated fiscal year increased 655 million yen to 1,666 million yen compared to funds at the end of the previous consolidated accounting year as a result of using funds acquired in operating activities for the acquisition of tangible fixed assets and the payment of dividends.

(Cash Flows from Operating Activities)

Funds from operating activities were 3,079 million yen. This was mainly the result of 2,984 million yen posted for net income before tax and income adjustments, 1,116 million yen for depreciation and amortization expenses, an increase of 164 million yen in inventory assets and the payment of 1,385 million yen of corporate taxes.

(Cash Flows from Investing Activities)

Funds used for investing activities were 1,680 million yen. The funds were appropriated mainly for expenditures of 1,473 million yen due to the acquisition of tangible fixed assets such as a partial advance payment for the refurbishment of Tokyo Branch and the establishment of the Production Technology Development Center.

(Cash Flows from Financing Activities)

Funds used as a result of financing activities were 725 million yen. The funds were mainly appropriated for the payment of 701 million yen in dividends to shareholders.

(Reference) Cash flow related indicators

	1 H ended December 20, 2005	1 H ended December 20, 2006	1 H ended December 20, 2007	1 H ended December 20, 2008	1 H ended December 20, 2009
Equity ratio (%)	76.6	76.5	78.1	79.9	81.8
Equity ratio based on the market value (%)	237.3	240.6	179.5	154.0	125.6
Interest bearing debts to cash flows ratio (%)	12.0	30.2	15.1	4.7	2.8
Interest coverage ratio (x)	762.1	453.3	381.8	1,303.1	3,282.8

(Notes) Equity ratio: the ratio of equity to the total assets

Equity ratio based on the market value: the ratio of the total value of stocks calculated based on their market value (excluding treasury stocks) to the total assets

Interest bearing debts to cash flows ratio (%): interest bearing debts/cash flow

Interest coverage ratio: cash flow/interest payment

* Each indicator is calculated based on the consolidated financial figures.
* Market capitalization is calculated using the formula: year-end closing stock price x year-end number of shares outstanding (excluding treasury shares).
* The operating cash flow is used for calculating the above figures.
* Interest bearing debt includes all debts reported on the Consolidated Balance Sheet, on which interest is paid. The interest payment amount is based on the amount of paid interest reported in the Consolidated Statement of Cash Flow.

(3) Basic Policy on Profit Sharing and Dividends for the Current and Next Fiscal Years

The Milbon Group positions the returning of profits to shareholders as an important management issue and makes it a basic policy to pay by results based on business performance while enhancing its business structure by investing retained earnings to improve earnings momentum in the future.

In addition, interim dividends are determined at Board of Directors' meetings and year-end dividends at shareholders' meetings. The Group also makes it a basic policy to pay dividends twice every fiscal year.

For the current consolidated fiscal year, we have decided to pay an interim dividend of 27 yen per share, and a year-end dividend of 28 yen per share (annual dividend of 55 yen per share) following overall consideration of our financial situation and profit levels. For the next fiscal year, we plan to pay an annual dividend of 55 yen per share, equal to the value determined for the current consolidated fiscal year.

We will allocate retained earnings to areas including investment in plant and equipment and research and development to enhance our business structure.

(4) Risk on Business

Risks that could potentially affect the business performances, stock price, and financial position of the Milbon Group are summarized below.

Future risks outlined in this section are judged by the Company as of December 20, 2007. Based on awareness of these risks, the Group endeavors to prevent risks, hedge risks, and respond appropriately to minimize the impact if such events do arise.

1) Releasing new products and receiving returned products

The Milbon Group introduces new products and additional items to the market. Following gradual product changeovers, sales of old items declined and old product lines are discontinued. If new products are swiftly accepted onto the market beyond our expectation, we would be unable to adjust the inventories of products and materials, which would result in unexpected losses on disposal.

2) Information security

The Group has taken various measures to protect information assets, including customers' personal information and confidential information. However, unforeseeable events, such as the leakage of information due to unauthorized access, could have an adverse material effect on the Group's business performance and financial position.

2. Corporate Group Performance

Name	Location	Capital	Main line of business	Ratio of voting rights owned (%)	Related information
(Consolidated subsidiaries) MILBON USA, INC.	New York State, USA	USD 2 million	Sale of hair cosmetics	100.0	Sells Milbon hair cosmetics in the United States.
Milbon Trading (Shanghai) Co., Ltd.	Shanghai City, China	JPY 280 million	Sale of hair cosmetics	100.0	Sells Milbon hair cosmetics in China. Three directors hold concurrent posts at the company.
Milbon Korea Co., Ltd.	Seoul, South Korea	KRW 3,000 million	Sale of hair cosmetics	100.0	Two directors hold concurrent posts at the company.

(Note) All companies fall under the category of "specified subsidiary."

We have omitted the disclosure of the company's "Business Activities Diagram (Business Contents)", because there have been no significant changes since the "Business Activities Diagram (Business Contents)" contained in the recent asset securities report (submitted on March 18, 2008).

3. Management Policy

(1) Basic Management Policies

Information on basic management policies is not disclosed as no significant changes are seen from the contents disclosed in the Summary of Consolidated Financial Statements for the Fiscal Term ended December 20, 2006 (disclosed on January 19, 2007).

The relevant Summary of Consolidated Financial Statements is available at the following URLs:
(Website of the Company)
http://www.milbon.co.jp
(Website of the Tokyo Stock Exchange (for listed companies))
http://www.tse.or.jp/listing/compsearch/index.html

(2) Target Values of Management Indices

Information concerning the target values of management indices is not disclosed because there are no significant changes from the contents disclosed in the Summary of Consolidated Financial Statements for the Fiscal Term ended December 20, 2006 (disclosed on January 19, 2007).

(3) Med- to Long-Term Management Strategies

With the aim of realizing the dreams of hair designers and beauty salons and an affluent beauty industry, the Company has set the theme of its mid- to long-term management strategies as the "creation of a new beauty market" leading to improved individual productivity for staff at beauty salons, and considers that raising the level of the overall beauty industry will contribute to the expansion of the business of the Milbon Group companies. With these goals in mind, the Milton Group is promoting a "revolution in salon sales" from its new salon treatment menu and "hair coloring technology improvements" in high-end gray hair coloring, and supporting beauty salons to attract public customers.

1) Revolution in salon sales

We shall establish a salon sales business through the development of system hair care that supports home care through salon treatment and attracts public customers to salon hair care.

2) Hair coloring technology improvements

We shall promote salon coloring value creation by improving hair coloring technology, including foil work and ONEMAKE, targeting the gray hair coloring market, in which second generation baby boomers are to play an increasingly important role, and by attracting home coloring customers to salons.

3) International market strategy

We shall develop our experience in the field of beauty technology and the marketing know-how we have successfully built up in Japan in line with the culture and customs of each region.

a) North American market

We shall improve the product lineup, including hair care products and hair coloring products, with a focus on the hair-straightening permanent product brand LISCIO, develop our sales network and encourage the setting up of new bases in the west coast area of North America.

b) Chinese market

We shall promote hair care and hair coloring education activities, with a focus on coastal areas centered on Shanghai, and contribute to the development of the beauty industry.

c) Other Asian markets

We shall contribute to the development of the beauty industry by carrying out promotions with a focus on hair coloring in line with the characteristics or each region and centered on Taiwan, South Korea and Hong Kong.

(4) Future Tasks

1) In marketing systems, enhance the strategic characteristics of managers, retrain field persons, enhance their expertise, and improve the qualities of marketing activities and educational assistance at hair salons to further evolve the field person strategy.
2) In product development, further improve the Target Authority Customer (TAC) development system, with which to catch up with any change that may occur in hair design trends, and incorporate such ideas into the product development process.
3) Promote the establishment of an efficient production system that is flexible enough to manufacture a wide variety of products at different volumes, and the subcontract production elsewhere in order to avoid disaster risk at production bases concentrated in Mie Prefecture.
4) In terms of our logistics system, we shall develop a salon delivery system as a way of carrying out detailed information gathering with the aim of revolutionizing salon sales.
5) Strengthen human resource development activities to train and secure a certain number of staff members eligible for international business and reinforce international marketing support operations toward promoting international business strategies.

4. Consolidated Financial Statements

(a) Consolidated Balance Sheet

(Unit: thousand yen)

	Previous Consolidated Fiscal year-End (As of December 20, 2008)	Current Consolidated Fiscal year-End (As of December 20, 2009)
Assets		
Current assets		
Cash and bank deposits	1,063,015	1,666,170
Trade notes and accounts receivable	*2 2,783,802	*2 2,804,683
Inventory assets	2,339,058	-
Merchandise and products	-	1,646,427
Semi-finished products	-	17,417
Raw and packaging materials	-	499,852
Deferred tax assets	138,856	244,361
Others	166,609	117,925
Loan loss reserves	-15,000	-9,017
Total current assets	6,476,341	6,987,821
Fixed assets		
Tangible fixed assets		
Buildings and other structures	6,474,205	6,426,207
Accumulated depreciation	-2,630,485	-2,798,249
Buildings and other structures (net)	3,843,720	3,627,958
Machinery, equipment and vehicles for transportation	3,976,189	4,000,325
Accumulated depreciation	-2,411,062	-2,693,944
Machinery, equipment and vehicles for transportation (net)	1,565,127	1,306,380
Land	4,763,766	4,763,766
Construction in progress	36,532	709,139
Others	1,470,989	1,568,785
Accumulated depreciation	-1,193,567	-1,335,761
Others (net amount)	277,421	233,024
Total tangible fixed assets	10,486,568	10,640,269
Intangible fixed assets	260,522	318,593
Investments and other assets		
Investment in securities	1,246,243	1,307,670
Long-term loans	37,435	61,790
Prepaid pension costs	138,862	82,425
Deferred tax assets	541,868	496,112
Others	469,982	524,366
Loan loss reserves	-43,381	-65,160
Total investments and other assets	2,391,011	2,407,204
Total fixed assets	13,138,103	13,366,068
Total assets	19,614,445	20,353,890

(Unit: thousand yen)

	Previous Consolidated Fiscal year-End (As of December 20, 2008)	Current Consolidated Fiscal year-End (As of December 20, 2009)
Liabilities		
Current Liabilities		
Notes and accounts payable	*2 1,078,481	*2 953,356
Long-term borrowing to be repaid within one year	23,381	-
Accrued expenses payable	1,195,348	1,370,388
Corporate taxes payable	712,714	571,930
Reserve for returned goods	27,376	31,720
Reserve for bonuses	62,479	62,685
Others	193,815	256,617
Total current liabilities	3,293,596	3,246,698
Fixed Liabilities		
Reserve for loss on guarantees	39,000	39,000
Others	613,491	414,633
Total fixed liabilities	652,491	453,633
Total liabilities	3,946,087	3,700,331
Net Assets		
Shareholders' equity		
Capital stock	2,000,000	2,000,000
Capital surplus	199,233	199,120
Retained earnings	13,565,448	14,637,996
Treasury stock	-38,545	-38,572
Total shareholders' equity	15,726,135	16,798,543
Valuation and translation adjustments		
Net unrealized gains on other securities	-48,601	-71,571
Foreign currency translation adjustments	-9,176	-73,412
Total valuation and translation adjustments	-57,778	-144,984
Total net assets	15,668,357	16,653,559
Total liabilities and net assets	19,614,445	20,353,890

(b) Consolidated Statement of Earnings

(Unit: thousand yen)

	Previous Consolidated Fiscal year-End (December 21, 2007 – December 20, 2008)	Current Consolidated Fiscal year-End (December 21, 2008 – December 20, 2009)
Sales	18,692,184	19,189,467
Cost of Products/Merchandise Sold	6,464,959	6,974,723
Total sales revenues	12,227,224	12,214,744
Selling, General and Administrative Expenses	*1, *2 8,481,736	*1, *2 8,937,002
Operating income	3,745,488	3,277,741
Non-operating Income		
Interest income	4,369	2,583
Dividends income	31,853	23,866
Purchase discounts	821	-
Rent from company housing	30,105	33,612
Bounty for corporate location	30,953	27,520
Profit on surrender of insurance	26,339	24,810
Co-sponsor fee	-	13,410
Others	12,263	19,602
Total non-operating income	136,707	145,406
Non-operating Expenses		
Interest expense	1,668	956
Sales discount	310,587	318,379
Foreign exchange transaction loss	55,945	-
Others	136	306
Total non-operating expenses	368,337	319,642
Ordinary income	3,513,858	3,103,505
Extraordinary Profit		
Gain on sale of fixed assets	-	*3 887
Release of loan loss reserves	-	15,000
Total extraordinary profits	-	15,887
Extraordinary Loss		
Loss on sale of fixed assets	*4 76	*4 606
Loss on retirement of fixed assets	*5 26,300	*5 84,503
Loss on revaluation of investments in securities	54,704	-
Provision for allowance for doubtful debt	15,740	27,972
Factory transfer costs	-	21,760
Total extraordinary losses	96,820	134,843
Net income before taxes and other adjustments	3,417,037	2,984,549
Corporate, inhabitant and enterprise taxes	1,356,288	1,243,124
Adjustment for difference of tax allocation between financial accounting and tax accounting	33,158	-44,058
Total corporate and other taxes	1,389,446	1,199,065
Net income	2,027,590	1,785,483

(c) Consolidated Statement of Changes in Shareholders' Equity

(Unit: thousand yen)

	Previous Consolidated Fiscal year-End (December 21, 2007 – December 20, 2008)	Current Consolidated Fiscal year-End (December 21, 2008 – December 20, 2009)
Shareholders' equity		
Capital		
Balance at end of previous term	2,000,000	2,000,000
Current term change		
Total current term change	-	-
Balance at end of current term	2,000,000	2,000,000
Capital surplus		
Balance at end of previous term	199,999	199,233
Current term change		
Disposal of treasury stock	-765	-113
Total current term change	-765	-113
Balance at end of current term	199,233	199,120
Retained earnings		
Balance at end of previous term	12,202,125	13,565,448
Change in association with changes in the accounting procedures of overseas subsidiaries	-	-10,648
Current term change		
Dividend of retained earnings	-664,267	-701,849
Current term net profit	2,027,590	1,785,483
Disposal of treasury stock	-	-437
Total current term change	1,363,322	1,083,196
Balance at end of current term	13,565,448	14,637,996
Treasury stock		
Balance at end of previous term	-38,555	-38,545
Current term change		
Acquisition of treasury stock	-1,916	-1,404
Disposal of treasury stock	1,926	1,378
Total current term change	10	-26
Balance at end of current term	-38,545	-38,572
Total shareholders' equity		
Balance at end of previous term	14,363,568	15,726,135
Change in association with changes in the accounting procedures of overseas subsidiaries	-	-10,648
Current term change		
Dividend of retained earnings	-664,267	-701,849
Current term net profit	2,027,590	1,785,483
Acquisition of treasury stock	-1,916	-1,404
Disposal of treasury stock	1,160	827
Total current term change	1,362,567	1,083,056
Balance at end of current term	15,726,135	16,798,543

(Unit: thousand yen)

	Previous Consolidated Fiscal year-End (December 21, 2007 – December 20, 2008)	Current Consolidated Fiscal year-End (December 21, 2008 – December 20, 2009)
Valuation and translation adjustments		
Valuation difference, other securities		
Balance at end of previous term	181,754	-48,601
Current term change		
Current term change in items other than shareholders' equity (net)	-230,356	-22,969
Total current term change	-230,356	-22,969
Balance at end of current term	-48,601	-71,571
Adjustments on foreign currency translation		
Balance at end of previous term	12,335	-9,176
Current term change		
Current term change in items other than shareholders' equity (net)	-21,511	-64,236
Total current term change	-21,511	-64,236
Balance at end of current term	-9,176	-73,412
Total valuation and translation adjustments		
Balance at end of previous term	194,089	-57,778
Current term change		
Current term change in items other than shareholders' equity (net)	-251,868	-87,206
Total current term change	-251,868	-87,206
Balance at end of current term	-57,778	-144,984
Total net assets		
Balance at end of previous term	14,557,658	15,668,357
Change in association with changes in the accounting procedures of overseas subsidiaries	-	-10,648
Current term change		
Dividend of retained earnings	-664,267	-701,849
Current term net profit	2,027,590	1,785,483
Acquisition of treasury stock	-1,916	-1,404
Disposal of treasury stock	1,160	827
Current term change in items other than shareholders' equity (net)	-251,868	-87,206
Total current term change	1,110,699	995,850
Balance at end of current term	15,668,357	16,653,559

(d) Consolidated Statement of Cash Flows

(Unit: thousand yen)

	Previous Consolidated Fiscal year-End (December 21, 2007 – December 20, 2008)	Current Consolidated Fiscal year-End (December 21, 2008 – December 20, 2009)
Cash flows from operating activities		
Quarterly net income before tax and income adjustment	3,417,037	2,984,549
Depreciation and amortization expense	1,021,444	1,116,759
Increase (decrease) in loan loss reserves	15,740	19,804
Increase (decrease) in the provision for bonuses	2,675	643
Increase (decrease) in provision for returned product adjustment	8,343	4,343
Decrease (increase) in the prepaid pension cost	-21,783	56,437
Interest and dividends received	-36,222	-26,450
Interest paid	1,668	956
Foreign exchange loss (gain)	40,897	-2,756
Loss (gain) on revaluation of investments in securities	54,704	-
Gain (loss) on sales of fixed assets	76	-280
Loss from the sale/disposition of fixed assets	26,300	84,503
Decrease (increase) in accounts receivable – trade	-203,625	-21,909
Decrease (increase) in inventories	-593,056	164,147
Increase (decrease) in accounts payable related to procurement transactions	83,471	42,344
Others	-92,264	16,001
Subtotal	3,725,405	4,439,096
Interest and dividends received	37,262	26,975
Interest paid	-1,768	-938
Payment of retirement benefits to directors	-222,660	-
Payment of corporate and other taxes	-1,233,881	-1,385,749
Cash flows from operating activities	2,304,357	3,079,384
Cash flows from investing activities		
Payment due to the purchase of investment securities	-293,281	-499,966
Sale of investment securities	100,000	400,000
Payment due to the acquisition of tangible fixed assets	-1,099,267	-1,473,067
Income from the sale of tangible fixed assets	10	2,275
Payment due to the acquisition of intangible fixed assets	-73,549	-158,969
Payment due to loans	-22,540	-46,555
Collection of the loan payment	21,708	52,165
Expenditure for fixed period deposits	-86,632	-
Income from cancellation of fixed deposits	32,313	48,065
Payment due to the placement of guarantee money	-72,155	-61,396
Collection of guarantee money	8,245	7,818
Payment into insurance reserve fund	-18,609	-12,383
Cancellation/withdrawal from insurance reserve fund	106,417	62,861
Others	-1,333	-1,282
Cash flows from investing activities	-1,398,674	-1,680,435

(Unit: thousand yen)

	Previous Consolidated Fiscal year-End (December 21, 2007 – December 20, 2008)	Current Consolidated Fiscal year-End (December 21, 2008 – December 20, 2009)
Cash flows from financing activities		
Payment due to the repayment of long-term borrowing	-257,952	-23,381
Net decrease (increase) in treasury stocks	-755	-577
Payment of dividends	-663,653	-701,201
Cash flows from financing activities	-922,360	-725,159
Effect of exchange rate fluctuations on cash and cash equivalents	-9,222	-18,403
Increase (decrease) in cash and cash equivalents	-25,899	655,386
Outstanding balance of cash and cash equivalents at the beginning of current term	936,683	1,010,784
Increase in cash and cash equivalents associated with new consolidation	100,000	-
Outstanding balance of cash and cash equivalents at the end of current term	* 1,010,784	* 1,666,170

(e) Notes on the company as an ongoing concern

No corresponding data is available

(f) Summary of Significant Accounting Policies

Subject	Previous Consolidated Fiscal year (December 21, 2007 - December 20, 2008)	Current Consolidated Fiscal year (December 21, 2008 - December 20, 2009)
1 Application of consolidated accounting rules	(1) Number of consolidated subsidiaries: 2 companies Name of the consolidated subsidiary: MILBON USA, INC. Milbon Trading (Shanghai) Co., Ltd. Milbon Trading (Shanghai) Co., Ltd., which was a non-consolidated company during the previous consolidated fiscal year, is included within the scope of consolidation from the current consolidated fiscal year onwards as the importance of the company has increased. (2) Name and other data relevant to major non-consolidated subsidiaries: None, because there are no such companies.	(1) Number of consolidated subsidiaries: 3 companies Name of the consolidated subsidiary: MILBON USA, INC. Milbon Trading (Shanghai) Co., Ltd. Milbon Korea Co., Ltd. Milbon Korea Co., Ltd. was established in July 2009 and is a consolidated subsidiary. (2) Name and other data relevant to major non-consolidated subsidiaries: Same as shown on the left
2 Application of the equity method	No corresponding data is available.	Same as shown on the left
3 Fiscal terms set for consolidated subsidiaries	MILBON USA, INC. has its fiscal year end on September 30. In preparing these consolidated financial statements, Milbon Co., Ltd. has employed financial statements that Milbon USA Inc. independently produced as of September 30, 2008. The date of settlement at Milbon Trading (Shanghai) Co., Ltd. is December 31. Consolidated financial statements are made using September 30 as a provisional date of settlement. With regard to important transactions that took place in the period from October 1, 2008 through December 20, 2008, the necessary adjustment has been made to produce the consolidated financial statements.	MILBON USA, INC. and Milbon Korea Co., Ltd. have their fiscal year end on September 30. In preparing these consolidated financial statements, Milbon Co., Ltd. has employed financial statements that MILBON USA, INC. independently produced as of September 30, 2009. The date of settlement at Milbon Trading (Shanghai) Co., Ltd. is December 31. Consolidated financial statements are made using September 30 as a provisional date of settlement. With regard to important transactions that took place in the period from October 1, 2009 through December 20, 2009, the necessary adjustment has been made to produce the consolidated financial statements.

Subject	Previous Consolidated Fiscal year (December 21, 2007 - December 20, 2008)	Current Consolidated Fiscal year (December 21, 2008 - December 20, 2009)
4 Major accounting standards (1) Basis for valuation of major assets	(a) Marketable securities Other securities Securities with fair market value Calculated based on the market value method whereby relevant securities' market prices and other data recorded as of December 20, 2008 are taken into account to respectively determine their fair value for reporting. Resultant valuation differences are expensed into the net assets. The cost of selling such securities is calculated based on the moving average method. Securities without fair market value Calculated based on the cost accounting and moving average methods.	(a) Marketable securities Other securities Securities with fair market value Calculated based on the market value method whereby relevant securities' market prices and other data recorded as of December 20, 2009 are taken into account to respectively determine their fair value for reporting. Resultant valuation differences are expensed into the net assets. The cost of selling such securities is calculated based on the moving average method. (Additional information) Previously, if the market value of other marketable securities with a fair market value dropped in value by roughly 30% or more in comparison to the acquisition price of the individual stock, or if it was judged that such had happened, price recovery was deemed to be difficult and the company employed impairment accounting procedures. However, in regard to such of these stocks that fall in price by at least 30% and less than 50%, the company has decided to determine the necessity for impairment accounting procedures after judging the possibility of price recovery on an individual basis. This processing method has been changed because recent falls in the prices of individual stocks have occurred more in association with the decline of the stock market overall due to fluctuations in various market factors than because of factors inherent in the stock in question itself and because the company will judge stocks more carefully and rationally in regard to the possibility of price recovery in view of the increased monetary importance of these stocks. Moreover, the impact of this change on profit and loss is minor. Securities without fair market value Same as shown on the left

Subject	Previous Consolidated Fiscal year (December 21, 2007 - December 20, 2008)	Current Consolidated Fiscal year (December 21, 2008 - December 20, 2009)
	(b) Inventories Merchandise Calculated mainly based on cost accounting and the first-in, first-out method Products, semi-finished products, and raw and packaging materials Calculated mainly based on cost accounting and the average cost method	(b) Inventories Merchandise Calculated mainly based on cost accounting and the first-in, first-out method (Method of book price devaluation based on decreased profitability is used for balance sheet values) Products/ semi-finished products Calculated mainly based on cost accounting and the gross average method (Method of book price devaluation based on decreased profitability is used for balance sheet values) Raw materials Calculated mainly based on cost accounting and the gross average method (Method of book price devaluation based on decreased profitability is used for balance sheet values) Change in accounting policy The company is applying the Accounting Standard for Measurement of Inventories (ASBJ Statement No. 9; July 5, 2006) from the current consolidated fiscal year. Moreover, the impact of this change on profit and loss is minor.
(2) Method for calculating depreciation and amortization of important assets	(a) Tangible fixed assets While Milbon Co., Ltd. applies the declining balance method, the consolidated overseas subsidiary employs the fixed amount deduction method. The useful lives relevant to major assets are considered as indicated. Buildings and other structures: 31 to 50 years Machinery, equipment and vehicles for transportation: 6 to 9 years (Additional Information) For assets acquired prior to March 31, 2007, the company conducts equal depreciation over a period of 5 years of the difference between the value corresponding to 5% of the acquisition price and the final depreciation value from the consolidated fiscal year following the consolidated fiscal year in which the figure of 5% of the acquisition price is reached under application of the depreciation method based on the Corporation Tax Act prior to its revision in association with the revision of the Corporation Tax Act. Moreover, the impact of this change on profit and loss is minor. (b) Intangible fixed assets The fixed amount deduction method is applied. With regard to computer software programs used in the offices, depreciation is calculated based on the assumption that useful years should be from 3 to 5 years and a fixed amount is deducted and depreciated from the relevant purchase prices every year.	(a) Tangible fixed assets While Milbon Co., Ltd. applies the declining balance method, the consolidated overseas subsidiary employs the fixed amount deduction method. The useful lives relevant to major assets are considered as indicated. Buildings and other structures: 31 to 50 years Machinery, equipment and vehicles for transportation: 6 to 8 years (Additional Information) In association with the revision of the Corporation Tax Act (Law for the Partial Revision of the Income Tax Act, etc [Law No.23; April 30, 2008]), statutory useful life and asset classifications have been revised. Due to this revision, the useful life of some of the machinery and equipment of the company, which was previously processed mainly with a useful life of 9 years, will be changed to 8 years from the current consolidated fiscal year on. Moreover, due to this change, operating income, ordinary income and net income prior to taxes and other adjustments will each fall by 108,725 thousand yen. (b) Intangible fixed assets Same as shown on the left

Subject	Previous Consolidated Fiscal year (December 21, 2007 - December 20, 2008)	Current Consolidated Fiscal year (December 21, 2008 - December 20, 2009)
(3) Basis for the valuation and allocation of major provisions	(a) Provision for bad loans In preparation of loan loss, Milbon Co., Ltd. estimates the amount likely to be irrecoverable with regard to each loan transaction to secure a provision for this specific purpose. This amount is determined with reference to the Company's historical record (for general bad loans) and through assessment of the possibility of collecting individual debts (for specific doubtful accounts). It is also a basic policy that the consolidated overseas subsidiary also estimates uncollectible amounts relevant to specific loans and allocates a reasonable allowance for the same. (b) Provision for bonuses The Company and its consolidated subsidiaries outside Japan post an amount based on estimates to provide for the payment of employees' bonuses (including those for officers in employment). (c) Provision for returned merchandise In preparation of losses that may occur in association with the return of merchandise and products, Milbon Co., Ltd. assesses its historical return ratio and other related data to estimate such possible loss in future and allocate a reasonable allowance for the same. (d) Provision for retirement benefits In preparation for payments of retirement benefits to employees, an appropriate amount is earmarked based on the estimates of retirement liabilities and pension assets at the end of the current term. 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. The difference relative to the liabilities is calculated through the fixed amount deduction method, distributed over a certain period of time (5 years) within the average remaining service years of employees existing at the beginning of the current term, and treated as an expense for each of the following fiscal terms. As the estimated value of pension assets at the end of the current fiscal year exceeds the estimated amount of 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. (e) Reserves for guarantee losses The Milbon Group gives individual consideration to the financial circumstances at guaranteed parties and records the amount of expected losses in order to prepare for losses related to debt guarantees.	(a) Provision for bad loans Same as shown on the left (b) Provision for bonuses Same as shown on the left (c) Provision for returned merchandise Same as shown on the left (d) Provision for retirement benefits Same as shown on the left (e) Reserves for guarantee losses Same as shown on the left

Subject	Previous Consolidated Fiscal year (December 21, 2007 - December 20, 2008)	Current Consolidated Fiscal year (December 21, 2008 - December 20, 2009)
(4) Standard for translating foreign currencies for valuation of major assets and liabilities	Financial loan and borrowing transactions in foreign currencies are translated into Japanese yen at spot exchange rates of the current term end date, and the resultant translation adjustments are reported in the profit and loss statement. Assets and liabilities of the consolidated overseas subsidiary are translated into Japanese yen at spot exchange rates on the specified term end date, while earnings and expenses are converted at the average exchange rate during the term before reporting. Gains and losses resulting from such translations are included in the Provision for adjustment of foreign exchange transactions in the Net assets section of the balance sheet.	Same as shown on the left
(5) Accounting principles regarding important lease transactions	Finance lease transactions, excluding those deemed to bring about the transfer of the ownership of leased property to the lessee, are basically treated through the same accounting method applicable to common types of property lease.	-
(6) Other important issues related to the production of consolidated financial statements	Treatment of consumption and other taxes The consolidated financial statements are produced on a non-tax inclusion basis.	Treatment of consumption and other taxes Same as shown on the left
5 Valuation of assets and liabilities belonging to the consolidated subsidiary	The market evaluation method is applied to all assets and liabilities belonging to the consolidated subsidiary.	Same as shown on the left
6 Depreciation of goodwill or negative goodwill	There are no corresponding items and data.	Same as shown on the left
7 Definition of “Cash” in the Consolidated Statement of Cash Flows	“Cash,” as used in the Consolidated Cash Flow Statement, refers to cash and cash equivalents, consisting of cash on hand, savings that can be withdrawn at any time, and short-term investments that can be converted into cash with little risk of fluctuation in value and also that will mature within three months of acquisition.	Same as shown on the left

(g) Summary of Significant Accounting Policies

(Change in Accounting Policies)

Previous Consolidated Fiscal year (December 21, 2007 - December 20, 2008)	Current Consolidated Fiscal year (December 21, 2008 - December 20, 2009)
-	(Accounting standard for lease transactions) The company previously processed finance lease transactions that do not transfer rights of ownership using accounting procedures similar to those for ordinary rental transactions, but is now applying the Accounting Standard for Lease Transactions (ASBJ Statement No. 13 (as issued by the First Subcommittee of the Business Accounting Council on June 17, 1993 and revised on March 30, 2007)), and the Guidance on Accounting Standard for Lease Transactions (ASBJ Guidance No. 16 (as issued by the Accounting System Committee at the Japanese Institute of Certified Public Accountants on January 18, 1994 and revised on March 30, 2007)) and will process such lease transactions using accounting procedures similar to those for normal sales transactions. Furthermore, in regard to the method for the depreciation of lease assets related to finance lease transactions that do not transfer rights of ownership, the company is using a straight line method that sets the lease period as the useful life and the residual value to zero. In regard to finance lease transactions that do not transfer rights of ownership where the start date of the lease transaction was prior to the start of the first fiscal year of application of this change, the company will continue to use accounting procedures similar to those for ordinary rental transactions. There will be no impact on profit and loss due to this change. (Immediate handling related to the accounting procedures of overseas subsidiaries in the preparation of consolidated financial statements) From the current consolidated fiscal year onwards, the company is applying the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (Practical Issues Task Force report No. 18, May 17, 2006) and has carried out the required revisions in consolidated settlement. Moreover, the impact of this change on profit and loss is minor.

(Changes to display method)

Previous Consolidated Fiscal year (December 21, 2007 - December 20, 2008)	Current Consolidated Fiscal year (December 21, 2008 - December 20, 2009)
(Consolidated profit and loss statement) "Foreign exchange loss", which had been displayed under "Others" for "Non-operating expenses" up until the previous consolidated fiscal year, is to be given a classification heading in this consolidated fiscal year because the amount exceeded 10% of total non-operating expenses. The foreign exchange loss in the previous consolidated fiscal year was 7,726 thousand yen.	(Consolidated balance sheet) In association with the application of the Cabinet Office Regulation revising part of the regulations related to financial statements, etc., (Cabinet Office Regulations No. 50, August 7, 2008), those items included as "Inventory assets" in the previous consolidated fiscal year will be included separately in the classifications "Merchandise and products", "Semi-finished products" and "Raw and packaging materials" from this consolidated fiscal year. Moreover, the values of "Merchandise and products", "Semi-finished products" and "Raw and packaging materials" included in "Inventory assets" in the previous consolidated fiscal year were 1,820,528 thousand yen, 26,576 thousand yen and 491,953 thousand yen respectively.

(h) Notes to Consolidated Financial Statements

(Related to the Consolidated Balance Sheet)

Previous Consolidated Fiscal year-End (As of December 20, 2008)	Current Consolidated Fiscal year-End (As of December 20, 2009)
1 Contingent liabilities Guarantees on liabilities We have implemented a debt guarantee against customers' bank loans payable (one loan of 47,835 thousand yen). *2 Handling of trade notes at end of fiscal year The closing date of the current fiscal year was a holiday for financial institutions, but trade notes shall be handled as though settlement was made on the closing date. Trade notes at the closing date of the current fiscal year were as follows. Trade notes receivable: 128,330 thousand yen Trade notes payable: 264,643 thousand yen	1 Contingent liabilities Guarantees on liabilities We have implemented a debt guarantee against customers' bank loans payable (one loan of 37,839 thousand yen). *2 Handling of trade notes at end of fiscal year The closing date of the current fiscal year was a holiday for financial institutions, but trade notes shall be handled as though settlement was made on the closing date. Trade notes at the closing date of the current fiscal year were as follows. Trade notes receivable: 61,623 thousand yen Trade notes payable: 176,948 thousand yen

(Related to the Consolidated Profit and Loss Statement)

Previous Consolidated Fiscal year (December 21, 2007 - December 20, 2008)	Current Consolidated Fiscal year (December 21, 2008 - December 20, 2009)
*1 Major items and respective amounts included in the Marketing and General Administrative Expenses are as follows: (Unit: thousand yen) Sales promotion expenses 1,331,039 Remuneration, salary and other allowances 2,282,965 Expensing of the Provision for bonuses 43,427 Provision for retirement benefit 155,099	*1 Major items and respective amounts included in the Marketing and General Administrative Expenses are as follows: (Unit: thousand yen) Sales promotion expenses 1,537,435 Remuneration, salary and other allowances 2,329,199 Provision for allowance for doubtful debt 9,017 Expensing of the Provision for bonuses 41,470 Provision for retirement benefit 217,586
*2 Research and development expense included in the General Administrative Expense and Production Expense of the current term 667,886 thousand yen	*2 Research and development expense included in the General Administrative Expense and Production Expense of the current term 766,493 thousand yen
-	*3 Breakdown of gains from fixed asset disposal Machinery, equipment and vehicles for transportation 887 thousand yen
*4 Breakdown of the loss caused by the sale of fixed assets Machinery, equipment and vehicles for transportation 76 thousand yen	*4 Breakdown of the loss caused by the sale of fixed assets Machinery, equipment and vehicles for transportation 606 thousand yen
*5 Breakdown of the loss from the disposition of property or other fixed assets (Unit: thousand yen) Buildings and other structures 13,367 Machinery, equipment and vehicles for transportation 10,863 Others 2,069 Total 26,300	*5 Breakdown of the loss from the disposition of property or other fixed assets (Unit: thousand yen) Buildings and other structures 67,179 Machinery, equipment and vehicles for transportation 13,135 Others 4,188 Total 84,503

(Items Related to Consolidated Statement of Changes in Shareholders' Equity)

Previous consolidated fiscal year (December 21, 2007 - December 20, 2008)

1. Items Related to Shares Issued and Outstanding

Class of stock	End of previous consolidated fiscal year	Increase	Decrease	End of current consolidated fiscal year
Common stock (number of shares)	12,544,408	-	-	12,544,408

2. Items Related Treasury Stock

Class of stock	End of previous consolidated fiscal year	Increase	Decrease	End of current consolidated fiscal year
Common stock (number of shares)	11,095	845	560	11,380

(Reason for change)

1. The increase is attributed to the purchase of fractional shares upon requests for purchases from shareholders.
2. The decrease is attributed to the sale of fractional shares upon request for repurchases from shareholders.

3. Items Related to Dividends

(1) Amount of dividends paid

Resolution	Class of stock	Total dividends (thousand yen)	Dividend per share (yen)	Record date	Effective date
General meeting of shareholders held on March 18, 2008	Common stock	338,399	27	December 20, 2007	March 19, 2008
Board of Directors' meeting held on July 16, 2008	Common stock	325,868	26	June 20, 2008	August 8, 2008

(2) Dividends whose record date belongs to the current consolidated fiscal year and whose effective date belongs to the subsequent consolidated fiscal year

Resolution	Class of stock	Source of dividends	Total dividends (thousand yen)	Dividend per share (yen)	Record date	Effective date
General meeting of shareholders held on March 18, 2009	Common stock	Retained earnings	363,457	29	December 20, 2008	March 19, 2009

Current Consolidated Fiscal Year (December 21, 2008 - December 20, 2009)

1. Items Related to Shares Issued and Outstanding

Class of stock	End of previous consolidated fiscal year	Increase	Decrease	End of current consolidated fiscal year
Common stock (number of shares)	12,544,408	-	-	12,544,408

2. Items Related Treasury Stock

Class of stock	End of previous consolidated fiscal year	Increase	Decrease	End of current consolidated fiscal year
Common stock (number of shares)	11,380	648	411	11,617

(Reason for change)

1. The increase is attributed to the purchase of fractional shares upon requests for purchases from shareholders.
2. The decrease is attributed to the sale of fractional shares upon request for repurchases from shareholders.

3. Items Related to Dividends

(1) Amount of dividends paid

Resolution	Class of stock	Total dividends (thousand yen)	Dividend per share (yen)	Record date	Effective date
General meeting of shareholders held on March 18, 2009	Common stock	363,457	29	December 20, 2008	March 19, 2009
Board of Directors' meeting held on June 26, 2009	Common stock	338,391	27	June 20, 2009	August 7, 2009

(2) Dividends whose record date belongs to the current consolidated fiscal year and whose effective date belongs to the subsequent consolidated fiscal year

Resolution	Class of stock	Source of dividends	Total dividends (thousand yen)	Dividend per share (yen)	Record date	Effective date
General meeting of shareholders held on March 18, 2010	Common stock	Retained earnings	350,918	28	December 20, 2009	March 19, 2010

(Items Related to Consolidated Statements of Cash Flows) (Unit: thousand yen)

Previous Consolidated Fiscal year (December 21, 2007 - December 20, 2008)	Current Consolidated Fiscal year (December 21, 2008 - December 20, 2009)
* Relation between the balance of cash and cash equivalents at the end of the consolidated fiscal year and account titles stated in the consolidated balance sheets Cash and deposit 1,063,015 Fixed term deposits with deposit terms exceeding three months -52,231 Cash and cash equivalents 1,010,784	* Relation between the balance of cash and cash equivalents at the end of the consolidated fiscal year and account titles stated in the consolidated balance sheets Cash and deposit 1,666,170 Cash and cash equivalents 1,666,170

(Segment Information)

1 Information by Business Segment

Previous consolidated fiscal year (December 21, 2007 - December 20, 2008) and current consolidated fiscal year (December 21, 2008 - December 20, 2009)

The Milbon Group is engaged in the production and distribution of hair-care products and other related merchandise, all of which are deemed to belong to the same business segment. Since the Group is not involved in any other business segment, no corresponding data is available.

2 Information on Business According to Geographic Areas of Operation

Previous consolidated fiscal year (December 21, 2007 - December 20, 2008) and current consolidated fiscal year (December 21, 2008 - December 20, 2009)

Given the fact that the domestic sales and assets of the Milbon Group account for more than 90% of both the total sales arising from all business segments involving Milbon and the total relevant assets, information on business according to geographic areas of operation is not disclosed herein.

3 Overseas Sales

The previous consolidated fiscal year (December 21, 2007 - December 20, 2008) and current consolidated fiscal year (December 21, 2008 - December 20, 2009)

Overseas sales information is not disclosed because the amounts of overseas sales for the year ended December 20, 2008 and 2009 were less than 10% of the consolidated sales.

Related to Lease Transactions

Previous Consolidated Fiscal year (December 21, 2007 – December 20, 2008)

1 Finance lease transactions excluding those deemed to bring about the transfer of the ownership of leased property to the lessee
(Borrower)

(1) Purchase price equivalent, accumulated depreciation equivalent and the term-end outstanding balance equivalent of leased items are as follows:

	Purchase price equivalent (Unit: thousand yen)	Accumulated depreciation equivalent (Unit: thousand yen)	Term-end outstanding balance equivalent (Unit: thousand yen)
Machinery, equipment and vehicles for transportation	6,321	6,058	263
Others (tools, fixtures and supplies)	228,838	98,237	130,601
Total	235,160	104,295	130,864

(Note) The purchase price equivalent refers to the total amount of lease payments throughout the period of each lease, including the amount representing interest, since the total amount of future lease payments is not significant in relation to the total value of tangible fixed assets as of the current term end date.

(2) Future minimum lease payments equivalent

(Unit: thousand yen)

Due within one year	43,283
Due after one year	87,581
Total	130,864

(Note) The minimum amount of payments to be made in future is determined as of the current term end date and reported as the total amount of future minimum lease payments, including the amount representing interest, since the amount of future minimum lease payments is not significant in relation to the total value of tangible fixed assets as of the current term end date.

(3) Lease expense and depreciation expense equivalent

Lease expense 49,490 thousand yen
Depreciation expense equivalent 49,490 thousand yen

(4) Method of calculating the depreciation expense equivalent

With regard to each item of leased property, plant and equipment, a depreciation expense equivalent is calculated based on the fixed amount deduction method, in which the period of each lease contract is deemed as the useful or serviceable years of the relevant leased item and the value of such leased item is supposed to be depreciated and reduced to nil at the end of the contract.

2 Operating lease transactions
(Borrower)
Unexpired lease payments

(Unit: thousand yen)

Due within one year	2,640
Due after one year	11,668
Total	14,308

Current Consolidated Fiscal year (December 21, 2008 - December 20, 2009)

1 Finance lease transactions that do not transfer rights of ownership where the start date of the lease transaction was prior to the start of the first fiscal year of application of the accounting standard for lease transactions
(Borrower)

(1) Purchase price equivalent, accumulated depreciation equivalent and the term-end outstanding balance equivalent of leased items are as follows:

	Purchase price equivalent (Unit: thousand yen)	Accumulated depreciation equivalent (Unit: thousand yen)	Term-end outstanding balance equivalent (Unit: thousand yen)
Others (tools, fixtures and supplies)	190,133	102,551	87,581
Total	190,133	102,551	87,581

(Note) The purchase price equivalent refers to the total amount of lease payments throughout the period of each lease, including the amount representing interest, since the total amount of future lease payments is not significant in relation to the total value of tangible fixed assets as of the current term end date.

(2) Future minimum lease payments equivalent

(Unit: thousand yen)

Due within one year	25,753
Due after one year	61,827
Total	87,581

(Note) The minimum amount of payments to be made in future is determined as of the current term end date and reported as the total amount of future minimum lease payments, including the amount representing interest, since the amount of future minimum lease payments is not significant in relation to the total value of tangible fixed assets as of the current term end date.

(3) Lease expense and depreciation expense equivalent

Lease expense 37,981 thousand yen
Depreciation expense equivalent 37,981 thousand yen

(4) Method of calculating the depreciation expense equivalent

With regard to each item of leased property, plant and equipment, a depreciation expense equivalent is calculated based on the fixed amount deduction method, in which the period of each lease contract is deemed as the useful or serviceable years of the relevant leased item and the value of such leased item is supposed to be depreciated and reduced to nil at the end of the contract.

2 Operating lease transactions
(Borrower)
Prepaid lease charges related to irrevocable leases among operating lease transactions

(Unit: thousand yen)

Due within one year	38,092
Due after one year	148,102
Total	186,195

(Information on affiliated business entities)

Previous consolidated fiscal year (December 21, 2007 - December 20, 2008)

No corresponding date is available

Current consolidated fiscal year (December 21, 2008 - December 20, 2009)

No corresponding date is available

(Additional information)

From this consolidated fiscal year, the company is applying the “Accounting Standard for Related Party Disclosures” (ASBJ Statement No. 11, October 17, 2006) and the “Implementation Guidance on the Accounting Standard for Related Party Disclosures” (ASBJ Guidance No. 13, October 17, 2006).

There will be no changes in the scope of companies subject to disclosure due to this change.

Related to tax effect accounting

Previous Consolidated Fiscal year-End (As of December 20, 2008)		Current Consolidated Fiscal year-End (As of December 20, 2009)	
Significant components contributing to deferred tax assets and liabilities		Significant components contributing to deferred tax assets and liabilities	
	(Unit: thousand yen)		(Unit: thousand yen)
Deferred tax assets (current)		Deferred tax assets (current)	
Loan-loss reserves	6,060	Loan-loss reserves	3,643
Reserve for loss on goods unsold	11,060	Reserve for loss on goods unsold	12,814
Reserve for bonus	23,484	Reserve for bonus	24,676
Accrued enterprise and business facility taxes	60,317	Losses on revaluation of inventory assets	19,971
Accrued social insurance contribution	21,496	Accrued enterprise and business facility taxes	50,361
Unrealized profit, inventories	8,169	Accrued social insurance contribution	22,084
Others	8,268	Retirement benefits for officers	78,554
Total of deferred tax assets (current)	138,856	Unrealized profit, inventories	18,585
		Others	13,670
		Total of deferred tax assets (current)	244,361
Deferred tax assets (fixed)		Deferred tax assets (fixed)	
Depreciation expenses	186,820	Depreciation expenses	227,875
Loan-loss reserves	16,469	Loan-loss reserves	18,882
Reserve for guarantee losses	15,756	Reserve for guarantee losses	15,756
Loss on compulsory devaluation of investment securities	130,885	Loss on compulsory devaluation of investment securities	83,987
Retirement benefits for officers	204,603	Retirement benefits for officers	126,049
Evaluation difference, other securities	32,944	Evaluation difference, other securities	48,515
Others	10,955	Others	8,346
Total of deferred tax assets (fixed)	598,435	Total of deferred tax assets (fixed)	529,412
Deferred tax liabilities (fixed)		Deferred tax liabilities (fixed)	
Special reserve for tax purpose	-467	Prepaid pension cost	-33,299
Prepaid pension cost	-56,100	Total deferred tax liabilities (fixed)	-33,299
Total deferred tax liabilities (fixed)	-56,567	Net deferred tax liabilities	740,473
Net deferred tax liabilities	680,724		
The net value of the deferred tax assets is included in sections of the Consolidated Balance Sheet as indicated below.		The net value of the deferred tax assets is included in sections of the Consolidated Balance Sheet as indicated below.	
	(Unit: thousand yen)		(Unit: thousand yen)
Current assets: Deferred tax assets	138,856	Current assets: Deferred tax assets	244,361
Fixed assets: Deferred tax assets	541,868	Fixed assets: Deferred tax assets	496,112

Related to marketable securities

As of the end of the previous consolidated fiscal year (As of December 20, 2008)

1 Other securities with marketable value

	Type	Acquisition price (Unit: thousand yen)	Value booked on the Consolidated Balance Sheet (Unit: thousand yen)	Difference (Unit: thousand yen)
Items whose booked values exceed their respective acquisition prices	(1) Equity securities	124,703	216,534	91,831
	(2) Bonds	-	-	-
	(3) Others	-	-	-
	Subtotal	124,703	216,534	91,831
Items whose booked values do not exceed their respective acquisition prices	(1) Equity securities	1,186,837	1,013,459	-173,378
	(2) Bonds	-	-	-
	(3) Others	-	-	-
	Subtotal	1,186,837	1,013,459	-173,378
Total		1,311,540	1,229,993	-81,546

(Note) In case 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 impairment charges of 54,704 thousand yen for other securities with fair market value during the current consolidated fiscal year.

2 Other marketable securities sold during the current consolidated fiscal year (December 21, 2007 - December 20, 2008)

Sold price (Unit: thousand yen)	Total amount of profit resulting from the sale (Unit: thousand yen)	Total amount of loss caused by the sale (Unit: thousand yen)
100,000	-	-

3 Other securities without fair market value

	Value booked on the Consolidated Balance Sheet (Unit: thousand yen)
Other securities Unlisted equity securities	16,250

(Note) The Company did not record any impairment charges for other securities without fair market value during the current consolidated fiscal year.

As of the end of the current consolidated fiscal year (December 20, 2009)

1 Other securities with marketable value

	Type	Acquisition price (Unit: thousand yen)	Value booked on the Consolidated Balance Sheet (Unit: thousand yen)	Difference (Unit: thousand yen)
Items whose booked values exceed their respective acquisition prices	(1) Equity securities	225,385	267,223	41,838
	(2) Bonds	-	-	-
	(3) Others	-	-	-
	Subtotal	225,385	267,223	41,838
Items whose booked values do not exceed their respective acquisition prices	(1) Equity securities	1,186,121	1,024,196	-161,925
	(2) Bonds	-	-	-
	(3) Others	-	-	-
	Subtotal	1,186,121	1,024,196	-161,925
Total		1,411,507	1,291,420	-120,086

(Note) In impairment accounting procedures for marketable securities, the company employs impairment accounting procedures on all securities where the market value of an individual security drops in value by 50% or more in comparison to its individual acquisition price. For securities that fall in price by at least 30% and less than 50%, the company determines the necessity for impairment accounting procedures after judging the possibility of price recovery on an individual basis.

There is no value for the impairment accounting of other marketable securities with a market price for the current consolidated fiscal year.

2 Other securities sold during the current consolidated fiscal year (December 21, 2008 - December 20, 2009)

Sold price (Unit: thousand yen)	Total amount of profit resulting from the sale (Unit: thousand yen)	Total amount of loss caused by the sale (Unit: thousand yen)
400,000	-	-

3 Other securities without fair market value

	Value booked on the Consolidated Balance Sheet (Unit: thousand yen)
Other securities Unlisted equity securities	16,250

(Note) The Company did not record any impairment charges for other securities without fair market value during the current consolidated fiscal year.

(Related to Derivative Transactions)

Previous consolidated fiscal year (December 21, 2007 - December 20, 2008)

This item is non-applicable as the Milbon Group makes use of no derivatives trading whatsoever.

Consolidated fiscal year (December 21, 2008 - December 20, 2009)

This item is non-applicable as the Milbon Group makes use of no derivatives trading whatsoever.

(Related to the Provision for retirement benefits)

Previous consolidated fiscal year (December 21, 2007 - December 20, 2008)

1 Outline of the Retirement Plan Adopted by Milbon

The Company provides an approved retirement pension plan and a defined contribution pension plan, and also a cooperative welfare pension fund (in which companies involved in the same business have established a welfare pension fund), because their frameworks are considered effective to assure employees of defined-benefit pensions.

The matters related to the multiple employer system under which the required contributions are treated as a retirement benefit expense are as follows:

(1) Matters related to the reserve situation of the system overall (March 31, 2008)

Value of pension assets	32,176,067 thousand yen
Value of benefit liabilities in pension finance calculations	45,539,375 thousand yen
Difference	-13,363,307 thousand yen

(2) Company's proportion of benefit liabilities against the system overall

(From December 1, 2007 to November 30, 2008)

6.7%

(3) Supplementary explanation

The main factors in the difference shown in (1) above are the balance of past service liabilities of 10,238,559 thousand yen and the insufficient funds carried over of 3,124,748 thousand yen in the pension finance calculations. The depreciation method for past service liabilities used in this system is the annuity repayment method for a period of 12 years and 9 months, and the company has processed 66,038 thousand yen as a special item in the consolidated financial statements for this term.

In addition, the proportion shown in (2) above is not the same as the company's actual burden ratio.

2 Items related to retirement liabilities (Unit: thousand yen)

	Previous Consolidated Fiscal year-End (As of December 20, 2008)
(1) Retirement benefit liabilities	-879,402
(2) Pension assets	718,388
(3) Non-funded retirement liabilities (1) + (2)	-161,013
(4) Calculation differences due to unknown factors	290,976
(5) Retirement liabilities that existed before revision of Milbon's retirement plans and have not yet been realized and expensed (Reduction of the retirement liabilities)	8,900
(6) Net value posted on the Consolidated Balance Sheet (3) + (4) + (5)	138,862
(7) Advanced pension payment	138,862
(8) Provision for retirement benefit (6) - (7)	-

3 The components of retirement benefit expenses were as follows: (Unit: thousand yen)

	Previous Consolidated Fiscal year (December 21, 2007 - December 20, 2008)
(1) Service cost	59,345
(2) Interest cost	16,610
(3) Expected return on plan assets	-24,727
(4) Discrepancies with calculation that are expensed	-26,678
(5) Amortization of prior service cost	8,900
(6) Subtotal (1) + (2) +(3) + (4) + (5)	33,450
(7) Contribution of the multi-employer welfare pension fund plans	142,208
(8) Contribution to the defined contribution pension plan	50,687
Total	226,345

4 Issues related to the basic conditions for calculating retirement liabilities and other related values

	Previous Consolidated Fiscal year-End (As of December 20, 2008)
(1) Discount ratio	2.0%
(2) Expected investment profit ratio	2.5%
(3) Method of distributing the estimated amount of retirement benefit over a certain period of time	Fixed amount distribution over the specified period of time
(4) Number of years designated to expense retirement liabilities existing before revision of Milbon's retirement plans	Five years
(5) Number of years designated to process discrepancies with calculations as an expense	Five years (An appropriate amount is earmarked based on the estimation of retirement liabilities and pension assets. The difference relative to the liabilities is calculated based on the fixed amount deduction method, distributed over a certain period of time (five years) within the average remaining service years of employees existing at the beginning of the current term, and expensed in each of the following fiscal terms.)

(Additional Information)

In the current consolidated accounting period, the "Partial Amendments to Accounting Standard for Retirement Benefits (Part 2)" (ASBJ Statement No. 14; May 15, 2007) has been applied.

Consolidated fiscal year (December 21, 2008 - December 20, 2009)

1 Outline of the Retirement Plan Adopted by Milbon

The Company provides an approved retirement pension plan and a defined contribution pension plan, and also a cooperative welfare pension fund (in which companies involved in the same business have established a welfare pension fund), because their frameworks are considered effective to assure employees of defined-benefit pensions.

Details regarding the multi-employer plan, under which required contribution payments are handled as accrued retirement benefit expenses, are as follows:

(1) Items related to reserve status for system as a whole (March 31, 2009)

Amount of pension assets	25,882,397 thousand yen
Amount of accrued liabilities in pension financing calculations	46,098,575 thousand yen
Balance: minus	-20,216,177 thousand yen

(2) Ratio of gross payment assumed by the Milbon Group in system as a whole (December 1, 2008 - November 30, 2009)

6.7%

(3) Supplementary explanation

The main factors behind the negative balance in (1) above are prior service liabilities of 9,905,470 thousand yen, and insufficient funds brought forward of 10,310,707 thousand yen. The depreciation method used for prior service liabilities in the system is the "equal depreciation with interest" method over a period of 11 years 9 months; for the purposes of consolidated financial statements in the current period, the Milbon Group has treated special premiums of 68,824 thousand yen as costs. The ratio quoted in (2) above differs from the actual ratio assumed by the company.

2 Items related to retirement liabilities (Unit: thousand yen)

	Previous Consolidated Fiscal year-End (As of December 20, 2009)
(1) Retirement benefit liabilities	-961,941
(2) Pension assets	841,692
(3) Non-funded retirement liabilities (1) + (2)	-120,249
(4) Calculation differences due to unknown factors	202,674
(5) Retirement liabilities that existed before revision of Milbon's retirement plans and have not yet been realized and expensed (Reduction of the retirement liabilities)	-
(6) Net value posted on the Consolidated Balance Sheet (3) + (4) + (5)	82,425
(7) Advanced pension payment	82,425
(8) Provision for retirement benefit (6) - (7)	-

3 The components of retirement benefit expenses were as follows: (Unit: thousand yen)

	Previous Consolidated Fiscal year (December 21, 2008 - December 20, 2009)
(1) Service cost	63,417
(2) Interest cost	17,588
(3) Expected return on plan assets	-17,959
(4) Discrepancies with calculation that are expensed	42,876
(5) Amortization of prior service cost	8,900
(6) Subtotal (1) + (2) +(3) + (4) + (5)	114,823
(7) Contribution of the multi-employer welfare pension fund plans	146,690
(8) Contribution to the defined contribution pension plan	53,821
Total	315,335

4 Issues related to the basic conditions for calculating retirement liabilities and other related values

	Previous Consolidated Fiscal year-End (As of December 20, 2009)
(1) Discount ratio	2.0%
(2) Expected investment profit ratio	2.5%
(3) Method of distributing the estimated amount of retirement benefit over a certain period of time	Fixed amount distribution over the specified period of time
(4) Number of years designated to expense retirement liabilities existing before revision of Milbon's retirement plans	Five years
(5) Number of years designated to process discrepancies with calculations as an expense	Five years
	(An appropriate amount is earmarked based on the estimation of retirement liabilities and pension assets. The difference relative to the liabilities is calculated based on the fixed amount deduction method, distributed over a certain period of time (five years) within the average remaining service years of employees existing at the beginning of the current term, and expensed in each of the following fiscal terms.)

(Related to Stock Options)

Previous consolidated fiscal year (December 21, 2007 - December 20, 2008)

No corresponding data is available.

Consolidated fiscal year (December 21, 2008 - December 20, 2009)

No corresponding data is available.

(Related to Business Combinations)

Previous consolidated fiscal year (December 21, 2007 - December 20, 2008)

No corresponding data is available.

Consolidated fiscal year (December 21, 2008 - December 20, 2009)

No corresponding data is available.

(Per Share Data)

Previous Consolidated Fiscal year (December 21, 2007 - December 20, 2008)		Current Consolidated Fiscal year (December 21, 2008 - December 20, 2009)	
Net asset value per share	1,250.17 yen	Net asset value per share	1,328.80 yen
Net income per share	161.78 yen	Net income per share	142.46 yen
Diluted net income per share of common stock is not shown, because there are no diluted shares.		Diluted net income per share of common stock is not shown, because there are no diluted shares.	

(Note) Basic data for calculating net income per share is as follows:

	Previous Consolidated Fiscal year (December 21, 2007 - December 20, 2008)	Current Consolidated Fiscal year (December 21, 2008 - December 20, 2009)
Net income (Unit: thousand yen)	2,027,590	1,785,483
Amount not vested in ordinary shareholders (Unit: thousand yen)	-	-
Net income related to common stocks (Unit: thousand yen)	2,027,590	1,785,483
Average number of outstanding shares of common stocks during the term (Unit: share)	12,533,299	12,532,935

Significant subsequent events

Previous consolidated fiscal year (December 21, 2007 - December 20, 2008)

No corresponding data is available.

Consolidated fiscal year (December 21, 2008 - December 20, 2009)

No corresponding data is available.

5. Individual Financial Statements

(a) Balance Sheet

(Unit: thousand yen)

	Previous Term (As of December 20, 2008)	Current Term (As of December 20, 2009)
Assets		
Current Assets		
Cash and cash equivalents	759,335	1,275,141
Trade notes receivable	*3 787,241	*3 618,989
Accounts receivable	*1 2,013,660	*1 2,264,079
Merchandise	83,492	-
Products	1,683,008	-
Merchandise and products	-	1,530,173
Materials	273,629	-
In-process	26,576	17,417
Stock	208,172	-
Raw and packaging materials	-	490,708
Prepaid expenses	29,699	32,474
Deferred tax asset	124,161	217,900
Short-term loans	*1 201,313	6,174
Others	*1 58,553	*1 46,656
Loan loss reserve	-15,000	-9,315
Total Current assets	6,233,846	6,490,401
Fixed Assets		
Tangible fixed assets		
Buildings	6,038,694	5,998,658
Accumulated depreciation	-2,394,442	-2,555,692
Buildings (net)	3,644,252	3,442,965
Structures	317,895	316,812
Accumulated depreciation	-204,496	-206,655
Structures (net)	113,399	110,156
Machinery and equipment	3,925,926	3,953,279
Cumulative total of depreciation	-2,370,591	-2,655,768
Machinery and equipment (net)	1,555,334	1,297,510
Automotive equipment	50,263	47,046
Accumulated depreciation	-40,470	-38,175
Automobiles and transport equipment (net)	9,792	8,870
Tools and equipment	1,432,460	1,523,120
Accumulated depreciation	-1,168,947	-1,310,905
Tools, implements and fixtures (net)	263,512	212,215
Land	4,763,766	4,763,766
Construction in progress	32,272	721,585
Total tangible fixed assets	10,382,331	10,557,070
Intangible fixed assets		
Trademarks	-	925
Software	221,500	288,609
Telephone subscription right	8,718	8,718
Right of using a water supply facility	2,344	2,140
Total intangible fixed assets	232,563	300,393

(Unit: thousand yen)

	Previous Term (As of December 20, 2008)	Current Term (As of December 20, 2009)
Investment and other assets		
Investments in securities	1,246,243	1,307,670
Stock of affiliates	221,000	616,369
Investments in affiliates	280,000	280,000
Bankruptcy/ rehabilitation liabilities, etc	-	27,972
Long-term loan for employees	6,416	9,265
Long-term prepaid expenses	5,540	4,073
Prepaid pension cost	138,862	82,425
Enrolment fee	24,370	21,850
Guarantee money paid	217,418	248,853
Insurance reserve fund	209,242	183,574
Deferred tax assets	511,315	456,737
Provision for bad loans	-12,310	-38,097
Total of investment and other assets	2,848,098	3,200,693
Total fixed assets	13,462,993	14,058,158
Total assets	19,696,839	20,548,559
Liabilities		
Current Liabilities		
Trade notes payable	*3 655,202	*3 530,562
Accounts payable	423,278	422,793
Long-term borrowing to be repaid within a year	23,381	-
Accrued liability	1,220,040	1,369,037
Accrued expenses payable and other related liabilities	63,077	74,251
Corporate tax payable	712,714	571,930
Consumption tax payable	9,268	75,637
Advances by customers	1,728	905
Deposit received	74,373	74,969
Provision for returned merchandise	27,376	31,720
Provision for bonuses	58,130	61,080
Others	7,735	8,152
Total current liabilities	3,276,306	3,221,040
Fixed liabilities		
Reserves for guarantee losses	39,000	39,000
Long-term guarantee deposits received	85,302	84,752
Long-term accrued liabilities	506,445	312,004
Total fixed liabilities	630,747	435,756
Total liabilities	3,907,053	3,656,797

(Unit: thousand yen)

	Previous Term (As of December 20, 2008)	Current Term (As of December 20, 2009)
Net Assets		
Shareholders' equity		
Capital	2,000,000	2,000,000
Capital surplus		
Capital reserve	199,120	199,120
Other capital surplus	113	-
Total capital surplus	199,233	199,120
Retained earnings		
Earned surplus reserve	300,880	300,880
Other retained earnings		
Reserve for special amortization	689	-
Other reserve	3,500,000	3,500,000
Earned surplus forwarded	9,876,131	11,001,906
Total retained surplus	13,677,700	14,802,786
Treasury stock	-38,545	-38,572
Total shareholders' equity	15,838,388	16,963,333
Valuation and translation adjustments		
Valuation difference, other securities	-48,601	-71,571
Total valuation and translation adjustments	-48,601	-71,571
Total net assets	15,789,786	16,891,762
Total liabilities and net assets	19,696,839	20,548,559

(b) Statement of Earnings

(Unit: thousand yen)

	Previous Term (December 21, 2007 - December 20, 2008)	Current Term (December 21, 2008 - December 20, 2009)
Sales		
Products	18,031,203	18,657,140
Merchandise	291,199	289,066
Total sales	18,322,402	18,946,206
Cost of products/merchandise		
Beginning inventory of products	1,256,868	1,683,008
Cost of products manufactured	7,144,821	7,158,515
Total	8,401,689	8,841,523
Product and other account transfers	*1 495,601	*1 586,826
Product term-end inventories	1,683,008	1,463,178
Cost of products sold	6,223,079	6,791,519
Beginning inventory of merchandise	54,007	83,492
Merchandise purchased	281,451	267,608
Receipts from other accounts	*2 19,376	-
Total	354,836	351,100
Product and other account transfers	*3 37,597	*3 37,224
Ending inventory of merchandise	83,492	66,995
Cost of merchandise sold	233,745	246,880
Release of allowance for returns	19,033	27,376
Reserve for returns	27,376	31,720
Total sales costs	6,465,168	7,042,743
Total sales revenue	11,857,234	11,903,462
Marketing and administrative expenses		
Sales promotion	1,319,994	1,522,402
Transportation	497,609	533,805
Advertising	244,167	182,537
Compensation and salary allowances	2,134,873	2,200,521
Loan loss reserve brought forward	-	9,315
Reserve for bonuses	38,904	41,470
Retirement benefits	155,099	217,514
Travel and transport expenses	482,341	495,713
Depreciation	346,745	321,798
Rent expenses	543,909	612,837
Research and development	*4 667,886	*4 766,493
Others	1,637,350	1,650,590
Total sales, general and administrative expenses	8,068,881	8,555,001
Operating income	3,788,352	3,348,461

(Unit: thousand yen)

	Previous Term (December 21, 2007 - December 20, 2008)	Current Term (December 21, 2008 - December 20, 2009)
Non-operating income		
Interest received	2,574	1,896
Interest on marketable securities	13	49
Dividends received	31,853	23,866
Discount on purchased goods and procured services	821	-
Rent received from employees for their use of company housing	30,105	33,612
Incentives to attract businesses	30,953	27,520
Profit on surrender of insurance	26,339	24,810
Co-sponsor fee	-	14,081
Miscellaneous revenue	11,435	9,444
Total non-operating revenue	134,097	135,282
Non-operating expense		
Interest paid	1,596	225
Sales discount	310,587	318,379
Foreign exchange loss	35,907	-
Miscellaneous losses	20	306
Total non-operating expenses	348,112	318,912
Ordinary income	3,574,336	3,164,832
Extraordinary profit		
Gains on fixed asset disposal	-	*5 887
Reversal of allowance for doubtful accounts	-	15,000
Total extraordinary income	-	15,887
Extraordinary loss		
Loss on sale of fixed assets	*6 76	*6 606
Loss from the disposition of property or other fixed assets	*7 26,300	*7 84,503
Appraisal loss on investment securities	54,704	-
Provision of allowance for doubtful accounts	15,740	27,972
Factory transfer expenses	-	21,760
Total extraordinary losses	96,820	134,843
Net income before tax	3,477,516	3,045,875
Corporate, local and enterprise taxes	1,357,257	1,242,094
Provision for adjustment of corporate and other taxes	41,537	-23,591
Total corporation tax, etc.	1,398,795	1,218,503
Net income	2,078,720	1,827,372

Manufacturing Cost

		Previous Term (December 21, 2007 - December 20, 2008)		Current Term (December 21, 2008 - December 20, 2009)		Difference
Account Title	Notes Reference No.	Amount (Unit: thousand yen)	Ratio (%)	Amount (Unit: thousand yen)	Ratio (%)	Amount (Unit: thousand yen)
I Raw and Packaging Materials		4,238,855	59.2	4,329,862	60.5	91,006
II Subcontractor Expenses		1,205,408	16.9	1,040,288	14.6	-165,119
III Labor Cost		644,008	9.0	637,813	8.9	-6,195
(Including reserve for bonuses)		12,410		11,190		-1,220
IV Expense		1,069,395	14.9	1,146,135	16.0	76,739
(Included depreciation)		591,650		673,762		82,112
(Included consumable supplies)		68,627		71,806		3,178
(Included rent)		42,475		20,408		-22,067
Total expenses for manufacturing of the period		7,157,668	100.0	7,154,099	100.0	-3,569
Beginning inventory of semi-finished products		22,278		26,576		4,298
Total		7,179,946		7,180,676		729
Expenses transferred to other accounts	*1	8,548		4,743		-3,805
Ending inventory of semi-finished products		26,576		17,417		-9,159
Manufacturing cost of products for the period		7,144,821		7,158,515		13,694

Previous Term (December 21, 2007 - December 20, 2008)	Current Term (December 21, 2008 - December 20, 2009)
*1. Transfer to other accounts is as shown below: (Unit: thousand yen) Research and development 3,964 Others 4,584 Total 8,548 2. Cost accounting method: Sequential cost system	*1. Transfer to other accounts is as shown below: (Unit: thousand yen) Research and development 4,685 Others 57 Total 4,743 2. Cost accounting method: Same as shown on the left

(c) Statement of Changes in Shareholders' Equity

(Unit: thousand yen)

	Previous Consolidated Fiscal year-End (December 21, 2007 – December 20, 2008)	Current Consolidated Fiscal year-End (December 21, 2008 – December 20, 2009)
Shareholders' equity		
Capital		
Balance at end of previous term	2,000,000	2,000,000
Current term change		
Total current term change	-	-
Balance at end of current term	2,000,000	2,000,000
Capital surplus		
Capital reserve		
Balance at end of previous term	199,120	199,120
Current term change		
Total current term change	-	-
Balance at end of current term	199,120	199,120
Other capital surplus		
Balance at end of previous term	879	113
Current term change		
Disposal of treasury stock	-765	-113
Total current term change	-765	-113
Balance at end of current term	113	-
Total capital surplus		
Balance at end of previous term	199,999	199,233
Current term change		
Disposal of treasury stock	-765	-113
Total current term change	-765	-113
Balance at end of current term	199,233	119,120
Retained earnings		
Earned reserve		
Balance at end of previous term	300,880	300,880
Current term change		
Total current term change	-	-
Balance at end of current term	300,880	300,880
Other retained earnings		
Reserve for special depreciation		
Balance at end of previous term	1,633	689
Current term change		
Reversal of reserve for special depreciation	-944	-689
Total current term change	-944	-689
Balance at end of current term	689	-
Other reserve		
Balance at end of previous term	3,500,000	3,500,000
Current term change		
Total current term change	-	-
Balance at end of current term	3,500,000	3,500,000

(Unit: thousand yen)

	Previous Consolidated Fiscal year-End (December 21, 2007 – December 20, 2008)	Current Consolidated Fiscal year-End (December 21, 2008 – December 20, 2009)
Retained earnings carried over		
Balance at end of previous term	8,460,734	9,876,131
Current term change		
Dividend of retained earnings	-664,267	-701,849
Reversal of reserve for special depreciation	944	689
Current net income	2,078,720	1,827,372
Disposal of treasury stock	-	-437
Total current term change	1,415,397	1,125,774
Balance at end of current term	9,876,131	11,001,906
Total retained earnings		
Balance at end of previous term	12,263,247	13,677,700
Current term change		
Dividend of retained earnings	-664,267	-701,849
Current net income	2,078,720	1,827,372
Disposal of treasury stock	-	-437
Total current term change	1,414,452	1,125,085
Balance at end of current term	13,677,700	14,802,786
Treasury stock		
Balance at end of previous term	-38,555	-38,545
Current term change		
Acquisition of treasury stock	-1,916	-1,404
Disposal of treasury stock	1,926	1,378
Total current term change	10	-26
Balance at end of current term	-38,545	-38,572
Total shareholders' equity		
Balance at end of previous term	14,424,690	15,838,388
Current term change		
Dividend of retained earnings	-664,267	-701,849
Current term net profit	2,078,720	1,827,372
Acquisition of treasury stock	-1,916	-1,404
Disposal of treasury stock	1,160	827
Total current term change	1,413,697	1,124,945
Balance at end of current term	15,838,388	16,963,333

(Unit: thousand yen)

	Previous Consolidated Fiscal year-End (December 21, 2007 – December 20, 2008)	Current Consolidated Fiscal year-End (December 21, 2008 – December 20, 2009)
Valuation and translation adjustments		
Valuation difference, other securities		
Balance at end of previous term	181,754	-48,601
Current term change		
Current term change in items other than shareholders' equity (net)	-230,356	-22,969
Total current term change	-230,356	-22,969
Balance at end of current term	-48,601	-71,571
Total valuation and translation adjustments		
Balance at end of previous term	181,754	-48,601
Current term change		
Current term change in items other than shareholders' equity (net)	-230,356	-22,969
Total current term change	-230,356	-22,969
Balance at end of current term	-48,601	-71,571
Total net assets		
Balance at end of previous term	14,606,445	15,789,786
Current term change		
Dividend of retained earnings	-664,267	-701,849
Current term net profit	2,078,720	1,827,372
Acquisition of treasury stock	-1,916	-1,404
Disposal of treasury stock	1,160	827
Current term change in items other than shareholders' equity (net)	-230,356	-22,969
Total current term change	1,183,340	1,101,975
Balance at end of current term	15,789,786	16,891,762

(d) Notes on the company as a going concern

No corresponding data is available.

(e) Summary of Significant Accounting Policies

Subject	Previous Term (From December 21, 2007 - December 20, 2008)	Current Term (From December 21, 2008 - December 20, 2009)
1 Evaluation criteria and methods for securities	(a) Stock of subsidiaries Cost accounting based on the moving average method (b) Sundry securities With market value Market value method based on the market price as of the last day of the fiscal year (total difference between the estimate and actual price is expensed into the net assets, and cost for selling is calculated based on the moving average method) Without market value Cost accounting based on the moving average method	(a) Stock of subsidiaries Same as shown on the left (b) Sundry securities With market value Market value method based on the market price as of the last day of the fiscal year (total difference between the estimate and actual price is expensed into the net assets, and cost for selling is calculated based on the moving average method) (Additional information) Previously, if the market value of other marketable securities with a fair market value dropped in value by roughly 30% or more in comparison to the acquisition price of the individual stock, or if it was judged that such had happened, price recovery was deemed to be difficult and the company employed impairment accounting procedures. However, in regard to such of these stocks that fall in price by at least 30% and less than 50%, the company has decided to determine the necessity for impairment accounting procedures after judging the possibility of price recovery on an individual basis. This processing method has been changed because recent falls in the prices of individual stocks have occurred more in association with the decline of the stock market overall due to fluctuations in various market factors than because of factors inherent in the stock in question itself and because the company will judge stocks more carefully and rationally in regard to the possibility of price recovery in view of the increased monetary importance of these stocks. Moreover, the impact of this change on profit and loss is minor. Without market value Same as shown on the left

Subject	Previous Term (From December 21, 2007 - December 20, 2008)	Current Term (From December 21, 2008 - December 20, 2009)
2 Inventory valuation and its method	(a) Merchandise Cost accounting method based on FIFO (b) Products and semi-finished products Cost accounting based on gross average method (c) Raw and packaging materials Cost accounting based on gross average method (d) Stock Cost accounting based on last cost method	(a) Merchandise Calculated based on cost accounting and the first-in, first-out method (Method of book price devaluation based on decreased profitability is used for balance sheet values) (b) Products and semi-finished products Calculated based on cost accounting and the gross average method (Method of book price devaluation based on decreased profitability is used for balance sheet values) (c) Raw and packaging materials Calculated based on cost accounting and the gross average method (Method of book price devaluation based on decreased profitability is used for balance sheet values) (d) Stock Calculated based on cost accounting and the final purchase price method (Method of book price devaluation based on decreased profitability is used for balance sheet values) (Change in accounting policy) The company is applying the Accounting Standard for Measurement of Inventories (ASBJ Statement No. 9; July 5, 2006) from the current consolidated fiscal year. Moreover, the impact of this change on profit and loss is minor.
3 Depreciation methods for fixed assets	(a) Tangible fixed assets Declining balance method Declining balance method is also applied to building (excluding accessory equipment) acquired on April 1, 1998 and thereafter. Durable years are as shown below: Buildings: 31 to 50 years, Machinery and equipment: 9 years (Additional Information) In line with Corporate Tax Law reforms, the Milbon Group shall record assets acquired before March 31, 2007 as follows: from the consolidated accounting period after the consolidated accounting period in which an asset has reached 5% or less of its acquisition value based on the application of depreciation methods before the corporate law reforms, the difference between 5% of the acquisition value and the reminder value shall be depreciated using the straight line depreciation method over five years, and this shall be recorded under depreciation expenses. The impact that this will have on profits or losses will be insignificant. (b) Intangible fixed assets Fixed amount method Fixed amount method is applied to software to be used within the Company based on the in-house durable years (5 years)	(a) Tangible fixed assets Declining balance method Declining balance method is also applied to building (excluding accessory equipment) acquired on April 1, 1998 and thereafter. Durable years are as shown below: Buildings: 31 to 50 years, Machinery and equipment: 8 years (Additional Information) In association with the revision of the Corporation Tax Act (Law for the Partial Revision of the Income Tax Act, etc [Law No.23; April 30, 2008]), statutory useful life and asset classifications have been revised. Due to this revision, the useful life of some of the machinery and equipment of the company, which was previously processed mainly with a useful life of 9 years, has been changed to a 8 years from the current consolidated fiscal year on. Moreover, due to this change, operating income, ordinary income and net income prior to taxes and other adjustments will each fall by 108,725 thousand yen. (b) Intangible fixed assets Same as shown on the left

Subject	Previous Term (From December 21, 2007 - December 20, 2008)	Current Term (From December 21, 2008 - December 20, 2009)
4 Conversion rate of assets and liabilities in foreign currency into yen	Monetary assets and liabilities in foreign currency are translated into yen based on actual exchange rate as of the last day of the fiscal year and transactional exchange gains/(losses) are reflected in earnings.	Same as shown on the left
5 Accounting standards for provision	(a) Provision for bad loans The estimated unrecoverable amount to prepare for losses caused by bad loans is posted based on the historical bad loan rate for general debts and the probability of non-recovery in each case for problem loans. (b) Provision 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) (c) Provision for returned merchandise The estimated loss accompanying future returns of merchandise and products is posted based on past return rates to prepare for the loss. (d) Provision for retirement benefit In preparation for the payment of retirement benefits to employees, the Company posts an amount at the end of the current fiscal year 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 fiscal year exceeds the estimated amount of 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. (e) Reserves for guarantee losses In preparation for any possible losses related to guarantees on liabilities, estimated amount of losses to cover is included considering the financial positions of the individual borrowers from banks to which the Company has provided guarantees.	(a) Provision for bad loans Same as shown on the left (b) Provision for bonuses Same as shown on the left (c) Provision for returned merchandise Same as shown on the left (d) Provision for retirement benefits Same as shown on the left (e) Reserves for guarantee losses Same as shown on the left
6 Leases	Finance lease transactions excluding leases deemed that the ownership of lease materials might transfer to the borrower are based on the accounting method according to the method of ordinary lease transactions.	-
7 Other significant accounting policies	Consumption taxes Consumption tax is excluded from the account.	Consumption taxes Same as shown on the left

(f) Significant Changes in Accounting Policies

(Change in Accounting Policies)

Previous Term (December 21, 2007 - December 20, 2008)	Current Term (December 21, 2008 - December 20, 2009)
-	(Accounting standard for lease transactions) The company previously processed finance lease transactions that do not transfer rights of ownership using accounting procedures similar to those for ordinary rental transactions, but is now applying the Accounting Standard for Lease Transactions (ASBJ Statement No. 13 (as issued by the First Subcommittee of the Business Accounting Council on June 17, 1993 and revised on March 30, 2007)), and the Guidance on Accounting Standard for Lease Transactions (ASBJ Guidance No. 16 (as issued by the Accounting System Committee at the Japanese Institute of Certified Public Accountants on January 18, 1994 and revised on March 30, 2007)) and will process such lease transactions using accounting procedures similar to those for normal sales transactions. Furthermore, in regard to the method for the depreciation of lease assets related to finance lease transactions that do not transfer rights of ownership, the company is using a straight line method that sets the lease period as the useful life and the residual value to zero. In regard to finance lease transactions that do not transfer rights of ownership where the start date of the lease transaction was prior to the start of the first fiscal year of application of this change, the company will continue to use accounting procedures similar to those for ordinary rental transactions. There will be no impact on profit and loss due to this change.

(Change in Method of Presentation)

Previous Term (December 21, 2007 - December 20, 2008)	Current Term (December 21, 2008 - December 20, 2009)
(Balance Sheets) "Long-term accrued liabilities", which were included in "Others" in the "Fixed Liabilities" column until the previous business year ended December 20, 2007, are reported as a separate item in the current business year ended December 20, 2008, because they amounted to more than 1% of total liabilities and net assets. "Long-term accrued liabilities" amounted to 6,285 thousand yen at the end of the previous business year ended December 20, 2007. (Profit and loss statement) "Foreign exchange loss", which had been displayed under "Miscellaneous losses" under "Non-operating expenses" up until the previous fiscal year, is to be included separately this fiscal year because the amount exceeded 10% of total non-operating expenses. In addition, "Foreign exchange loss" at the end of the previous terms was 2,993 thousand yen.	(Balance Sheet) In association with the application of the Cabinet Office Regulation revising part of the regulations related to the terminology, formats and preparation methods of financial statements, etc., (Cabinet Office Regulations No. 50, August 7, 2008), those items included as "Merchandise", "Products", "Raw materials" and "Packaging materials" in the previous fiscal year will be included together as "Merchandise and products" and "Raw and packaging materials" from this fiscal year. Moreover, the values of "Merchandise", "Products", "Raw materials" and "Packaging materials" included in this fiscal year were 66,995 thousand yen, 1,463,178 thousand yen, 277,951 thousand yen and 212,756 thousand yen respectively.

(g) Notes to Individual Financial Statements

(Related to Balance Sheets)

Previous Term (As of December 20, 2008)	Current Term (As of December 20, 2009)
*1 Assets and liabilities in respect of affiliated companies The following items have not been given classification headings, but are included under the various existing headings: Trade account receivables 26,474 thousand yen Short-term loans 180,000 thousand yen Other (current assets) 7,121 thousand yen	*1 Assets and liabilities in respect of affiliated companies The following items have not been given classification headings, but are included under the various existing headings: Trade account receivables 83,330 thousand yen Other (current assets) 9,738 thousand yen
2 Contingent liabilities Guarantee of liabilities We have implemented a debt guarantee against customers' bank loans payable (one loan of 47,835 thousand yen).	2 Contingent liabilities Guarantee of liabilities We have implemented a debt guarantee against customers' bank loans payable (one loan of 37,839 thousand yen).
*3 Handling of trade notes at end of fiscal year The closing date of the current fiscal year was a holiday for financial institutions, but trade notes shall be handled as though settlement was made on the closing date. Trade notes at the closing date of the current fiscal year were as follows. Trade notes receivable 128,330 thousand yen Trade notes payable 264,643 thousand yen	*3 Handling of trade notes at end of fiscal year The closing date of the current fiscal year was a holiday for financial institutions, but trade notes shall be handled as though settlement was made on the closing date. Trade notes at the closing date of the current fiscal year were as follows. Trade notes receivable 61,623 thousand yen Trade notes payable 176,948 thousand yen

Related to Statement of Earnings

Previous Term (December 21, 2007 - December 20, 2008)	Current Term (December 21, 2008 - December 20, 2009)
*1 Details of the transfer of the cost of products to other accounts are as follows: (Unit: thousand yen) Sales promotion 451,799 Transfer of cost of merchandise to other accounts 19,376 Entertainment 10,917 Market development 5,179 Research and development 2,624 Others 5,703 Total 495,601	*1 Details of the transfer of the cost of products to other accounts are as follows: (Unit: thousand yen) Sales promotion 564,567 Entertainment 9,514 Market development 6,341 Research and development 3,478 Others 2,924 Total 586,826
*2 Details of receipts from other merchandise accounts are as follows: Transfer from finished products accounts 19,376 thousand yen	-
*3 Details of the transfer of the cost of merchandize to other accounts are as follows: (Unit: thousand yen) Sales promotions 37,492 Others 105 Total 37,597	*3 Details of the transfer of the cost of merchandize to other accounts are as follows: (Unit: thousand yen) Sales promotions 37,139 Others 85 Total 37,224
*4 Total amount of research and development expenses Research and development expenses included in the general administration and manufacturing expenses of this period. 667,886 thousand yen	*4 Total amount of research and development expenses Research and development expenses included in the general administration and manufacturing expenses of this period. 766,493 thousand yen
-	*5 Details of gain on sale of fixed assets Automobiles and transport equipment 887 thousand yen
*6 Details of loss on sale of fixed assets Automobiles and transport equipment 76 thousand yen	*6 Details of loss on sale of fixed assets Machinery and equipment 606 thousand yen
*7 Details of loss from the disposition of fixed assets are as follows: (Unit: thousand yen) Buildings 13,135 Structures 232 Machinery and equipment 10,808 Automobiles and transport equipment 55 Tools and equipment 2,069 Total 26,300	*7 Details of loss from the disposition of fixed assets are as follows: (Unit: thousand yen) Buildings 64,327 Structures 2,852 Machinery and equipment 13,067 Automobiles and transport equipment 67 Tools and equipment 4,188 Total 84,503

(Statement of Changes in Shareholders' Equity)

Previous Term (December 21, 2007 - December 20, 2008)
Items related to treasury stock

Class of stock	End of previous fiscal year	Increase	Decrease	Current fiscal year
Common stock (Number of shares)	11,095	845	560	11,380

(Reason for change)

1. The increase is attributed to the acquisition of shares upon request for the repurchasing of fractional shares from shareholders.
2. The decrease is attributed to the sale of fractional shares that shareholders requested us to repurchase.

Current Term (December 21, 2008 - December 20, 2009)
Items related to treasury stock

Class of stock	End of previous fiscal year	Increase	Decrease	Current fiscal year
Common stock (Number of shares)	11,380	648	411	11,617

(Reason for change)

1. The increase is attributed to the acquisition of shares upon request for the repurchasing of fractional shares from shareholders.
2. The decrease is attributed to the sale of fractional shares that shareholders requested us to repurchase.

(Related to Lease Transactions)

Previous Consolidated Fiscal year (December 21, 2007 – December 20, 2008)

1 Finance lease transactions excluding those deemed to bring about the transfer of the ownership of leased property to the lessee
(Borrower)

(1) Purchase price equivalent, accumulated depreciation equivalent and the term-end outstanding balance equivalent of leased items are as follows:

	Purchase price equivalent (Unit: thousand yen)	Accumulated depreciation equivalent (Unit: thousand yen)	Term-end outstanding balance equivalent (Unit: thousand yen)
Machinery, equipment and vehicles for transportation	6,321	6,058	263
Others (tools, fixtures and supplies)	228,838	98,237	130,601
Total	235,160	104,295	130,864

(Note) The purchase price equivalent refers to the total amount of lease payments throughout the period of each lease, including the amount representing interest, since the total amount of future lease payments is not significant in relation to the total value of tangible fixed assets as of the current term end date.

(2) Future minimum lease payments equivalent

(Unit: thousand yen)

Due within one year	43,283
Due after one year	87,581
Total	130,864

(Note) The minimum amount of payments to be made in future is determined as of the current term end date and reported as the total amount of future minimum lease payments, including the amount representing interest, since the amount of future minimum lease payments is not significant in relation to the total value of tangible fixed assets as of the current term end date.

(3) Lease expense and depreciation expense equivalent

Lease expense	49,490 thousand yen
Depreciation expense equivalent	49,490 thousand yen

(4) Method of calculating the depreciation expense equivalent
With regard to each item of leased property, plant and equipment, a depreciation expense equivalent is calculated based on the fixed amount deduction method, in which the period of each lease contract is deemed as the useful or serviceable years of the relevant leased item and the value of such leased item is supposed to be depreciated and reduced to nil at the end of the contract.

2 Operating lease transactions
(Borrower)
Unexpired lease payments

(Unit: thousand yen)

Due within one year	2,640
Due after one year	11,668
Total	14,308

Current Consolidated Fiscal year (December 21, 2008 - December 20, 2009)

1 Finance lease transactions that do not transfer rights of ownership where the start date of the lease transaction was prior to the start of the first fiscal year of application of the accounting standard for lease transactions
(Borrower)

(1) Purchase price equivalent, accumulated depreciation equivalent and the term-end outstanding balance equivalent of leased items are as follows:

	Purchase price equivalent (Unit: thousand yen)	Accumulated depreciation equivalent (Unit: thousand yen)	Term-end outstanding balance equivalent (Unit: thousand yen)
Others (tools, fixtures and supplies)	190,133	102,551	87,581
Total	190,133	102,551	87,581

(Note) The purchase price equivalent refers to the total amount of lease payments throughout the period of each lease, including the amount representing interest, since the total amount of future lease payments is not significant in relation to the total value of tangible fixed assets as of the current term end date.

(2) Future minimum lease payments equivalent

(Unit: thousand yen)

Due within one year	25,753
Due after one year	61,827
Total	87,581

(Note) The minimum amount of payments to be made in future is determined as of the current term end date and reported as the total amount of future minimum lease payments, including the amount representing interest, since the amount of future minimum lease payments is not significant in relation to the total value of tangible fixed assets as of the current term end date.

(3) Lease expense and depreciation expense equivalent

Lease expense	37,981 thousand yen
Depreciation expense equivalent	37,981 thousand yen

(4) Method of calculating the depreciation expense equivalent
With regard to each item of leased property, plant and equipment, a depreciation expense equivalent is calculated based on the fixed amount deduction method, in which the period of each lease contract is deemed as the useful or serviceable years of the relevant leased item and the value of such leased item is supposed to be depreciated and reduced to nil at the end of the contract.

2 Operating lease transactions
(Borrower)
Prepaid lease charges related to irrevocable leases among operating lease transactions

(Unit: thousand yen)

Due within one year	3,708
Due after one year	10,007
Total	13,715

(Related to Securities)

There are no stocks of subsidiaries or affiliates which have fair market values for any fiscal year ended December 20, 2008 and 2009.

Related to tax effect accounting

Previous Term (As of December 20, 2008)

Significant components contributing to deferred tax assets and liabilities

(Unit: thousand yen)

Deferred tax assets (current)	
Loan-loss reserves	6,060
Reserve for loss on goods unsold	11,060
Reserve for bonus	23,484
Accrued enterprise and business facility taxes	60,317
Accrued social insurance contributions	21,496
Others	1,744
Total deferred tax assets (current)	124,161
Deferred tax assets (fixed)	
Depreciation expenses	175,882
Loan-loss reserves	4,973
Reserves for guarantee losses	15,756
Loss on compulsory devaluation of investment securities	130,885
Retirement benefits for officers	204,603
Evaluation difference, other securities	32,944
Others	2,836
Total deferred tax assets (fixed)	567,882

Deferred tax liabilities (fixed)		
Special reserve for tax purposes	-467	-1,107
Prepaid pension cost	-56,100	-47,300
Total deferred tax liabilities (fixed)	-56,567	-171,609
Net deferred tax assets (fixed)	511,315	305,884

Current Term (As of December 20, 2009)

Significant components contributing to deferred tax assets and liabilities

(Unit: thousand yen)

Deferred tax assets (current)	
Loan-loss reserves	3,763
Reserve for loss on goods unsold	12,814
Reserve for bonus	24,676
Losses on revaluation of inventory assets	19,971
Accrued enterprise and business facility taxes	50,361
Accrued social insurance contributions	22,084
Retirement benefits for officers	78,554
Others	5,675
Total deferred tax assets (current)	217,900
Deferred tax assets (fixed)	
Depreciation expenses	203,681
Loan-loss reserves	9,740
Reserves for guarantee losses	15,756
Loss on compulsory devaluation of investment securities	83,987
Retirement benefits for officers	126,049
Evaluation difference, other securities	48,515
Others	2,306
Total deferred tax assets (fixed)	490,037
Deferred tax liabilities (fixed)	
Prepaid pension cost	-33,299
Total deferred tax liabilities (fixed)	-33,299
Net deferred tax assets (fixed)	456,737

(Related to Business Combinations)

Previous Term (December 21, 2007 - December 20, 2008)

No corresponding data is available.

Current Term (December 21, 2008 - December 20, 2009)

No corresponding data is available.

(Per Share Data)

Previous Term (December 21, 2007 - December 20, 2008)		Current Term (December 21, 2008 - December 20, 2009)	
Net assets per share	1,259.85 yen	Net assets per share	1,347.81 yen
Net income per share	165.86 yen	Net income per share	145.81 yen
Diluted net income per share of common stock is not shown because there are no diluted shares.		Diluted net income per share of common stock is not shown because there are no diluted shares.	

(Note) Basic data for calculating net income per share is as follows:

	Previous Term (December 21, 2007 - December 20, 2008)	Current Term (December 21, 2008 - December 20, 2009)
Net income (Unit: thousand yen)	2,078,720	1,827,372
Amount not vested in ordinary shareholders (Unit: thousand yen)	-	-
Net income related to common stocks (Unit: thousand yen)	2,078,720	1,827,372
Average number of outstanding shares of common stocks during the term (Unit: share)	12,533,299	12,532,935

(Subsequent Principal Event)

Previous Term (December 21, 2007 - December 20, 2008)

No corresponding data is available.

Current Term (December 21, 2008 - December 20, 2009)

No corresponding data is available.

6. Other

(1) Appointment of directors

[1] Appointment of a representative director

No corresponding data is available

[2] Other appointments of directors

1. Promoted directors (Dated December 21, 2009)

Executive Managing Director Responsible for Education Division/ Central Research Laboratory/ Marketing Division	Katsumi Kanayama (Executive Director; responsible for Central Research Laboratory
Executive Director Responsible for East Japan Sales (Tokyo/ Nagoya)	Noboru Shigemune (Director; General Manager Accounting Division/ responsible for PR)
Executive Director Responsible for Administration/ CS Promotion	Masahiro Murai (Director; General Manager Administration Division)

2. Retiring Directors (Scheduled for March 18, 2010)

Executive Managing Director Responsible for West Japan Sales/ Marketing	Kiyotaka Nakanishi (Scheduled for appointment as a Senior Consultant after retirement)
Executive Director Responsible for East Japan Sales	Katsuhiko Hirai (Scheduled for appointment as a Senior Consultant after retirement)

3. New candidate auditor (Scheduled for March 18, 2010)

Auditor	Daijiro Kanaoka (Scheduled for appointment as a full-time auditor)

(2)Others

(1) Production

Product type	Previous Consolidated Fiscal year (December 21, 2007 - December 20, 2008)		Current Consolidated Fiscal year (December 21, 2008 - December 20, 2009)		Increase (Decrease)	
	Amount (Unit: thousand yen)	Ratio (Unit: %)	Amount (Unit: thousand yen)	Ratio (Unit: %)	Amount (Unit: thousand yen)	Ratio (Unit: %)
Permanent wave products	2,469,127	10.9	2,326,698	10.6	-142,429	-5.8
Hair care products	11,085,034	48.9	11,872,519	53.9	787,485	7.1
Hair coloring products	8,901,771	39.3	7,677,289	34.9	-1,224,481	-13.8
Others	206,582	0.9	142,748	0.6	-63,833	-30.9
Total	22,662,515	100.0	22,019,255	100.0	-643,259	-2.8

(Note) The above amounts are calculated based on the sale prices of individual products and do not include applicable consumption tax.

(2) Purchase and procurement

Product type	Previous Consolidated Fiscal year (December 21, 2007 - December 20, 2008)		Current Consolidated Fiscal year (December 21, 2008 - December 20, 2009)		Increase (Decrease)	
	Amount (Unit: thousand yen)	Ratio (Unit: %)	Amount (Unit: thousand yen)	Ratio (Unit: %)	Amount (Unit: thousand yen)	Ratio (Unit: %)
Permanent wave products	2,534	0.9	2,564	1.0	30	1.2
Hair care products	25,319	9.0	22,688	8.5	-2,631	-10.4
Hair coloring products	21,084	7.5	27,667	10.3	6,583	31.2
Others	232,513	82.6	214,690	80.2	-17,823	-7.7
Total	281,451	100.0	267,608	100.0	-13,841	-4.9

(Note) The above amounts are calculated based on the sale prices of individual products and do not include applicable consumption tax.

(3) Receipt of orders

Previous consolidated fiscal year (December 21, 2007 - December 20, 2008) and current consolidated fiscal year (December 21, 2008 - December 20, 2009)

Since the Milbon Group undertakes stock production, no corresponding data is available.

(4) Sales

Product type	Previous Consolidated Fiscal year (December 21, 2007 - December 20, 2008)		Current Consolidated Fiscal year (December 21, 2008 - December 20, 2009)		Increase (Decrease)	
	Amount (Unit: thousand yen)	Ratio (Unit: %)	Amount (Unit: thousand yen)	Ratio (Unit: %)	Amount (Unit: thousand yen)	Ratio (Unit: %)
Permanent wave products	2,111,534	11.3	2,025,641	10.6	-85,893	-4.1
Hair care products	9,032,543	48.3	9,864,241	51.4	831,698	9.2
Hair coloring products	7,173,482	38.4	6,969,389	36.3	-204,092	-2.8
Others	374,624	2.0	330,194	1.7	-44,429	-11.9
Total	18,692,184	100.0	19,189,467	100.0	497,283	2.7

(Note) The above amounts are calculated based on the sale prices of individual products and do not include applicable consumption tax.