

◆ Sales By Segment

(Millions of yen, %)

Consolidated		Three Months ended 6/03			Three Months ended 6/04			Three Months ended 6/05		
		amount	% of Total	% change	amount	% of Total	% change	amount	% of Total	% change
C o s m e	Mail Order	5,563	62.8	(6.4)	5,575	62.9	0.2	5,957	59.6	6.9
	Retail Store	2,670	30.2	(6.5)	2,683	30.2	0.5	3,214	32.2	19.8
	Wholesale	620	7.0	(23.9)	611	6.9	(1.4)	820	8.2	34.1
	Sub total	8,854	42.4	(7.9)	8,870	42.3	0.2	9,991	43.5	12.6
s u p p l e	Mail Order	3,912	57.2	(4.7)	3,850	53.3	(1.6)	4,475	54.4	16.3
	Retail Store	1,368	20.0	4.5	1,612	22.3	17.8	2,024	24.6	25.5
	Wholesale	1,562	22.8	(14.0)	1,767	24.4	13.1	1,733	21.0	(2.0)
	Sub total	6,844	32.8	(5.4)	7,230	34.5	5.6	8,233	35.9	13.9
o t h e r s	Mail Order	4,005	77.2	(3.6)	3,645	75.2	(9.0)	3,622	76.5	(0.6)
	Retail Store	276	5.3	140.2	298	6.1	8.0	382	8.1	28.1
	Wholesale	905	17.5	4.9	906	18.7	0.1	730	15.4	(19.5)
	Sub total	5,186	24.8	1.0	4,850	23.2	(6.5)	4,735	20.6	(2.4)
T o t a l	Mail Order	13,481	64.5	(5.1)	13,070	62.4	(3.0)	14,056	61.2	7.5
	Retail Store	4,315	20.7	0.8	4,594	21.9	6.5	5,620	24.5	22.3
	Wholesale	3,088	14.8	(11.6)	3,286	15.7	6.4	3,283	14.3	(0.1)
	Sub total	20,885	100.0	(5.0)	20,951	100.0	0.3	22,960	100.0	9.6

(New Businesses)

(Millions of yen, %)

		Three Months ended 6/03			Three Months ended 6/04			Three Months ended 6/05		
		amount	% of Total	% change	amount	% of Total	% change	amount	% of Total	% change
R i c e	Mail Order	909	58.1	11.1	742	51.4	(18.3)	640	56.8	(13.8)
	Retail Store	77	5.0	33.7	81	5.7	4.7	94	8.4	16.2
	Wholesale	576	36.9	1.4	620	42.9	7.6	391	34.8	(36.9)
	Sub total	1,564	7.5	8.2	1,444	6.9	(7.6)	1,126	4.9	(22.0)
K a l e	Mail Order	402	50.7	110.1	320	46.1	(20.2)	445	45.2	38.7
	Retail Store	91	11.5	64.2	122	17.6	34.6	243	24.7	98.7
	Wholesale	300	37.8	63.4	252	36.3	(15.9)	296	30.1	17.3
	Sub total	793	3.8	84.3	696	3.3	(12.3)	985	4.3	41.5

◆ Sales By Segment

(Millions of yen, %)

Consolidated		Six Months ended 9/03			Six Months ended 9/04			Six Months ended 9/05 (Projection)		
		amount	% of Total	% change	amount	% of Total	% change	amount	% of Total	% change
C o s m e	Mail Order	10,554	62.3	(6.6)	11,059	61.9	4.8	11,100	59.0	0.4
	Retail Store	5,256	31.0	(8.8)	5,438	30.5	3.5	6,300	33.5	15.8
	Wholesale	1,142	6.7	(20.9)	1,353	7.6	18.5	1,400	7.5	3.4
	Sub total	16,954	41.2	(8.4)	17,852	42.3	5.3	18,800	42.7	5.3
s u p p l e	Mail Order	7,904	55.6	(4.3)	7,889	53.1	(0.2)	8,000	51.0	1.4
	Retail Store	2,837	19.9	7.6	3,403	22.9	19.9	4,100	26.1	20.5
	Wholesale	3,488	24.5	5.0	3,557	24.0	2.0	3,600	22.9	1.2
	Sub total	14,230	34.5	0.1	14,850	35.1	4.4	15,700	35.7	5.7
o t h e r s	Mail Order	7,751	77.4	(10.9)	7,097	74.4	(8.4)	7,000	73.7	(1.4)
	Retail Store	553	5.5	92.7	667	7.0	20.5	850	8.9	27.4
	Wholesale	1,708	17.1	(6.6)	1,778	18.6	4.1	1,650	17.4	(7.2)
	Sub total	10,013	24.3	(7.4)	9,543	22.6	(4.7)	9,500	21.6	(0.5)
T o t a l	Mail Order	26,210	63.6	(7.2)	26,046	61.7	(0.6)	26,100	59.3	0.2
	Retail Store	8,647	21.0	(0.4)	9,509	22.5	10.0	11,250	25.6	18.3
	Wholesale	6,340	15.4	(3.9)	6,689	15.8	5.5	6,650	15.1	(0.6)
	Sub total	41,198	100.0	(5.4)	42,245	100.0	2.5	44,000	100.0	4.2

(New Businesses)

(Millions of yen, %)

		Six Months ended 9/03			Six Months ended 9/04			Six Months ended 9/05 (Projection)		
		amount	% of Total	% change	amount	% of Total	% change	amount	% of Total	% change
R i c e	Mail Order	1,695	58.8	(6.9)	1,391	53.0	(18.0)	1,400	56.0	0.6
	Retail Store	145	5.1	(4.9)	157	6.0	8.5	200	8.0	26.7
	Wholesale	1,040	36.1	(13.5)	1,077	41.0	3.6	900	36.0	(16.5)
	Sub total	2,881	7.0	(9.3)	2,626	6.2	(8.8)	2,500	5.7	(4.8)
K a l e	Mail Order	805	49.8	68.9	710	43.0	(11.8)	750	39.5	5.6
	Retail Store	195	12.0	46.5	326	19.8	67.4	500	26.3	53.2
	Wholesale	618	38.2	45.2	614	37.2	(0.6)	650	34.2	5.8
	Sub total	1,618	3.9	56.3	1,651	3.9	2.0	1,900	4.3	15.1

◆Sales By Segment

(Millions of yen, %)

Consolidated		FY2004			FY2005			FY2006 (Projection)		
		amount	% of Total	% change	amount	% of Total	% change	amount	% of Total	% change
C o s m e	Mail Order	21,869	62.6	(4.8)	22,829	61.5	4.4	23,200	58.6	1.6
	Retail Store	10,608	30.4	(8.2)	11,491	31.0	8.3	13,500	34.1	17.5
	Wholesale	2,448	7.0	(7.2)	2,777	7.5	13.5	2,900	7.3	4.4
	Sub total	34,925	41.1	(6.0)	37,098	42.2	6.2	39,600	42.6	6.7
s u p p l e	Mail Order	16,439	55.4	(4.3)	16,709	53.7	1.6	16,650	50.2	(0.4)
	Retail Store	5,994	20.2	8.5	7,175	23.0	19.7	9,100	27.4	26.8
	Wholesale	7,221	24.4	10.9	7,246	23.3	0.3	7,450	22.4	2.8
	Sub total	29,655	34.9	1.5	31,131	35.4	5.0	33,200	35.7	6.6
o t h e r s	Mail Order	16,129	79.2	(16.2)	15,004	76.1	(7.0)	14,950	74.0	(0.4)
	Retail Store	1,119	5.5	68.4	1,400	7.1	25.1	1,800	8.9	28.5
	Wholesale	3,125	15.3	(16.5)	3,301	16.8	5.6	3,450	17.1	4.5
	Sub total	20,375	24.0	(13.9)	19,706	22.4	(3.3)	20,200	21.7	2.5
T o t a l	Mail Order	54,438	64.0	(8.3)	54,543	62.0	0.2	54,800	58.9	0.5
	Retail Store	17,722	20.9	(0.1)	20,067	22.8	13.2	24,400	26.2	21.6
	Wholesale	12,795	15.1	(0.8)	13,326	15.2	4.1	13,800	14.9	3.6
	Sub total	84,956	100.0	(5.6)	87,937	100.0	3.5	93,000	100.0	5.8

(New Businesses)

(Millions of yen, %)

		FY2004			FY2005			FY2006 (Projection)		
		amount	% of Total	% change	amount	% of Total	% change	amount	% of Total	% change
R i c e	Mail Order	3,215	59.7	(19.8)	2,838	56.5	(11.7)	2,850	54.8	0.4
	Retail Store	278	5.2	(16.8)	332	6.6	19.4	400	7.7	20.4
	Wholesale	1,889	35.1	(24.4)	1,855	36.9	(1.8)	1,950	37.5	5.1
	Sub total	5,383	6.3	(21.3)	5,026	5.7	(6.6)	5,200	5.6	3.5
K a l e	Mail Order	1,435	48.1	12.3	1,557	44.2	8.5	1,600	40.0	2.7
	Retail Store	434	14.6	49.7	725	20.6	66.9	1,100	27.5	51.6
	Wholesale	1,114	37.3	19.6	1,241	35.2	11.4	1,300	32.5	4.7
	Sub total	2,985	3.5	19.3	3,524	4.0	18.1	4,000	4.3	13.5

◆Number of Live Customers

		As of June 30, 2003	As of June 30, 2004	As of June 30, 2005	Increase (decrease)
F A N C Y	Cosmetics	1,053,409	1,052,490	1,176,880	124,390
	Cosmetics Mail Order	587,494	604,916	615,073	10,157
	Cosmetics Retail Stores	552,443	530,597	662,600	132,003
	Nutritional Supple	1,070,214	1,058,023	1,141,436	83,413
	Supple Mail Order	668,584	655,683	638,779	(16,904)
	Supple Retail Stores	444,985	446,572	561,533	114,961
	Rice Mail Order	375,224	395,685	221,397	(174,288)
	Kale Mail Order	108,209	91,343	98,541	7,198
	Mail order	1,246,973	1,346,016	1,129,846	(216,170)
	Retail Stores	842,997	852,868	1,041,209	188,341
ATTENIR Cosme Mail Order		327,890	403,739	418,770	15,031

◆Unit Prices

(Yen, %)

	Three Months ended 6/04	Three Months ended 6/05	% change
Cosmetics Mail Order	5,841	5,853	0.2
Supple Mail Order	6,093	5,932	(2.6)
Retail Stores	3,382	3,360	(0.7)

◆Existing Stores Year-on-year-change

Three Months ended 6/04	Three Months ended 6/05
102.4%	109.5%

◆ Segment Information

(Millions of yen, %)

		Three Months ended 6/03			Three Months ended 6/04			Three Months ended 6/05		
		amount	% of Total	% change	amount	% of Total	% change	amount	% of Total	% change
C o s m e	Sales	8,854	42.4	(7.9)	8,870	42.3	0.2	9,991	43.5	12.6
	Gross Profit	6,754	76.3		6,626	74.7		7,449	74.6	
	SGA	4,586	51.8	(9.9)	5,028	56.7	9.6	5,380	53.9	7.0
	Advertising	606	6.8	(14.1)	956	10.8	57.8	823	8.2	(13.9)
	Operating Income	2,168	24.5	(0.8)	1,597	18.0	(26.3)	2,069	20.7	29.5
S u p p l e	Sales	6,844	32.8	(5.4)	7,230	34.5	5.6	8,233	35.9	13.9
	Gross Profit	4,323	63.2		4,710	65.1		5,221	63.4	
	SGA	3,034	44.3	(1.6)	4,098	56.7	35.1	3,569	43.4	(12.9)
	Advertising	343	5.0	(23.2)	1,161	16.1	238.1	274	3.3	(76.4)
	Operating Income	1,289	18.8	(25.4)	611	8.5	(52.6)	1,651	20.1	170.1
o t h e r s	Sales	5,186	24.8	1.0	4,850	23.2	(6.5)	4,735	20.6	(2.4)
	Gross Profit	2,717	52.4		2,426	50.0		2,459	51.9	
	SGA	2,589	49.9	3.3	3,269	67.4	26.3	2,441	51.6	(25.3)
	Advertising	533	10.3	(9.6)	886	18.3	66.2	388	8.2	(56.2)
	Operating Income	127	2.5	(6.3)	(843)	(17.4)	—	18	0.4	—
	Eliminations or Corporate	(518)			(503)			(451)		
T o t a l	Sales	20,885	100.0	(5.0)	20,951	100.0	0.3	22,960	100.0	9.6
	Gross Profit	13,794	66.1		13,763	65.7		15,130	65.9	
	SGA	10,728	51.4	(3.6)	12,901	61.6	20.3	11,842	51.6	(8.2)
	Advertising	1,483	7.1	(14.9)	3,005	14.3	102.5	1,486	6.5	(50.5)
	Operating Income	3,066	14.7	(15.0)	862	4.1	(71.9)	3,287	14.3	281.2

◆ General and administrative expenses

	Three Months ended 6/03			Three Months ended 6/04			Three Months ended 6/05		
	amount	% of Total	% change	amount	% of Total	% change	amount	% of Total	% change
Advertising	1,483	7.1	(14.9)	3,005	14.3	102.5	1,486	6.5	(50.5)
Sales Promotions	1,926	9.2	(11.9)	2,220	10.6	15.3	2,207	9.6	(0.6)
Transport	988	4.7	(6.1)	998	4.8	0.9	1,010	4.4	1.2
Communications	666	3.2	(2.2)	554	2.6	(16.8)	498	2.2	(10.1)
Fees/outsourcing	1,748	8.4	3.7	1,855	8.9	6.1	1,937	8.4	4.4
Salaries	2,394	11.5	3.2	2,644	12.6	10.4	2,952	12.9	11.6
Depreciations	412	2.0	16.2	324	1.5	(21.2)	331	1.4	2.0
Others	1,107	5.3	0.9	1,297	6.2	17.2	1,420	6.2	9.4
Total	10,728	51.4	(3.6)	12,901	61.6	20.3	11,842	51.6	(8.2)

◆ Segment Information

(Millions of yen, %)

		Six Months ended 9/03			Six Months ended 9/04			Six Months ended 9/05 (Projection)		
		amount	% of Total	% change	amount	% of Total	% change	amount	% of Total	% change
C o s m e	Sales	16,954	41.2	(8.4)	17,852	42.3	5.3	18,800	42.7	5.3
	Gross Profit	12,877	76.0		13,214	74.0		13,900	73.9	
	SGA	9,214	54.3	(7.4)	11,158	62.5	21.1	11,200	59.6	0.4
	Advertising	1,403	8.3	6.6	2,563	14.4	82.6	2,550	13.6	(0.5)
	Operating Income	3,663	21.6	(8.9)	2,055	11.5	(43.9)	2,700	14.4	31.4
S u p p l e	Sales	14,230	34.5	0.1	14,850	35.1	4.4	15,700	35.7	5.7
	Gross Profit	8,956	62.9		9,852	66.3		10,100	64.3	
	SGA	6,284	44.2	0.6	8,123	54.7	29.3	7,450	47.5	(8.3)
	Advertising	893	6.3	(1.0)	1,911	12.9	114.0	1,150	7.3	(39.8)
	Operating Income	2,672	18.8	(15.3)	1,729	11.6	(35.3)	2,650	16.9	53.2
o t h e r s	Sales	10,013	24.3	(7.4)	9,543	22.6	(4.7)	9,500	21.6	(0.5)
	Gross Profit	5,308	53.0		4,697	49.2		4,850	51.1	
	SGA	5,715	57.1	(7.3)	6,162	64.6	7.8	5,200	54.7	(15.6)
	Advertising	1,477	14.8	(26.2)	1,556	16.3	5.4	900	9.5	(42.2)
	Operating Income	(407)	(4.1)	—	(1,465)	(15.4)	—	(350)	(3.7)	—
	Eliminations or Corporate	(1,038)			(1,027)			(1,000)		
T o t a l	Sales	41,198	100.0	(5.4)	42,245	100.0	2.5	44,000	100.0	4.2
	Gross Profit	27,142	65.9		27,764	65.7		28,850	65.6	
	SGA	22,252	54.0	(4.5)	26,471	62.6	19.0	24,850	56.5	(6.1)
	Advertising	3,774	9.2	(10.6)	6,031	14.3	59.8	4,600	10.5	(23.7)
	Operating Income	4,889	11.9	(12.6)	1,292	3.1	(73.6)	4,000	9.1	209.4

◆ General and administrative expenses

(Millions of yen, %)

	Six Months ended 9/03			Six Months ended 9/04			Six Months ended 9/05 (Projection)		
	amount	% of Total	% change	amount	% of Total	% change	amount	% of Total	% change
Advertising	3,774	9.2	(10.6)	6,031	14.3	59.8	4,600	10.5	(23.7)
Sales Promotions	3,643	8.8	(17.7)	4,789	11.3	31.4	4,400	10.0	(8.1)
Transport	1,950	4.7	(8.4)	2,057	4.9	5.5	1,950	4.4	(5.2)
Communications	1,283	3.1	(10.8)	1,119	2.6	(12.8)	850	1.9	(24.0)
Fees/outsourcing	3,387	8.2	(0.2)	3,763	8.9	11.1	3,900	8.9	3.6
Salaries	4,912	11.9	5.7	5,225	12.4	6.4	5,700	13.0	9.1
Depreciations	843	2.0	15.0	696	1.6	(17.4)	700	1.6	0.5
Others	2,457	6.0	6.4	2,789	6.6	13.5	2,750	6.3	(1.4)
Total	22,252	54.0	(4.5)	26,471	62.6	19.0	24,850	56.5	(6.1)

◆ Segment Information

(Millions of yen, %)

		FY2004			FY2005			FY2006 (Projection)		
		amount	% of Total	% change	amount	% of Total	% change	amount	% of Total	% change
C o s m e	Sales	34,925	41.1	(6.0)	37,098	42.2	6.2	39,600	42.6	6.7
	Gross Profit	26,394	75.6		27,592	74.4		29,300	74.0	
	SGA	20,111	57.6	(1.0)	22,846	61.6	13.6	23,600	59.6	3.3
	<i>Advertising</i>	<i>3,932</i>	<i>11.3</i>	<i>18.2</i>	<i>5,073</i>	<i>13.7</i>	<i>29.0</i>	<i>4,600</i>	<i>11.6</i>	<i>(9.3)</i>
	Operating Income	6,283	18.0	(22.4)	4,745	12.8	(24.5)	5,700	14.4	20.1
S u p p l e	Sales	29,655	34.9	1.5	31,131	35.4	5.0	33,200	35.7	6.6
	Gross Profit	19,047	64.2		20,623	66.2		21,450	64.6	
	SGA	13,675	46.1	11.3	15,985	51.3	16.9	16,850	50.8	5.4
	<i>Advertising</i>	<i>2,501</i>	<i>8.4</i>	<i>37.0</i>	<i>3,291</i>	<i>10.6</i>	<i>31.6</i>	<i>3,200</i>	<i>9.6</i>	<i>(2.8)</i>
	Operating Income	5,371	18.1	(21.9)	4,638	14.9	(13.6)	4,600	13.9	(0.8)
o t h e r s	Sales	20,375	24.0	(13.9)	19,706	22.4	(3.3)	20,200	21.7	2.5
	Gross Profit	10,254	50.3		9,689	49.2		10,350	51.2	
	SGA	12,075	59.3	(7.5)	11,656	59.2	(3.5)	10,750	53.2	(7.8)
	<i>Advertising</i>	<i>3,430</i>	<i>16.8</i>	<i>(16.5)</i>	<i>2,740</i>	<i>13.9</i>	<i>(20.1)</i>	<i>1,900</i>	<i>9.4</i>	<i>(30.7)</i>
	Operating Income	(1,820)	(8.9)	—	(1,967)	(10.0)	—	(400)	(2.0)	—
Eliminations or Corporate		(2,064)			(1,988)			(1,900)		
T o t a l	Sales	84,956	100.0	(5.6)	87,937	100.0	3.5	93,000	100.0	5.8
	Gross Profit	55,696	65.6		57,905	65.8		61,100	65.7	
	SGA	47,926	56.4	1.0	52,476	59.7	9.5	53,100	57.1	1.2
	<i>Advertising</i>	<i>9,864</i>	<i>11.6</i>	<i>6.5</i>	<i>11,105</i>	<i>12.6</i>	<i>12.6</i>	<i>9,700</i>	<i>10.4</i>	<i>(12.7)</i>
	Operating Income	7,769	9.1	(32.6)	5,428	6.2	(30.1)	8,000	8.6	47.4

◆ General and administrative expenses

(Millions of yen, %)

		FY2004			FY2005			FY2006 (Projection)		
		amount	% of Total	% change	amount	% of Total	% change	amount	% of Total	% change
Advertising		9,864	11.6	6.5	11,105	12.6	12.6	9,700	10.4	(12.7)
Sales Promotions		7,997	9.4	(7.2)	9,475	10.8	18.5	9,400	10.1	(0.8)
Transport		3,995	4.7	(8.5)	4,240	4.8	6.1	4,200	4.5	(0.9)
Communications		2,430	2.9	(17.3)	2,199	2.5	(9.5)	1,800	1.9	(18.2)
Fees/outsourcing		7,179	8.5	2.5	7,482	8.5	4.2	8,500	9.1	13.6
Salaries		9,837	11.6	4.2	10,689	12.2	8.7	12,000	12.9	12.3
Depreciations		1,674	2.0	17.3	1,450	1.6	(13.4)	1,500	1.6	3.4
Others		4,947	5.8	12.3	5,834	6.6	17.9	6,000	6.5	2.8
Total		47,926	56.4	1.0	52,476	59.7	9.5	53,100	57.1	1.2

◆Number of Shops by Region

As of June 30, 2005

		Hokkaido	Tohoku	Kanto (except Tokyo)	TOKYO	Tokai, Hokuriku&S hinetsu	Kinki	Chugoku, Shikoku	Kyusyu, Okinawa	Total
Fancl House	Directly Managed Stores	2	5	29	22	15	22	7	5	107
	FC	1	—	—	—	—	—	—	1	2
Fancl House J		—	—	13	12	3	10	4	6	48
Genki Station		2	—	—	3	1	2	—	1	9
ATTENIR Shop		—	—	2	2	1	4	1	—	10
Others		—	—	1	2	—	—	—	—	3
Total		5	5	45	41	20	38	12	13	179

◆Number of Shops

	As of March 31, 2001	As of March 31, 2002	As of March 31, 2002	As of March 31, 2004	As of March 31, 2005	As of June 30, 2005	As of March 31, 2006 (projection)
Fancl House	121	114	119	114	110	109	136
Fancl House J	—	—	1	10	37	48	71
Genki Station	7	8	8	9	9	9	9
ATTNIER Shop	5	5	5	6	9	10	10
Others	5	6	11	3	3	3	3
Total	138	133	144	142	168	179	229