F&A Aqua Holdings, Inc.

January 7, 2010

(Securities Code: 8008, First Section, Tokyo Stock Exchange)

Notice Concerning Consolidated Financial Report for the Nine-Month Period of the Fiscal Year Ending February 28, 2010

- **Consolidated operating revenues amounted to ¥34,887 million, down 5.9% compared with the corresponding period of the previous fiscal year. This decline mainly reflected difficult conditions in the apparel manufacturing business**
- **F.D.C. Product Inc.'s new brand business continued to perform robustly with results exceeding initial plans**
- **Buoyed by concentrated efforts to overcome key issues on an individual operating company basis and to reduce overhead expenses, operating income totaled ¥1,355 million, a nominal year-on-year decline of 0.8%. Reflecting successful efforts to rationalize non-operating expenses, ordinary income amounted to ¥1,358 million, a 22.7% increase compared with the corresponding period of the previous fiscal year**
- **Net income for the nine-month period of the fiscal year ending February 28, 2010 surged 147.2% year on year to ¥451 million**

F&A Aqua Holdings, Inc. (hereafter referred to as "F&A Aqua Holdings" or "the Company") — Headquarters: Shibuya-ku, Tokyo; President and Representative Director: Saishi Kimura — today announced details of the Company's business results for the nine-month period (March 1, 2009 to November 30, 2009) of fiscal 2009, the fiscal year ending February 28, 2010. Brief details are as follows.

1. Consolidated Business Results

(Millions of yen, %)

	Fiscal 2008 Nine-Month Period (Mar. 1, 2008 to Nov 30, 2008)	**Fiscal 2009 Nine-Month Period (Mar. 1, 2009 to Nov. 30, 2009)**	**YoY**
Operating revenues	37,062	**34,887**	**(5.9)%**
Operating income	1,366	**1,355**	**(0.8)%**
Ordinary income	1,107	**1,358**	**+22.7%**
Net income	182	**451**	**+147.2%**

Net income per share for the nine-month period of the fiscal year ending February 28, 2010: ¥16.11, net income per share of ¥6.31 for the corresponding period of the previous fiscal year.

Average number of shares issued and outstanding for the nine-month period ended November 30, 2009 of 28,043,456 shares.

Note: Operating revenues is the sum total of net sales and other operating revenues.

Head Office:	Keio Ebisu Building, 3-22-13 Higashi, Shibuya-ku, Tokyo
Headquarters:	2-19-10 Kami-Osaki, Shinagawa-ku, Tokyo
Date of Establishment:	May 1950
Paid-in Capital:	¥2,486.52 million
Business Activities	Brand business focusing mainly on jewelry, Planning, manufacture and wholesale and retail sales mainly of apparel and bags
URL:	http://www.fa-aqua.co.jp/
Inquiries:	F&A Aqua Holdings, Inc. Operations Department, Administrative Department TEL.: +81-3-5719-3429 FAX.: +81-3-5719-4462 e-mail: ir@fa-aqua.co.jp

Throughout the period under review, the retail sector continued to confront an extremely harsh operating environment. With little or no respite from the drop in sales, average customer spending declined. This was largely due to such factors as the upswing in low-ticket items and growth in the incidence of bargain sales as well as a persistent drop in customer numbers.

Under these circumstances, the F&A Aqua Holdings Group worked diligently to promote its second medium-term management plan launched during the fiscal year ending February 28, 2010. Guided by the plan, the Group is committed to addressing key issues on an individual operating business basis in an effort to become a highly reliable and trustworthy corporate group while enhancing its overall Group value.

Taking into account the aforementioned factors, the F&A Aqua Holdings Group reported consolidated operating revenues of ¥34,887 million for the nine-month period of the fiscal year under review. This represented a 5.9% decrease compared with the corresponding period of the previous fiscal year. From a profit perspective, operating income edged down 0.8% year on year to ¥1,355 million. Despite this downturn in operating revenues and operating income, ordinary income climbed 22.7% compared with the corresponding period of the previous fiscal year to ¥1,358 million. This was mainly attributable to successful efforts to reduce equity in the losses of affiliates and other factors. At the same time, net income surged 147.2% year on year to ¥451 million.

Note: With respect to the nine-month period of the fiscal year ending February 28, 2010, year-on-year comparative data utilizes different accounting standards and criteria. This information is therefore provided as reference material only.

Operating results by individual business segment are presented as follows.

The Brand Business (The F.D.C. Products Group)

Sales: ¥13,146 million Operating Income: ¥1,149 million

In the nine-month period of the fiscal year ending February 28, 2010, revenues from existing brands declined year on year due largely to such factors as the drop in customer numbers in the department store market. This was, however, offset by robust sales of new brands including canal 4°C and EAUDOUCE 4°C. On the earnings front, the F.D.C. Products group worked tirelessly to increase operating income throughout the period under review by leveraging the benefits of a lower cost of sales ratio and successful efforts to reduce overhead expenses.

Head Office:	Keio Ebisu Building, 3-22-13 Higashi, Shibuya-ku, Tokyo
Headquarters:	2-19-10 Kami-Osaki, Shinagawa-ku, Tokyo
Date of Establishment:	May 1950
Paid-in Capital:	¥2,486.52 million
Business Activities	Brand business focusing mainly on jewelry, Planning, manufacture and wholesale and retail sales mainly of apparel and bags
URL:	http://www.fa-aqua.co.jp/
Inquiries:	F&A Aqua Holdings, Inc. Operations Department, Administrative Department TEL.: +81-3-5719-3429 FAX.: +81-3-5719-4462 e-mail: ir@fa-aqua.co.jp

The Apparel Manufacturing Business (The AS'TY Group)

Sales: ¥5,245 million Operating Income: ¥35 million

Against the backdrop of persistently weak market conditions, and guided by a business plan that presupposes a downturn in revenues, the AS'TY group continued to reduce overhead expenses while rationalizing inventories as a part of measures aimed at strengthening the group's earnings structure.

The Retail Business (The MISUZU Group; âge Co., Ltd.)

Sales: ¥12,610 million Operating Income: ¥6 million

Throughout the nine-month period ended November 30, 2009, the MISUZU group undertook to realign brand strategies and retail prices while bolstering marketing and promotional activities. Through these means, the group worked tirelessly to increase customer numbers. From a profit perspective, steps were taken to boost operating income by curtailing overhead expenses and streamlining store inventories.

âge Co., Ltd. placed considerable weight on efforts aimed at increasing the number of customers. In specific terms, the company took steps to ensure the early release of products, energize sales exhibitions and events and reinforce marketing and promotional activities.

The Wholesale Business (AS'TY Inc.)

Sales: ¥2,631 million Operating Loss: ¥36 million

In order to combat the downturn in market conditions attributable to the slump in the economy, AS'TY Inc. worked diligently to secure a robust market position and strengthen its presentation capabilities by proposing new products to key business partners. At the same time, the company undertook to cultivate new customers.

The Developer Business (AS'TY Inc.)

Sales: ¥1,254 million Operating Income: ¥453 million

In the period under review, the company continued to engage in building maintenance and tenant property leasing management.

Head Office:	Keio Ebisu Building, 3-22-13 Higashi, Shibuya-ku, Tokyo
Headquarters:	2-19-10 Kami-Osaki, Shinagawa-ku, Tokyo
Date of Establishment:	May 1950
Paid-in Capital:	¥2,486.52 million
Business Activities	Brand business focusing mainly on jewelry, Planning, manufacture and wholesale and retail sales mainly of apparel and bags
URL:	http://www.fa-aqua.co.jp/
Inquiries:	F&A Aqua Holdings, Inc. Operations Department, Administrative Department TEL.: +81-3-5719-3429 FAX.: +81-3-5719-4462 e-mail: ir@fa-aqua.co.jp

2. Operating Forecasts for the Full Fiscal Year Ending February 28, 2010

(Millions of yen, %)

	Fiscal 2008 (Mar. 1, 2008 to Feb. 28, 2009)	**Fiscal 2009 (Mar. 1, 2009 to Feb. 28, 2010) Forecast**	**YoY**
Operating revenues	51,557	**49,000**	**(5.0)%**
Operating income	2,294	**2,500**	**+8.9%**
Ordinary income	2,341	**2,550**	**+8.9%**
Net income	707	**850**	**+20.1%**

Estimated net income per share (full fiscal year): ¥30.31
Estimated average number of shares issued and outstanding for the fiscal year ending February 28, 2010 (consolidated) of 28,043,456 shares.

Looking ahead beyond the third quarter of the fiscal year ending February 28, 2010, the F&A Aqua Holdings Group holds little or no hope for an early recovery in the economy. Market conditions are forecast to remain harsh with a prolonged slump in personal consumption. Despite this negative scenario, the Group anticipates that it will achieve an increase in earnings in line with previously announced forecasts. This is mainly attributable to improvements in gross profit across the Group as a whole, successful efforts to overhaul selling, general and administrative expenses and other factors.

Head Office:	Keio Ebisu Building, 3-22-13 Higashi, Shibuya-ku, Tokyo
Headquarters:	2-19-10 Kami-Osaki, Shinagawa-ku, Tokyo
Date of Establishment:	May 1950
Paid-in Capital:	¥2,486.52 million
Business Activities	Brand business focusing mainly on jewelry, Planning, manufacture and wholesale and retail sales mainly of apparel and bags
URL:	http://www.fa-aqua.co.jp/
Inquiries:	F&A Aqua Holdings, Inc. Operations Department, Administrative Department TEL.: +81-3-5719-3429 FAX.: +81-3-5719-4462 e-mail: ir@fa-aqua.co.jp