

For the Fiscal Year Ended December 31, 2009

# Annual Select \* 2009

# Senshukai Co., Ltd.

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## Corporate Profile

Senshukai Co., Ltd. was established in 1955 with the aim of distributing kokeshi dolls. This was the beginning of our *hanpukai* business targeting group customers comprising female office workers. Business expanded thereafter with the success of the monthly magazine with recipe cards called Cook and such original products as towels, handkerchiefs and lingerie that captured women's hearts. In 1976, we entered the catalog mail order business with the first issue of the Belle Maison catalog. It started out with fashion clothing, which was considered difficult to sell via catalogs at the time, then expanded into accessories, living sundries, furniture and interior goods for a specialty store-type product lineup, creating an original catalog style that proposed lifestyles. We currently publish 18 different main catalog titles toward a membership of approximately 7.32 million.



Catalogs



Online Shopping



Shop

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\* While every best effort has been made to provide a translation meeting the quality standards required of professionals, Senshukai does not guarantee it is 100% accurate. Therefore, please verify the original Japanese text for any final judgments made based on this information.

## I. Summary of Selected Financial Data (Consolidated)

	61 <sup>st</sup> fiscal year From January 1, 2005 to December 31, 2005	62 <sup>nd</sup> fiscal year From January 1, 2006 to December 31, 2006	63 <sup>rd</sup> fiscal year From January 1, 2007 to December 31, 2007	64 <sup>th</sup> fiscal year From January 1, 2008 to December 31, 2008	65 <sup>th</sup> fiscal year From January 1, 2009 to December 31, 2009
Net sales (Million yen)	145,453	148,150	156,792	158,285	147,292
Ordinary income (loss) (Million yen)	3,962	5,240	4,683	(4,553)	(1,410)
Net income (loss) (Million yen)	1,267	3,627	1,932	(6,271)	(3,811)
Net assets (Million yen)	52,519	55,708	55,955	44,274	37,906
Total assets (Million yen)	92,788	95,508	98,422	104,059	91,837
Net assets per share (Yen)	1,143.12	1,207.89	1,197.62	947.19	874.89
Net income (loss) per share (Yen)	27.44	78.81	41.53	(134.26)	(84.18)
Diluted net income per share (Yen)	27.36	78.55	41.41	–	–
Equity ratio (%)	56.6	58.3	56.8	42.5	41.3
Return on equity (ROE) (%)	2.5	6.6	3.5	(12.5)	(9.3)
Price earnings ratio (PER) (Times)	54.7	15.4	28.4	–	–
Net cash provided by (used in) operating activities (Million yen)	2,539	1,470	1,444	3,849	521
Net cash provided by (used in) investing activities (Million yen)	(5,086)	(6,426)	(6,047)	(7,388)	(1,141)
Net cash provided by (used in) financing activities (Million yen)	2,625	(875)	2,305	8,199	1,035
Cash and cash equivalents at end of period (Million yen)	11,320	5,549	3,526	8,186	8,795
Number of employees [Separately, average number of temporary employees] (Persons)	965 [1,472]	1,082 [1,509]	1,305 [1,610]	1,498 [1,721]	1,536 [1,624]

- Notes:
1. Net sales do not include consumption taxes.
  2. The “Accounting Standard for Presentation of Net Assets in the Balance Sheet” (ASBJ Statement No. 5, December 9, 2005) and the “Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet” (ASBJ Guidance No. 8, December 9, 2005) have been applied since the 62<sup>nd</sup> fiscal year.
  3. Diluted net income per share for the 64<sup>th</sup> fiscal year is not presented since Senshukai posted net loss per share, and has no outstanding dilutive securities.
  4. Diluted net income per share for the 65<sup>th</sup> fiscal year is not presented since Senshukai posted net loss per share, and has no outstanding residual securities.
  5. Price earnings ratio for the 64<sup>th</sup> and 65<sup>th</sup> fiscal years is not presented since Senshukai posted net loss.

(Source: Annual Securities Reports)

## II. A Message from Management

### As “the concierge for daily living”

Senshukai’s basic principle is to contribute to society by providing customers with good merchandise and good services.

Viewing the five senses\* as a business from early on, we have nurtured the marketing, merchandizing, data analysis and product development abilities required to propose fulfilling lifestyles to our customers.

We will continue to further our creative activities and offer meticulous services in an aim to be a company that delivers excitement and happiness to all as “the concierge for daily living.”

\* Five senses: sight, hearing, smell, taste and touch

**Yasuhiro Yukimachi**  
**President and Representative Director**



(Source: Senshukai’s website/message from the President  
[http://www.senshukai.co.jp/main/top/com\\_top.htm](http://www.senshukai.co.jp/main/top/com_top.htm))

### **III. Overview of Operating Results**

#### **(1) Operating Results**

In the fiscal year under review, the Japanese economy showed some signs of improvement thanks to benefits from the government's economic stimulus measures, and progress in inventory adjustment, but conditions remained harsh overall as the employment environment deteriorated, household incomes declined, and the government in November declared that the economy was mired in deflation. In the retail industry, sales of apparel remained weak, with few exceptions, due in part to unseasonably warm weather in November and December. Personal consumption slumped as consumers increasingly adopted a "thrifty" and "defensive" stance toward spending. In the mail-order industry, e-commerce continued to drive overall sales, but general mail-order companies that also issue catalogs saw their sales continue to decline. The future outlook remains uncertain in our view because the intensely competitive environment has created more price competition, and prompted consumers to become more selective regarding products and services.

In this environment, the Senshukai Group intends to push forward with core strategies in the second year of its medium-term management plan which concludes in Fiscal Year 2010.

However, net sales in the current fiscal year significantly declined 6.9% year-over-year to 147,292 million yen from the previous fiscal year.

In terms of profits, the flexible implementation of clearance sales and other means to stimulate demand in the face of rising inventories caused by falling sales were not completely successful, and the resulting increase in the cost ratio and valuation losses caused gross profit to decline. Operating loss totaled 2,405 million yen (compared with an operating income of 2,413 million yen in the previous fiscal year) despite efforts to offset the decline in gross profit by slashing catalog costs and other SG&A expenses. Ordinary loss totaled 1,410 million yen (compared with ordinary loss of 4,553 million yen in the previous fiscal year) due to foreign exchange gains and other factors. Net loss totaled 3,811 million yen (compared with net loss of 6,271 million yen in the previous fiscal year) due to loss on valuation of investment securities, loss on sales of investment securities, and booking of an impairment loss.

#### **(2) Cash Flow Position**

The balance of cash and cash equivalents at the end of the current fiscal year was 8,795 million yen, an increase of 608 million yen from the end of the previous fiscal year. Operating activities provided net cash of 521 million yen (net cash provided of 3,849 million yen in the previous fiscal year). The main cash inflows were depreciation and amortization of 2,503 million yen and a decrease in inventories of 5,440 million yen. Cash outflows included the payments for cancellation money on derivative contract of 3,760 million yen, and loss before income taxes and minority interests of 3,093 million yen.

Investing activities used net cash of 1,141 million yen (net cash used of 7,388 million yen in the previous fiscal year). The main cash inflow was a 1,000 million yen proceeds from sales of investment securities. The main cash outflows were 1,384 million yen for purchase of property, plant and equipment and 987 million yen for purchase of intangible assets.

Financing activities provided net cash of 1,035 million yen (net cash provided of 8,199 million yen in the previous fiscal year). The main cash inflows were proceeds from long-term loans payable of 7,184 million yen and proceeds from issuance of bonds of 4,872 million yen, while cash outflows include a net decrease in short-term loans payable of 5,000 million yen, repayment of long-term loans payable of 2,761 million yen, purchase of treasury stock of 2,142 million yen, and cash dividends paid of 700 million yen.

(Source: Annual Securities Report)

## IV. Issues to be Addressed

### Details of Current Issues

Senshukai sees an uncertain outlook for the domestic economy, and believes the economy could decelerate going forward given deteriorating employment conditions, a persistent excess of production capacity, and ongoing deflation. The Group also believes consumers will become more thrifty and show an increased preference for low-priced goods as sentiment slumps further. In summary, it believes the business environment does not warrant optimism.

Under these circumstances, the Group has formulated the three-year medium-term management plan covering the period from Fiscal Year 2008 (the 64<sup>th</sup> fiscal year) to Fiscal Year 2010 (the 66<sup>th</sup> fiscal year). The basic policies of the Plan, namely i. Promotion of channel mix, ii. Development of multiple brands, iii. Expansion of customer base and iv. SCM (supply chain management) promotion, will be steadily executed in its final year ending December 31, 2010.

#### i. Promotion of channel mix

We intend to further deepen “multi-channel promotion” targeted in the previous medium-term management plan, by not merely expanding channel numbers, but fusing channels in fundamental ways and speeding up operations to achieve synergies.

#### ii. Development of multiple brands

To diversify the business through expansion of product and service offerings, and capture certain age groups that are difficult to capture with a single brand (*Belle Maison*), we will move forward with a multi-brand strategy appropriate for different customer segments and product genres, and avoid damaging its value.

#### iii. Expansion of customer base

We will expand customers in the over-50 segment by developing new goods for the seniors market, as well as new media to reach them. We will also aim to expand customers in their 20s, but we do not intend to rush expansion of the early 20s market, but steadily win this customer segment over through alliances with other companies and M&A, and through the utilization of new media including the Internet, mobile phones, and magazines. We will strengthen expansion of the late 20s market, and maintain our overall base of 20s customers.

#### iv. SCM (supply chain management) promotion

Improving cash flow, which deteriorated due to expanding inventories, is a top priority. We will restructure the management framework to improve the efficiency of inventories and further strengthen SCM.

# V. Status of Corporate Governance

## (1) Basic Concept of Corporate Governance

The Group recognizes the concept of corporate governance as an essential element of our activities in fulfilling our social responsibility toward various stakeholders such as shareholders, customers, employees, business partners and local communities. We believe in the importance of building a highly transparent management system and making it work effectively.

To this end, we will endeavor to fortify corporate governance by clarifying our directors' oversight responsibilities, strengthening our compliance structure, and ensuring the prompt and accurate disclosure of information.

## (2) Current Progress of Policies Regarding Corporate Governance

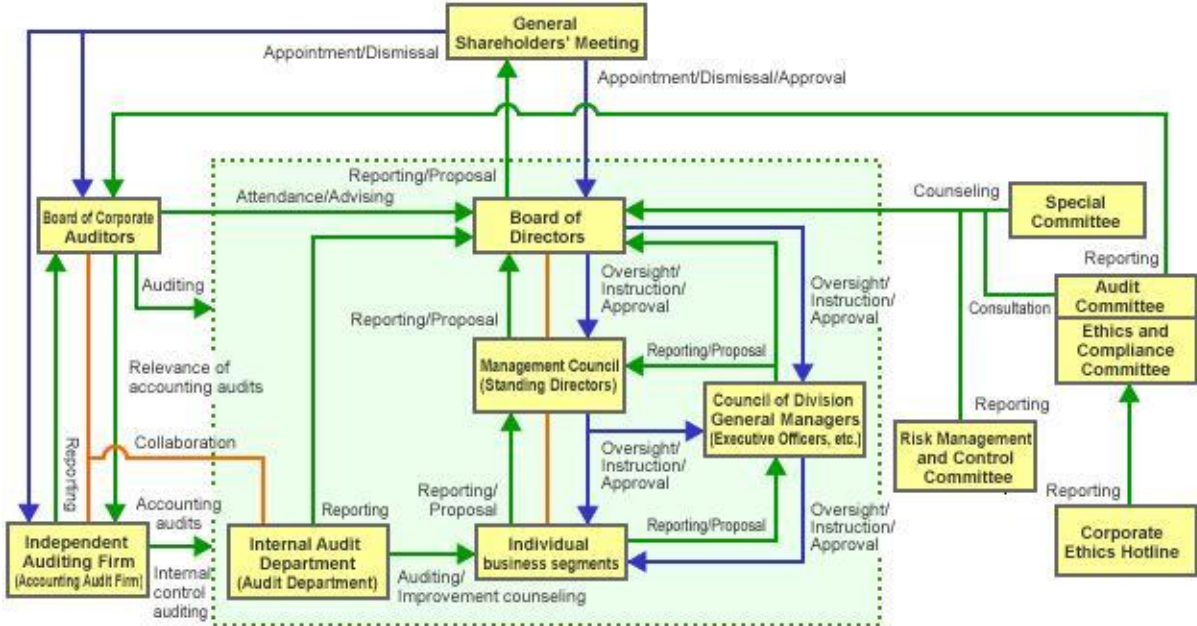
Status of the management organization system with respect to managerial decision making, execution and oversight and other corporate governance structures

To promote an increase in the rapidity and efficiency of management decision making, Senshukai has adopted an executive officer system and a business division system. In addition to the Board of Directors, Senshukai has established a Management Council comprised of, as a rule, standing directors, and a Council of Division General Managers that includes executive officers to provide for rapid decision making. The Board of Directors meets on alternate weeks and whenever necessary to provide a swift and efficient management oversight system.

In addition, to enhance the transparency of management, Senshukai energetically promotes IR activities for investors and shareholders and works to ensure prompt and accurate disclosure of information.

The Group finds the "corporate auditor system" to function more effectively than the "committee system" in terms of corporate governance. We have accordingly adopted a corporate auditor system consisting of a Board of Directors of nine members including two outside directors, and a Board of Corporate Auditors of four members including two outside corporate auditors.

Corporate governance structure, internal control system and risk management structure are presented in the following figure.



(Source: Annual Securities Reports)

## VI. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Million yen)

	As of December 31, 2008	As of December 31, 2009
<b>Assets</b>		
Current assets		
Cash and deposits	7,670	8,613
Notes and accounts receivable-trade	10,888	10,248
Short-term investment securities	524	182
Inventories	16,497	-
Merchandise and finished goods	-	10,967
Raw materials and supplies	-	112
Deferred tax assets	1,009	545
Accounts receivable-other	8,028	7,568
Other	5,695	4,174
Allowance for doubtful accounts	(316)	(294)
Total current assets	49,998	42,117
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	34,365	34,570
Accumulated depreciation	(19,305)	(20,351)
Buildings and structures, net	15,059	14,219
Machinery, equipment and vehicles	12,071	12,154
Accumulated depreciation	(10,938)	(11,034)
Machinery, equipment and vehicles, net	1,133	1,120
Tools, furniture and fixtures	3,313	3,136
Accumulated depreciation	(2,151)	(2,080)
Tools, furniture and fixtures, net	1,162	1,056
Land	11,168	11,078
Construction in progress	13	577
Total property, plant and equipment	28,536	28,052
Intangible assets		
Goodwill	2,963	2,793
Other	2,502	2,756
Total intangible assets	5,465	5,549
Investments and other assets		
Investment securities	11,368	9,378
Long-term loans receivable	826	631
Lease and guarantee deposits	1,626	1,673
Deferred tax assets	1,546	196
Other	4,894	4,449
Allowance for doubtful accounts	(203)	(210)
Total investments and other assets	20,058	16,118
Total noncurrent assets	54,060	49,720
Total assets	104,059	91,837

(Source: Annual Securities Reports)

(Million yen)

	As of December 31, 2008	As of December 31, 2009
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	8,527	6,934
Short-term loans payable	9,957	5,923
Current portion of bonds	66	766
Accounts payable-other	6,508	6,754
Accounts payable-factoring	15,789	13,707
Accrued expenses	1,854	1,983
Income taxes payable	194	271
Accrued consumption taxes	289	361
Deferred tax liabilities	-	2
Provision for sales promotion expenses	346	526
Forward exchange contracts	9,788	3,045
Other	831	1,043
<b>Total current liabilities</b>	<b>54,153</b>	<b>41,321</b>
<b>Noncurrent liabilities</b>		
Bonds payable	168	4,052
Long-term loans payable	4,112	7,584
Deferred tax liabilities	-	1
Deferred tax liabilities for land revaluation	764	756
Provision for retirement benefits	45	35
Provision for directors' retirement benefits	335	-
Other	206	178
<b>Total noncurrent liabilities</b>	<b>5,631</b>	<b>12,609</b>
<b>Total liabilities</b>	<b>59,784</b>	<b>53,930</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	20,359	20,359
Capital surplus	21,038	21,038
Retained earnings	14,064	9,517
Treasury stock	(631)	(2,774)
<b>Total shareholders' equity</b>	<b>54,830</b>	<b>48,140</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	(1,312)	(1,013)
Deferred gains or losses on hedges	(2,038)	(2,044)
Revaluation reserve for land	(7,103)	(7,067)
Foreign currency translation adjustment	(130)	(122)
<b>Total valuation and translation adjustments</b>	<b>(10,584)</b>	<b>(10,247)</b>
Minority interests	29	14
<b>Total net assets</b>	<b>44,274</b>	<b>37,906</b>
<b>Total liabilities and net assets</b>	<b>104,059</b>	<b>91,837</b>

(Source: Annual Securities Reports)



## (2) Consolidated Statements of Income

(Million yen)

	Fiscal year ended December 31, 2008	Fiscal year ended December 31, 2009
Net sales	158,285	147,292
Cost of sales	81,912	78,927
Gross profit	76,373	68,364
Selling, general and administrative expenses		
Freightage and packing expenses	10,193	8,849
Promotion expenses	25,303	23,507
Provision for allowance for sales promotion expenses	346	525
Provision of allowance for doubtful accounts	287	273
Bad debts expenses	46	39
Directors' compensations	577	565
Salaries and allowances	11,206	11,631
Bonuses	1,372	1,429
Provision for retirement benefits	13	19
Provision for directors' retirement benefits	61	–
Depreciation	2,127	2,501
Other	22,423	21,427
Total selling, general and administrative expenses	73,960	70,770
Operating income (loss)	2,413	(2,405)
Non-operating income		
Interest income	270	90
Dividends income	172	314
Foreign exchange gains	–	1,403
Gain on valuation of compound financial instruments	–	21
Co-sponsor fee	103	42
Miscellaneous income	377	276
Total non-operating income	924	2,148
Non-operating expenses		
Interest expenses	162	317
Loss on valuation of compound financial instruments	1,331	–
Equity in losses of affiliates	247	65
Foreign exchange losses	5,904	–
Commission fee	–	450
Bond issuance cost	–	127
Miscellaneous loss	245	193
Total non-operating expenses	7,890	1,154
Ordinary loss	(4,553)	(1,410)
Extraordinary income		
Gain on sales of noncurrent assets	245	1
Gain on redemption of debt	–	42
Total extraordinary income	245	43

(Source: Annual Securities Reports)

(Million yen)

	Fiscal year ended December 31, 2008	Fiscal year ended December 31, 2009
<b>Extraordinary loss</b>		
Loss on sales and retirement of noncurrent assets	759	95
Loss on valuation of investment securities	594	573
Loss on sales of investment securities	28	576
Impairment loss	153	356
Special retirement expenses	48	–
Loss on valuation of golf club membership	2	–
Provision of allowance for doubtful accounts	1	28
Other	–	95
Total extraordinary losses	1,587	1,726
Loss before income taxes and minority interests	(5,895)	(3,093)
Income taxes-current	444	322
Income taxes-deferred	(74)	432
Total income taxes	370	754
Minority interests in income (loss)	5	(36)
Net loss	(6,271)	(3,811)

(Source: Annual Securities Reports)

### (3) Consolidated Statements of Changes in Net Assets

(Million yen)

	Fiscal year ended December 31, 2008	Fiscal year ended December 31, 2009
<b>Shareholders' equity</b>		
Capital stock		
Balance at the end of previous period	20,359	20,359
Changes of items during the period		
Total changes of items during the period	–	–
Balance at the end of current period	20,359	20,359
Capital surplus		
Balance at the end of previous period	21,038	21,038
Changes of items during the period		
Disposal of treasury stock	0	(0)
Total changes of items during the period	0	(0)
Balance at the end of current period	21,038	21,038
Retained earnings		
Balance at the end of previous period	21,691	14,064
Changes of items during the period		
Dividends from surplus	(1,027)	(700)
Net loss	(6,271)	(3,811)
Reversal of revaluation reserve for land	(256)	(35)
Increase (decrease) in retained earnings due to change in the number of consolidated subsidiaries and equity method affiliates	(70)	–
Total changes of items during the period	(7,626)	(4,547)
Balance at the end of current period	14,064	9,517
Treasury stock		
Balance at the end of previous period	(630)	(631)
Changes of items during the period		
Purchase of treasury stock	(1)	(2,142)
Disposal of treasury stock	0	0
Total changes of items during the period	(1)	(2,142)
Balance at the end of current period	(631)	(2,774)
Total shareholders' equity		
Balance at the end of previous period	62,458	54,830
Changes of items during the period		
Dividends from surplus	(1,027)	(700)
Net loss	(6,271)	(3,811)
Purchase of treasury stock	(1)	(2,142)
Disposal of treasury stock	0	0
Reversal of revaluation reserve for land	(256)	(35)
Increase (decrease) in retained earnings due to change in the number of consolidated subsidiaries and equity method affiliates	(70)	–
Total changes of items during the period	(7,627)	(6,690)
Balance at the end of current period	54,830	48,140

(Source: Annual Securities Reports)

(Million yen)

	Fiscal year ended December 31, 2008	Fiscal year ended December 31, 2009
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	486	(1,312)
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,798)	299
Total changes of items during the period	(1,798)	299
Balance at the end of current period	(1,312)	(1,013)
Deferred gains or losses on hedges		
Balance at the end of previous period	376	(2,038)
Changes of items during the period		
Net changes of items other than shareholders' equity	(2,415)	(6)
Total changes of items during the period	(2,415)	(6)
Balance at the end of current period	(2,038)	(2,044)
Revaluation reserve for land		
Balance at the end of previous period	(7,359)	(7,103)
Changes of items during the period		
Net changes of items other than shareholders' equity	256	35
Total changes of items during the period	256	35
Balance at the end of current period	(7,103)	(7,067)
Foreign currency translation adjustment		
Balance at the end of previous period	(16)	(130)
Changes of items during the period		
Net changes of items other than shareholders' equity	(114)	8
Total changes of items during the period	(114)	8
Balance at the end of current period	(130)	(122)
Total valuation and translation adjustments		
Balance at the end of previous period	(6,512)	(10,584)
Changes of items during the period		
Net changes of items other than shareholders' equity	(4,072)	336
Total changes of items during the period	(4,072)	336
Balance at the end of current period	(10,584)	(10,247)
Minority interests		
Balance at the end of previous period	10	29
Changes of items during the period		
Net changes of items other than shareholders' equity	18	(14)
Total changes of items during the period	18	(14)
Balance at the end of current period	29	14

(Source: Annual Securities Reports)

(Million yen)

	Fiscal year ended December 31, 2008	Fiscal year ended December 31, 2009
<b>Total net assets</b>		
Balance at the end of previous period	55,955	44,274
<b>Changes of items during the period</b>		
Dividends from surplus	(1,027)	(700)
Net loss	(6,271)	(3,811)
Purchase of treasury stock	(1)	(2,142)
Disposal of treasury stock	0	0
Reversal of revaluation reserve for land	(256)	(35)
Increase (decrease) in retained earnings due to change in the number of consolidated subsidiaries and equity method affiliates	(70)	-
Net changes of items other than shareholders' equity	(4,053)	322
<b>Total changes of items during the period</b>	<b>(11,681)</b>	<b>(6,367)</b>
Balance at the end of current period	44,274	37,906

(Source: Annual Securities Reports)

#### (4) Consolidated Statements of Cash Flows

(Million yen)

	Fiscal year ended December 31, 2008	Fiscal year ended December 31, 2009
Net cash provided by (used in) operating activities		
Loss before income taxes and minority interests	(5,895)	(3,093)
Depreciation and amortization	2,140	2,503
Impairment loss	153	356
Increase (decrease) in allowance for doubtful accounts	(61)	(14)
Increase (decrease) in allowance for sales promotion expenses	212	180
Interest and dividends income	(442)	(404)
Interest expenses	162	317
Foreign exchange losses (gains)	5,797	(1,528)
Equity in (earnings) losses of affiliates	247	65
Loss (gain) on valuation of compound financial instruments	1,331	(21)
Bond issuance cost	–	127
Loss (gain) on sales of noncurrent assets	(245)	(1)
Loss (gain) on sales of investment securities	–	576
Loss (gain) on sales and retirement of noncurrent assets	759	95
Loss (gain) on valuation of investment securities	594	573
Decrease (increase) in notes and accounts receivable-trade	350	665
Decrease (increase) in inventories	2,844	5,440
Decrease (increase) in other current assets	950	1,908
Increase (decrease) in notes and accounts payable-trade	(3,183)	(1,605)
Increase (decrease) in accrued consumption taxes	249	82
Increase (decrease) in other current liabilities	(51)	(1,871)
Other, net	87	(29)
Subtotal	5,998	4,325
Interest and dividends income received	417	433
Interest expenses paid	(163)	(270)
Payments for cancellation money on derivative contract	–	(3,760)
Income taxes paid	(2,404)	(206)
Net cash provided by (used in) operating activities	3,849	521
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(2,617)	(1,384)
Proceeds from sales of property, plant and equipment	447	3
Purchase of intangible assets	(659)	(987)
Proceeds from sales of intangible assets	0	–
Purchase of investment securities	(2,473)	(88)
Proceeds from sales of investment securities	825	1,000
Proceeds from withdrawal of time deposits	–	200
Decrease (increase) in time deposits	(997)	–
Purchase of investments in subsidiaries	–	(65)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(2,297)	–
Other, net	382	181
Net cash provided by (used in) investing activities	(7,388)	(1,141)

(Source: Annual Securities Reports)

(Million yen)

	Fiscal year ended December 31, 2008	Fiscal year ended December 31, 2009
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	4,566	(5,000)
Proceeds from long-term loans payable	5,052	7,184
Repayment of long-term loans payable	(358)	(2,761)
Proceeds from issuance of bonds	–	4,872
Redemption of bonds	(33)	(416)
Purchase of treasury stock	(1)	(2,142)
Proceeds from sales of treasury stock	0	0
Cash dividends paid	(1,026)	(700)
Net cash provided by (used in) financing activities	8,199	1,035
Effect of exchange rate change on cash and cash equivalents	–	(2)
Net increase (decrease) in cash and cash equivalents	4,660	413
Cash and cash equivalents at beginning of period	3,526	8,186
Increase in cash and cash equivalents from newly consolidated subsidiary	–	195
Cash and cash equivalents at end of period	8,186	8,795

(Source: Annual Securities Reports)

## VII. Company Information / Stock Information (as of December 31, 2009)

### Company Information

Trade name:	Senshukai Co., Ltd.
Date of establishment:	November 1955
Listing date:	May 1984
Business year:	From January 1 to December 31
Paid-in capital:	20,359 million yen
Number of employees:	1,624 (including contract employees) (Consolidated)
Head office:	1-8-9 Doshin, Kita-ku, Osaka
Telephone:	+81-6-6881-3100
Consolidated subsidiaries:	Senshu Logisco Co., Ltd. Senshukai General Services Co., Ltd. Senshukai Call Center Co., Ltd. Dears Brain Inc. Other 10 companies

### Directors and Corporate Auditors

President and Representative Director	Yasuhiro Yukimachi
Senior Managing Director	Kiichi Tagawa
Senior Managing Director	Michio Tanabe
Managing Director	Shohachi Sawamoto
Director	Mamoru Asada
Director	Shigemitsu Mineoka
Director	Hiroyuki Hoshino
Director*	Tomoko Oishi
Director*	Toshikatsu Sano
Corporate Auditor (Standing)	Shoji Tottori
Corporate Auditor (Standing)	Yoshihiro Inoda
Corporate Auditor**	Hideyuki Koizumi
Corporate Auditor**	Hiroshi Morimoto

\* Outside Director \*\* Outside Corporate Auditor

### Stock Status

Total number of authorized shares:	180,000,000 shares
Total number of shares issued:	47,630,393 shares
Number of shareholders:	13,196
Major shareholders (Top 10)	

Shareholder name	Number of shares held (Thousands)	Share-holding ratio (%)
Brestsheave Co., Ltd.	3,650	7.66
Toppan Printing Co., Ltd.	1,838	3.86
Sawzan, Ltd.	1,792	3.76
Sumitomo Mitsui Banking Corp.	1,665	3.50
Dai Nippon Printing Co., Ltd.	1,509	3.17
Mizuho Bank, Ltd.	1,319	2.77
Nippon Life Insurance Company	988	2.07
Senshukai Group Employee Stock Ownership Plan	922	1.94
Japan Trustee Services Bank, Ltd. (Trust account)	848	1.78
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	813	1.71

(Source: Annual Securities Reports)