

Senshukai Co., Ltd. Fiscal 2007 Earnings Presentation

February 1, 2008

SENSHUKAI CO.,LTD.

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SENSHUKAI CO., LTD.

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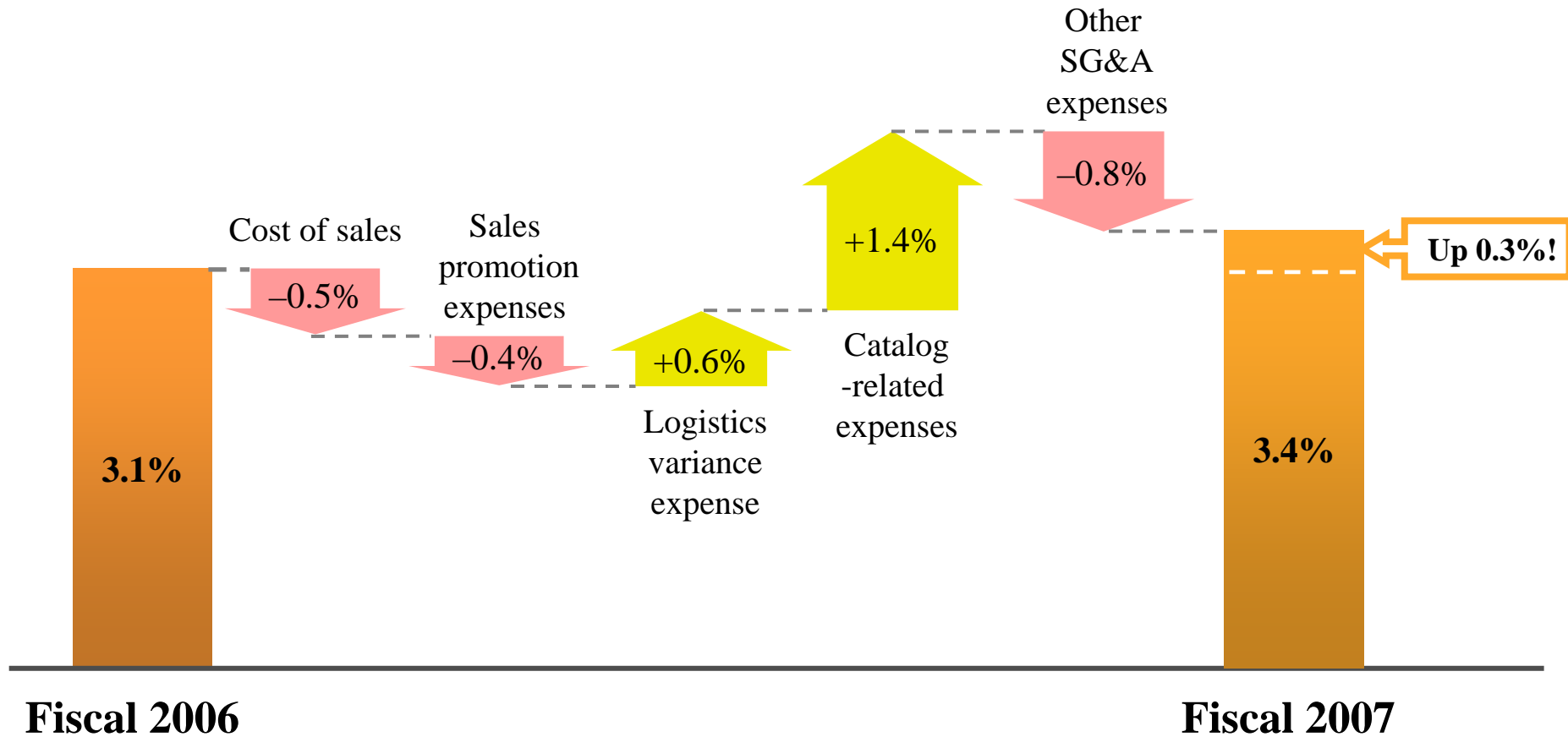
Results of Operations for Fiscal 2007

Consolidated Results of Operations for Fiscal 2007 (YoY Comparison)

(Millions of yen)

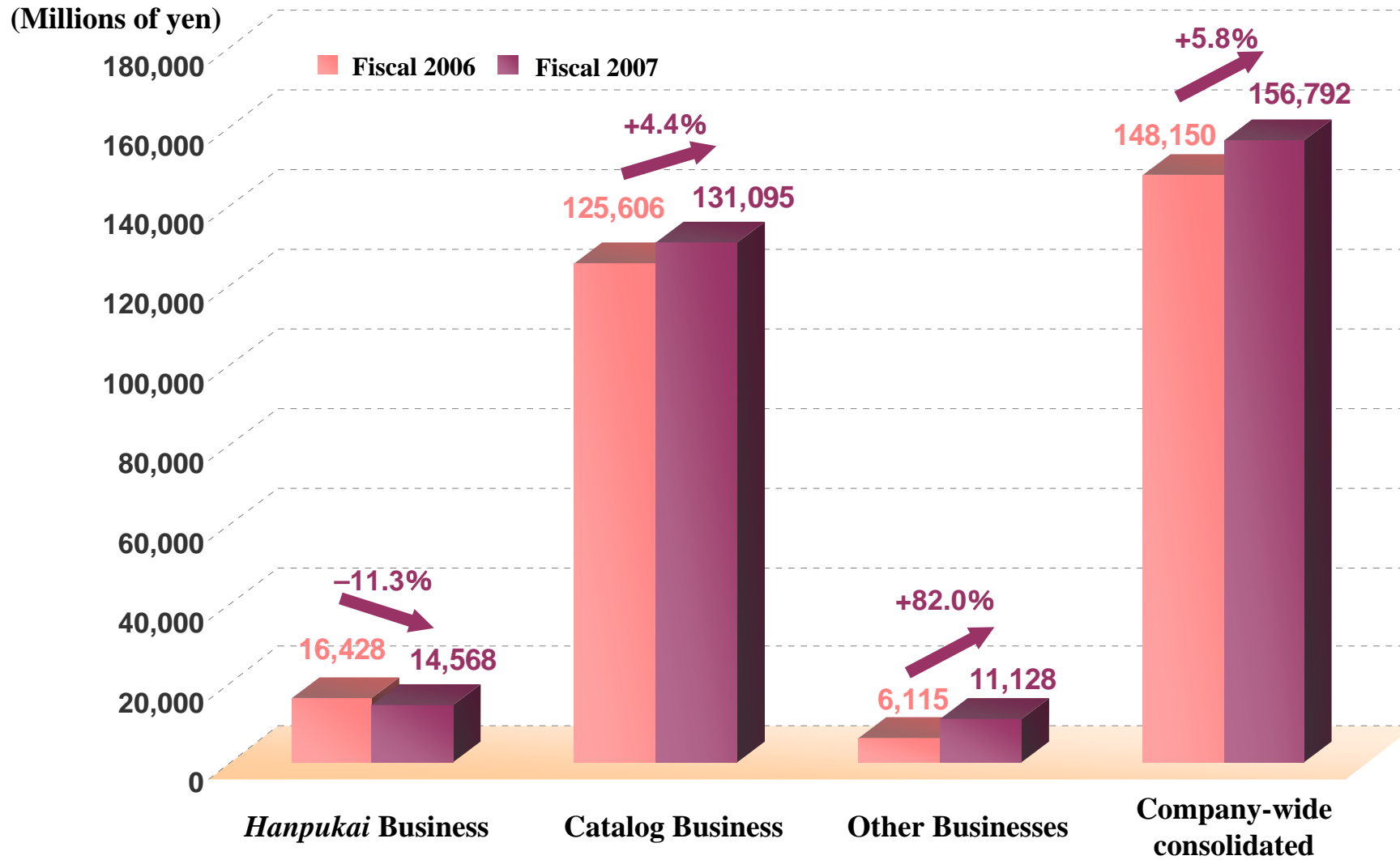
	Fiscal 2006	Comparison to Net Sales	Fiscal 2007	Comparison to Net Sales	Difference	YoY Change %
Net Sales	148,150	-	156,792	-	+8,642	+5.8%
Cost of Sales	75,727	51.1%	80,864	51.6%	+5,136	+6.8%
Gross Profit	72,423	48.9%	75,928	48.4%	+3,505	+4.8%
SG&A Expenses	67,821	45.8%	70,637	45.0%	+2,816	+4.2%
Operating Income	4,602	3.1%	5,291	3.4%	+689	+15.0%
Ordinary Income	5,240	3.5%	5,626	3.6%	+386	+7.4%
Net Income	3,627	2.4%	2,494	1.6%	-1,133	-31.2%

Operating Margin Trends (YoY Comparison)

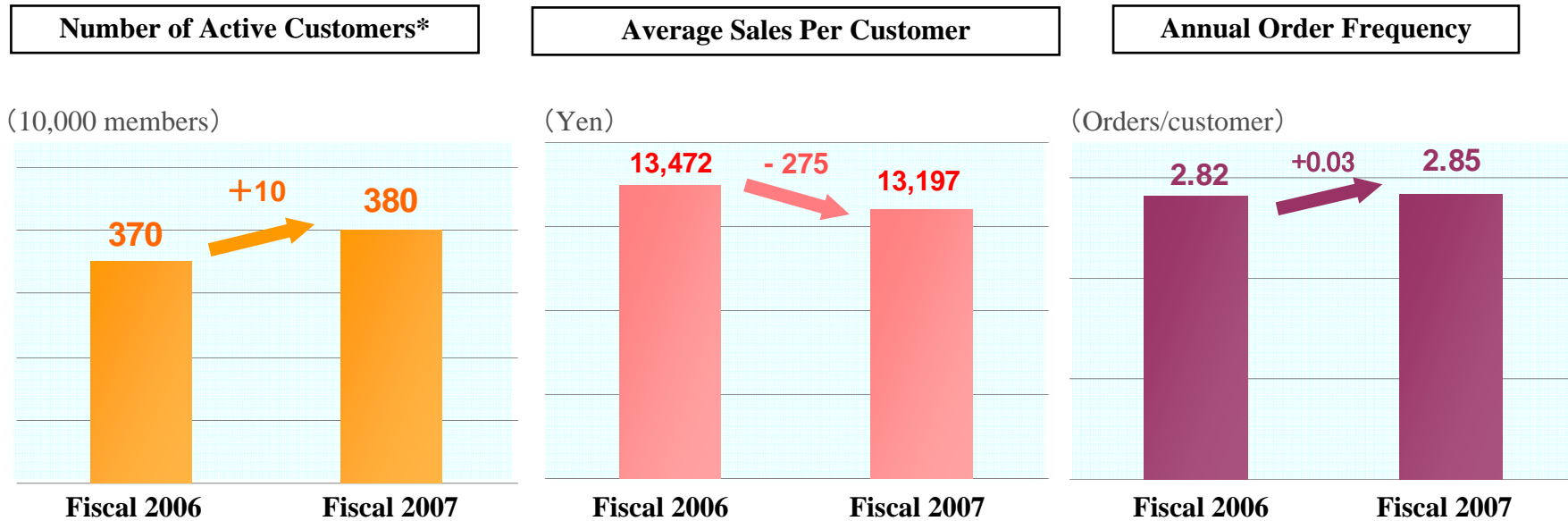


■ Although the cost ratios for cost of sales, sales promotion expenses and other SG&A expenses rose, overall the operating margin improved because of a decrease in cost ratios for logistic variance expense, and catalog-related expenses.

Net Sales by Business Segment for Fiscal 2007 (YoY Comparison)



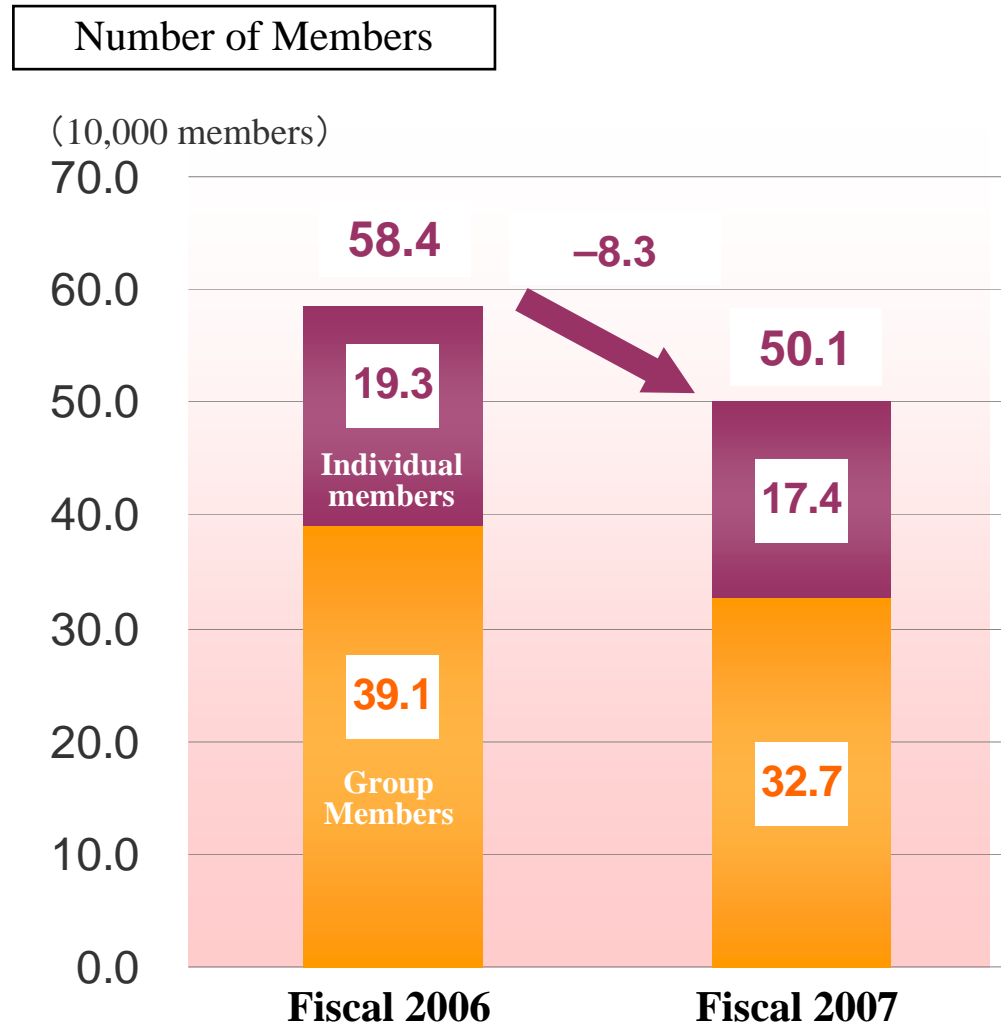
Factors Behind Increased Sales in Catalog Business



- ✓ Number of active customers up 100,000 due to more new members and increased retention of customers.
- ✓ Average sales per customer declined due to an increased percentage of Internet orders but order frequency rose.
- ✓ *Watashi-tachi no Kurasu Fuku* continued to sell strongly, achieving fiscal 2007 net sales of approx. ¥27 billion. It also contributed to the capturing of new and reactivated customers.

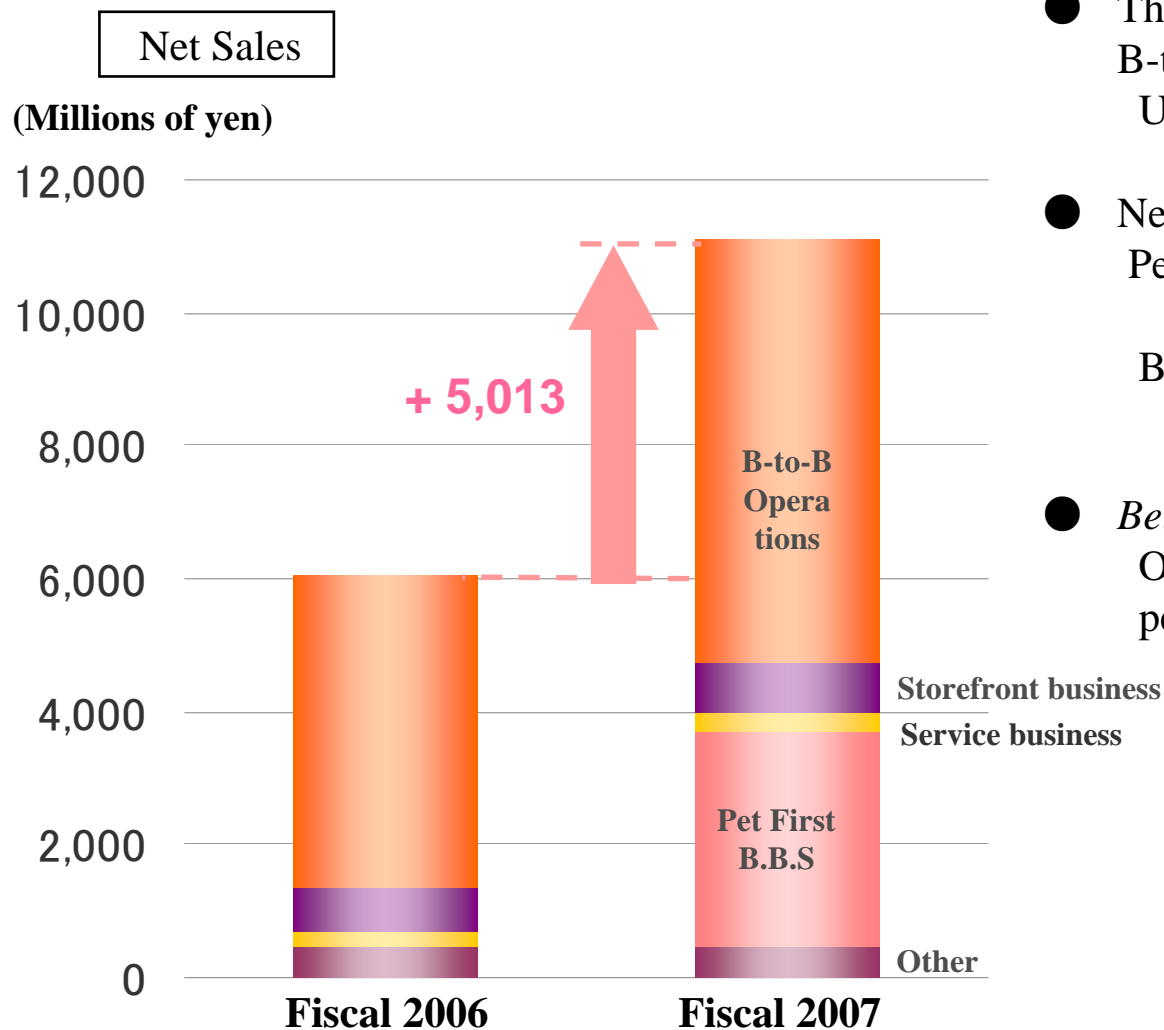
* Number of Active Customers: Number of customers placing orders over the year.

Factors Behind Lower Sales in *Hanpukai* Business



- Lower sales due to declines in individual and group members
- Rebuilding of the *Hanpukai* Business:
 - Growing the office vending box business
 - Strengthening contact with offices
 - As of December 31: about 13,000 boxes

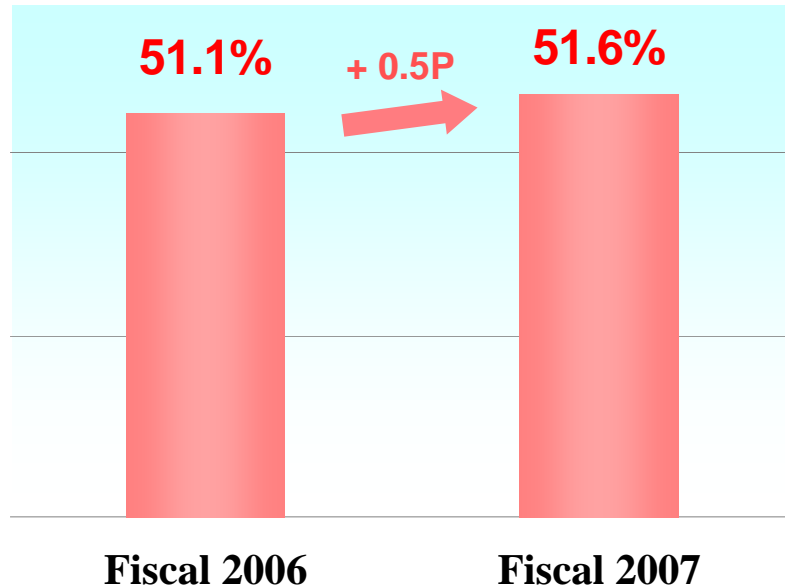
Factors Behind Increased Sales in Other Businesses



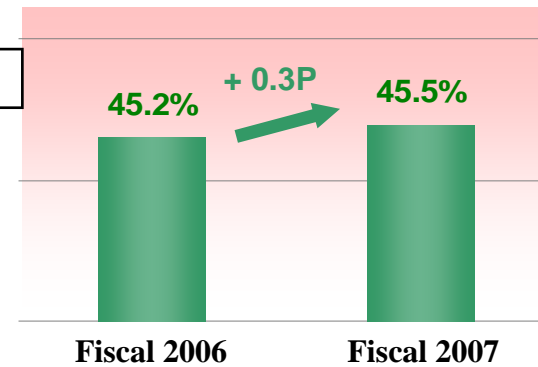
- The sales of contracting services in B-to-B Operations has increased:
Up ¥1.5 billion year on year
- Newly consolidated subsidiaries:
Pet First Co., Ltd. (pet merchandise)
(12 stores) ¥1.6 billion
B.B.S. Co., Ltd. (ladies apparel)
(5 stores) ¥1.5 billion
- *Belle Maison no Omise* (now 7 stores):
Of these stores, the *Kurasu Fuku* store is performing strongly

Cost-of-Sales Ratio Overview

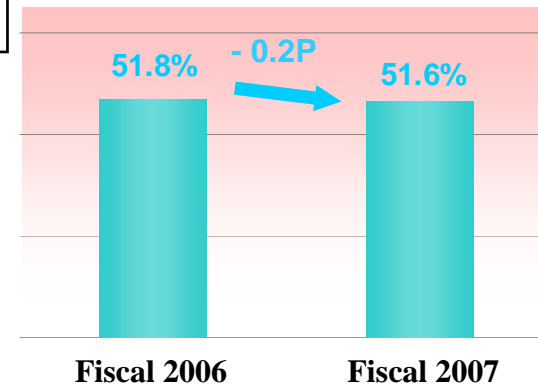
Consolidated



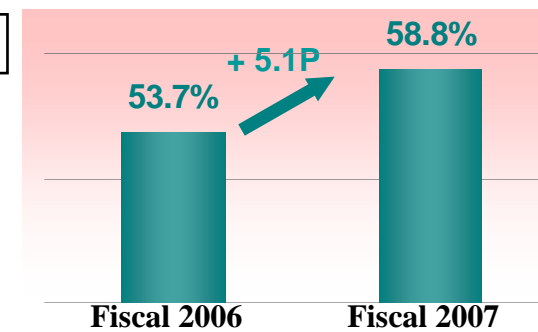
Hanpukai Business



Catalog Business

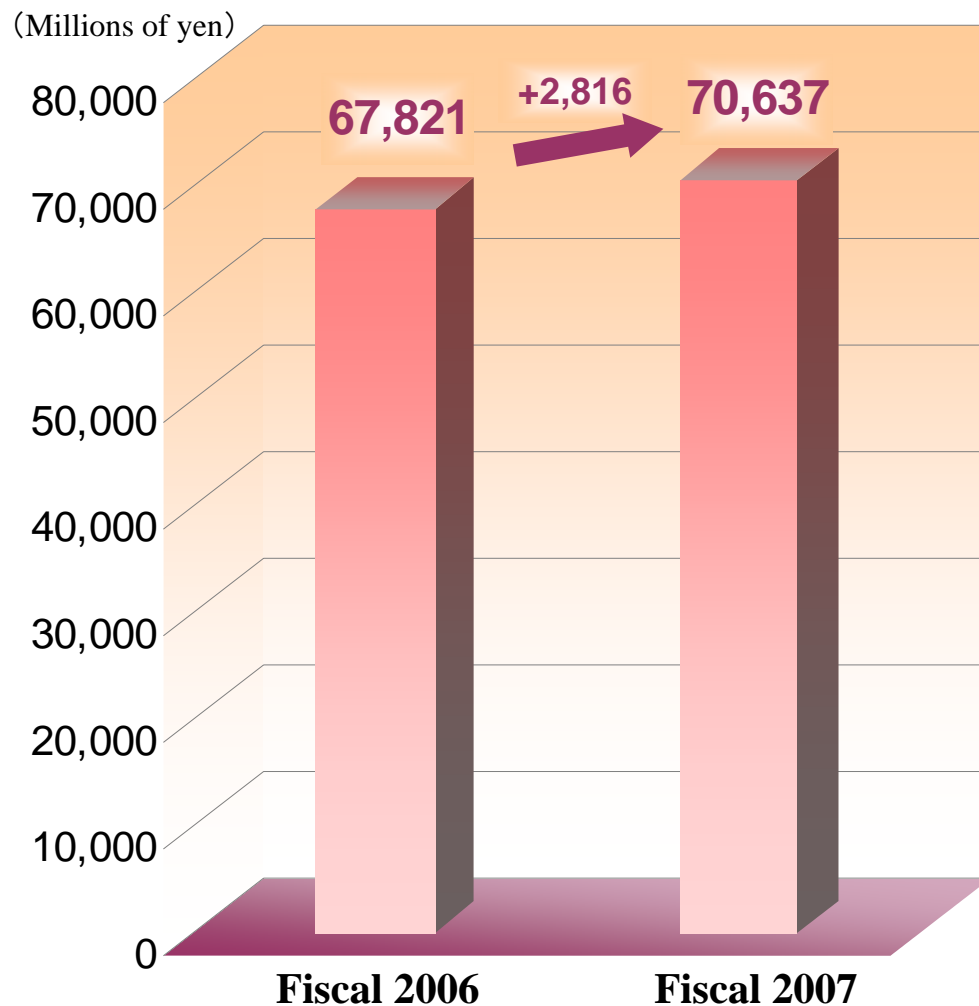


Other Businesses



- *Hanpukai* Business: Increase in cost ratios of Gourmet and the office vending box business
- Catalog Business: Decrease in purchasing costs ratio by increasing import ratio
- Other Businesses: Increase in cost ratios accompanying increased sales in contracting services which has a high cost ratio

Breakdown of Changes in SG&A Expenses



Catalog-related expenses	- 1,051
Sales promotion expenses	855
Labor costs	1,021
Commissions paid	1,691
Other expenses	300
	<hr/>
	2,816

*Catalog quantity

102 million ⇒ 96 million (6 million down)

- Decrease in catalog-related expenses due to reduced printing quantity and lower freight costs.
- Increase in sales promotion expenses due to increased *Belle Maison* incentive point expenses.
- Increase in commissions paid due to increased external-contract commissions.
- Increase in labor costs due to increase of consolidated subsidiaries.

Highlights From Second Half of Fiscal 2007 (1)

Launch of new brand, *Rashisa Deluxe* by *Belle Maison* and *Chieko Kuroda*

New fashion brand for 40s, *Rashisa Deluxe* was co-developed with celebrity/model Ms. Chieko Kuroda and launched on September 1.



Launch of *adidas* catalog for women
One of the widest range of merchandise

In a cooperative venture with adidas Japan K.K., the biannual *adidas* catalog for 30s women was launched on October 1.



Launch of first *Kurasu Fuku* store in *Kawanishi City, Hyogo Prefecture*

The first *Kurasu Fuku* catalog store was launched on October 6 in *Mosaic Box Kawanishi*, a shopping center in *Kawanishi City, Hyogo Prefecture*. The store stocks the *Kurasu Fuku* product range, reflecting the catalog images and offering customers an opportunity to see and touch these products. The main target of this store is the same as for the catalog: late 20s to 40s with children. More *Kurasu Fuku* stores will be opened in the future.



Highlights From Second Half of Fiscal 2007 (2)

Fortune-telling website for girls re-launched as *Plumoi*

Pika Pika Garden, a membership-based fortune-telling website run by our subsidiary FUTURE COMPASS CO.,LTD., was re-launched on October 16 under the new name, *Plumoi*. The site still centers around fortune-telling, but is now richer in content, aiming to help girls find joy in daily life. Girls can communicate with their friends about love, relationships and diet etc.



Capital and business alliance with Dears Brain Inc.

Through a capital and business alliance with Dears Brain—a community-based house wedding business—that started in November, both companies can now achieve greater business efficiency in the future by exploiting each other's strengths: Dears Brain's wedding business know-how and SENSHUKAI's business resources.



Consolidated Operating Forecasts for Fiscal 2008

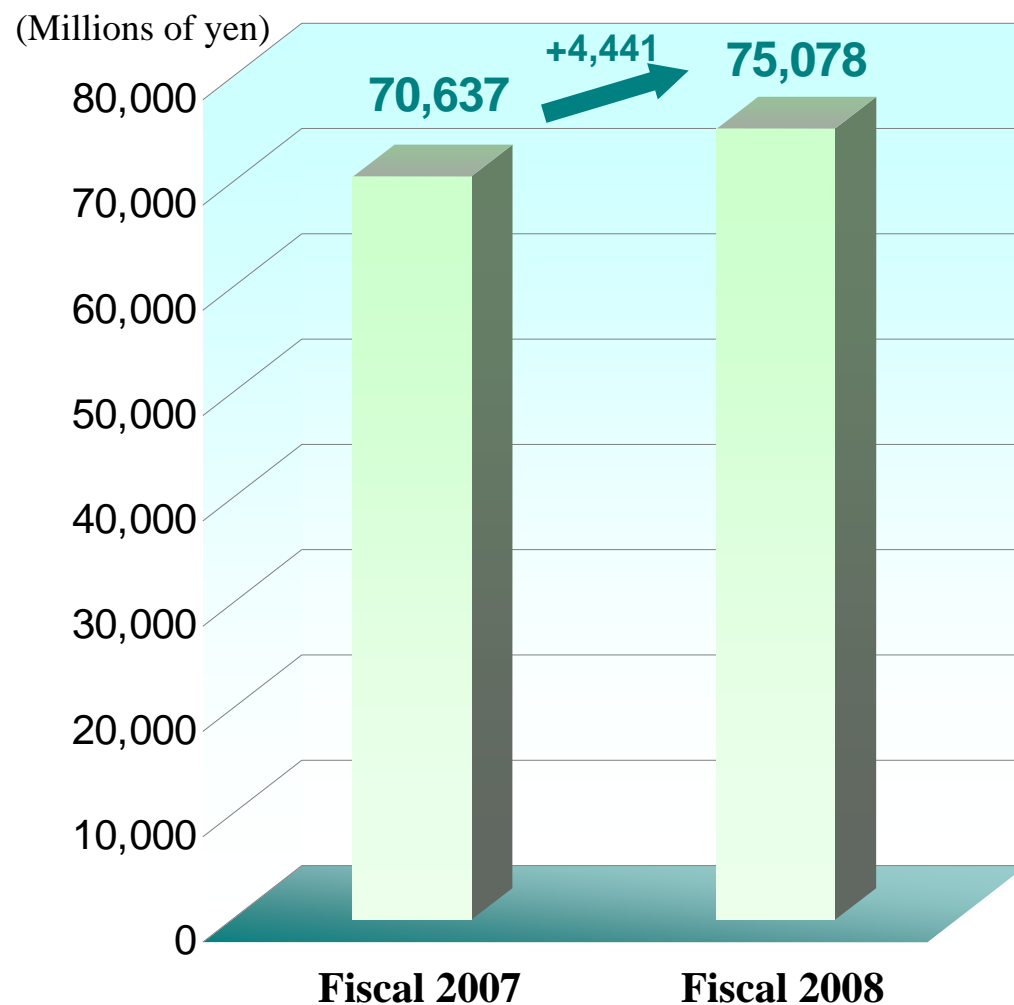
Consolidated Earnings Forecasts for Fiscal 2008 (YoY Comparison)

(Millions of yen)

	Fiscal 2007	Comparison to Net Sales	Fiscal 2008 Consolidated Forecast	Comparison to Net Sales	Difference	YoY Change %
Net Sales	156,792	-	160,000	-	+3,208	+2.0%
Cost of Sales	80,864	51.6%	81,621	51.0%	+757	+0.9%
Gross Profit	75,928	48.4%	78,378	49.0%	+2,450	+3.2%
SG&A Expenses	70,637	45.0%	75,078	46.9%	+4,441	+6.3%
Operating Income	5,291	3.4%	3,300	2.1%	-1,991	-37.6%
Ordinary Income	5,626	3.6%	3,400	2.1%	-2,226	-39.6%
Net Income	2,494	1.6%	1,400	0.9%	-1,094	-43.9%

- Projected full-year dividend is ¥17 (consolidated dividend payout ratio: 56.7%; non-consolidated dividend payout ratio: 39.7%)

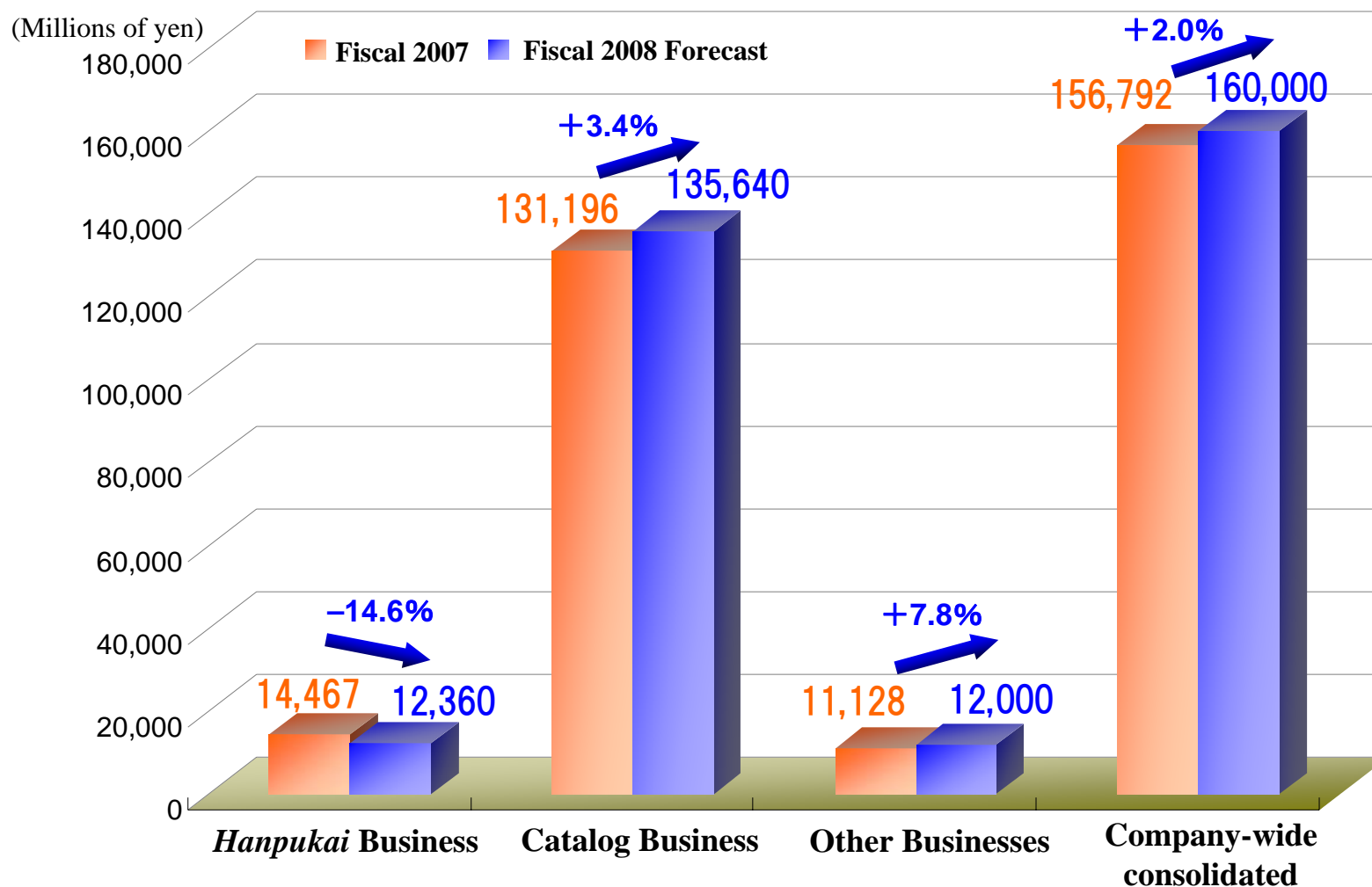
Reason for Increase in SG&A Expenses



Catalog-related expenses	1,875
Labor costs	547
Rent	347
Depreciation	415
Other expenses	1,257
	<hr/>
	4,441

- Increase in catalog-related expenses due to price increase of printing paper.
- Increase in labor costs due to increase of consolidated subsidiaries.
- Increase in rent due to new Tokyo headquarters and increasing external storage needs.
- Increase in depreciation due to new headquarters and new systems.
- Other expenses were incurred related to the new headquarters (consumables etc.)

Projected Net Sales by Business Segment for Fiscal 2008 (YoY Comparison)



* Effective Fiscal 2008, business segments are partly changed. *Gourmet*, originally *Hanpukai* business, is now catalog business, and a part of *Disney* has changed from catalog business to *Hanpukai* business)

Scheduled Earnings Announcements in Fiscal 2008

- **April 25, 2008 (Fri.): Earnings for first quarter of fiscal 2008**
- **July 31, 2008 (Thu.): Earnings for first half of fiscal 2008**
- **August 1, 2008 (Fri.): Presentation for earnings for first half of fiscal 2008 (Tokyo)**
- **October 24, 2008 (Fri.): Earnings for third quarter of fiscal 2008**

* The forward-looking statements contained in this earnings presentation are based on information that was available when this presentation was drafted. Therefore the actual results and operating performance could be significantly different to the forecasts due to the effects of various factors in the future.