

Consolidated Financial Statements for the
First Quarter of the Fiscal Term Ended
March 20, 2011
– Supplementary Materials



MILBON

March 31, 2011

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Consolidated Operating Results (1st Quarter)



(Unit: million yen)

	Amount			Increase (decrease) against previous fiscal year	Growth rate (%)	Achievement rate (%)
	Previous fiscal year	Target	Results			
Sales	4,359	4,616	4,632	272	106.3	100.3
Total sales revenues	2,909	3,032	3,120	211	107.3	102.9
Selling, general and administrative expenses	2,199	2,538	2,341	142	106.5	92.3
Operating income	710	494	778	68	109.6	157.6
Ordinary income	648	424	711	62	109.7	167.8
Net income	350	215	356	6	101.8	165.3

Breakdown of consolidated sales by product category (End of 1st quarter)



Hair care products

(Unit: million yen)

Results for fiscal year	Target	Results in current fiscal year	Increase (decrease) against previous fiscal year	Growth rate (%)	Achievement rate
2,251	2,454	2,332	80	103.6%	95.0%

- The industry overall is estimated to have expanded slightly due to positive efforts towards hair care centered on salon treatment menus.
- Sales of salon treatment products including Deesse's Linkage-μ, a new product that repairs hair damage, performed well. (Comparison ratio against previous period 125.4%) .
- Sales of styling products centered on Qufra, which the company launched last year slumped (Comparison ratio against previous period 78.3%).

New product - Deesse's Neu Due Launched February 1

* This is a hair care series that provides an improved sensation when running the fingers through the hair and brings out more of the beauty of color hair design

Sales target	Sales results	Rate of progress
1,210 million yen	346.15 million yen	28.6%



<Deesse's Neu due>

New product - Deesse's Linkage-μ Launched February 1

* This is a salon treatment system that increases the moisture of every strand of dry hair right to its tip and realizes an impressive sensation when running the fingers through the hair

Sales target	Sales results	Rate of progress
1,216 million yen	278.44 million yen	22.9%



<Deesse's Linkage-μ>

Breakdown of consolidated sales by product category (End of 1st quarter)



Hair coloring products

(Unit: million yen)

Results for fiscal year	Target	Results in current fiscal year	Increase (decrease) against previous fiscal year	Growth rate (%)	Achievement rate
1,635	1,677	1,843	207	112.7%	109.9%

- The industry overall is estimated to have contracted slightly due to the impact of increasingly severe competition with home coloring products that let people dye their hair easily at home.
- The soft texture of additional colors for Ordeve (Smoky Line), a series of integrated coloring products, has received favorable notices. These products have contributed to the creation of salon color allure through the proposal to customers of seasonal colors (fashion colors matched to the seasons) and sales of fashion colors centered on Ordeve increased (comparison ratio against previous period 110.8%).
- Sales of grey color products centered on Liseinter, which appeals to adult women in regard to the allure of salon colors, increased (comparison ratio against previous period 114.6%) .

New product - Additional colors for Ordeve (Smoky Line) Launched March 1

* Additional colors of Ordeve (Smoky Line), that realize a soft, misty texture without making people feel a red or yellow color in the hair

Sales target	Sales results	Rate of progress
200 million yen	110.31 million yen	55.2%



■ Breakdown of consolidated sales by product category (End of 1st quarter)



■ Permanent wave products

(Unit: million yen)

Results for fiscal year	Target	Results in current fiscal year	Increase (decrease) against previous fiscal year	Growth rate (%)	Achievement rate
416	463	403	-13	96.8%	87.0%

- The industry overall is estimated to have contracted slightly due to the decrease of perm style needs in association with changes in trends.
- In the straight perm category, sales of Liscio Glanfe, which expresses a soft silhouette for a feeling of roundness depending on hair quality, performed well, exceeding sales for the same period last year (comparison ratio against previous period 103%).



<Liscio Glanfe>

Consolidated Balance Sheet



(Unit: thousands of yen)

Item	Previous consolidated fiscal year <2010.12.20>	Ratio	Consolidated 1st quarter under review <2011.3.20>	Ratio	Increase/decrease	Item	Previous consolidated fiscal year <2010.12.20>	Ratio	Consolidated 1st quarter under review <2011.3.20>	Ratio	Increase/decrease
Cash and bank deposits	2,673,044		2,743,275		70,231	Accounts payable	467,309		513,895		46,586
Trade notes and accounts receivable	2,857,374		2,516,343		-341,031	Accrued expenses payable	1,284,549		951,016		-333,533
Inventory assets	2,222,005		2,425,815		203,810	Corporate taxes payable	635,475		354,927		-280,548
Deferred tax assets	166,841		200,189		33,348	Reserve for returned goods	19,075		44,074		24,999
Others	126,378		98,003		-28,375	Reserve for bonuses	65,453		257,731		192,278
Loan loss reserves	-9,963		-8,762		1,201	Others	253,509		382,016		128,507
Total current assets	8,035,681	38.6	7,974,866	38.9	-60,815	Total current liabilities	2,725,372	13.1	2,503,660	12.2	-221,712
Buildings and other structures	4,210,785		4,120,829		-89,956	Allowance for retirement benefits for employees	1,138		2,565		1,427
Machinery, equipment and vehicles for transportation	1,074,533		1,018,242		-56,291	Reserve for loss on guarantees	38,400		37,500		-900
Land	4,763,766		4,763,766		-	Long-term accrued expenses payable	282,408		282,408		-
Construction in progress	3,634		9,619		5,985	Others	96,727		95,450		-1,277
Others	248,769		237,656		-11,113	Total fixed liabilities	418,673	2.0	417,924	2.0	-749
Total tangible fixed assets	10,301,488	49.4	10,150,114	49.5	-151,374	Total liabilities	3,144,046	15.1	2,921,584	14.2	-222,462
Total intangible fixed assets	451,968	2.2	423,662	2.1	-28,306	Capital stock	2,000,000		2,000,000		-
Investment in securities	1,180,555		1,081,331		-99,224	Capital surplus	199,120		199,120		-
Long-term loans	42,057		37,637		-4,420	Retained earnings	15,779,971		15,722,545		-57,426
Prepaid pension costs	10,461		-		-10,461	(Inc. current net income)	(1,831,554)		(356,648)		-
Deferred tax assets	466,016		528,561		62,545	Treasury stock	-38,254		-46,877		-8,623
Others	393,042		365,334		-27,708	Total shareholders' equity	17,940,836	86.1	17,874,787	87.1	-66,049
Allowance for doubtful accounts	-37,730		-37,031		699	Net unrealized gains on other securities	-141,280		-159,026		-17,746
Total investments and other assets	2,054,403	9.9	1,975,833	9.6	-78,570	Foreign currency translation adjustments	-100,061		-112,869		-12,808
Total fixed assets	12,807,860	61.4	12,549,609	61.1	-258,251	Total valuation and translation adjustments	-241,341	-1.2	-271,896	-1.3	-30,555
Total assets	20,843,541	100%	20,524,476	100%	-319,065	Total net assets	17,699,495	84.9	17,602,891	85.8	-96,604
						Total liabilities and net assets	20,843,541	100%	20,524,476	100%	-319,065

Explanation of Fluctuations in the Consolidated Balance Sheet



Assets

Total assets were 20,500 million yen, a decrease of 319 million yen in comparison to the end of the last period.

Current assets

Current assets decreased by 60 million yen.

- Trade notes and accounts receivable
-341 million yen Decrease due to seasonal fluctuations in sales
- Inventory assets 203 million yen Increase of inventories due to new products

Fixed assets

Fixed assets decreased 258 million yen.

Tangible/ intangible fixed assets

- Buildings and structures -89 million yen Decrease due to depreciation
- Investments and other assets
 - Investment securities -99 million yen Decrease due mainly to market price valuations
 - Deferred tax assets 62 million yen Increase due mainly to compulsory devaluation method for investment securities and valuation differences

Liabilities

Total liabilities decreased 222 million yen.

Current Liabilities

Current liabilities decreased by 221 million yen.

- Accrued liabilities
-333 million yen Decrease mainly due to the payment of rebates
- Accrued consumption tax
-280 million yen Decrease due to tax payment and postings for 1st quarter
- Reserve for bonuses
192 million yen Posting of value of prospective payments
- Other 128 million yen Increase mainly of accrued consumption tax, etc.

Fixed Liabilities

There was no change in fixed liabilities.

Net Assets

Net assets decreased by 96 million yen.

- Retained earnings
-57 million yen Decrease due to the payment of dividends

First Quarter Consolidated Statement of Earnings (End of 1st quarter)



(Unit: thousands of yen)

		1st quarter cumulative period (January to March)									
		Results for fiscal year 2010	Ratio	Fiscal year 2011 target	Ratio	Results for fiscal year 2011	Ratio	Growth rate (%)	Achievement rate	Increase/ decrease against previous fiscal year	Increase/ decrease against target
Product category totals	Hair care products	2,251,906	51.6	2,454,300	53.2	2,332,500	50.3	103.6	95.0	80,594	-121,800
	Hair coloring products	1,635,406	37.5	1,677,100	36.3	1,843,124	39.8	112.7	109.9	207,718	166,024
	Permanent wave products	416,697	9.6	463,700	10.0	403,204	8.7	96.8	87.0	-13,493	-60,496
	Others	55,825	1.3	21,500	0.5	53,842	1.2	96.4	250.4	-1,983	32,342
Net sales		4,359,837	100%	4,616,600	100%	4,632,671	100%	106.3	100.3	272,834	16,071
Cost of Sales		1,450,340	33.3	1,584,600	34.3	1,512,091	32.6	104.3	95.4	61,751	-72,509
Total sales revenues		2,909,497	66.7	3,032,000	65.7	3,120,579	67.4	107.3	102.9	211,082	88,579
Selling, general and administrative expenses	Labor costs	697,275	16.0	759,670	16.5	739,896	16.0	106.1	97.4	42,621	-19,774
	Travel costs/ transportation costs	120,446	2.8	120,910	2.6	112,394	2.4	93.3	93.0	-8,052	-8,516
	Sales/ advertising/ marketing costs*	462,670	10.6	609,930	13.2	514,429	11.1	111.2	84.3	51,759	-95,501
	Depreciation and amortization expense	79,827	1.8	116,040	2.5	110,680	2.4	138.6	95.4	30,853	-5,360
	Others	838,818	19.2	931,450	20.2	864,411	18.7	103.1	92.8	25,593	-67,039
Total		2,199,038	50.4	2,538,000	55.0	2,341,812	50.5	106.5	92.3	142,774	-196,188
Operating income		710,458	16.3	494,000	10.7	778,767	16.8	109.6	157.6	68,309	284,767
Non-operating	Income	14,815	0.3	13,300	0.3	15,757	0.3	106.4	118.5	942	2,457
	Costs	76,534	1.8	83,300	1.8	82,968	1.8	108.4	99.6	6,434	-332
Ordinary income		648,739	14.9	424,000	9.2	711,556	15.4	109.7	167.8	62,817	287,556
Extraordinary	Income	4,024	0.1	-	-	2,938	0.1	73.0	-	-1,086	2,938
	Loss	259	0.0	30,000	0.6	96,986	2.1	37,446.3	323.3	96,727	66,986
Quarterly income before income taxes and minority interests		652,503	15.0	394,000	8.5	617,508	13.3	94.6	156.7	-34,995	223,508
Income taxes-Current		260,089	6.0	228,000	4.9	344,724	7.4	86.3	146.3	84,635	116,724
Income taxes-Deferred		42,239	1.0	-49,700	-1.1	-83,864	-1.8			-126,103	-34,164
Quarterly net income		350,175	8.0	215,700	4.7	356,648	7.7	101.8	165.3	6,473	140,948

* "Sales/ advertising/ marketing costs" shows the total of sales promotion costs, advertising costs and market development costs.

Comparison with the consolidated statement of profit and loss for last year and in the plan



Comparison with the previous fiscal year

1. Sales were 4,630 million yen, an increase of 272 million yen in comparison to the target. Comparisons by product category are as follows.

Hair care products	80 million yen
Hair coloring products	207 million yen
Permanent wave products	-13 million yen
Others	- 1 million

2. Gross operating profit was 3,120 million yen, an increase of 211 million yen in comparison to last year. In addition, the gross profit margin was 67.4%, 0.7 points higher than the previous year. The breakdown of that increase is as follows.

Increase in loss on disposal of obsolete inventories/ decreases in devaluation	0.4 points
Increase in provision of reserve for sales returns	-1.0 points
Raw material cost reduction effects	0.2 points
Decrease in manufacturing costs	0.2 points
Sales product mix	0.9 points
Balance	0.7 points

3. Selling, general and administrative expenses were 2,340 million yen, a decrease of 142 million yen in comparison to last year. The main reason was as follows.

Labor costs	42million yen	Increase due to promotions and increase in personnel
Sales/ advertising/ marketing costs	51 million yen	Introduction costs for new products, etc.

4. Operating income was 778 million yen, an increase of 68 million yen in comparison to last year.
5. Ordinary income was 711 million yen, an increase of 62 million yen in comparison to last year.
6. Quarterly income before income taxes and minority interests was 617 million yen, an increase of 34 million yen in comparison to last year. This was because the company posted a loss on the revaluation of investments in securities due to a slump in share prices.
7. Quarterly net income was 356 million yen, an increase of 6 million yen in comparison to last year.

Comparison with targets

1. Sales were 4,630 million yen, an increase of 16 million yen in comparison to the target. Comparisons by product category are as follows.

Hair care products	-121 million yen
Hair coloring products	166 million yen
Permanent wave products	-60 million yen
Others	32 million

2. Gross operating profit was 3,120 million yen, an increase of 88 million yen in comparison to the target. In addition, the gross profit margin was 67.4%, 1.7 points higher than the target. The breakdown of that increase is as follows.

Decrease in manufacturing costs due to production improvement activities	0.2 points
Decrease in inventory asset disposal losses/ valuation losses	0.6 points
Increase in provision of reserve for sales returns	-0.5 points
Raw material cost reduction effects	0.2 points
Sales product mix	1.2 points
Balance	1.7 points

3. Selling, general and administrative expenses were 2,340 million yen, a decrease of 196 million yen in comparison to the target. The main factors in this increase were as follows.

Sales/ advertising/ marketing costs	-95 million yen	Costs moved for posting from the 2nd quarter onwards
Other	-67 million yen	Costs moved for posting from the 2nd quarter onwards

4. Operating income was 778 million yen, an increase of 284 million yen in comparison to the target. The reasons for this were that gross operating income exceeded the posting of target and sales/ advertising/ marketing costs was moved backwards.
5. Ordinary income was 711 million yen, an increase of 287 million yen in comparison to the target.
6. Quarterly income before income taxes and minority interests was 617 million yen, an increase of 223 million yen in comparison to the target.
7. Quarterly net income was 356 million yen, an increase of 140 million yen in comparison to the target.

Consolidated cash flow situation (1st quarter)



(Unit: million yen)

	Previous term	Current term	Increase/ (decrease)	Comments
Balance of cash and cash equivalents at the beginning of the period	1,666	2,670	1,004	
Cash flows from operating activities	667	554	-113	Decrease in purchase liabilities
Cash flows from investment activities	-138	-84	54	Decrease in acquisitions of intangible fixed assets
(Purchase of property and equipment)	(-62)	(-58)	4	
Cash flows from financial activities	-319	-390	-71	Increase in the value of dividend payments
Foreign currency translation adjustments	8	-8	-16	
Net increase in cash and cash equivalents	217	70	-147	
Balance of cash and cash equivalents at the end of the period	1,883	2,740	857	

Trends in Consolidated Facility Investment and Depreciation Costs



(Unit: thousands of yen)

Category	Fiscal year 2007	Fiscal year 2008	Fiscal year 2009	Fiscal year 2010	January to March, 2011	Plan for fiscal year 2011
Buildings	67,867	143,672	188,474	921,283	3,208	42,430
Structures	565	-	16,870	36,384	-	3,500
Machinery and equipment	272,887	507,476	214,698	160,509	20,780	232,640
Automobiles and transportation equipment	7,697	3,026	6,678	1,494	-	4,380
Tools, equipment, furniture and fixtures	114,390	225,594	176,375	195,391	22,290	201,310
Land	-	414,059	-	-	-	-
Construction in progress	43,082	-7,423	686,471	-637,009	5,985	-3,620
Software	100,167	96,913	154,098	260,209	5,075	239,940
Software development in progress	-	-	-	2,100	-	-2,100
Others	-	-	1,000	500	1,000	-
Total investment	606,659	1,383,319	1,444,667	940,862	58,338	718,480
Depreciation and amortization expense	967,407	1,021,444	1,116,759	1,010,245	233,735	1,074,200

Non-consolidated balance sheet



(Unit: thousands of yen)

Item	Last business year <2010.12.20>	Ratio	1st quarter under review <2011.3.20>	Ratio	Increase/ decrease	Item	Last business year <2010.12.20>	Ratio	1st quarter under review <2011.3.20>	Ratio	Increase/ decrease
Cash and bank deposits	2,344,171		2,433,002		88,831	Accounts payable	467,142		513,895		46,753
Trade notes	653,056		680,074		27,018	Accrued expenses payable	1,280,705		944,198		-336,507
Accounts receivable	2,225,899		1,907,110		-318,789	Corporate taxes payable	635,475		354,927		-280,548
Inventory assets	2,067,015		2,257,345		190,330	Accrued consumption taxes, etc.	-		86,174		86,174
Deferred tax assets	144,532		175,779		31,247	Reserve for returned goods	19,075		44,074		24,999
Short term loans	5,989		6,240		251	Reserve for bonuses	64,280		257,120		192,840
Others	81,668		55,628		-26,040	Others	158,931		234,321		75,390
Loan loss reserves	-10,124		-9,075		1,049						
Total current assets	7,512,209	35.4	7,506,106	35.8	-6,103	Total current liabilities	2,625,609	12.4	2,434,710	11.6	-190,899
Buildings	4,044,882		3,961,990		-82,892	Allowance for retirement benefits for employees	-		1,018		1,018
Machinery and equipment	1,068,452		1,012,787		-55,665	Reserve for loss on guarantees	38,400		37,500		-900
Land	4,763,766		4,763,766		-	Customers' deposits	81,779		81,779		-
Construction in progress	3,634		9,619		5,985	Long-term accrued expenses payable	282,408		282,408		-
Others	366,963		352,185		-14,778						
Total tangible fixed assets	10,247,698	48.3	10,100,349	48.2	-147,349	Total fixed liabilities	402,587	1.9	402,706	1.9	119
Total intangible fixed assets	447,754	2.1	419,808	2.0	-27,946	Total liabilities	3,028,197	14.3	2,837,417	13.5	-190,780
Investment in securities	1,180,555		1,081,331		-99,224	Capital stock	2,000,000		2,000,000		-
Shares in related companies	616,369		616,369		-	Capital surplus	199,120		199,120		-
Investments in related companies	430,000		430,000		-	Retained earnings (Inc. current net income)	16,159,396		16,123,203		-36,193
Long-term loans						Treasury stock	(2,046,189)		(377,880)		-
Prepaid pension costs	7,073		6,984		-89		-38,254		-46,877		-8,623
Deferred tax assets	10,461		-		-10,461						
Others	466,016		528,561		62,545	Total shareholders' equity	18,320,261	86.4	18,275,445	87.2	-44,816
Allowance for doubtful accounts	301,624		276,909		-24,715	Net unrealized gains on other securities	-141,280		-159,026		-17,746
	-12,584		-12,584		-						
Total investments and other assets	2,999,516	14.1	2,927,572	14.0	-71,944	Total valuation and translation adjustments	-141,280	-0.7	-159,026	-0.8	-17,746
Total fixed assets	13,694,970	64.6	13,447,729	64.2	-247,241	Total net assets	18,178,981	85.7	18,116,419	86.5	-62,562
Total assets	21,207,179	100%	20,953,836	100%	-253,343	Total liabilities and net assets	21,207,179	100%	20,953,836	100%	-253,343

Non-consolidated statement of profit and loss (1st quarter)



(Unit: thousands of yen)

		1st quarter cumulative period (January to March)									
		Results for fiscal year 2010	Ratio	Fiscal year 2011 target	Ratio	Results for fiscal year 2011	Ratio	Growth rate (%)	Achievement rate	Increase/ decrease against previous fiscal year	Increase/ decrease against target
Product category/ totals	Hair care products	2,208,287	51.2	2,406,050	53.2	2,293,261	50.3	103.8	95.3	84,974	-112,789
	Hair coloring products	1,643,771	38.1	1,646,120	36.4	1,823,142	40.0	110.9	110.8	179,371	177,022
	Permanent wave products	406,834	9.4	449,980	9.9	390,805	8.6	96.1	86.8	-16,029	-59,175
	Others	55,386	1.3	20,950	0.5	54,269	1.2	98.0	259.0	-1,117	33,319
Net sales		4,314,279	100%	4,523,100	100%	4,561,478	100%	105.7	100.8	247,199	38,378
Cost of Sales		1,459,493	33.8	1,578,580	34.9	1,527,257	33.5	104.6	96.7	67,764	-51,323
Total sales revenues		2,854,786	66.2	2,944,520	65.1	3,034,221	66.5	106.3	103.0	179,435	89,701
Selling, general and administrative expenses	Labor costs	652,636	15.1	703,410	15.6	689,802	15.1	105.7	98.1	37,166	-13,608
	Travel costs/ transportation costs	113,647	2.6	113,210	2.5	106,622	2.3	93.8	94.2	-7,025	-6,588
	Sales/ advertising/ marketing costs*	457,474	10.6	599,465	13.3	504,418	11.1	110.3	84.1	46,944	-95,047
	Depreciation and amortization expense	74,821	1.7	112,355	2.5	107,073	2.3	143.1	95.3	32,252	-5,282
	Others	794,272	18.4	889,830	19.7	820,648	18.0	103.3	92.2	26,376	-69,182
Total		2,092,852	48.5	2,418,270	53.5	2,228,565	48.9	106.5	92.2	135,713	-189,705
Operating income		761,933	17.7	526,250	11.6	805,655	17.7	105.7	153.1	43,722	279,405
Non-operating	Income	14,660	0.3	13,290	0.3	14,381	0.3	98.1	108.2	-279	1,091
	Costs	76,534	1.8	83,240	1.8	85,243	1.9	111.4	102.4	8,709	2,003
Ordinary income		700,060	16.2	456,300	10.1	734,794	16.1	105.0	161.0	34,734	278,494
Extraordinary	Income	4,129	0.1	-	-	2,786	0.1	67.5	-	-1,343	2,786
	Loss	259	0.0	30,000	0.7	96,986	2.1	37,446.3	323.3	96,727	66,986
Quarterly net income before tax		703,930	16.3	426,300	9.4	640,594	14.0	91.0	150.3	-63,336	214,294
Income taxes-Current		259,784	6.0	227,800	5.0	344,477	7.6	86.7	147.5	84,693	116,677
Income taxes-Deferred		43,121	1.0	-49,700	-1.1	-81,763	-1.8			-124,884	-32,063
Quarterly net income		401,025	9.3	248,200	5.5	377,880	8.3	94.2	152.2	-23,145	129,680

* "Sales/ advertising/ marketing costs" shows the total of sales promotion costs, advertising costs and market development costs.

Non-Consolidated Trends in the Proportions of New Products and R&D Costs in Total Sales



(Unit: thousands of yen)

	Perm products	Hair care products	Color products	Others	Total	New product ratio	Test research costs	Ratio of test research costs	Comments
Fiscal year 2007	129,446	259,884	3,247,352	-	3,636,683	19.6%	573,268	3.3%	Ordeve Prejume (perm/ floss/ wax)
Fiscal year 2008	678,564	1,897,975	996,019	-	3,572,559	18.4%	667,886	3.6%	Deesse's Linkage HY Liscio Knoteur/Liseinter Inphenom/Prejume Drop Prejume Milk 2 color support products
Fiscal year 2009	270,216	2,323,359	507,233	-	3,100,806	15.4%	766,493	4.0%	Deesse's Neu/ Aujua Liscio Knoteur SH/Farglan Prejume Luvento Prejume CMC Wave Inphenom Daily Care Color remover/Ajit Control
Fiscal year 2010	504,829	1,664,063	178,555	16,797	2,364,246	11.5%	838,005	4.3%	Qufra Deesse's Aprou Melenate Liscio Glanfe Aujua/Lifume Additional colors for Ordeve
January to March, 2011	627,089	110,315	-	-	737,404	15.3%	216,980	4.8%	Deesse's Neu due Deesse's Linkage-μ Additional colors for Ordeve Fierli Dressia
Fiscal year 2011 target	2,930,000	1,180,000	10,000	-	4,120,000	19.3%	883,000	4.4%	Ordeve Beaute (grey) Deesse's Shine Treatment Aujua Aging Spa

Trends in Market Related Data, Milbon Salons and Field Persons



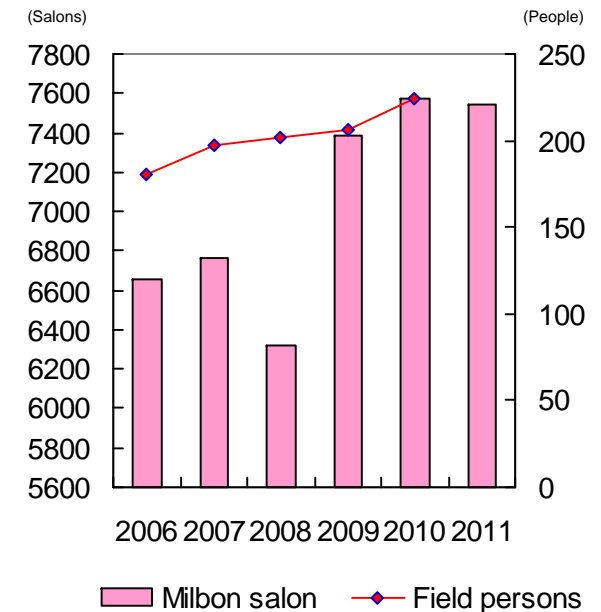
	Fiscal year 2006	Fiscal year 2007	Fiscal year 2008	Fiscal year 2009	Fiscal year 2010	Fiscal year 2011	Comments
Number of beauty salons (salons)	217,769	219,573	221,394	223,645	-	-	Ministry of Health, Labor and Welfare Public Health Administration Report Number of beauty salon facilities/ number of employees (year-end)
Number of beauty therapists (people)	431,685	435,275	443,944	453,371	-	-	
Beauty customer population (thousands of people)	41,646	40,519	40,119	39,720	* ,732	-	National Census Report Population Statistics, Statistics Bureau, Ministry of Internal Affairs and Communications Estimated population of females aged 15 to 64 years of age (as of October 1)

* The standard for the 2010 beauty population has been revised due to the preliminary statistics from the 2010 national population census. (The age-specific results of retroactive adjustments have not been announced publicly so the beauty population figures for 2009 and earlier have not been revised.)

Milbon salon trends

(As of February 20)

		Fiscal year 2006	Fiscal year 2007	Fiscal year 2008	Fiscal year 2009	Fiscal year 2010	Fiscal year 2011
Tokyo Branch	Milbon salons (salons)	2,439	2,404	2,210	2,657	2,784	2,790
	Sales per salon (thousands of yen)	1,937	1,999	2,160	2,170	2,254	
Nagoya Branch	Milbon salons (salons)	1,452	1,505	1,368	1,558	1,643	1,631
	Sales per salon (thousands of yen)	1,711	1,706	1,848	1,559	1,858	
Osaka Branch	Milbon salons (salons)	2,769	2,416	2,312	2,616	2,464	2,533
	Sales per salon (thousands of yen)	1,784	1,908	2,013	2,040	2,158	
Fukuoka Branch	Milbon salons (salons)	-----	435	431	552	680	586
	Sales per salon (thousands of yen)	-----	1,572	1,564	1,538	1,671	
Total	Milbon salons (salons)	6,660	6,760	6,321	7,383	7,571	7540
	Sales per salon (thousands of yen)	1,824	1,872	1,997	1,947	2,088	



Trend in field persons

(as of March 20)

	Fiscal year 2006	Fiscal year 2007	Fiscal year 2008	Fiscal year 2009	Fiscal year 2010	Fiscal year 2011
Field persons (people)	180	197	202	206	224	14 people scheduled to enter the company
Sales per person (thousands of yen)	95,689	89,475	90,705	91,971	92,022	

Subsidiary situation (1st quarter)



United States MILBON USA, INC.

	Unit	Amount			Increase (decrease) against previous fiscal year	Growth rate (%)	Achievement rate (%)
		Results for fiscal year	Target	Results in current fiscal year			
Sales	Thousands of dollars	995	966	975	-20	97.9	100.9
	Thousands of yen	89,429	77,280	80,592	-8,837	90.1	104.3

- Sales proceeded as planned because salon treatment products, a new category in the North American market, performed well and sales of Liscio, the core straight perm product, showed signs of ceasing to fall.
- Sales overall are estimated to have decreased slightly because hair care products (shampoo and treatments), which provide a high proportion of sales, continue to face a serious challenge.
- The company plans to improve the profit ratio by implementing distribution cost cutting measures this term.

(As of December 2010)

	Unit	Results for fiscal year	Results in current fiscal year	Growth rate (%)	Number of salons
Hair care products	Thousands of dollars	700	667	95.2	930
	Thousands of yen	62,906	55,128	87.6	
Hair coloring products	Thousands of dollars	50	78	153.4	179
	Thousands of yen	4,569	6,447	141.1	
Permanent wave products	Thousands of dollars	222	215	96.7	456
	Thousands of yen	19,970	17,772	89.0	

Established: March 2004

* Operations launched in July 2004

Number of employees: 13
(FP employees): 8

Number of handling outlets:
1,164

Subsidiary situation (1st quarter)



China Milbon Trading (Shanghai) Co., Ltd.

	Unit	Amount			Increase (decrease) against previous fiscal year	Growth rate (%)	Achievement rate (%)
		Results for fiscal year	Target	Results in current fiscal year			
Sales	Thousands of yuan	916	1,606	2,033	1,116	221.9	126.6
	Thousands of yen	12,093	20,878	25,080	12,986	207.4	120.1

- Customers perceived the differentiation of Milbon from existing manufacturers and the new development of Milbon product-handling salons progressed as planned due to the deployment of sales activities focused on top salons that have acquired wealthy customers in the east China region (Shanghai City, Jiangsu and Zhejiang) and the south China region (Guangdong, Fukien).
- Against the backdrop of Japanese hair styles being fashionable among Chinese women, who are sensitive to trends, Japanese-transmitted beauty techniques and products are evaluated highly by the Chinese salons that lead fashion. As a result, requests for educational activities such as technique workshops, etc., is increasing and sales of hair coloring products and permanent wave products are expanding.

(As of December 2010)

	Unit	Results for fiscal year	Results in current fiscal year	Growth rate (%)	Number of salons
Hair care products	Thousands of yuan	506	867	171.2	157
	Thousands of yen	6,685	10,697	160.0	
Hair coloring products	Thousands of yuan	409	982	239.7	140
	Thousands of yen	5,407	12,115	224.1	
Permanent wave products	Thousands of yuan	-	183	-	114
	Thousands of yen	-	2,267	-	

Established: November 2007
 * Operations launched in February 2009
 Number of employees: 15
 (FP employees): 11
 Number of handling outlets: 285

Subsidiary situation (1st quarter)



South Korea Milbon Korea Co., Ltd.

	Unit	Amount			Increase (decrease) against previous fiscal year	Growth rate (%)	Achievement rate (%)
		Results for fiscal year	Target	Results in current fiscal year			
Sales	Thousands of won	120,709	862,000	969,210	848,500	802.9	112.4
	Thousands of yen	9,103	64,650	70,145	61,041	770.5	108.5

- Sales performed well because the company promoted the new introduction of hair care products centered on salon treatment products at salons that have introduced hair coloring products captured with positive educational support activities for target salons.
- The company is focusing on brushing away its image as a hair coloring product manufacturer by strengthening activities to develop new permanent wave product-handling salons among those that already handle hair color and hair care products. The company aims to establish a position as a general manufacturer in the Korean market in the future.

(As of December 2010)

	Unit	Results for fiscal year	Results in current fiscal year	Growth rate (%)	Number of salons
Hair care products	Thousands of won	37,003	285,122	770.5	* 589
	Thousands of yen	2,790	20,635	739.4	
Hair coloring products	Thousands of won	83,705	637,879	762.1	* 1,128
	Thousands of yen	6,313	46,165	731.3	
Permanent wave products	Thousands of won	-	41,816	-	* 186
	Thousands of yen	-	3,026	-	

Established: July 2009

* Operations launched in December 2009

Number of employees: 12
(FP employees): 7

Number of handling outlets:
4,946

* Including sales agents.

* The number of Milbon product-handling salons in the Korean market is surveyed once a year in consultation with our local distributor so the figures have not been updated this time.

Reference materials: Hair Cosmetic Shipping Statistics (Milbon non-consolidated)



(Unit: thousands of yen)

	Fiscal year 2010 (January to March)	Fiscal year 2011 (January to March)	Growth rate	Comments
Shampoo	351,082	393,999	112.2 %	Deesse's Neu due
Rinse	76,050	64,177	84.4 %	Inphenom
Hair tonic	60,390	57,235	94.8 %	Deesse's Lifa AGN
Treatment	1,136,895	1,347,554	118.5 %	Deesse's Neu due Deesse's Linkage-μ
Hair cream	2,141	1,797	83.9 %	
Hair conditioner	498,436	363,499	72.9 %	Prejume Deesse's Aproz, Qufra
Hair spray	212,404	200,990	94.6 %	Nigelle Lafusion Prejume, Qufra
Hair coloring products	1,742,445	1,931,252	110.8 %	Ordeve Liseinter, Farglan
Permanent	430,777	413,609	96.0 %	Liscio Knoteur Prejume, Live Noble
Others	58,324	57,066	97.8 %	Rod, roller, iron
Sales rebates	-254,669	-269,704	105.9 %	
Total	4,314,279	4,561,478	105.7 %	

Reference Materials: Hair Cosmetic Shipping Statistics



(Unit: million yen)

		January	February	March	April	May	June	July	August	September	October	November	December	Total	Growth rate
Shampoo	Fiscal year 2009	6,942	7,660	9,168	8,754	8,472	10,403	9,253	8,357	8,830	8,832	8,050	9,807	104,528	100.5%
	Fiscal year 2010	7,033	6,841	8,792	8,688	8,569	9,248	11,382	9,040	8,372	8,290	9,311	9,533	105,099	
	Difference	91	-819	-376	-66	97	-1,155	2,129	683	-458	-542	1,261	-274	571	
Rinse	Fiscal year 2009	2,229	2,269	3,075	2,585	2,392	3,009	2,879	2,360	2,683	2,584	2,031	2,561	30,657	95.1%
	Fiscal year 2010	2,343	2,024	2,273	2,487	2,488	2,553	2,643	2,698	2,339	2,357	2,346	2,607	29,158	
	Difference	114	-245	-802	-98	96	-456	-236	338	-344	-227	315	46	-1,499	
Hair tonic	Fiscal year 2009	1,155	1,170	1,526	1,397	1,390	1,548	1,694	1,509	1,503	1,381	1,471	1,586	17,330	98.9%
	Fiscal year 2010	1,098	1,346	1,380	1,359	1,339	1,644	1,404	1,427	1,512	1,516	1,574	1,536	17,135	
	Difference	-57	176	-146	-38	-51	96	-290	-82	9	135	103	-50	-195	
Hair treatment	Fiscal year 2009	5,037	5,797	6,724	6,410	5,733	7,285	5,844	6,097	6,720	6,592	6,508	7,644	76,391	106.8%
	Fiscal year 2010	5,193	5,340	7,827	6,846	6,266	7,158	7,303	6,704	6,855	6,804	7,549	7,712	81,557	
	Difference	156	-457	1,103	436	533	-127	1,459	607	135	212	1,041	68	5,166	
Pomade, cheek, hair cream, perfume oils	Fiscal year 2009	1,249	1,260	1,360	1,384	1,144	1,496	1,718	1,384	1,376	1,376	1,257	1,438	16,442	92.7%
	Fiscal year 2010	1,009	1,132	1,180	1,450	1,109	1,402	1,328	1,233	1,441	1,249	1,290	1,411	15,234	
	Difference	-240	-128	-180	66	-35	-94	-390	-151	65	-127	33	-27	-1,208	
Liquid/ foam hair conditioners	Fiscal year 2009	1,075	1,446	1,520	1,508	1,171	1,341	1,321	1,275	1,270	1,274	1,177	1,479	15,857	103.5%
	Fiscal year 2010	1,048	1,981	1,520	1,562	1,159	1,431	1,186	1,573	1,152	1,204	1,212	1,378	16,406	
	Difference	-27	535	0	54	-12	90	-135	298	-118	-70	35	-101	549	
Set lotion	Fiscal year 2009	454	532	584	607	537	753	1,434	938	1,371	959	842	1,059	10,070	100.8%
	Fiscal year 2010	943	697	651	875	773	867	1,170	792	767	804	867	947	10,153	
	Difference	489	165	67	268	236	114	-264	-146	-604	-155	25	-112	83	
Hair spray	Fiscal year 2009	1,463	1,661	2,149	2,043	1,884	2,029	2,082	1,984	2,154	1,750	2,146	2,329	23,674	94.8%
	Fiscal year 2010	1,258	1,607	1,990	1,777	1,659	2,168	1,927	1,769	2,167	1,843	2,098	2,190	22,453	
	Difference	-205	-54	-159	-266	-225	139	-155	-215	13	93	-48	-139	-1,221	
Hair dyes	Fiscal year 2009	5,660	6,964	9,180	8,901	6,789	7,899	8,395	8,090	9,610	8,617	7,721	10,429	98,255	101.1%
	Fiscal year 2010	5,985	7,591	9,701	9,140	7,346	8,586	8,562	7,819	8,569	7,862	8,158	10,026	99,345	
	Difference	325	627	521	239	557	687	167	-271	-1,041	-755	437	-403	1,090	
Other hair cosmetics	Fiscal year 2009	989	1,090	1,391	1,327	1,212	1,940	1,496	1,142	1,200	1,123	1,173	1,336	15,419	98.8%
	Fiscal year 2010	1,029	989	1,486	1,231	1,421	1,636	1,470	1,118	1,235	1,102	1,186	1,337	15,240	
	Difference	40	-101	95	-96	209	-304	-26	-24	35	-21	13	1	-179	
Total hair cosmetic products	Fiscal year 2009	26,253	29,850	36,677	34,916	30,725	37,703	36,117	33,138	36,718	34,489	32,375	39,667	408,628	100.8%
	Fiscal year 2010	26,937	29,547	36,801	35,414	32,128	36,692	38,373	34,172	34,409	33,030	35,591	38,678	411,772	
	Difference	684	-303	124	498	1,403	-1,011	2,256	1,034	-2,309	-1,459	3,216	-989	3,144	

The content of this document includes future forecasts based on projections and plans for the future. These forecasts include potential risks and other uncertain factors and actual results and corporate performance may differ significantly from the forecasts stated.

