

Financial Results for the Fiscal Year Ended January 31, 2007
Non-consolidated

March 14, 2007

Company name: Listings: Security code: URL: Head office: Representative: Contact: Tel: Date of board of directors meeting: Date of annual shareholders' meeting: Date of dividend payment: Adoption of unit stock system:	<p style="text-align: center;">Dr. Ci:Labo Co., Ltd.</p> The First Section of Tokyo Stock Exchange 4924 http://www.ci-labo.com Tokyo, Japan Tomomi Ishihara, President and COO Tadaaki Sato, Managing Director and General Manager of Corporate Administration Division +81-3-6419-2500 March 14, 2007 April 24, 2007 April 25, 2007 Not adopted
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

1. Financial Results for the Fiscal Year Ended January 31, 2007
(February 1, 2006 to January 31, 2007)

(1) Operating Results

	Net sales		Operating income		Ordinary income	
	million yen	%	million yen	%	million yen	%
Year ended January 31, 2007	18,080	8.9	3,063	14.2	3,071	12.4
Year ended January 31, 2006	16,598	26.7	2,682	(17.6)	2,733	(16.0)

	Net income		Net income per share	Diluted net income per share	Return on equity	Ordinary income/ total assets	Ordinary income/ net sales
	million yen	%	yen	yen	%	%	%
Year ended January 31, 2007	1,447	(6.2)	5,292.98	5,222.66	17.3	25.9	17.0
Year ended January 31, 2006	1,542	(11.6)	5,660.28	5,563.65	21.3	27.2	16.5

- Notes: 1. Average number of shares issued and outstanding during the period:
 Year ended January 31, 2007: 273,412 shares
 Year ended January 31, 2006: 272,949 shares
2. Changes in accounting method: None
3. Percentage figures shown in the net sales, operating income, ordinary income and net income columns represent year-on-year changes.

(2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	yen
Year ended January 31, 2007	12,644	8,922	70.6	32,496.33
Year ended January 31, 2006	11,028	7,828	71.0	28,670.98

- Notes:
1. Average number of shares issued and outstanding at the end of the period:
 - Year ended January 31, 2007: 274,570 shares
 - Year ended January 31, 2006: 273,058 shares
 2. Number of treasury stocks at the end of the period:
 - Year ended January 31, 2007: 3,198 shares
 - Year ended January 31, 2006: 3,198 shares

2. Forecast of Earnings for the Six Months Ending July 31, 2007 (February 1, 2007 to July 31, 2007)

	Sales	Ordinary income	Net income
	million yen	million yen	million yen
Six months ending July 31, 2007	8,700	850	420

Note: Projected net income per share for the period: ¥1,529.66

* Change in the closing date of the fiscal year is subject to approval of the annual shareholders' meeting scheduled for April 24, 2007.

Reference: Forecast of earnings for the 12 months ending January 31, 2008 (Feb 1, 2007 to Jan 31, 2008)

	Sales	Ordinary income	Net income
	million yen	million yen	million yen
Twelve months ending January 31, 2008	19,500	3,150	1,620

Note: Projected net income per share for the period: ¥5,900.13

3. Dividends

* Cash dividend

	Dividend per share		Annual aggregate dividend	Payout ratio	Dividend rate for net assets
	End of period	Full year			
Year ended January 31, 2006	yen 1,400.00	yen 1,400.00	million yen 382	% 24.8	% 4.9
Year ended January 31, 2007	1,600.00	1,600.00	439	30.2	4.9
Six months ending July 31, 2007 (Forecast)	460.00	460.00			

* The above forecasts are based on the information currently available. Actual results may differ from the above forecast depending changes in economic conditions and business environment.

[6] Financial Statements

Balance Sheets

(In thousand yen)

		As of January 31, 2006		As of January 31, 2007		
		Amount	%	Amount	%	
Assets						
Current assets						
Cash and time deposits		2,079,837		3,681,631		
Accounts receivable-trade	*4	2,806,475		2,387,010		
Finished goods		920,094		808,550		
Merchandise		67,751		69,635		
Supplies		543,998		617,048		
Prepaid expenses		56,704		64,271		
Deferred tax assets		228,885		255,906		
Short-term loans to affiliates		18,880		73,433		
Other		50,223		31,430		
Allowance for doubtful accounts		(21,778)		(26,079)		
Total current assets		6,751,072	61.2	7,962,838	63.0	
Noncurrent assets						
Tangible fixed assets						
Buildings		428,124		463,472		
Accumulated depreciation		40,987	387,137	89,575	373,897	
Structures		5,712		5,712		
Accumulated depreciation		-	5,712	2,339	3,373	
Vehicles		5,328		5,328		
Accumulated depreciation		4,568	759	4,810	517	
Tools, furniture & fixture		503,658		650,637		
Accumulated depreciation		240,994	262,663	346,402	304,235	
Land			1,315,697		1,315,697	
Construction in progress			-		1,689	
Total tangible fixed assets			1,971,971		1,999,410	15.8
Intangible fixed assets						
Software			715,170		644,246	
Suspense account for software			65,008		162,712	
Trade marks			21,908		22,259	
Other			373		332	
Total intangible fixed assets			802,461	7.3	829,550	6.6
Investments and other assets						
Investment securities			144,000		138,500	
Equity investments in affiliates			797,358		1,319,107	
Investment securities of affiliates			285,648		275,078	
Long-term loans to affiliates			25,536		75,353	
Long-term prepaid expenses			43,976		68,964	
Leasehold deposits			187,762		203,026	
Deferred tax assets			16,574		39,485	
Other			2,182		3,274	
Allowance for investment losses					(269,978)	
Total investments and other assets			1,503,040	13.6	1,852,810	14.6
Total noncurrent assets			4,277,473	38.8	4,681,770	37.0
Total assets			11,028,546	100.0	12,644,610	100.0

(In thousand yen)

	As of January 31, 2006		As of January 31, 2007	
	Amount	%	Amount	%
Liabilities				
Current liabilities				
Accounts payable-trade	402,960		277,158	
Short-term borrowings	1,000,000		-	
Current portion of long-term borrowings	-		724,000	
Accounts payable-other	659,702		795,676	
Accrued expenses	1,817		15,817	
Income tax payable	485,470		799,695	
Consumption tax payable	-		107,009	
Advances received	-		34,477	
Deposits received	21,669		21,837	
Reserve for bonuses	16,839		23,817	
Allowance for bonus points redemption	99,159		128,198	
Other	10,982		7,050	
Total current liabilities	2,698,600	24.5	2,934,739	23.2
Long-term liabilities				
Long-term borrowings	500,000		776,000	
Reserve for retirement benefits	1,104		9,043	
Other	-		2,310	
Total long-term liabilities	501,104	4.5	787,353	6.2
Total liabilities	3,199,704	29.0	3,722,093	29.4
Shareholders' equity				
Common stock	1,122,328	10.2	-	-
Additional paid-in capital				
Capital reserve	1,599,928		-	
Total additional paid-in capital	1,599,928	14.5	-	-
Retained earnings				
Legal reserves	535		-	
Voluntary reserves				
Reserve for special depreciation	94		-	
General reserve	3,000,000		-	
Unappropriated retained earnings	2,774,671		-	
Total retained earnings	5,775,300	52.3	-	-
Unrealized gains/(losses) on available-for-sale securities	(20,160)	(0.1)	-	-
Treasury stock	(648,554)	(5.9)	-	-
Total shareholders' equity	7,828,841	71.0	-	-
Total liabilities and shareholders' equity	11,028,546	100.0	-	-

(In thousand yen)

	As of January 31, 2006		As of January 31, 2007	
	Amount	%	Amount	%
Net assets				
Shareholders' capital				
Common stock	-	-	1,138,361	9.0
Additional paid-in capital				
Capital reserve	-		1,615,961	
Total additional paid-in capital	-	-	1,615,961	12.8
Retained earnings				
Legal reserves	-		535	
Other				
General reserve	-		3,800,000	
Retained earnings carried forward	-		3,039,646	
Total retained earnings	-	-	6,840,181	54.1
Treasury stock	-	-	(648,554)	(5.1)
Total shareholders' capital	-	-	8,945,950	70.8
Valuation and translation adjustments				
Net unrealized gains/(losses) on other securities	-	-	(23,433)	(0.2)
Total valuation and translation adjustments	-	-	(23,433)	(0.2)
Total net assets	-	-	8,922,516	70.6
Total liabilities and net assets	-	-	12,644,610	100.0

Statements of Operations

(In thousand yen)

	Year ended January 31, 2006			Year ended January 31, 2007		
	Amount	%	%	Amount	%	%
Net sales						
Sales of finished goods	15,864,220			17,522,391		
Sales of merchandise	734,261	16,598,481	100.0	558,206	18,080,598	100.0
Cost of sales						
Beginning inventory - finished goods	632,541			920,094		
Cost of finished goods during period	*1 3,201,476			3,450,948		
Transfer from other accounts	*2 145,291			268,802		
Ending inventory - finished goods	920,094			808,550		
Sub total	2,768,632			3,293,690		
Beginning inventory - merchandise	105,974			67,751		
Merchandise purchased during period	343,128			313,975		
Transfer from other accounts	*2 16,875			26,749		
Ending inventory - merchandise	67,751			69,635		
Sub total	364,476	3,133,108	18.9	285,342	3,579,032	19.8
Gross profit		13,465,372	81.1		14,501,566	80.2
Selling, general and administrative expenses						
Directors' remuneration	88,090			91,900		
Employees' salaries	1,101,893			1,298,068		
Employees' bonuses	75,303			95,530		
Legal welfare expenses	171,575			207,752		
Provision for bonuses	16,839			23,817		
Retirement benefits expense	670			8,342		
Expenses for temporary staff dispatched	503,474			518,890		
Advertising expense	3,615,920			3,348,737		
Sales promotion expense	1,151,516			1,435,723		
Supplies expense	129,681			140,728		
Rent expense	296,246			298,663		
Lease payments	128,699			147,321		
Depreciation	266,227			401,961		
Provision for doubtful accounts	4,632			4,646		
Provision for bonus points redemption	48,896			118,106		
Telecommunication expense	665,374			685,809		
Transportation expense	792,504			802,867		
Fees	161,532			60,021		
Commissions	760,340			914,439		
Research & development expenses	*3 80,893			93,363		
Other	722,961	10,783,277	65.0	741,055	11,437,748	63.3
Operating income		2,682,094	16.1		3,063,818	16.9

(In thousand yen)

	Year ended January 31, 2006			Year ended January 31, 2007		
	Amount		%	Amount		%
Non-operating revenues						
Interest income	3,245			3,540		
Dividend income	1,800			894		
Foreign exchange gains	30,318			10,037		
Incentives for shop renovation received from department stores	5,001			5,394		
Rent income	8,484			1,078		
Compensation for merchandise breakage	1,802			605		
Consignment revenue	-			4,571		
Miscellaneous revenue	8,163	58,815	0.4	6,276	32,398	0.2
Non-operating expenses						
Interest expense	4,452			13,976		
Share issuance expense	318			-		
Charges for disposal of materials	1,600			-		
Commissions	895			7,120		
Loss on investment partnership	-			3,422		
Other	388	7,654	0.0	631	25,151	0.1
Ordinary income		2,733,255	16.5		3,071,064	17.0
Extraordinary profits						
Compensation for cancellation of store leasing contract	82,000	82,000	0.5	-	-	-
Extraordinary losses						
Loss on disposal of noncurrent assets	57,635			7,193		
Provision for investment losses	-	57,635	0.4	269,978	277,171	1.5
Net income before taxes		2,757,619	16.6		2,793,892	15.5
Income taxes, inhabitants taxes and enterprise taxes	1,229,131			1,394,435		
Income tax adjustments	(13,819)	1,215,312	7.3	(47,705)	1,346,730	7.5
Net income		1,542,307	9.3		1,447,162	8.0
Retained earnings brought forward		1,232,363			-	
Net income		2,774,671			-	

*4

Additional Paid-in Capital and Retained Earnings

(In thousand yen)

	Year ended January 31, 2006 (Date of approval by the annual shareholders' meeting: April 26, 2006)	
	Amount	
Unappropriated retained earnings		2,774,671
Reversal of voluntary reserves		
Reversal of reserve for special depreciation	94	94
Total		2,774,765
Appropriation of retained earnings		
Dividend	382,281	
Voluntary reserves		
General reserve	800,000	1,182,281
Retained earnings carried forward		1,592,484

Statements of Changes in Shareholders' Capital
(February 1, 2006 – January 31, 2007)

(In thousand yen)

	Shareholders' capital							
	Common stock	Additional paid-in capital		Legal reserves	Retained earnings			Total retained earnings
		Capital reserve	Total additional paid-in capital		Reserve for special depreciation	General reserve	Retained earnings carried forward	
Balance as of January 31, 2006	1,122,328	1,599,928	1,599,928	535	94	3,000,000	2,774,671	5,775,300
Change during period								
Reversal of reserve for special depreciation					(94)		94	
Provision for general reserve						800,000	(800,000)	
Issuance of new shares	16,033	16,033	16,033					
Dividend from *							(382,281)	(382,281)
Net income							1,447,162	1,447,162
Net change in items other than shareholders' capital during the year								
Total change during period	16,033	16,033	16,033		(94)	800,000	264,975	1,064,881
Balance as of January 31, 2007	1,138,361	1,615,961	1,615,961	535	—	3,800,000	3,039,646	6,840,181

(In thousand yen)

	Shareholders' capital		Valuation and translation adjustments		Total net assets
	Treasury stock	Total shareholders' capital	Net unrealized Gains/(losses) on other securities	Total valuation and translation adjustments	
Balance as of January 31, 2006	(648,554)	7,849,002	(20,160)	(20,160)	7,828,841
Change during period					
Reversal of reserve for special depreciation					
Provision for general reserve					
Issuance of new shares		32,067			32,067
Dividend from *		(382,281)			(382,281)
Net income		1,447,162			1,447,162
Net change in items other than shareholders' capital during the year			(3,272)	(3,272)	(3,272)
Total change during period		1,096,948	(3,272)	(3,272)	1,093,675
Balance as of January 31, 2007	(648,554)	8,945,950	(23,433)	(23,433)	8,922,516

* Appropriation approved by the annual shareholders' meeting held in April 2006.