

Supplement to the “Transfer of treasury shares by third-party allotment concomitant with business and capital alliance and change of main shareholders” announcement of August 25, 2009

YOKOHAMA, September 11, 2009 – Section 6 of the August 25, 2009 announcement explained that calculations regarding the impact of the transfer of treasury shares on our financial results for the year ending March 2010 were ongoing and that further information would be disclosed as it became available. We are now able to present an outline of the impact on results.

1. Impact on financial results

Fantastic Natural Cosmetics Limited (“FNL”) and Fantastic Natural Cosmetics (China) Limited (“FNCCL”) became consolidated subsidiaries on September 10, 2009. These companies will be included as consolidated subsidiaries as of the second quarter, and revenue will begin to contribute to the income statement as of the third quarter (for a six-month period for the year). Including these two companies (based on each company’s plans) in the scope of consolidated subsidiaries will impact our financial results for the year ending March 2010 as follows:

Consolidated net sales	¥7,600 million (after consolidated eliminations)
Consolidated operating income	¥1,200 million
Consolidated net income	¥0 million

***For reference: Sales forecasts for FNL and FNCCL**

	FY 2009 (H2)	FY 2010	FY 2011	FY 2012
FNL (March year-end)	4,500	10,100	11,400	12,500
FNCCL (December year-end)	6,000	16,200	20,200	24,000

Unit: Millions of yen (currency translation rate HK \$1 = ¥12)

2. Effects of transfer of treasury shares

There is no effect on the income statements as this is a capital transaction. The effect on net assets is as follows:

Value of treasury shares transferred	¥4,140,000,000
Book value of treasury shares	¥4,582,816,345
Gain (loss) from disposal of treasury shares	(¥442,816,345)

We anticipate that an amount equivalent to the gain (loss) from disposal of treasury shares will be drawn from other retained earnings.