

Summary of Consolidated Financial Results for the Fiscal Year Ended April 30, 2011

[Japanese GAAP]

Company name: YA-MAN LTD. Listing: TSE (2nd section)
 Stock code: 6630 URL: <http://www.ya-man.com/>
 Representative: Kimiyo Yamazaki, President and Representative Director
 Contact: Masaya Miyazaki, Director, General Manager of Administration Division
 Tel: +81-(0) 3-5665-7330

Scheduled date of Annual General Meeting of Shareholders: July 28, 2011
 Scheduled date of payment of dividends: July 29, 2011
 Scheduled date of filing of Annual Security Report: July 29, 2011
 Preparation of supplementary materials for financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended April 30, 2011 (May 1, 2010 – April 30, 2011)

(1) Consolidated results of operations

(Percentages shown for net sales, operating income, ordinary income and net income represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Apr. 30, 2011	19,668	2.9	1,724	3.2	1,699	11.1	941	10.4
Fiscal year ended Apr. 30, 2010	19,115	19.4	1,670	57.3	1,530	55.8	852	141.4

Note: Comprehensive income (million yen) FY4/11: 951 (10.4%) FY4/10: 861 (n.a.)

	Net income per share	Diluted net income per share	Return on equity	Ordinary income on total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended Apr. 30, 2011	161.35	-	17.7	14.8	8.8
Fiscal year ended Apr. 30, 2010	326.43	-	23.0	14.6	8.7

Reference: Equity in earnings (losses) of affiliates (million yen): FY4/11: - FY4/10: -

Net income per share for the fiscal year ended April 30, 2010 is not adjusted to reflect the stock split on March 1, 2011. Please refer to “<Reference> Retroactive adjustments to per share data for stock split” for more details.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Apr. 30, 2011	11,381	5,703	50.1	977.55
As of Apr. 30, 2010	11,546	4,953	42.9	1,698.00

Reference: Shareholders' equity (million yen) Apr. 30, 2011: 5,703 Apr. 30, 2010: 4,953

Net assets per share for the fiscal year ended April 30, 2010 is not adjusted to reflect the stock split on March 1, 2011. Please refer to “< Reference > Retroactive adjustments to per share data for stock split” for more details.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Apr. 30, 2011	(843)	(213)	(792)	2,524
Fiscal year ended Apr. 30, 2010	390	(213)	806	4,385

2. Dividends

	Dividend per share					Total dividends	Payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Apr. 30, 2010	-	0.00	-	46.00	46.00	134	14.1	3.4
Fiscal year ended Apr. 30, 2011	-	23.00	-	18.50	41.50	175	18.6	3.3
Fiscal year ending Apr. 30, 2012 (forecasts)	-	18.00	-	18.00	36.00		18.9	

The dividends in the fiscal year that ended April 30, 2010 and the interim dividend in the fiscal year ended April 30, 2011 have not been adjusted to reflect the stock split on March 1, 2011. Please refer to “< Reference > Retroactive adjustments to per share data for stock split” for more details.

3. Consolidated Earnings Forecast for the Fiscal Year Ending April 30, 2012 (May 1, 2011 – April 30, 2012)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	11,059	9.9	1,078	20.1	1,036	14.2	595	18.1	101.91
Full year	22,020	12.0	2,017	16.9	1,939	14.1	1,113	18.3	190.81

4. Other

(1) Changes in significant subsidiaries during the period (changes in scope of consolidation): None

(2) Changes in accounting principles, procedures, presentation methods, etc.

1) Changes caused by revision of accounting standards: Yes

2) Other changes: None

Note: Please refer to “Changes in Significant Accounting Policies in the Preparation of the Consolidated Financial Statements” on page 19 for further information.

(3) Number of shares outstanding (common stock)

1) Number of shares outstanding at end of period (including treasury stock)

Apr. 30, 2011: 5,834,888 shares Apr. 30, 2010: 2,917,444 shares

2) Number of shares of treasury stock at end of period

Apr. 30, 2011: 116 shares Apr. 30, 2010: - shares

3) Average number of shares outstanding during the period

Fiscal year ended Apr. 30, 2011: 5,834,785 shares Fiscal year ended Apr. 30, 2010: 2,612,910 shares

Notes: 1. Please refer to “Per Share Information” on page 25 for the number of shares used in calculating net income per share.
2. YA-MAN conducted a two-for-one split for common stock on March 1, 2011.

Reference: Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended April 30, 2011 (May 1, 2010 – April 30, 2011)

(1) Non-consolidated results of operations

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Apr. 30, 2011	19,286	2.6	1,673	2.3	1,660	10.1	925	11.0
Fiscal year ended Apr. 30, 2010	18,804	19.9	1,635	68.6	1,508	67.8	833	173.9

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Apr. 30, 2011	158.64	-
Fiscal year ended Apr. 30, 2010	319.15	-

Net income per share for the fiscal year ended April 30, 2010 is not adjusted to reflect the stock split on March 1, 2011. Please refer to “< Reference > Retroactive adjustments to per share data for stock split” for more details.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Apr. 30, 2011	11,175	5,618	50.3	962.87
As of Apr. 30, 2010	11,428	4,893	42.8	1,677.36

Reference: Shareholders’ equity (million yen) Apr. 30, 2011: 5,618 Apr. 30, 2010: 4,893

Net assets per share for the fiscal year ended April 30, 2010 is not adjusted to reflect the stock split on March 1, 2011. Please refer to “< Reference > Retroactive adjustments to per share data for stock split” for more details.

* Indication of audit procedure implementation status

At the time when this summary report was released, the audit procedures for financial statements based on the Financial Instruments and Exchange Act were not completed.

*** Cautionary statement with respect to forward-looking statements**

Forecasts regarding future performance in these materials are based on certain assumptions judged to be valid and information currently available to the Company. Actual performance may differ significantly from these forecasts for a number of reasons. For discussion of the assumptions and other factors considered by the Company in preparing the above projections, please refer to page 2 in the section “Analysis of Results of Operations.”

< Reference > Retroactive adjustments to per share data for stock split

A 2-for-1 split of common stock took place on March 1, 2011. Per share data calculated as if this stock split had taken place on the first day of the previous fiscal year (May 1, 2009) are shown below.

1. Net income per share

Consolidated

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Apr. 30, 2011	161.35	-
Fiscal year ended Apr. 30, 2010	163.21	-

Non-consolidated

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Apr. 30, 2011	158.64	-
Fiscal year ended Apr. 30, 2010	159.58	-

2. Net assets per share

Consolidated

	Net assets per share
	Yen
Fiscal year ended Apr. 30, 2011	977.55
Fiscal year ended Apr. 30, 2010	849.00

Non-consolidated

	Net assets per share
	Yen
Fiscal year ended Apr. 30, 2011	962.87
Fiscal year ended Apr. 30, 2010	838.68

3. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Apr. 30, 2010	-	0.00	-	23.00	23.00
Fiscal year ended Apr. 30, 2011	-	11.50	-	18.50	30.00
Fiscal year ending Apr. 30, 2012 (forecasts)	-	18.00	-	18.00	36.00

Contents of Attachments

1. Results of Operations	2
(1) Analysis of Results of Operations	2
(2) Analysis of Financial Position	3
(3) Basic Policy for Profit Distribution, and Dividends in the Current and Next Fiscal Years	4
2. Corporate Group	5
3. Management Policies	7
(1) Basic Management Policy	7
(2) Performance Targets	7
(3) Medium- and Long-term Management Strategy	7
(4) Challenges	7
4. Consolidated Financial Statements	8
(1) Consolidated Balance Sheets	8
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	10
Consolidated Statements of Income	10
Consolidated Statements of Comprehensive Income	11
(3) Consolidated Statements of Changes in Net Assets	12
(4) Consolidated Statements of Cash Flows	14
(5) Going Concern Assumption	15
(6) Significant Accounting Policies in the Preparation of Consolidated Financial Statements	15
(7) Changes in Significant Accounting Policies in the Preparation of Consolidated Financial Statements	19
(8) Reclassifications	19
(9) Additional Information	19
(10) Notes to Consolidated Financial Statements	20
Notes to Consolidated Balance Sheets	20
Notes to Consolidated Statements of Income	20
Notes to Consolidated Statements of Comprehensive Income	21
Notes to Consolidated Statements of Changes in Net Assets	21
Notes to Consolidated Statements of Cash Flows	23
Segment Information	23
Per Share Information	25
Subsequent Events	25
5. Non-consolidated Financial Statements	26
(1) Balance Sheets	26
(2) Statements of Income	28
(3) Statements of Changes in Net Assets	30
(4) Going Concern Assumption	32

1. Results of Operations

(1) Analysis of Results of Operations

Summary of the fiscal year

In the fiscal year that ended April 30, 2011, consumer spending in Japan remained sluggish but there were signs of a recovery in capital expenditures and earnings improved at companies in some sectors. However, the severe impact of the Great East Japan Earthquake of March 2011 caused production volume at companies to plummet and created negative sentiment among consumers nationwide. As a result, the outlook for the operating environment is unclear, including the business climate for the beauty care and health products industry, in which the YA-MAN group operates.

In this environment, sales of the YA-MAN Group were higher than in the previous fiscal year. The *no!no!hair* series of hair removal devices made a big contribution to sales growth. Higher sales were due in large part to extensive advertising and marketing activities using mainly magazines, the Internet and blogs, all of which have a big influence on consumers keen to buy products with unique functions. In addition, sales of the *Only Minerals* series of cosmetics were strong. One reason was the use of reasonably priced sets of products to establish ties with new customers. The success of a repeat sales strategy that involves frequent communications with established customers also contributed to the strong sales. Earnings increased at a higher rate than sales because of the efficient use of expenditures. In particular, the YA-MAN Group carefully examined the benefits of advertising and marketing activities, which use chiefly infomercials (see note 1), in relation to the corresponding expenses.

As a result, consolidated net sales increased 2.9% from one year earlier to 19,668 million yen, operating income increased 3.2% to 1,724 million yen, ordinary income increased 11.1% to 1,699 million yen and net income was up 10.4% to 941 million yen.

YA-MAN stock was listed on the second section of the Tokyo Stock Exchange on January 27, 2011. YA-MAN is very grateful for the support of customers, shareholders and all other stakeholders that made this accomplishment possible. Due to this listing, YA-MAN terminated its listing on the JASDAQ market of the Osaka Securities Exchange on April 8, 2011 for the purposes of centralizing the trading of its stock and reducing administrative expenses by eliminating a redundant stock exchange listing.

Business segment performance was as follows.

1) Mail-order sales

TV shopping channel sales were higher, mainly for slimming products. There were also increases in sales of hair removal products and cosmetics products to terrestrial TV shopping programs and catalog sales companies. As a result sales continued to grow in this segment with segment sales totaling 6,589 million yen and a segment profit of 2,498 million yen.

2) Store sales

The *no!no!hair* series of hair removal devices has replaced the *Platinum Germa Roller* facial care device, which was the core of segment sales in previous fiscal years, as the primary product in this segment. There was a large increase in sales of these hair removal devices to home appliance stores. Furthermore, the *Only Minerals* line of cosmetics continued to post steady growth in sales. This brand maintained its fresh look and consumer interest by introducing different sets of products for individual stores. Sales were also supported by expanded use of store beauty advisers (see note 2) in order to attract more customers. Overall, segment sales were 7,050 million yen and segment profit was 3,206 million yen.

3) Direct sales

In this segment, the YA-MAN Group focused on measures to increase repeat sales of the *Only Minerals* line of cosmetics and on expenditures on effective infomercials for the *no!no!hair* series of hair removal devices. But

performance was held back by a delay of about six months in the launch of the *Platinum Germa Roller Pro*, a new version of the *Platinum Germa Roller* facial care device, and by the end of the period of strong demand for the *Ka-atsu Exer* slimming items. The result was segment sales of 5,785 million yen and a segment loss of 107 million yen.

- Notes:
1. The word “infomercial” is a combination of two words, “information” and “commercial.” Infomercials first appeared as a TV shopping medium in Europe and North America. An infomercial typically uses about 20 to 30 minutes to sell a single item. Combining these long promotions with spot advertisements of one or two minutes for the same item is regarded as a highly effective way to sell merchandise.
 2. Beauty advisers (BAs) are salespeople at department stores and specialty cosmetics stores who provide counseling services to help customers select the best skin care and makeup techniques based on their personal preferences and skin condition.

Forecast for fiscal year ending April 30, 2012

There are concerns about downturns in consumer sentiment and corporate activity because of the impact of the Great East Japan Earthquake and the subsequent shortage of electricity. Furthermore, the outlook for a recovery in consumer spending may remain uncertain for a long time. However, the beauty care and health products industry is expected to continue expanding because the market for these products is in an early stage of growth.

Under these circumstances YA-MAN Group is determined to remain an organization that drives growth of the beauty care and health products industry. Group companies will continue to supply products that are safe and reliable and keep in constant contact with customers after a sale.

In the fiscal year ending April 30, 2012, the Group forecasts net sales of 22,020 million yen, operating income of 2,017 million yen, ordinary income of 1,939 million yen and net income of 1,113 million yen.

(2) Analysis of Financial Position

1) Balance sheet position

Total assets were 11,381 million yen at the end of the current fiscal year, 165 million yen or 1.4% less than at the end of the previous fiscal year. This was mainly attributable to a 1,861 million yen decrease in cash and deposits, a 986 million yen increase in notes and accounts receivable-trade, and an 846 million yen increase in merchandise and finished goods.

Total liabilities decreased 915 million yen or 13.9% to 5,677 million yen. There were declines of 289 million yen in long-term loans payable, 190 million yen in bonds payable, and 158 million yen in income taxes payable.

Net assets increased 749 million yen or 15.1% to 5,703 million yen. Retained earnings increased 941 million yen because of net income, but there was a 201 million yen decline in retained earnings due to cash dividends paid.

2) Cash flows

Cash and cash equivalents (hereafter referred to as “cash”) totaled 2,524 million yen at the end of the current fiscal year, a net decrease of 1,861 million yen or 42.4% compared with the end of the previous fiscal year.

Operating activities

Net cash used in operating activities was 843 million yen compared with a positive cash flow of 390 million yen one year earlier. Cash was provided by income before income taxes and minority interests of 1,661 million yen, but used by a 999 million yen increase in notes and accounts receivable-trade, an 815 million yen increase in inventories, and income taxes paid of 852 million yen.

Investing activities

Net cash used in investing activities was 213 million yen compared with a negative cash flow of 213 million yen one year earlier. The main uses of cash were payments of 162 million yen for the purchase of intangible assets, primarily

software for the main data management system, and 48 million yen for metal molds and other property, plant and equipment.

Financing activities

Net cash used in financing activities was 792 million yen compared with a positive cash flow of 806 million yen one year earlier. Major uses of cash were 870 million yen for the repayment of long-term loans payable, 205 million yen for the redemption of bonds, and 200 million yen for cash dividends paid, despite 500 million yen of long-term loans payable.

Reference: Cash flow indicators

	FY4/08	FY4/09	FY4/10	FY4/11
Shareholders' equity ratio (%)	14.0	26.1	42.9	50.1
Shareholders' equity ratio based on market value (%)	-	-	48.0	44.5
Ratio of interest-bearing debt to cash flows (%)	3.2	3.4	7.4	-
Interest coverage ratio (times)	8.4	9.5	4.6	-

Shareholders' equity ratio = Shareholders' equity / Total assets

Market value basis equity ratio = Market capitalization / Total assets

Ratio of interest-bearing debt to cash flows = Interest-bearing debt / Cash flow

Interest coverage ratio = Cash flows / Interest payments

Notes: 1. All indicators are calculated based on consolidated figures.

2. Market capitalization is calculated based on the number of shares outstanding (excluding treasury stock shares). The shareholders' equity ratio based on market value is not shown in the fiscal years that ended April 30, 2008 and 2009 because YA-MAN stock was not listed then.

3. Cash flows are calculated using the figures for operating cash flows in the statements of cash flows.

4. Interest-bearing debt includes all debt on the consolidated balance sheets that incur interest.

5. Ratio of interest-bearing debt to cash flow and interest coverage ratio for FY4/11 are not listed, because cash flows were negative then.

(3) Basic Policy for Profit Distribution, and Dividends in the Current and Next Fiscal Years

Distributing earnings to shareholders is one of the highest priorities of the YA-MAN Group. For dividends, the basic policy is to make stable and continuous payments in each fiscal year. Dividends are determined in accordance with the need to strengthen business operations to achieve strong growth in line with business plans, the need to retain earnings to strengthen the financial position, and the dividend payout ratio and earnings in each fiscal year.

As was announced on April 15, 2011 in a press release concerning a revision (increase) in the dividend forecast, the YA-MAN Group plans to pay a year-end dividend of 18.50 yen per share. This will result in an annual dividend of 41.50 yen per share for the fiscal year that ended April 30, 2011.

For the fiscal year ending April 30, 2012, the YA-MAN Group plans to pay interim and year-end dividends of 18.00 yen each, which will result in an annual dividend of 36.00 yen per share.

2. Corporate Group

The YA-MAN Group consists of two companies, YA-MAN Ltd. and consolidated subsidiary LABO WELL Company. These companies are engaged primarily in the beauty care and health products business. Business activities include the research, development, manufacture and purchase of household beauty care and health devices (facial care, body care and others), the purchase and sale of cosmetics, and the purchase and sale of household goods.

LABOWELL CORPORATION, which was a consolidated subsidiary in the previous fiscal years, is no longer included in the scope of consolidation because this company was dissolved and liquidated during the fiscal year that ended April 30, 2011.

The following section is an explanation of the business activities of the YA-MAN Group, the roles of YA-MAN and its subsidiary, and positioning with regard to business segments.

(1) Mail-order sales

This segment represents sales of merchandise to companies that sell products on TV, to companies that use catalogs to sell products and to companies that use the Internet to sell products.

Companies engaged in this segment: The Company and LABO WELL Company

(2) Store sales

This segment represents sales of merchandise at home appliance stores, department stores, variety shops and other retail stores.

Company engaged in this segment: The Company

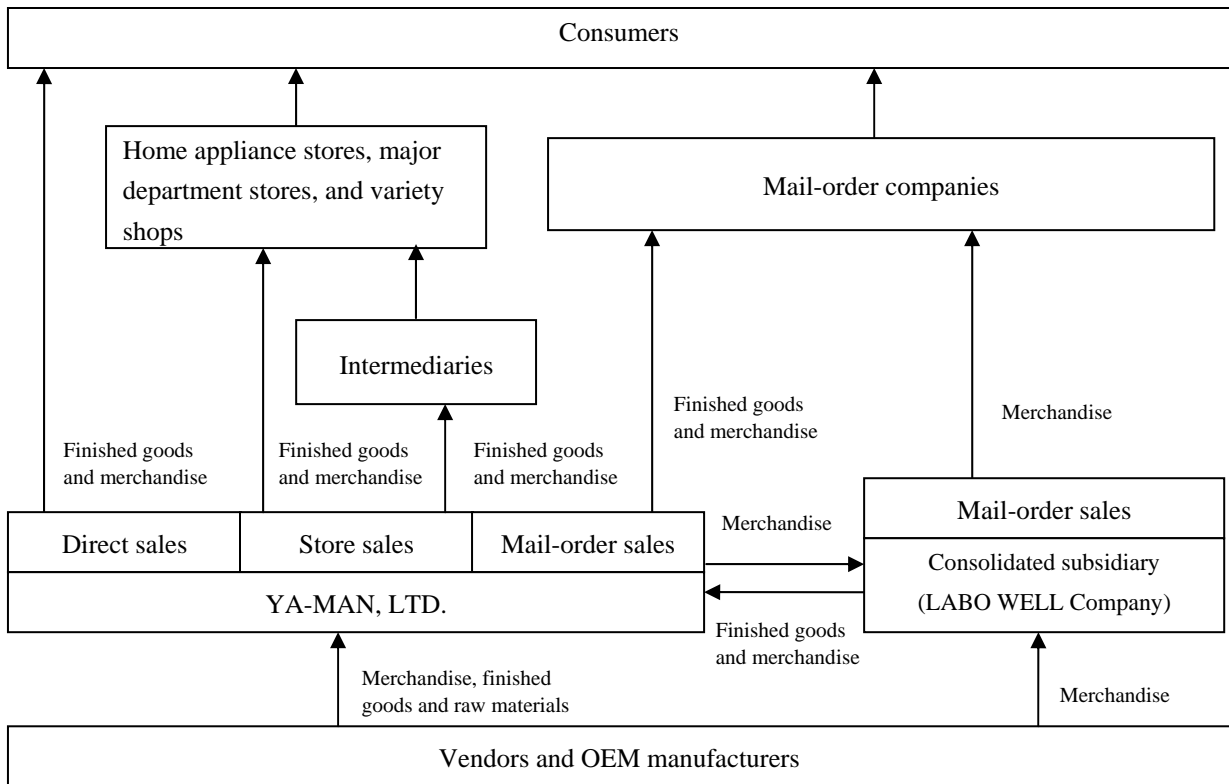
(3) Direct sales

This segment represents sales of merchandise directly to individuals by using infomercials, magazines, newspapers, the Internet and other media.

Company engaged in this segment: The Company

[Business diagram]

A flowchart of business operations is as follows.



3. Management Policies

(1) Basic Management Policy

(2) Performance Targets

(3) Medium- and Long-term Management Strategy

(4) Challenges

Information on these subjects is not presented since there are no significant changes from the latest financial results (released on June 11, 2010).

The financial results mentioned above are available from the following URLs.

Our website:

<http://www.ya-man.com/ir/library.html>

Tokyo Stock Exchange website (company search):

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

4. Consolidated Financial Statements**(1) Consolidated Balance Sheets**

	(Thousands of yen)	
	FY4/10 (As of Apr. 30, 2010)	FY4/11 (As of Apr. 30, 2011)
Assets		
Current assets		
Cash and deposits	4,980,476	3,119,003
Notes and accounts receivable-trade	2,140,515	*3 3,127,098
Short-term investment securities	50,005	50,037
Merchandise and finished goods	2,696,542	3,543,346
Work in process	74,126	5,794
Raw materials and supplies	278,313	314,850
Deferred tax assets	123,391	113,102
Other	296,856	96,623
Allowance for doubtful accounts	(35,610)	(27,524)
Total current assets	10,604,617	10,342,332
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	*1 127,521	*1 132,851
Machinery, equipment and vehicles, net	35,510	19,622
Land	*1 346,393	*1 346,393
Lease assets, net	39,288	39,905
Construction in progress	1,884	1,750
Other, net	22,195	16,265
Total property, plant and equipment	*2 572,791	*2 556,788
Intangible assets		
Lease assets	17,841	12,307
Other	199,328	327,979
Total intangible assets	217,169	340,287
Investments and other assets		
Investment securities	16,868	17,936
Deferred tax assets	4,924	6,609
Other	130,613	117,162
Total investments and other assets	152,406	141,708
Total noncurrent assets	942,367	1,038,783
Total assets	11,546,985	11,381,115

	(Thousands of yen)	
	FY4/10	FY4/11
	(As of Apr. 30, 2010)	(As of Apr. 30, 2011)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	*1 1,337,603	*1, *3 1,348,763
Current portion of long-term loans payable	*1 833,964	*1 752,911
Current portion of bonds	205,000	190,000
Lease obligations	15,180	18,373
Accounts payable-other	1,493,294	1,340,333
Income taxes payable	548,084	389,515
Provision for bonuses	25,000	25,000
Provision for sales returns	140,676	129,744
Other	113,541	89,653
Total current liabilities	4,712,345	4,284,295
Noncurrent liabilities		
Bonds payable	385,000	195,000
Long-term loans payable	*1 1,447,713	*1 1,158,630
Lease obligations	46,671	39,071
Other	1,440	339
Total noncurrent liabilities	1,880,826	1,393,041
Total liabilities	6,593,171	5,677,336
Net assets		
Shareholders' equity		
Capital stock	1,813,796	1,813,796
Capital surplus	1,313,795	1,313,795
Retained earnings	1,835,270	2,575,424
Treasury stock	-	(100)
Total shareholders' equity	4,962,862	5,702,915
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	598	969
Deferred gains or losses on hedges	-	(105)
Foreign currency translation adjustment	(9,647)	-
Total accumulated other comprehensive income	(9,049)	863
Total net assets	4,953,813	5,703,779
Total liabilities and net assets	11,546,985	11,381,115

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income**Consolidated Statements of Income**

	(Thousands of yen)	
	FY4/10	FY4/11
	(May 1, 2009 – Apr. 30, 2010)	(May 1, 2010 – Apr. 30, 2011)
Net sales	19,115,608	19,668,751
Cost of sales	*1 7,067,754	*1 7,763,956
Gross profit	12,047,853	11,904,795
Reversal of provision for sales returns	130,510	140,676
Provision for sales returns	140,676	129,744
Gross profit-net	12,037,688	11,915,726
Selling, general and administrative expenses		
Advertising expenses	6,184,515	5,336,752
Business consignment expenses	1,060,786	1,219,914
Provision of allowance for doubtful accounts	11,311	42
Salaries and allowances	525,959	569,399
Bonuses	17,075	19,775
Provision for bonuses	25,000	25,000
Retirement benefit expenses	9,518	10,441
Depreciation	43,164	57,964
Research and development expenses	*2 130,326	*2 136,700
Other	2,359,333	2,815,037
Total selling, general and administrative expenses	10,366,991	10,191,026
Operating income	1,670,696	1,724,699
Non-operating income		
Interest income	4,158	2,188
Dividends income	383	550
Foreign exchange gains	-	43,727
Other	2,861	14,721
Total non-operating income	7,403	61,188
Non-operating expenses		
Interest expenses	81,952	61,781
Borrowing expenses	13,874	8,789
Listing expenses	23,924	-
Other	28,291	15,767
Total non-operating expenses	148,043	86,338
Ordinary income	1,530,057	1,699,549
Extraordinary loss		
Loss on retirement of noncurrent assets	*3 12,932	*3 9,696
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	7,937
Loss on liquidation of subsidiaries	-	20,483
Total extraordinary losses	12,932	38,117
Income before income taxes and minority interests	1,517,124	1,661,432
Income taxes-current	685,895	718,216
Income taxes-deferred	(21,702)	1,759
Total income taxes	664,193	719,976
Income before minority interests	-	941,456
Net income	852,931	941,456

Consolidated Statements of Comprehensive Income

	(Thousands of yen)	
	FY4/10	FY4/11
	(May 1, 2009 – Apr. 30, 2010)	(May 1, 2010 – Apr. 30, 2011)
Income before minority interests	-	941,456
Other comprehensive income		
Valuation difference on available-for-sale securities	-	371
Deferred gains or losses on hedges	-	(105)
Foreign currency translation adjustment	-	9,647
Total other comprehensive income	-	*2 9,912
Comprehensive income	-	*1 951,368
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	-	951,368
Comprehensive income attributable to minority interests	-	-

(3) Consolidated Statements of Changes in Net Assets

(Thousands of yen)

	FY4/10 (May 1, 2009 – Apr. 30, 2010)	FY4/11 (May 1, 2010 – Apr. 30, 2011)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	1,000,000	1,813,796
Changes of items during the period		
Issuance of new shares	813,796	-
Total changes of items during the period	813,796	-
Balance at the end of current period	1,813,796	1,813,796
Capital surplus		
Balance at the end of previous period	499,999	1,313,795
Changes of items during the period		
Issuance of new shares	813,796	-
Total changes of items during the period	813,796	-
Balance at the end of current period	1,313,795	1,313,795
Retained earnings		
Balance at the end of previous period	982,339	1,835,270
Changes of items during the period		
Dividends from surplus	-	(201,302)
Net income	852,931	941,456
Total changes of items during the period	852,931	740,153
Balance at the end of current period	1,835,270	2,575,424
Treasury stock		
Balance at the end of previous period	-	-
Changes of items during the period		
Purchase of treasury stock	-	(100)
Total changes of items during the period	-	(100)
Balance at the end of current period	-	(100)
Total shareholders' equity		
Balance at the end of previous period	2,482,338	4,962,862
Changes of items during the period		
Issuance of new shares	1,627,593	-
Dividends from surplus	-	(201,302)
Net income	852,931	941,456
Purchase of treasury stock	-	(100)
Total changes of items during the period	2,480,524	740,052
Balance at the end of current period	4,962,862	5,702,915

	(Thousands of yen)	
	FY4/10	FY4/11
	(May 1, 2009 – Apr. 30, 2010)	(May 1, 2010 – Apr. 30, 2011)
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	(1,661)	598
Changes of items during the period		
Net changes of items other than shareholders' equity	2,259	371
Total changes of items during the period	2,259	371
Balance at the end of current period	598	969
Deferred gains or losses on hedges		
Balance at the end of previous period	-	-
Changes of items during the period		
Net changes of items other than shareholders' equity	-	(105)
Total changes of items during the period	-	(105)
Balance at the end of current period	-	(105)
Foreign currency translation adjustment		
Balance at the end of previous period	(16,408)	(9,647)
Changes of items during the period		
Net changes of items other than shareholders' equity	6,761	9,647
Total changes of items during the period	6,761	9,647
Balance at the end of current period	(9,647)	-
Total accumulated other comprehensive income		
Balance at the end of previous period	(18,070)	(9,049)
Changes of items during the period		
Net changes of items other than shareholders' equity	9,021	9,912
Total changes of items during the period	9,021	9,912
Balance at the end of current period	(9,049)	863
Total net assets		
Balance at the end of previous period	2,464,268	4,953,813
Changes of items during the period		
Issuance of new shares	1,627,593	-
Dividends from surplus	-	(201,302)
Net income	852,931	941,456
Purchase of treasury stock	-	(100)
Net changes of items other than shareholders' equity	9,021	9,912
Total changes of items during the period	2,489,545	749,965
Balance at the end of current period	4,953,813	5,703,779

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	FY4/10 (May 1, 2009 – Apr. 30, 2010)	FY4/11 (May 1, 2010 – Apr. 30, 2011)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	1,517,124	1,661,432
Depreciation and amortization	87,390	108,757
Increase (decrease) in allowance for doubtful accounts	11,311	(8,085)
Increase (decrease) in provision for sales returns	10,165	(10,931)
Interest and dividends income	(4,542)	(2,738)
Interest expenses	81,952	61,781
Foreign exchange losses (gains)	3,077	8,120
Loss on retirement of noncurrent assets	12,932	9,696
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	7,937
Loss on liquidation of subsidiaries	-	20,483
Decrease (increase) in notes and accounts receivable-trade	(384,495)	(999,936)
Decrease (increase) in inventories	(513,767)	(815,153)
Increase (decrease) in notes and accounts payable-trade	(31,495)	153,632
Increase (decrease) in accounts payable-other	51,158	(170,220)
Other, net	74,317	46,400
Subtotal	915,128	71,175
Interest and dividends income received	4,624	2,560
Interest expenses paid	(83,944)	(65,337)
Income taxes paid	(445,660)	(852,373)
Net cash provided by (used in) operating activities	390,148	(843,974)
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(74,364)	(48,691)
Purchase of intangible assets	(105,652)	(162,861)
Payments into time deposits	(644,623)	(644,797)
Proceeds from withdrawal of time deposits	644,313	644,623
Other, net	(33,465)	(1,945)
Net cash provided by (used in) investing activities	(213,792)	(213,673)
Net cash provided by (used in) financing activities		
Proceeds from long-term loans payable	1,000,000	500,000
Repayment of long-term loans payable	(1,262,983)	(870,135)
Redemption of bonds	(548,000)	(205,000)
Repayments of lease obligations	(9,648)	(17,352)
Proceeds from issuance of common stock	1,627,593	-
Cash dividends paid	-	(200,333)
Other, net	-	814
Net cash provided by (used in) financing activities	806,961	(792,006)
Effect of exchange rate change on cash and cash equivalents	(2,990)	(11,961)
Net increase (decrease) in cash and cash equivalents	980,326	(1,861,615)
Cash and cash equivalents at beginning of period	3,405,531	4,385,858
Cash and cash equivalents at end of period	*1 4,385,858	*1 2,524,243

(5) Going Concern Assumption

Not applicable.

(6) Significant Accounting Policies in the Preparation of Consolidated Financial Statements

Item	FY4/10 (May 1, 2009 – Apr. 30, 2010)	FY4/11 (May 1, 2010 – Apr. 30, 2011)
1. Scope of consolidation	All subsidiaries are included in the consolidation. Number of consolidated subsidiaries: 2 Names of consolidated subsidiaries: LABO WELL Company LABOWELL CORPORATION	All subsidiaries are included in the consolidation. Number of consolidated subsidiary: 1 Name of consolidated subsidiary: LABO WELL Company LABOWELL CORPORATION, which was a consolidated subsidiary in the previous fiscal year, is no longer included in the consolidation because this company was dissolved and liquidated during the fiscal year that ended April 30, 2011.
2. Application of equity method	Not applicable.	Same as on the left.
3. Fiscal year of consolidated subsidiaries	The fiscal year end of LABOWELL CORPORATION is January 31. The consolidated financial statements include the financial statements of consolidated subsidiaries as of January 31, and necessary adjustments have been made for the consolidation concerning material transactions arising between this date and the consolidated balance sheet date.	Not applicable.
4. Accounting standards (1) Valuation standards and methods for principal assets	1) Marketable securities a. Available-for-sale securities Securities with market quotations Stated at fair value at the end of the fiscal year. (Unrealized gain or loss is included in net assets. Cost of securities sold is determined by the moving-average method.) Securities without market quotations Stated at cost determined by the moving-average method. 2) Assets and liabilities deriving from derivatives Stated at fair value. 3) Inventories a. Merchandise, finished goods, raw materials, and work in process: Primarily valued at cost being determined by the periodic average method. (The carrying value on the balance sheet is written down to reflect the effect of lower profit margins.) b. Supplies: Valued by the last purchased price method. (The carrying value on the balance sheet is written down to reflect the effect of lower profit margins.)	1) Marketable securities a. Available-for-sale securities Same as on the left. 2) Assets and liabilities deriving from derivatives Same as on the left. 3) Inventories a. Merchandise, finished goods, raw materials, and work in process: Valued at cost being determined by the periodic average method. (The carrying value on the balance sheet is written down to reflect the effect of lower profit margins.) b. Supplies: Same as on the left.

Item	FY4/10 (May 1, 2009 – Apr. 30, 2010)	FY4/11 (May 1, 2010 – Apr. 30, 2011)
(2) Depreciation and amortization of significant depreciable assets	<p>1) Property, plant and equipment (excluding lease assets) Depreciation of property, plant and equipment is calculated by the declining-balance method, except for buildings acquired on or after April 1, 1998 (excluding attached structures) on which depreciation is calculated by the straight-line method at the Company and its domestic consolidated subsidiaries. Useful life of principle assets is as follows: Buildings: 10-50 years Machinery and equipment 2-17 years</p> <p>2) Intangible assets (excluding lease assets) Depreciation of intangible assets is calculated by the straight-line method. Software for internal use is amortized over an expected useful life of five years by the straight-line method.</p> <p>3) Lease assets Lease assets associated with finance lease transactions where there is no transfer of ownership Depreciation of lease assets is calculated based on the straight-line method, assuming the lease period to be the useful life and a residual value of zero. For finance lease transaction where there is no transfer of ownership that started on or before April 30, 2008, the Company uses an accounting method that is based on the method used for ordinary rental transactions.</p>	<p>1) Property, plant and equipment (excluding lease assets) Depreciation of property, plant and equipment is calculated by the declining-balance method, except for buildings acquired on or after April 1, 1998 (excluding attached structures) on which depreciation is calculated by the straight-line method. Useful life of principle assets is as follows: Buildings: 10-50 years Machinery and equipment 2-17 years</p> <p>2) Intangible assets (excluding lease assets) Same as on the left.</p> <p>3) Lease assets Same as on the left.</p>
(3) Recognition of significant allowances	<p>1) Allowance for doubtful accounts To prepare for credit losses on accounts receivable at the Company and domestic consolidated subsidiaries, allowances equal to the estimated amount of uncollectible receivables are booked for general receivables based on the historical write-off ratio, and bad receivables based on case-by-case determination of collectibility.</p> <p>2) Provision for bonuses To provide for employee bonus obligation at the Company, an amount accrued for the current fiscal year of the estimated future obligations is designated in the reserve account.</p> <p>3) Provision for sales returns To prepare for losses resulting from the return of merchandise following the end of the fiscal year, the Company makes a provision for expected losses on future returns based on actual losses on returns in the past and on other items.</p>	<p>1) Allowance for doubtful accounts To prepare for credit losses on accounts receivable, allowances equal to the estimated amount of uncollectible receivables are booked for general receivables based on the historical write-off ratio, and bad receivables based on case-by-case determination of collectibility.</p> <p>2) Provision for bonuses Same as on the left.</p> <p>3) Provision for sales returns Same as on the left.</p>

Item	FY4/10 (May 1, 2009 – Apr. 30, 2010)	FY4/11 (May 1, 2010 – Apr. 30, 2011)
(4) Accounting for hedges	<p>1) Hedging method Deferred hedge treatment is adopted. For interest rate swaps, the Company uses special treatment when the conditions are fulfilled.</p> <p>2) Hedging instruments and risks hedged Hedging instruments: Interest rate swap Risks hedged: Interests on borrowing</p> <p>3) Hedging policy The Company uses hedges for the purpose of hedging risks associated with fluctuations in interest rates on borrowings.</p> <p>4) Evaluation method for the effectiveness of hedges The Company evaluates the effectiveness of hedges by directly linking the hedged item with market changes in hedging methods or changes in cash flows. For items that use a special treatment, fulfillment of the conditions is used instead of the judgment concerning the effectiveness of hedges.</p>	<p>1) Hedging method Deferred hedge treatment is adopted. For interest rate swaps, the Company uses special treatment when the conditions are fulfilled. For foreign currency risk, a hedge is accounted by the short-cut method if the hedging relationship meets certain criteria to apply this method.</p> <p>2) Hedging instruments and risks hedged Hedging instruments: Interest rate swap, forward exchange contracts Risks hedged: Interests on borrowing, monetary liabilities denominated in foreign currencies</p> <p>3) Hedging policy The Company uses interest rate swaps to hedge risks associated with fluctuations in interest rates on borrowings. The Company uses foreign exchange forward agreements to hedge risks associated with fluctuations in exchange rates concerning imports denominated in foreign currencies.</p> <p>4) Evaluation method for the effectiveness of hedges Same as on the left.</p>
(5) Scope of cash and cash equivalents on statements of cash flows	_____	Cash and cash equivalents consist of vault cash, deposits that can be withdrawn on demand, and short-term investments, with original maturities of three months or less, that are readily convertible known amounts of cash and present insignificant risk of change in value.
(6) Other significant accounting policies in the preparation of financial statements	Accounting for national and local consumption taxes All amounts stated are exclusive of consumption taxes.	Accounting for consumption taxes Same as on the left.
5. Valuations on assets and liabilities of consolidated subsidiaries	Valuation of all the assets and liabilities of consolidated subsidiaries is based on market price method.	_____

Item	FY4/10 (May 1, 2009 – Apr. 30, 2010)	FY4/11 (May 1, 2010 – Apr. 30, 2011)
6. Amortization of goodwill and negative good will	<p>Goodwill and negative goodwill are amortized in equal amounts over a reasonable period that is not more than 20 years based on judgments made for each component of goodwill and negative goodwill. Amortization is performed in equal amounts over a five-year period when a reasonable amortization period cannot be determined.</p> <p>However, all goodwill or negative goodwill is amortized at once for small amounts.</p>	<p>_____</p>
7. Scope of cash and cash equivalents on statements of cash flows	<p>Cash and cash equivalents consist of vault cash, deposits that can be withdrawn on demand, and short-term investments, with original maturities of three months or less, that are readily convertible known amounts of cash and present insignificant risk of change in value.</p>	<p>_____</p>

(7) Changes in Significant Accounting Policies in the Preparation of Consolidated Financial Statements

FY4/10 (May 1, 2009 – Apr. 30, 2010)	FY4/11 (May 1, 2010 – Apr. 30, 2011)
—————	(Application of Accounting Standard for Asset Retirement Obligations) Beginning with the current fiscal year, “Accounting Standard for Asset Retirement Obligations” (Accounting Standards Board of Japan (ASBJ) Statement No. 18, March 31, 2008) and “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No. 21, March 31, 2008) have been applied. The effect of this change was to decrease operating income and ordinary income by 2,820 thousand yen each and income before income taxes and minority interests by 10,757 thousand yen.

(8) Reclassifications

FY4/10 (May 1, 2009 – Apr. 30, 2010)	FY4/11 (May 1, 2010 – Apr. 30, 2011)
—————	(Consolidated statement of income) Following the application of “Cabinet Office Ordinance Partially Revising Regulation for Terminology, Forms and Presentation of Financial Statements” (Cabinet Office Ordinance No. 5, March 24, 2009) based on the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, December 26, 2008) an item “Income before minority interests” is presented in the current fiscal year.

(9) Additional Information

FY4/10 (May 1, 2009 – Apr. 30, 2010)	FY4/11 (May 1, 2010 – Apr. 30, 2011)
—————	Beginning with the current fiscal year, “Accounting Standard for Presentation of Comprehensive Income” (ASBJ Statement No. 25, June 30, 2010) has been applied. However, the “Accumulated other comprehensive income” and “Total accumulated other comprehensive income” items for the previous fiscal year show the amounts for “Valuation and translation adjustments” and “Total valuation and translation adjustments,” respectively.

(10) Notes to Consolidated Financial Statements**Notes to Consolidated Balance Sheets**

(Thousands of yen)

FY4/10 (As of Apr. 30, 2010)	FY4/11 (As of Apr. 30, 2011)
*1. Assets pledged as collateral and liabilities with collateral	*1. Assets pledged as collateral and liabilities with collateral
(1) Assets pledged as collateral	(1) Assets pledged as collateral
Buildings 90,733	Buildings 86,384
Land 288,890	Land 288,890
Total 379,624	Total 375,275
(2) Liabilities with collateral	(2) Liabilities with collateral
Notes payable-trade (letter of credit) 81,651	Notes payable-trade (letter of credit) 715,657
Current portion of long-term loans payable 308,854	Current portion of long-term loans payable 296,365
Long-term loans payable 570,855	Long-term loans payable 599,208
Total 961,361	Total 1,611,231
*2. Accumulated depreciation on property, plant and equipment 187,145	*2. Accumulated depreciation on property, plant and equipment 244,281
	*3. The settlement of trade notes maturing on the balance sheet date is accounted on the clearance date. As the balance sheet date was a bank holiday, the trade notes maturing on the balance sheet date in the following amounts were included in each account at the end of fiscal year.
	Notes receivable-trade 5,788
	Notes payable-trade 69,960
	4. The Company has current account overdraft agreements with a bank, in order to raise funds efficiently. The balances of credit available as of the balance sheet date were as follows.
	Current account overdraft 500,000
	Credit used -
	Credit available 500,000

Notes to Consolidated Statements of Income

(Thousands of yen)

FY4/10 (May 1, 2009 – Apr. 30, 2010)	FY4/11 (May 1, 2010 – Apr. 30, 2011)
*1. Inventories held for regular sales purpose are written down to reflect the effect of lower profit margins.	*1. Inventories held for regular sales purpose are written down to reflect the effect of lower profit margins.
Cost of sales (39,108)	Cost of sales 28,087
*2. Research and development expenses included in administrative expenses 130,326	*2. Research and development expenses included in administrative expenses 136,700
*3. Breakdown of loss on retirement of noncurrent assets	*3. Breakdown of loss on retirement of noncurrent assets
Buildings and structures 800	Machinery, equipment and vehicles 0
Intangible assets, others (intellectual property rights suspense account) 12,131	Property, plant and equipment, others (Tools, furniture and fixtures) 736
Total 12,932	Intangible assets, others (intellectual property rights suspense account) 8,959
	Total 9,696

Notes to Consolidated Statements of Comprehensive Income

FY4/11 (May 1, 2010 – Apr. 30, 2011)

*1. Comprehensive income in the previous fiscal year	(Thousands of yen)
Comprehensive income attributable to owners of the parent	861,952
Comprehensive income attributable to minority interests	-
Total	861,952
*2. Other comprehensive income in the previous fiscal year	(Thousands of yen)
Valuation difference on available-for-sale securities	2,259
Foreign currency translation adjustment	6,761
Total	9,021

Notes to Consolidated Statements of Changes in Net Assets

FY4/10 (May 1, 2009 – Apr. 30, 2010)

1. Class of stock and number of outstanding shares (Shares)

Class of stock	Number of shares as of Apr. 30, 2009	Increase	Decrease	Number of shares as of Apr. 30, 2010
Common stock	1,000,000	1,917,444	-	2,917,444
Class A preferred stock	222,222	-	222,222	-
Total	1,222,222	1,917,444	222,222	2,917,444

- Notes: 1. The increase of 1,917,444 shares of common stock outstanding is the result of 222,222 shares issued due to the distribution of common stock to holders of class A preferred stock on August 20, 2009, 1,222,222 shares issued due to the 2-for-1 stock split on September 15, 2009, and 473,000 shares issued due to the public offering with a payment date of December 22, 2009.
2. The decrease of 222,222 shares of class A preferred stock outstanding is the result of the acquisition of all shares of class A preferred stock on August 20, 2009 and the retirement of all these shares on the same day.

2. Class of stock and number of shares of treasury stock (Shares)

Class of stock	Number of shares as of Apr. 30, 2009	Increase	Decrease	Number of shares as of Apr. 30, 2010
Class A preferred stock	-	222,222	222,222	-
Total	-	222,222	222,222	-

Note: The increase and decrease of 222,222 shares each in class A preferred stock is the result of the acquisition of all shares of this stock on August 20, 2009 by exercising the Company's right to purchase these shares and the retirement of these shares on the same day.

3. Items related to subscription rights to shares

Not applicable.

4. Dividends

(1) Dividend payment

Not applicable.

(2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

Resolution	Class of stock	Source of funds	Total dividends (Thousands of yen)	Dividend per share (yen)	Record date	Effective date
Annual general meeting of shareholders on July 29, 2010	Common stock	Retained earnings	134,202	46.00	April 30, 2010	July 30, 2010

FY4/11 (May 1, 2010 – Apr. 30, 2011)

1. Class of stock and number of outstanding shares (Shares)

Class of stock	Number of shares as of Apr. 30, 2010	Increase	Decrease	Number of shares as of Apr. 30, 2011
Common stock	2,917,444	2,917,444	-	5,834,888
Total	2,917,444	2,917,444	-	5,834,888

Note: The increase of 2,917,444 shares of common stock outstanding is the result of the 2-for-1 stock split on March 1, 2011.

2. Class of stock and number of shares of treasury stock (Shares)

Class of stock	Number of shares as of Apr. 30, 2010	Increase	Decrease	Number of shares as of Apr. 30, 2011
Common stock	-	116	-	116

Note: The increase of 116 shares of common stock is due to the purchase of 58 shares based on purchase requests from holders of less than one trading unit ("*tangent*") and to 58 shares resulting from the stock split on March 1, 2011.

3. Items related to subscription rights to shares

Not applicable.

4. Dividends

(1) Dividend payment

Resolution	Class of stock	Total dividends (Thousands of yen)	Dividend per share (yen)	Record date	Effective date
Annual general meeting of shareholders on July 29, 2010	Common stock	134,202	46.00	April 30, 2010	July 30, 2010
Board of Directors' meeting on December 14, 2010	Common stock	67,099	23.00	October 31, 2010	January 11, 2011

(2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

Resolution	Class of stock	Source of funds	Total dividends (Thousands of yen)	Dividend per share (yen)	Record date	Effective date
Annual general meeting of shareholders on July 28, 2011	Common stock	Retained earnings	107,943	18.50	April 30, 2011	July 29, 2011

Notes to Consolidated Statements of Cash Flows

(Thousands of yen)

FY4/10 (May 1, 2009 – Apr. 30, 2010)	FY4/11 (May 1, 2010 – Apr. 30, 2011)
*1. Reconciliation of cash and cash equivalents at the end of the fiscal year and amount of balance sheets is made as follows:	*1. Reconciliation of cash and cash equivalents at the end of the fiscal year and amount of balance sheets is made as follows:
Cash and deposits 4,980,476	Cash and deposits 3,119,003
Time deposit with maturities over 3 months (644,623)	Time deposit with maturities over 3 months (644,797)
Securities with negligible risk of price fluctuations 50,005	Securities with negligible risk of price fluctuations 50,037
Cash and cash equivalents <u>4,385,858</u>	Cash and cash equivalents <u>2,524,243</u>

Segment Information*Operating segment information*

FY4/10 (May 1, 2009 – Apr. 30, 2010)

Operating segment information is not presented because net sales, operating income and assets in the beauty care and health business account for more than 90% of total segment sales, operating income and assets.

Geographical segment information

FY4/10 (May 1, 2009 – Apr. 30, 2010)

Geographical segment information is not presented since net sales and assets in Japan exceeded 90% of total segment sales and assets

Overseas sales

FY4/10 (May 1, 2009 – Apr. 30, 2010)

Overseas sales are not presented because they represented less than 10% of total consolidated sales.

Segment information

FY4/11 (May 1, 2010 – Apr. 30, 2011)

< Supplementary information >

Beginning with the current fiscal year, the “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Statement No. 17, March 27, 2009) and “Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Guidance No. 20, March 21, 2008) have been applied.

1. Overview of reportable segments

Reportable segments are the Group’s constituent business units for which separate financial data can be obtained and that are examined periodically by the Board of Directors for the purposes of determining the allocation of resources and evaluating results of operations.

The Group uses sales channels to divide its operations into three reportable segments: mail-order sales, store sales and direct sales. All of these segments handle all of the Group’s major products, which are facial care devices, hair removal devices, slimming devices, slimming apparel and mineral foundations.

2. Calculation methods for net sales, profits/losses, and other items for each reportable segment

The accounting treatment methods for reportable segments are generally the same as those listed in “Significant Accounting Policies in the Preparation of Consolidated Financial Statements.” Profits (losses) for reportable segments are generally operating income figures. Inter-segment sales and transfers are based on market prices.

3. Information related to net sales, profits/ losses and other items for each reportable segment

FY4/11 (May 1, 2010 – Apr. 30, 2011)

(Thousands of yen)

	Reportable segment				Others (Note 1)	Total	Adjustments (Note 2)	Amounts shown on consolidated financial statements (Note 3)
	Mail-order sales	Store sales	Direct sales	Total				
Net sales								
External sales	6,589,316	7,050,735	5,785,217	19,425,269	243,482	19,668,751	-	19,668,751
Inter-segment sales and transfers	-	-	-	-	215,989	215,989	(215,989)	-
Total	6,589,316	7,050,735	5,785,217	19,425,269	459,472	19,884,741	(215,989)	19,668,751
Segment profit (loss)	2,498,964	3,206,792	(107,847)	5,597,910	149,165	5,747,075	(4,022,375)	1,724,699
Other items								
Depreciation	-	-	-	-	-	-	108,757	108,757

- Notes:
1. "Others" is a business segment that is not included in any of the reportable segments and represents advanced electronics operations, overseas strategic operations and other activities.
 2. The negative adjustment of 4,022,375 thousand yen that is deducted from segment profit includes 12,000 thousand yen for elimination of inter-segment transactions, corporate expenses of (4,034,375) thousand yen that cannot be assigned to a particular reportable segment. Corporate expenses are primarily selling, general and administrative expenses that do not belong to a particular reportable segment.
 3. Segment profit (loss) is adjusted to be consistent with operating income shown on the consolidated statements of income.
 4. Segment assets and the increase in property, plant and equipment and intangible assets are not shown because the Group does not allocate assets to specific reportable segments.

Per Share Information

(Yen)

FY4/10 (May 1, 2009 – Apr. 30, 2010)		FY4/11 (May 1, 2010 – Apr. 30, 2011)	
Net assets per share	1,698.00	Net assets per share	977.55
Net income per share	326.43	Net income per share	161.35
The Company conducted a 2-for-1 stock split on September 15, 2009. Per share data for the previous fiscal year calculated as if this stock split had taken place on the first day of the previous fiscal year (May 1, 2008) are shown below.		The Company conducted a 2-for-1 stock split on March 1, 2011. Per share data for the previous fiscal year calculated as if this stock split had taken place on the first day of the previous fiscal year (May 1, 2009) are shown below.	
Net assets per share	1,008.11	Net assets per share	849.00
Net income per share	151.41	Net income per share	163.21
Diluted net income per share is not presented since the Company has no outstanding dilutive securities.		Diluted net income per share is not presented since the Company has no outstanding dilutive securities.	

Notes: 1. Basis for calculation of net assets per share (Thousands of yen)

Item	FY4/10 (As of Apr. 30, 2010)	FY4/11 (As of Apr. 30, 2011)
Total net assets on the consolidated balance sheets	4,953,813	5,703,779
Net assets applicable to common stock	4,953,813	5,703,779
Number of common shares outstanding (shares)	2,917,444	5,834,888
Number of treasury shares of common stock (shares)	-	116
Number of shares of common stock used in calculation of net assets per share (shares)	2,917,444	5,834,772

2. Basis for calculation of net incomes per share (Thousands of yen)

Item	FY4/10 (May 1, 2009 – Apr. 30, 2010)	FY4/11 (May 1, 2010 – Apr. 30, 2011)
Net income carried on the consolidated statements of income	852,931	941,456
Net income available to common stock	852,931	941,456
Average number of shares of common stock outstanding during the period (shares)	2,612,910	5,834,785

Subsequent Events

Not applicable.

5. Non-consolidated Financial Statements

(1) Balance Sheets

	(Thousands of yen)	
	FY4/10 (As of Apr. 30, 2010)	FY4/11 (As of Apr. 30, 2011)
Assets		
Current assets		
Cash and deposits	4,874,714	3,113,455
Notes receivable-trade	219,628	182,659
Accounts receivable-trade	1,930,034	2,892,161
Short-term investment securities	50,005	50,037
Merchandise and finished goods	2,596,404	3,365,801
Work in process	74,126	5,794
Raw materials and supplies	278,313	314,850
Advance payments-trade	180,590	41,837
Prepaid expenses	50,452	53,085
Deferred tax assets	120,200	108,916
Other	38,135	2,362
Allowance for doubtful accounts	(35,873)	(27,923)
Total current assets	10,376,733	10,103,039
Noncurrent assets		
Property, plant and equipment		
Buildings, net	127,012	132,456
Structures, net	508	394
Machinery and equipment, net	33,437	19,037
Vehicles, net	1,004	585
Tools, furniture and fixtures, net	22,152	16,254
Land	346,393	346,393
Lease assets, net	39,288	39,905
Construction in progress	1,884	1,750
Total property, plant and equipment	571,680	556,777
Intangible assets		
Patent right	37,497	46,740
Software	64,354	63,814
Software in progress	-	157,921
Lease assets	17,841	12,307
Other	96,823	57,462
Total intangible assets	216,516	338,247
Investments and other assets		
Investment securities	16,868	17,936
Stocks of subsidiaries and affiliates	112,247	35,532
Long-term prepaid expenses	2,734	233
Deferred tax assets	4,924	6,609
Other	126,549	116,928
Total investments and other assets	263,325	177,240
Total noncurrent assets	1,051,523	1,072,265
Total assets	11,428,256	11,175,304

	(Thousands of yen)	
	FY4/10 (As of Apr. 30, 2010)	FY4/11 (As of Apr. 30, 2011)
Liabilities		
Current liabilities		
Accounts payable-other	699,770	903,023
Accounts payable-trade	588,195	364,947
Current portion of long-term loans payable	833,964	752,911
Current portion of convertible bonds	205,000	190,000
Lease obligations	15,180	18,373
Accounts payable-other	1,482,878	1,331,924
Accrued expenses	30,629	38,071
Income taxes payable	543,950	362,470
Advances received	29,727	16,755
Deposits received	9,153	10,028
Provision for bonuses	25,000	25,000
Provision for sales returns	140,676	129,744
Allowance for loss on liquidation of subsidiary	10,320	-
Other	39,666	20,911
Total current liabilities	4,654,111	4,164,161
Noncurrent liabilities		
Bonds payable	385,000	195,000
Long-term loans payable	1,447,713	1,158,630
Lease obligations	46,671	39,071
Other	1,143	339
Total noncurrent liabilities	1,880,529	1,393,041
Total liabilities	6,534,641	5,557,203
Net assets		
Shareholders' equity		
Capital stock	1,813,796	1,813,796
Capital surplus		
Legal capital surplus	1,313,795	1,313,795
Total capital surpluses	1,313,795	1,313,795
Retained earnings		
Legal retained earnings	61,792	61,792
Other retained earnings		
General reserve	5,500	5,500
Retained earnings brought forward	1,698,133	2,422,454
Total retained earnings	1,765,425	2,489,746
Treasury stock	-	(100)
Total shareholders' equity	4,893,017	5,617,237
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	598	969
Deferred gains or losses on hedges	-	(105)
Total valuation and translation adjustments	598	863
Total net assets	4,893,615	5,618,101
Total liabilities and net assets	11,428,256	11,175,304

(2) Statements of Income

	(Thousands of yen)	
	FY4/10 (May 1, 2009 – Apr. 30, 2010)	FY4/11 (May 1, 2010 – Apr. 30, 2011)
Net sales		
Net sales from beauty care and health business	18,649,004	19,032,576
Net sales from advanced electronics business	155,974	253,972
Total net sales	18,804,979	19,286,548
Cost of sales		
Cost of sales in beauty care and health business	6,796,615	7,411,777
Cost of sales in advanced electronics business	85,227	123,585
Total cost of sales	6,881,842	7,535,363
Gross profit	11,923,136	11,751,185
Reversal of provision for sales returns	130,510	140,676
Provision for sales returns	140,676	129,744
Gross profit-net	11,912,971	11,762,117
Selling, general and administrative expenses		
Advertising expenses	6,157,651	5,300,736
Business consignment expenses	1,054,702	1,211,474
Provision of allowance for doubtful accounts	11,139	177
Salaries and allowances	509,562	555,923
Bonuses	17,075	19,775
Provision for bonuses	25,000	25,000
Retirement benefit expenses	9,408	10,288
Depreciation	42,922	57,767
Research and development expenses	128,528	135,974
Other	2,321,279	2,771,154
Total selling, general and administrative expenses	10,277,271	10,088,271
Operating income	1,635,699	1,673,845
Non-operating income		
Interest income	3,687	2,505
Dividends income	383	550
Business process outsourcing income	12,000	12,000
Foreign exchange gains	-	42,966
Other	2,293	11,748
Total non-operating income	18,364	69,770
Non-operating expenses		
Interest expenses	69,642	54,811
Interest on bonds	11,826	6,332
Borrowing expenses	13,874	8,789
Foreign exchange losses	8,283	-
Listing expenses	23,924	-
Other	17,984	12,801
Total non-operating expenses	145,536	82,734
Ordinary income	1,508,527	1,660,881

	(Thousands of yen)	
	FY4/10	FY4/11
	(May 1, 2009 – Apr. 30, 2010)	(May 1, 2010 – Apr. 30, 2011)
Extraordinary loss		
Loss on retirement of noncurrent assets	12,932	9,696
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	7,937
Provision for loss on liquidation of subsidiary	10,320	-
Loss on liquidation of subsidiaries	-	12,666
Total extraordinary losses	23,252	30,299
Income before income taxes	1,485,274	1,630,581
Income taxes-current	681,349	695,540
Income taxes-deferred	(29,991)	9,416
Total income taxes	651,358	704,957
Net income	833,916	925,623

(3) Statements of Changes in Net Assets

(Thousands of yen)

	FY4/10 (May 1, 2009 – Apr. 30, 2010)	FY4/11 (May 1, 2010 – Apr. 30, 2011)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	1,000,000	1,813,796
Changes of items during the period		
Issuance of new shares	813,796	-
Total changes of items during the period	813,796	-
Balance at the end of current period	1,813,796	1,813,796
Capital surplus		
Legal capital surplus		
Balance at the end of previous period	499,999	1,313,795
Changes of items during the period		
Issuance of new shares	813,796	-
Total changes of items during the period	813,796	-
Balance at the end of current period	1,313,795	1,313,795
Total capital surpluses		
Balance at the end of previous period	499,999	1,313,795
Changes of items during the period		
Issuance of new shares	813,796	-
Total changes of items during the period	813,796	-
Balance at the end of current period	1,313,795	1,313,795
Retained earnings		
Legal retained earnings		
Balance at the end of previous period	61,792	61,792
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	61,792	61,792
Other retained earnings		
General reserve		
Balance at the end of previous period	5,500	5,500
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	5,500	5,500
Retained earnings brought forward		
Balance at the end of previous period	864,217	1,698,133
Changes of items during the period		
Dividends from surplus	-	(201,302)
Net income	833,916	925,623
Total changes of items during the period	833,916	724,321
Balance at the end of current period	1,698,133	2,422,454
Total retained earnings		
Balance at the end of previous period	931,509	1,765,425
Changes of items during the period		
Dividends from surplus	-	(201,302)
Net income	833,916	925,623
Total changes of items during the period	833,916	724,321
Balance at the end of current period	1,765,425	2,489,746

	(Thousands of yen)	
	FY4/10 (May 1, 2009 – Apr. 30, 2010)	FY4/11 (May 1, 2010 – Apr. 30, 2011)
Treasury stock		
Balance at the end of previous period	-	-
Changes of items during the period		
Purchase of treasury stock	-	(100)
Total changes of items during the period	-	(100)
Balance at the end of current period	-	(100)
Total shareholders' equity		
Balance at the end of previous period	2,431,508	4,893,017
Changes of items during the period		
Issuance of new shares	1,627,593	-
Dividends from surplus	-	(201,302)
Net income	833,916	925,623
Purchase of treasury stock	-	(100)
Total changes of items during the period	2,461,509	724,220
Balance at the end of current period	4,893,017	5,617,237
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	(1,661)	598
Changes of items during the period		
Net changes of items other than shareholders' equity	2,259	371
Total changes of items during the period	2,259	371
Balance at the end of current period	598	969
Deferred gains or losses on hedges		
Balance at the end of previous period	-	-
Changes of items during the period		
Net changes of items other than shareholders' equity	-	(105)
Total changes of items during the period	-	(105)
Balance at the end of current period	-	(105)
Total valuation and translation adjustments		
Balance at the end of previous period	(1,661)	598
Changes of items during the period		
Net changes of items other than shareholders' equity	2,259	265
Total changes of items during the period	2,259	265
Balance at the end of current period	598	863
Total net assets		
Balance at the end of previous period	2,429,846	4,893,615
Changes of items during the period		
Issuance of new shares	1,627,593	-
Dividends from surplus	-	(201,302)
Net income	833,916	925,623
Purchase of treasury stock	-	(100)
Net changes of items other than shareholders' equity	2,259	265
Total changes of items during the period	2,463,769	724,485
Balance at the end of current period	4,893,615	5,618,101

(4) Going Concern Assumption

Not applicable.

This financial report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.