

January 25, 2010

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Notice Regarding Amendments to Performance Forecasts

Based on the recent performance trends, this is to give notice of amendments, as provided for below, made to the performance forecast previously announced on September 11, 2009.

Recitals

(Monetary Values in ¥ Million)

Amendments to the Performance Forecast for the Consolidated 2nd Quarter of the Year Ending July 2010
(Term Commenced August 1, 2009 and Ended January 31, 2010)

	Sales	Operating Profit	Current Profit	Net Profit for the Quarter	Net Earnings per Share for the Quarter
	¥ Million	¥ Million	¥ Million	¥ Million	¥ Sen
Previously Announced Forecast (A)	14,400	2,600	2,600	1,470	5,433.68
Currently Announced Forecast (B)	15,000	3,900	3,900	2,170	8,020.79
Change (B - A)	600	1,300	1,300	700	—
Rate of Change (%)	4.2	50.0	50.0	47.6	—
(Ref) Previous Year 2 nd Quarter Actual (2 nd Quarter of the Year Ended July 2009)	12,038	2,425	2,394	1,265	4,641.80

Amendments to the Performance Forecast for the Full Year Ending July 2010
(Term Commenced August 1, 2009 and Ending July 31, 2010)

	Sales	Operating Profit	Current Profit	Net Profit for the Year	Net Earnings per Share for the Year
	¥ Million	¥ Million	¥ Million	¥ Million	¥ Sen
Previously Announced Forecast (A)	30,200	6,000	6,000	3,400	12,567.69
Currently Announced Forecast (B)	30,800	7,500	7,500	4,150	15,339.29
Change (B - A)	600	1,500	1,500	750	—
Rate of Change (%)	2.0	25.0	25.0	22.1	—
(Ref) Previous Year Actual (Year Ended July 2009)	25,899	5,403	5,391	3,046	11,208.43

Amendments to the Unconsolidated Performance Forecast for the 2nd Quarter of the Year Ending July 2010
(Term Commenced August 1, 2009 and Ended January 31, 2010)

	Sales	Operating Profit	Current Profit	Net Profit for the Quarter	Net Earnings per Share for the Quarter
	¥ Million	¥ Million	¥ Million	¥ Million	¥ Sen
Previously Announced Forecast (A)	14,080	2,600	2,600	1,465	5,415.20
Currently Announced Forecast (B)	14,760	3,890	3,890	2,160	7,983.83
Change (B - A)	680	1,290	1,290	695	—
Rate of Change (%)	4.8	49.6	49.6	47.4	—
(Ref) Previous Year 2 nd Quarter Actual (2 nd Quarter of the Year Ended July 2009)	—	—	—	—	—

Amendments to the Unconsolidated Performance Forecast for the Full Year Ending July 2010
(Term Commenced August 1, 2009 and Ending July 31, 2010)

	Sales	Operating Profit	Current Profit	Net Profit for the Year	Net Earnings per Share for the Year
	¥ Million	¥ Million	¥ Million	¥ Million	¥ Sen
Previously Announced Forecast (A)	29,600	6,000	6,000	3,370	12,456.80
Currently Announced Forecast (B)	30,280	7,500	7,500	4,120	15,228.41
Change (B - A)	680	1,500	1,500	750	—
Rate of Change (%)	2.3	25.0	25.0	22.3	—
(Ref) Previous Year Actual (Year Ended July 2009)	25,436	5,398	5,371	2,874	10,573.66

Reasons for the amendments

(1) Reasons for the amendments to the consolidated performance forecast

(Performance forecast for the 2nd quarter)

Aqua-Collagen-Gel Series and BB Perfect Cream product sales are doing well in each channel. Sales of Aqua Collagen Gel Enrich Lift EX products, which we have targeted at customers age 40 and over, are particularly higher, likely taking sales growth to levels over the forecasts mentioned above.

Profit margins improved on higher sales and lower-than-expected advertising costs, achieved through two factors: (1) Solid sales of high profit margin products including Aqua Collagen Gel Enrich Lift EX, and (2) efficient advertising on top of an increase in repeat customers. Reduced costs also supported profit growth to potential levels over the forecasts mentioned above, including lower shipping expenses for the company's membership magazine and optimized call center outsourcing expenses.

(Performance forecast for the full year)

We expect sales to stay strong at levels over the forecasts mentioned above, mainly in mail orders on the rising number of repeat customers. We also expect profits to reach levels over the forecasts mentioned above on sustained improvements in advertising efficiency and ongoing cost cuts.

(2) Reasons for the Amendments to the Unconsolidated Performance Forecasts

We are revising our 2Q and full-term performance forecasts for the same reasons we are revising our consolidated performance forecast, as mentioned above.

(Note)

With respect to the performance forecast contained herein in the materials, it has been prepared based on the information available at the current time and the actual performance may diverge in the future from the forecasted values due to variety of factors.