Consolidated Financial Results for the Nine Months Ended September 20, 2013
[Japanese GAAP]

September 27, 2013

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Scheduled filing date for quarterly report: October 25, 2013 Scheduled starting date of dividend payments: -
Preparation of supplementary materials on the quarterly results: Yes
Holding of an explanatory meeting on the quarterly results: No

(Amounts of less than one million yen have been omitted)

1. Consolidated financial results for the nine months ended September 20, 2013 (December 21, 2012- September 20, 2013)

(1) Consolidated operating results (Percentages show year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended September 20, 2013	17,508	8.8	3,322	6.5	3,131	7.4	1,938	11.3
Nine months ended September 20, 2012	16,099	8.0	3,119	13.5	2,915	13.8	1,741	18.5

(Note) Comprehensive income Nine months ended September 20, 2013: 2,568 million yen [46.1%] Nine months ended September 20, 2012: 1,757 million yen [21.2%]

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended September 20, 2013	141.08	-
Nine months ended September 20, 2012	126.37	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
Nine months ended September 20, 2013	25,221	21,551	85.4
Year ended December 20, 2012	23,662	20,367	86.1

(Reference) Equity As of September 20, 2013: 21,551 million yen As of December 20, 2012: 20,367 million yen

2. Payment of dividends

	Annual dividend				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	End of fiscal year	Total
	Yen	Yen	Yen	Yen	Yen
Year ended December 20, 2012	-	32.00	-	34.00	66.00
Year ending December 20, 2013	-	33.00	-		
Year ending December 20, 2013 (forecast)				33.00	66.00

Note: Changes to latest dividends forecast: None

3. Consolidated operating forecasts for the fiscal year ending December 20, 2013 (December 21, 2012 - December 20, 2013)

(Percentages show 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
Year ending December 20, 2013	23,100	5.5	4,250	6.6	3,960	6.0	2,440	14.6	177.06

Note: Changes to latest performance forecasts: None

*Notes

(1) Significant changes in subsidiaries during the period
(changes in specified subsidiaries accompanied by changes in the scope of consolidation) : None
New: 0 companies (Company name:) Exclude: 0 companies (Company name:)

(2) Application of accounting methods specific to the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatements

1) Changes in accounting policies due to amendment to the accounting standards, etc.	:	None
2) Changes in accounting policies other than those in 1) above	:	None
3) Changes in accounting estimates	:	None
4) Retrospective restatements	:	None

(4) Number of shares issued (common stock)

1) Number of shares issued at the end of the period (including treasury stock)	Nine months ended September 20, 2013	13,798,848 shares	Year ended December 20, 2012	13,798,848 shares
2) Number of treasury stock at the end of the period	Nine months ended September 20, 2013	149,442 shares	Year ended December 20, 2012	18,716 shares
3) Average number of shares during the period (cumulative)	Nine months ended September 20, 2013	13,741,331 shares	Nine months ended September 20, 2012	13,780,648 shares

*Status of execution of quarterly review of financial statements

As these consolidated financial statements are not subject to the review of the quarterly financial statements pursuant to the Financial Instruments and Exchange Act, procedures for said review were not completed at the time of disclosure of this report.

*Explanation on the appropriate use of operating forecasts and other special instructions

Operating forecasts and other statements regarding the future presented in these materials are based on information currently available and certain assumptions deemed to be reasonable, and actual performance may differ substantially due to various factors.

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1. Qualitative information on consolidated results for the current period

(1) Qualitative information on consolidated operating results

During the nine month period ended September 20, 2013, promising signs of recovery became evident as the yen grew weaker and stock prices rose in anticipation of the effects of the economic measures and fiscal policies taken by the new administration. However, the nation's economy remained in a state of uncertainty over its future due to the European debt crisis and the decelerating economies of the emerging nations. In the beauty industry, amid the harsh business climate, there has been a growing awareness of beauty among women in their 30's to 50's who form the core of the customer base.

Under such circumstances, the Milbon Group has been changing its awareness of mature women who make up its clientele, and being fully aware of the importance of creating new value, has been promoting initiatives intended for salons under the slogan of "Promotion of Age Beauty Innovation, in which professional designers answer to the new values held by mature women."

Consolidated net sales during the nine month period ended September 20, 2013 increased to 17,508 million yen (up 8.8% year-on-year). This was primarily due to the strong initial sales of the aging care brand, Plarmia, and the Aujua Aging Care series Timesurge line, which were launched in February, in the hair-care product category; and the strong sales of the permanent hair coloring brand Ordeve, and Ordeve Beaute, the product line specialized for gray hair in the hair coloring product category. Strong sales were also recorded for the additional items in Plarmia and Aujua Aging Care series and the additional colors in Ordeve and Ordeve Beaute, all of which were launched in September to meet the wide-ranging needs of customers. Double-digit growth of sales in China and South Korea thanks to the proactive educational activities conducted in the salons was another factor of the increase.

Operating income increased to 3,322 million yen (up 6.5% year-on-year); ordinary income increased to 3,131 million yen (up 7.4% year-on-year); and net income increased to 1,938 million yen (up 11.3% year-on-year).

Breakdown of net sales by product category and breakdown of net sales into domestic and overseas sales are shown below:

[Breakdown of consolidated net sales by product category] (Unit: Million yen)

Product category	Nine months ended September 20, 2012		Nine months ended September 20, 2013		Increase (decrease) amount	Year-on-year change (%)
	Amount	Ratio (%)	Amount	Ratio (%)		
Hair care products	8,007	49.7	9,086	51.9	1,079	13.5
Hair coloring products	6,615	41.1	7,018	40.1	403	6.1
Permanent wave products	1,282	8.0	1,224	7.0	(58)	(4.6)
Others	193	1.2	179	1.0	(14)	(7.4)
Total	16,099	100.0	17,508	100.0	1,409	8.8

[Breakdown of net sales into domestic and overseas sales] (Unit: Million yen)

	Nine months ended September 20, 2012		Nine months ended September 20, 2013		Increase (decrease) amount	Year-on-year change (%)
	Amount	Ratio (%)	Amount	Ratio (%)		
Domestic sales	15,071	93.6	16,192	92.5	1,121	7.4
Overseas sales	1,028	6.4	1,316	7.5	288	28.0
Total	16,099	100.0	17,508	100.0	1,409	8.8

(2) Qualitative information on consolidated financial conditions

Total assets at the end of the nine month period ended September 20, 2013 increased by 1,559 million yen compared to the end of the previous consolidated fiscal year to 25,221 million yen.

Current assets increased by 385 million yen compared to the end of the previous consolidated fiscal year to 11,984 million yen. This was due mainly to the increases in merchandise and finished goods and in raw materials and supplies by 390 million yen and 107 million yen, respectively, as well as the decreases in cash and deposits and in notes and accounts receivable-trade by 120 million yen and 180 million yen, respectively.

Noncurrent assets increased by 1,174 million yen compared to the end of the previous consolidated fiscal year to 13,237 million yen. This was due mainly to the increase in construction in progress by 837 million yen as a result of advance payments on a portion of the extension work of the Central Research Institute and the construction costs of the plant in Thailand, and the increase of 574 million yen in investment securities associated with the rise in the prices of listed stock.

Current liabilities increased by 372 million yen compared to the end of the previous consolidated fiscal year to 3,469 million yen. This was due mainly to the increases in accounts payable-trade and in provision for bonuses by 241 million yen and 245 million yen, respectively, as well as the decrease of 272 million yen in accounts payable-other.

There were no material changes in noncurrent liabilities from the end of the previous consolidated fiscal year.

Net assets increased by 1,183 million yen compared to the end of the previous consolidated fiscal year to 21,551 million yen. This was due mainly to the 1,017 million yen increase in retained earnings, the 370 million yen increase in valuation difference on available-for-sale securities associated with the rise in the prices of listed stock and the 258 million yen increase in foreign currency translation adjustment due to the weakening yen, as well as the 463 million yen decrease resulting from the acquisition of treasury stock.

As a result, equity ratio changed from 86.1% at the end of the previous consolidated fiscal year to 85.4%. Net assets per share based on total outstanding shares as of the end of the current period increased from 1,478.02 yen per share at the end of the previous consolidated fiscal year to 1,578.92 yen per share.

(3) Qualitative information on consolidated operating forecasts

In terms of the full-year forecast there are no changes to the previous consolidated performance forecasts, which were announced on January 23, 2013.

2. Summary information (Notes)

(1) Significant changes in subsidiaries during the period

None

(2) Application of accounting methods specific to the preparation of quarterly consolidated financial statements

No

(3) Changes in the accounting policies, changes in accounting estimates and retrospective restatements

None

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	Previous Consolidated Fiscal Year (As of December 20, 2012)	Current Consolidated Third Quarter (As of September 20, 2013)
Assets		
Current assets		
Cash and deposits	6,066,322	5,945,782
Notes and accounts receivable-trade	2,964,933	2,784,882
Merchandise and finished goods	1,775,588	2,166,363
Work in process	18,754	22,722
Raw materials and supplies	522,000	629,398
Other	292,910	492,209
Allowance for doubtful accounts	(40,939)	(56,467)
Total current assets	11,599,570	11,984,891
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	3,612,333	3,417,385
Machinery, equipment and vehicles, net	887,448	916,814
Land	4,763,766	4,869,544
Construction in progress	85,294	922,991
Other, net	180,588	174,730
Total property, plant and equipment	9,529,431	10,301,466
Intangible assets	526,433	493,827
Investments and other assets		
Investment securities	1,136,817	1,711,250
Other	939,464	792,712
Allowance for doubtful accounts	(69,240)	(62,241)
Total investments and other assets	2,007,041	2,441,721
Total noncurrent assets	12,062,905	13,237,014
Total assets	23,662,476	25,221,906
Liabilities		
Current liabilities		
Accounts payable-trade	482,028	723,794
Accounts payable-other	1,558,946	1,286,588
Income taxes payable	647,791	631,175
Provision for sales returns	20,978	31,466
Provision for bonuses	71,204	316,662
Other	316,840	480,257
Total current liabilities	3,097,790	3,469,944
Noncurrent liabilities		
Provision for retirement benefits	46,231	52,613
Other	151,128	148,062
Total noncurrent liabilities	197,359	200,676
Total liabilities	3,295,150	3,670,621

(Thousand yen)

	Previous Consolidated Fiscal Year (As of December 20, 2012)	Current Consolidated Third Quarter (As of September 20, 2013)
Net assets		
Shareholders' equity		
Capital stock	2,000,000	2,000,000
Capital surplus	199,120	199,183
Retained earnings	18,476,098	19,493,825
Treasury stock	(51,035)	(514,340)
Total shareholders' equity	20,624,182	21,178,668
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(129,363)	241,145
Foreign currency translation adjustment	(127,493)	131,471
Total accumulated other comprehensive income	(256,856)	372,616
Total net assets	20,367,325	21,551,285
Total liabilities and net assets	23,662,476	25,221,906

(2) Quarterly Consolidated Statements of Earnings and Consolidated Statements of Comprehensive Income

Quarterly Consolidated Statements of Earnings

Quarterly Consolidated Nine Months Ended September 20, 2012 and 2013

(Thousand yen)

	Nine Months Ended September 20, 2012 (December 21, 2011 - September 20, 2012)	Nine Months Ended September 20, 2013 (December 21, 2012 - September 20, 2013)
Net sales	16,099,562	17,508,946
Cost of sales	5,088,816	5,563,866
Gross profit	11,010,745	11,945,079
Selling, general and administrative expenses	7,890,985	8,622,277
Operating income	3,119,760	3,322,801
Non-operating income		
Interest income	1,461	11,598
Dividends income	20,917	25,040
Foreign exchange gains	-	28,116
Company house defrayment income	43,578	37,743
Other	9,358	8,592
Total non-operating income	75,316	111,091
Non-operating expenses		
Sales discounts	278,143	302,039
Other	1,862	557
Total non-operating expenses	280,005	302,596
Ordinary income	2,915,071	3,131,297
Extraordinary income		
Gain on sales of noncurrent assets	-	552
Total extraordinary income	-	552
Extraordinary loss		
Loss on retirement of noncurrent assets	2,660	9,831
Provision of allowance for doubtful accounts	12,647	-
Total extraordinary losses	15,307	9,831
Income before income taxes and minority interests	2,899,763	3,122,018
Income taxes-current	1,240,149	1,338,067
Income taxes-deferred	(81,878)	(154,715)
Total income taxes	1,158,270	1,183,352
Income before minority interests	1,741,492	1,938,666
Net income	1,741,492	1,938,666

Quarterly Consolidated Statements of Comprehensive Income

Quarterly Consolidated Nine Months Ended September 20, 2012 and 2013

(Thousand yen)

	Nine Months Ended September 20, 2012 (December 21, 2011 - September 20, 2012)	Nine Months Ended September 20, 2013 (December 21, 2012 - September 20, 2013)
Income before minority interests	1,741,492	1,938,666
Other comprehensive income		
Valuation difference on available-for-sale securities	2,212	370,509
Foreign currency translation adjustment	13,508	258,964
Total other comprehensive income	15,720	629,473
Comprehensive income	1,757,213	2,568,139
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,757,213	2,568,139
Comprehensive income attributable to minority interests	-	-

(3) Notes regarding going concern assumption

None

(4) Segment information

The Company omits information on business segments, as it is engaged in the production and distribution of hair-care products and related merchandise, all of which are deemed to belong to a single business segment.

(5) Notes in case of any significant changes in shareholders' equity

None