

◆ Sales By Segment(Six Months)

(Millions of yen,%)

Consolidated	Six Months ended 9/03			Six Months ended 9/04			Six Months ended 9/05			
	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	11,595	58.8	4.8
	Retail Store	5,256	31.0	(8.8)	5,438	30.5	3.5	6,458	32.7	18.7
	Wholesale	1,142	6.7	(20.9)	1,353	7.6	18.5	1,683	8.5	24.4
	Sub total	16,954	41.2	(8.4)	17,852	42.3	5.3	19,736	43.1	10.6
s u p p l e	Mail Order	7,904	55.6	(4.3)	7,889	53.1	(0.2)	8,453	51.2	7.2
	Retail Store	2,837	19.9	7.6	3,403	22.9	19.9	4,154	25.1	22.1
	Wholesale	3,488	24.5	5.0	3,557	24.0	2.0	3,916	23.7	10.1
	Sub total	14,230	34.5	0.1	14,850	35.1	4.4	16,524	36.1	11.3
o t h e r s	Mail Order	7,751	77.4	(10.9)	7,097	74.4	(8.4)	7,260	76.4	2.3
	Retail Store	553	5.5	92.7	667	7.0	20.5	761	8.0	14.1
	Wholesale	1,708	17.1	(6.6)	1,778	18.6	4.1	1,483	15.6	(16.6)
	Sub total	10,013	24.3	(7.4)	9,543	22.6	(4.7)	9,505	20.8	(0.4)
T o t a l	Mail Order	26,210	63.6	(7.2)	26,046	61.7	(0.6)	27,309	59.7	4.8
	Retail Store	8,647	21.0	(0.4)	9,509	22.5	10.0	11,374	24.8	19.6
	Wholesale	6,340	15.4	(3.9)	6,689	15.8	5.5	7,083	15.5	5.9
	Sub total	41,198	100.0	(5.4)	42,245	100.0	2.5	45,766	100.0	8.3

(New Businesses)

(Millions of yen,%)

	Six Months ended 9/03			Six Months ended 9/04			Six Months ended 9/05			
	amount	% of Total	% change	amount	% of Total	% change	amount	% of Total	% change	
R i c k e	Mail Order	1,695	58.8	(6.9)	1,391	53.0	(18.0)	1,239	57.1	(10.9)
	Retail Store	145	5.1	(4.9)	157	6.0	8.5	178	8.3	13.3
	Wholesale	1,040	36.1	(13.5)	1,077	41.0	3.6	751	34.6	(30.3)
	Sub total	2,881	7.0	(9.3)	2,626	6.2	(8.8)	2,169	4.8	(17.4)
K a l e	Mail Order	805	49.8	68.9	710	43.0	(11.8)	888	43.8	25.1
	Retail Store	195	12.0	46.5	326	19.8	67.4	492	24.3	50.9
	Wholesale	618	38.2	45.2	614	37.2	(0.6)	647	31.9	5.3
	Sub total	1,618	3.9	56.3	1,651	3.9	2.0	2,028	4.4	22.9

◆ Sales By Segment(Full Year)

(Millions of yen,%)

	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	23,900	58.6	4.7
	Retail Store	10,608	30.4	(8.2)	11,491	31.0	8.3	13,650	33.4	18.8
	Wholesale	2,448	7.0	(7.2)	2,777	7.5	13.5	3,250	8.0	17.0
	Sub total	34,925	41.1	(6.0)	37,098	42.2	6.2	40,800	42.9	10.0
s u p p l e	Mail Order	16,439	55.4	(4.3)	16,709	53.7	1.6	17,100	50.3	2.3
	Retail Store	5,994	20.2	8.5	7,175	23.0	19.7	8,900	26.2	24.0
	Wholesale	7,221	24.4	10.9	7,246	23.3	0.3	8,000	23.5	10.4
	Sub total	29,655	34.9	1.5	31,131	35.4	5.0	34,000	35.8	9.2
o t h e r s	Mail Order	16,129	79.2	(16.2)	15,004	76.1	(7.0)	15,250	75.5	1.6
	Retail Store	1,119	5.5	68.4	1,400	7.1	25.1	1,700	8.4	21.4
	Wholesale	3,125	15.3	(16.5)	3,301	16.8	5.6	3,250	16.1	(1.6)
	Sub total	20,375	24.0	(13.9)	19,706	22.4	(3.3)	20,200	21.3	2.5
T o t a l	Mail Order	54,438	64.1	(8.3)	54,543	62.0	0.2	56,250	59.2	3.1
	Retail Store	17,722	20.8	(0.1)	20,067	22.8	13.2	24,250	25.5	20.8
	Wholesale	12,795	15.1	(0.8)	13,326	15.2	4.1	14,500	15.3	8.8
	Sub total	84,956	100.0	(5.6)	87,937	100.0	3.5	95,000	100.0	8.0

(New Businesses)

(Millions of yen,%)

	FY2004			FY2005			FY2006 (Projection)			
	amount	% of Total	% change	amount	% of Total	% change	amount	% of Total	% change	
R i c k e	Mail Order	3,215	59.7	(19.8)	2,838	56.5	(11.7)	2,850	57.0	0.4
	Retail Store	278	5.2	(16.8)	332	6.6	19.4	400	8.0	20.4
	Wholesale	1,889	35.1	(24.4)	1,855	36.9	(1.8)	1,750	35.0	(5.7)
	Sub total	5,383	6.3	(21.3)	5,026	5.7	(6.6)	5,000	5.3	(0.5)
K a l e	Mail Order	1,435	48.1	12.3	1,557	44.2	8.5	1,700	41.5	9.2
	Retail Store	434	14.6	49.7	725	20.6	66.9	1,050	25.6	44.7
	Wholesale	1,114	37.3	19.6	1,241	35.2	11.4	1,350	32.9	8.7
	Sub total	2,985	3.5	19.3	3,524	4.0	18.1	4,100	4.3	16.3

◆Number of Active Customer

		As of September 30, 2003	As of September 30, 2004	As of September 30, 2005	Increase (decrease)
F A N C L	Cosmetics	1,012,819	1,084,037	1,262,218	178,181
	Cosmetics Mail Order	550,261	602,075	660,178	58,103
	Cosmetics Retail Stores	542,898	566,190	711,025	144,835
	Nutritional Supple	1,042,081	1,042,490	1,168,339	125,849
	Supple Mail Order	644,973	619,079	639,184	20,105
	Supple Retail Stores	439,846	467,574	590,434	122,860
	Rice Mail Order	310,848	328,680	214,060	(114,620)
	Kale Mail Order	117,408	93,603	108,779	15,176
	Mail order	1,154,210	1,258,604	1,184,304	(74,300)
	Retail Stores	841,738	898,562	1,098,842	200,280
ATTENIR Cosme Mail Order		332,365	410,085	413,600	3,516

◆Unit Prices

(Yen, %)

	Six Months ended 9/04	Six Months ended 9/05	% change
Cosmetics Mail Order	5,719	5,560	(2.8)
Supple Mail Order	6,138	5,944	(3.2)
Retail Stores	3,321	3,304	(0.5)

◆Existing Stores Year-on-year change

Six Months ended 9/04	Six Months ended 9/05
105.6%	106.9%

◆Capital Investment and Depreciation

Millions of yen

	Six Months ended 9/04	Six Months ended 9/05	FY2005	FY2006 (projection)
Capital Investment	705	995	1,941	2,500
Depreciation	1,181	1,213	2,464	2,589

◆Segment Information(Six Months)

(Millions of yen,%)

		Six Months ended 9/03			Six Months ended 9/04			Six Months ended 9/05		
		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	19,736	43.1	10.6
	Gross Profit	12,877	76.0		13,214	74.0		14,639	74.2	
	SGA	9,214	54.4	(7.4)	11,158	62.5	21.1	12,277	62.2	10.0
	Advertising	1,403	8.3	6.6	2,563	14.4	82.6	2,862	14.5	11.7
	Operating Income	3,663	21.6	(8.9)	2,055	11.5	(43.9)	2,361	12.0	14.9
S u p p l e	Sales	14,230	34.5	0.1	14,850	35.1	4.4	16,524	36.1	11.3
	Gross Profit	8,956	62.9		9,852	66.3		10,384	62.8	
	SGA	6,284	44.1	0.6	8,123	54.7	29.3	7,603	46.0	(6.4)
	Advertising	893	6.3	(1.0)	1,911	12.9	114.0	877	5.3	(54.1)
	Operating Income	2,672	18.8	(15.3)	1,729	11.6	(35.3)	2,780	16.8	60.8
o t h e r s	Sales	10,013	24.3	(7.4)	9,543	22.6	(4.7)	9,505	20.8	(0.4)
	Gross Profit	5,308	53.0		4,697	49.2		4,954	52.1	
	SGA	5,715	57.1	(7.3)	6,162	64.6	7.8	5,093	53.6	(17.4)
	Advertising	1,477	14.8	(26.2)	1,556	16.3	5.4	960	10.1	(38.3)
	Operating Income	(407)	(4.1)	—	(1,465)	(15.4)	—	(138)	(1.5)	—
Eliminations or Corporate		(1,038)			(1,027)			(831)		
T o t a l	Sales	41,198	100.0	(5.4)	42,245	100.0	2.5	45,766	100.0	8.3
	Gross Profit	27,142	65.9		27,764	65.7		29,977	65.5	
	SGA	22,252	54.0	(4.5)	26,471	62.6	19.0	25,806	56.4	(2.5)
	Advertising	3,774	9.2	(10.6)	6,031	14.3	59.8	4,700	10.3	(22.1)
	Operating Income	4,889	11.9	(12.6)	1,292	3.1	(73.6)	4,171	9.1	222.7

◆General and administrative expenses(Six Months)

(Millions of yen,%)

		Six Months ended 9/03			Six Months ended 9/04			Six Months ended 9/05		
		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	4,700	10.3	(22.1)
Sales Promotions		3,643	8.8	(17.7)	4,789	11.3	31.4	4,315	9.4	(9.9)
Transport		1,950	4.7	(8.4)	2,057	4.9	5.5	2,026	4.4	(1.5)
Communications		1,283	3.1	(10.8)	1,119	2.6	(12.8)	1,007	2.2	(10.0)
Fees/outsourcing		3,387	8.2	(0.2)	3,763	8.9	11.1	4,043	8.8	7.4
Salaries		4,912	11.9	5.7	5,225	12.4	6.4	6,030	13.2	15.4
Depreciations		843	2.0	15.0	696	1.6	(17.4)	678	1.5	(2.6)
Others		2,457	6.0	6.4	2,789	6.6	13.5	3,003	6.6	7.7
Total		22,252	54.0	(4.5)	26,471	62.6	19.0	25,806	56.4	(2.5)

◆Segment Information(Full Year)

(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	40,800	42.9	10.0
	Gross Profit	26,394	75.6		27,592	74.4		30,200	74.0	
	SGA	20,111	57.6	(1.0)	22,846	61.6	13.6	24,500	60.0	7.2
	Advertising	3,932	11.3	18.2	5,073	13.7	29.0	5,250	12.9	3.5
	Operating Income	6,283	18.0	(22.4)	4,745	12.8	(24.5)	5,700	14.0	20.1
S u p p l e	Sales	29,655	34.9	1.5	31,131	35.4	5.0	34,000	35.8	9.2
	Gross Profit	19,047	64.2		20,623	66.2		21,400	62.9	
	SGA	13,675	46.1	11.3	15,985	51.3	16.9	16,200	47.6	1.3
	Advertising	2,501	8.4	37.0	3,291	10.6	31.6	2,450	7.2	(25.6)
	Operating Income	5,371	18.1	(21.9)	4,638	14.9	(13.6)	5,200	15.3	12.1
o t h e r s	Sales	20,375	24.0	(13.9)	19,706	22.4	(3.3)	20,200	21.3	2.5
	Gross Profit	10,254	50.3		9,689	49.2		10,400	51.5	
	SGA	12,075	59.2	(7.5)	11,656	59.2	(3.5)	10,800	53.5	(7.3)
	Advertising	3,430	16.8	(16.5)	2,740	13.9	(20.1)	2,200	10.9	(19.7)
	Operating Income	(1,820)	(8.9)	—	(1,967)	(10.0)	—	(400)	(2.0)	—
Eliminations or Corporate		(2,064)			(1,988)			(1,800)		
T o t a l	Sales	84,956	100.0	(5.6)	87,937	100.0	3.5	95,000	100.0	8.0
	Gross Profit	55,696	65.5		57,905	65.8		62,000	65.3	
	SGA	47,926	56.4	1.0	52,476	59.6	9.5	53,300	56.1	1.6
	Advertising	9,864	11.6	6.5	11,105	12.6	12.6	9,900	10.4	(10.9)
	Operating Income	7,769	9.1	(32.6)	5,428	6.2	(30.1)	8,700	9.2	60.3

◆General and administrative expenses(Full Year)

(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	9,900	10.4	(10.9)
Sales Promotions		7,997	9.4	(7.2)	9,475	10.8	18.5	9,200	9.7	(2.9)
Transport		3,995	4.7	(8.5)	4,240	4.8	6.1	4,200	4.4	(0.9)
Communications		2,430	2.9	(17.3)	2,199	2.5	(9.5)	1,900	2.0	(13.6)
Fees/outsourcing		7,179	8.5	2.5	7,482	8.5	4.2	8,500	8.9	13.6
Salaries		9,837	11.6	4.2	10,689	12.2	8.7	12,400	13.1	16.0
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	5,700	6.0	(2.3)
Total		47,926	56.4	1.0	52,476	59.6	9.5	53,300	56.1	1.6

◆Number of Shops by Region

As of September 30, 2005

		Hokkaido	Tohoku	Kanto (except Tokyo)	TOKYO	Shinetsu	Tokai, Hokuriku& Shinetsu	Kinki	Chugoku, Shikoku	Kyusyu, Okinawa	Total
Fanc1 House	Directly Managed Stores	1	5	28	23	17	22	6	5	107	
	FC	1	—	—	—	—	—	—	1	2	
Fanc1 House J		1	1	14	12	3	10	6	6	53	
Genki Station		2	—	—	3	1	2	—	1	9	
ATTENIR Shop		—	—	2	2	1	4	1	—	10	
Others		—	—	1	2	—	—	—	—	3	
Total		5	6	45	42	22	38	13	13	184	

◆Number of Shops

	As of March 31, 2001	As of March 31, 2002	As of March 31, 2003	As of March 31, 2004	As of March 31, 2005	As of September 30, 2005	As of March 31, 2006 (projection)
Fanc1 House	121	114	119	114	110	109	118
Fanc1 House J	—	—	1	10	37	53	74
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	184	214