

**Consolidated Financial Results
for the Fiscal Year Ended January 31, 2007**

March 14, 2007

Company name: Listings: Security code: URL: Head office: Representative: Contact: Tel: Date of board of directors meeting: U.S. GAAP:	<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 Not adopted
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**1. Consolidated 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	18,837	10.9	2,853	17.2	2,863	16.0
Year ended January 31, 2006	16,978	11.8	2,434	(21.5)	2,467	(20.4)

	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	1,459	14.2	5,339.21	5,268.28	18.3	24.7	15.2
Year ended January 31, 2006	1,278	(20.3)	4,690.57	4,610.49	18.3	25.1	14.5

- Notes:
1. Investment gains or losses on the equity method:
Year ended January 31, 2007: - million yen
Year ended January 31, 2006: - million yen
 2. Average number of shares issued and outstanding during the period (consolidated basis):
Year ended January 31, 2007: 273,412 shares
Year ended January 31, 2006: 272,479 shares
 3. Changes in accounting method: None
 4. 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	12,365	8,538	69.0	31,098.07
Year ended January 31, 2006	10,785	7,431	68.8	27,214.25

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

(3) Cash Flow Position

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the period
	million yen	million yen	million yen	million yen
Year ended January 31, 2007	2,836	(768)	(461)	4,358
Year ended January 31, 2006	404	(2,566)	1,227	2,733

(4) Scope of consolidation and application of the equity method:

- Number of consolidated subsidiaries: 8
Number of non-consolidated subsidiaries to which the equity method is applicable: None
Number of affiliated companies to which the equity method is applicable: None

(5) Changes in the scope of consolidation or application of the equity method

- Consolidated subsidiaries:
Newly included: None
Newly excluded: None
Affiliated companies to which the equity method is applicable:
Newly included: None
Newly excluded: None

2. Forecast of Consolidated Earnings for the Six Months Ending July 31, 2007

3. (February 1, 2007 to July 31, 2007)

	Sales	Ordinary income	Net income
	million yen	million yen	million yen
Six months ending July 31, 2007	9,100	810	395

Note: Projected net income per share for the period: ¥1,438.61

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

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

	Sales	Ordinary income	Net income
Twelve months ending Jan 31, 2008	million yen 20,500	million yen 3,100	million yen 1,610

Note: Projected net income per share for the period: ¥5,863.71

* 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.

[4] Consolidated Financial Statements

Consolidated Balance Sheets

(In thousand yen)

	As of January 31, 2006		As of January 31, 2007	
	Amount	%	Amount	%
Assets				
Current assets				
Cash and time deposits	2,733,382		4,358,647	
Accounts receivable-trade	2,731,006		2,417,419	
Inventories	1,594,752		1,547,840	
Short-term loans to affiliates	-		60,000	
Prepaid expenses	58,929		75,962	
Deferred tax assets	248,904		284,794	
Other	34,507		18,017	
Allowance for doubtful accounts	(21,554)		(26,799)	
Total current assets	7,379,927	68.4	8,735,882	70.6
Noncurrent assets				
Tangible fixed assets				
Buildings	497,964		498,185	
Accumulated depreciation	64,123	433,840	107,499	390,686
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	532,690		704,875	
Accumulated depreciation	246,531	286,159	359,833	345,042
Land		1,315,697		1,315,697
Construction in progress		-		1,689
Total tangible fixed assets	2,042,170	18.9	2,057,006	16.6
Intangible fixed assets				
Software	716,451		663,663	
Suspense account for software	66,488		162,712	
Trade marks	21,908		22,259	
Other	373		332	
Total intangible fixed assets	805,222	7.5	848,967	6.9
Investments and other assets				
Investment securities	264,000		354,959	
Equity investments in affiliates	-		5,000	
Long-term prepaid expenses	51,713		85,112	
Leasehold deposits	222,544		242,178	
Deferred tax assets	17,814		33,518	
Other	2,182		3,274	
Total investments and other assets	558,255	5.2	724,042	5.9
Total noncurrent assets	3,405,647	31.6	3,630,016	29.4
Total assets	10,785,575	100.0	12,365,898	100.0

(In thousand yen)

		As of January 31, 2006		As of January 31, 2007	
		Amount	%	Amount	%
Liabilities					
Current liabilities					
Accounts payable-trade		406,167		307,841	
Short-term borrowings		1,094,758		-	
Current portion of long-term borrowings		-		724,000	
Accounts payable-other		684,230		821,114	
Income tax payable		486,152		826,801	
Consumption tax payable		-		109,192	
Advances received		8,195		34,477	
Deposits received		34,652		22,672	
Reserve for bonuses		16,839		23,817	
Allowance for bonus points redemption		99,159		131,293	
Differed tax liabilities		-		48	
Other		17,692		31,096	
Total current liabilities		2,847,848	26.4	3,032,356	24.5
Long-term liabilities					
Long-term borrowings		500,000		776,000	
Reserve for retirement benefits		1,104		9,882	
Deferred tax liabilities		49		-	
Other		5,534		9,062	
Total long-term liabilities		506,688	4.7	794,944	6.4
Total liabilities		3,354,536	31.1	3,827,301	31.0
Shareholders' equity					
Common stock	*1	1,122,328	10.4	-	-
Additional paid-in capital		1,599,928	14.8	-	-
Retained earnings		5,367,456	49.8	-	-
Unrealized gains/(losses) on available-for-sale securities		(20,160)	(0.1)	-	-
Foreign currency translation adjustments		10,041	0.0	-	-
Treasury stock	*2	(648,554)	(6.0)	-	-
Total shareholders' equity		7,431,038	68.9	-	-
Total liabilities and shareholders' equity		10,785,575	100.0	-	-

	As of January 31, 2006		As of January 31, 2007	
	Amount	%	Amount	%
Net assets				
Shareholders' capital				
Common stock	-	-	1,138,361	9.2
Additional paid-in capital	-	-	1,615,961	13.1
Retained earnings	-	-	6,444,979	52.1
Treasury stock	-	-	(648,554)	(5.2)
Total shareholders' capital	-	-	8,550,748	69.1
Valuation and translation adjustments				
Net unrealized gains/(losses) on other securities	-	-	(23,433)	(0.2)
Foreign currency translation adjustments	-	-	11,282	0.1
Total valuation and translation adjustments	-	-	(12,151)	(0.1)
Total net assets	-	-	8,538,597	69.0
Total liabilities and net assets	-	-	12,365,898	100.0

Consolidated Statements of Operations

(In thousand yen)

		Year ended January 31, 2006		Year ended January 31, 2007			
		Amount	%	Amount	%		
Net sales			16,978,759	100.0		18,837,248	100.0
Cost of sales			3,121,371	18.4		3,613,113	19.2
Gross profit			13,857,388	81.6		15,224,135	80.8
Selling, general and administrative expenses	*1,2		11,422,636	67.3		12,370,961	65.7
Operating income			2,434,751	14.3		2,853,173	15.2
Non-operating revenues							
Interest income		412				2,316	
Dividend income		1,800				914	
Foreign exchange gains		30,433				18,883	
Incentives for shop renovation received from department stores		5,001				5,394	
Compensation for merchandise breakage		1,802				605	
Consignment revenue		-				4,571	
Other		2,079	41,527	0.2	7,004	39,690	0.2
Non-operating expenses							
Interest expense		5,099				16,462	
Share issuance expense		318				-	
Charges for disposal of materials		1,600				-	
Commissions		895				7,120	
Loss on investment partnership		-				3,422	
Other		399	8,311	0.0	2,687	29,692	0.2
Ordinary income			2,467,967	14.5		2,863,171	15.2
Extraordinary profits							
Compensation for cancellation of store leasing contract		82,000	82,000	0.5	-	-	0.0
Extraordinary losses							
Loss on disposal of noncurrent assets	*3	57,635	57,635	0.3	28,921	28,921	0.2
Net income before taxes			2,492,331	14.7		2,834,249	15.1
Income taxes, inhabitants taxes and enterprise taxes		1,236,815			1,423,819		
Income tax adjustments		(22,565)	1,214,249	7.2	(49,373)	1,374,445	7.3
Net income			1,278,082	7.5		1,459,804	7.8

Consolidated Statements of Retained Earnings

(In thousand yen)

	Year ended January 31, 2006	
	Amount	
Additional paid-in capital		
Additional paid-in capital at beginning of period		1,590,856
Increase in additional paid-in capital		
Issuance of new shares for capital increase	9,072	9,072
Balance at the end of the period		1,599,928
Retained earnings		
Balance at the beginning of the period		4,469,773
Increase in retained earnings		
Net income	1,278,082	1,278,082
Decrease in retained earnings		
Dividend paid	380,399	380,399
Balance at the end of the period		5,367,456

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

(In thousand yen)

	Shareholders' capital				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' capital
Balance as of January 31, 2006	1,122,328	1,599,928	5,367,456	(648,554)	7,441,158
Change during the period					
Issuance of new shares	16,033	16,033			32,067
Dividend from *			(382,281)		(382,281)
Net Income			1,459,804		1,459,804
Net change in items other than shareholders' capital during the period					
Total change during the period	16,033	16,033	1,077,522		1,109,589
Balance as of January 31, 2007	1,138,361	1,615,961	6,444,979	(648,554)	8,550,748

(In thousand yen)

	Valuation and translation adjustments			Total net assets
	Net unrealized gains/(losses) on other securities	Foreign currency translation adjustments	Total valuation and translation adjustments	
Balance as of January 31, 2006	(20,160)	10,041	(10,119)	7,431,038
Change during the period				
Issuance of new shares				32,067
Dividend from *				(382,281)
Net Income				1,459,804
Net change in items other than shareholders' capital during the period	(3,272)	1,241	(2,031)	(2,031)
Total change during the period	(3,272)	1,241	(2,031)	1,107,558
Balance as of January 31, 2007	(23,433)	11,282	(12,151)	8,538,597

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

Consolidated Statements of Cash Flows

(In thousand yen)

	Year ended January 31, 2006	Year ended January 31, 2007
	Amount	Amount
Cash flows from operating activities		
Income before income taxes	2,492,331	2,834,249
Depreciation and amortization	290,552	432,389
Amortization of long-term prepaid expenses	11,929	23,766
Increase in allowance for doubtful accounts	4,129	5,219
Increase/(decrease) in reserve for employees' bonuses	(967)	6,978
Increase/(decrease) in allowance for bonus points redemption	(12,048)	32,133
Increase in reserve for retirement benefits	670	8,778
Interest and dividend income	(2,212)	(3,231)
Interest expense	5,099	16,462
Loss on disposal of fixed assets	57,635	28,921
Share issuance expense	318	-
(Increase)/decrease in trade receivables	(331,746)	315,547
(Increase)/decrease in inventories	(314,205)	49,585
Increase/(decrease) in trade payables	100,141	(102,048)
Decrease in advances	44,518	-
Increase/(decrease) in accounts payable-other	(108,235)	143,860
Increase/(decrease) in consumption tax payable	(124,688)	106,562
(Increase)/decrease in consumption tax receivable	(15,219)	15,219
Other	56,899	14,231
Sub total	2,154,903	3,928,625
Interest and dividends received	2,212	3,231
Interest paid	(5,568)	(17,951)
Income taxes paid	(1,746,931)	(1,077,603)
Net cash provided by operating activities	404,616	2,836,302
Cash flows from investing activities		
Acquisition of tangible fixed assets	(1,848,352)	(227,730)
Acquisition of intangible fixed assets	(549,495)	(299,600)
Purchase of investment securities	(120,000)	(100,000)
Purchase of affiliate shares	-	(5,000)
Payment of lease/guarantee deposits	(63,440)	(31,798)
Proceeds from collection of lease/guarantee deposits	51,550	12,819
Expenditure for other investments	(36,460)	(116,923)
Net cash used in investing activities	(2,566,199)	(768,233)

(In thousand yen)

	Year ended January 31, 2006	Year ended January 31, 2007
	Amount	Amount
Cash flows from financing activities		
Net increase/(decrease) in short-term borrowings	1,087,642	(1,115,904)
Proceeds from long-term borrowings	500,000	1,000,000
Proceeds from share issuance	18,144	32,067
Dividend payment	(378,366)	(378,052)
Net cash provided by/used in financing activities	1,227,419	(461,890)
Effect of exchange rate changes on cash and cash equivalents	27,460	19,086
Increase/(decrease) in cash and cash equivalents	(906,703)	1,625,265
Cash and cash equivalents at the beginning of the period	3,640,085	2,733,382
Cash and cash equivalents at the end of the period	2,733,382	4,358,647