



## Summary of Financial Results for the First Quarter of Fiscal Year 2012 (Three Months Ended March 31, 2012)

[Japanese GAAP]

April 27, 2012

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Scheduled date of filing of Quarterly Report: May 14, 2012

Scheduled date of payment of dividend: -

Preparation of supplementary materials for quarterly financial results: None

Holding of quarterly financial results meeting: None

(All amounts are rounded down to the nearest million yen)

### 1. Consolidated Financial Results for the 1st Quarter of 2012 (January 1, 2012 – March 31, 2012)

#### (1) Consolidated operating results (cumulative)

(Percentages represent changes from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
1Q 2012	34,062	7.2	(741)	-	(216)	-	(178)	-
1Q 2011	31,776	(1.2)	714	35.0	881	(17.1)	675	(37.3)

Note: Comprehensive income (million yen) 1Q 2012: 1,142 (down 5.2%) 1Q 2011: 1,204 (- %)

	Net income per share	Diluted net income per share
	Yen	Yen
1Q 2012	(4.12)	-
1Q 2011	15.59	-

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
1Q 2012	93,634	42,283	45.2	976.32
Fiscal Year 2011	90,441	41,444	45.8	956.94

Reference: Shareholders' equity (million yen) 1Q 2012: 42,283 Fiscal Year 2011: 41,444

### 2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal Year 2011	-	7.00	-	7.00	14.00
Fiscal Year 2012	-	-	-	-	-
Fiscal Year 2012 (forecasts)	-	10.00	-	10.00	20.00

Note: Revision to the most recently announced dividend forecast: None

### 3. Consolidated Outlook for Fiscal Year 2012 (January 1, 2012 – December 31, 2012)

(Percentages represent changes from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
2Q 2012 (cumulative)	73,900	6.3	1,700	(29.1)	1,800	(31.6)	1,500	(30.8)	34.63
Full Year 2012	148,000	7.8	4,000	28.7	4,000	23.7	3,000	89.5	69.27

Note: Revision to the most recently announced consolidated outlook: None

#### 4. Other

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

Newly added: -

Excluded: -

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: Yes

Note: Please refer to "2. Matters Related to Summary Information (Others)" on page 3 for further information.

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of shares outstanding (common shares)

1) Number of shares outstanding at end of period (including treasury stock)

1Q 2012:	47,630,393 shares	Fiscal Year 2011:	47,630,393 shares
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2) Number of shares of treasury stock at end of period

1Q 2012:	4,321,172 shares	Fiscal Year 2011:	4,321,035 shares
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3) Average number of shares outstanding during the period

1Q 2012:	43,309,318 shares	1Q 2011:	43,309,633 shares
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\* Disclosure regarding the implementation of quarterly review procedures

These quarterly financial results materials are not subject to quarterly review procedures based on the Financial Instruments and Exchange Act. Thus, at the time of its disclosure, the quarterly financial statement review procedures based on the Financial Instruments and Exchange Act have not been completed.

\* Cautionary statement with respect to forward-looking statements

The above projections are based on information available at the time of release of this report. Actual results could differ significantly from these projections due to a variety of factors. For further details regarding the projections, please refer to page 3, "Qualitative Information Regarding Consolidated Outlook."

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## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Qualitative Information Regarding Consolidated Results of Operations

In the first quarter (January 1, 2012 to March 31, 2012) of the current fiscal year, the Japanese economy was expected to improve due to reconstruction demand in the aftermath of the Great East Japan Earthquake and the shift from yen appreciation to yen depreciation, but it just treaded water due to surging crude oil prices and other deep-rooted worries.

In the retail industry, personal consumption recovered overall driven by consumption related to reconstruction demand and a recovery in the consumption of high-priced items, but the outlook for the overall retail industry remained uncertain.

In this environment, the Senshukai Group pulled together to achieve the second fiscal year targets of its medium-term management plan which concludes in Fiscal Year 2013.

Net sales in the first quarter rose 7.2% year-over-year to 34,062 million yen.

As for profits, operating loss totaled 741 million yen, compared with operating income of 714 million yen in the same period of the previous fiscal year, due to an increase in the purchasing cost ratio in the mail-order business and a general increase in selling, general, and administrative expenses.

Ordinary loss totaled 216 million yen, compared with ordinary income of 881 million yen in the same period of the previous fiscal year, due to gain on valuation of compound financial instruments and foreign exchange gains. Net loss totaled 178 million yen compared with net income of 675 million yen in the same period of the previous fiscal year.

#### Overview by segment

##### (Mail-order Business)

Consolidated sales in the mail-order business, comprising the catalog and the *hanpukai* businesses, increased 7.9% year-over-year to 30,952 million yen in the first quarter. Sales rose year-over-year in each month: in January and February as falling temperatures boosted sales of autumn and winter items, and in March in reaction to the year-ago slump caused by the Great East Japan Earthquake, and growing sales of spring items from mid-month supported by rising temperatures.

Although sales rose, operating loss totaled 751 million yen, compared with operating income of 813 million yen in the same period of the previous fiscal year, as the cost-of-sales ratio rose due to an increase in bargain sales and clearance sales, catalog and other selling expenses rose due to promotional spending on television commercials and other media and the issue of new catalogs, and depreciation rose following systems-related investment last year.

##### 1) Catalog business

Consolidated sales in the catalog business rose 9.4% year-over-year to 28,795 million yen in the first quarter.

##### 2) *Hanpukai* business

Consolidated sales in the *hanpukai* business decreased 9.0% year-over-year to 2,156 million yen in the first quarter.

##### (Bridal Business)

Consolidated sales in the bridal business, which provides mostly house wedding services, rose 40.4% year-over-year to 1,964 million yen in the first quarter in reaction to last year's Great East Japan Earthquake, and the opening of "CANOVIANO Fukuoka." Operating loss totaled 71 million yen compared with loss of 203 million yen in the same period of the previous fiscal year.

**(Corporates Business)**

Consolidated sales in the corporates business, which provides products and services to corporations, decreased 39.6% year-over-year to 775 million yen in the first quarter due to the end of a contract with a major outsourcing client from last year. Operating income declined 1.7% year-over-year to 124 million yen.

**(Others)**

Consolidated sales in other businesses, which consist of the services business (primarily travel and credit card services) and the pet business (pet goods sales through retail stores), decreased 7.4% year-over-year to 370 million yen in the first quarter. Operating loss totaled 42 million yen, compared with loss of 23 million yen in the same period of the previous fiscal year.

**(2) Qualitative Information Regarding Consolidated Financial Position****(Balance sheet position)**

Assets totaled 93,634 million yen at the end of the first quarter, up 3,192 million yen from the end of the previous fiscal year.

Current assets increased 1,231 million yen to 45,713 million yen. The main factors were a decrease of 1,344 million yen in accounts receivable-other, and increases of 1,188 million yen in merchandise and finished goods, 732 million yen in other, and 453 million yen in notes and accounts receivable-trade. Noncurrent assets increased 1,961 million yen to 47,920 million yen, mainly due to a decrease of 140 million yen in intangible assets, and increases of 1,405 million yen in property, plant and equipment and 695 million yen in investments and other assets.

Current liabilities increased 1,720 million yen to 42,964 million yen. The main factors were a decrease of 1,293 million yen in forward exchange contracts, and an increase of 3,541 million yen in short-term loans payable. Noncurrent liabilities increased 632 million yen to 8,385 million yen. The main factors were a decrease of 350 million yen in bonds payable and an increase of 1,078 million yen in other.

Net assets increased 839 million yen to 42,283 million yen. The main factors were a decrease of 481 million yen in retained earnings, and increases of 859 million yen in deferred gains or losses on hedges and 421 million yen in valuation difference on available-for-sale securities. Consequently, the equity ratio was 45.2%.

**(3) Qualitative Information Regarding Consolidated Outlook**

At the time of release of this report, Senshukai has not changed the consolidated outlook for the current fiscal year (January 1, 2012 to December 31, 2012) released on February 9, 2012.

**2. Matters Related to Summary Information (Others)****(1) Changes in Significant Subsidiaries during the Period**

Not applicable.

**(2) Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements****(Calculation of tax expense)**

The tax expenses are calculated by first estimating the effective tax rate after the application of tax effect accounting with respect to income before income taxes and minority interests during the fiscal year in which the quarter under review falls, and multiplying that rate by the income before income taxes and minority interests for the quarter under review. However, the Company uses legally stipulated effective tax rates to calculate tax expenses for cases in which using estimated tax rates gives a noticeably irrational result.

**(3) Changes in Accounting Policies and Accounting-based Estimates, and Restatements**

Not applicable.

(Additional information)

Application of Accounting Standard for Accounting Changes and Error Corrections

The Company has adopted the “Accounting Standard for Accounting Changes and Error Corrections” (Accounting Standards Board of Japan (ASBJ) Statement No. 24, December 4, 2009)” and the “Guidance on Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Guidance No. 24, December 4, 2009) for accounting method revisions and for corrections to past errors from the beginning of the first quarter of the current fiscal year.

**3. Quarterly Consolidated Financial Statements****(1) Quarterly Consolidated Balance Sheets**

(Million yen)

	Fiscal Year 2011 (As of Dec. 31, 2011)	1Q 2012 (As of Mar. 31, 2012)
Assets		
Current assets		
Cash and deposits	7,500	7,706
Notes and accounts receivable-trade	6,589	7,043
Short-term investment securities	31	6
Merchandise and finished goods	17,022	18,211
Raw materials and supplies	118	126
Accounts receivable-other	8,802	7,457
Other	4,696	5,428
Allowance for doubtful accounts	(278)	(266)
Total current assets	44,482	45,713
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	13,513	13,518
Land	10,880	11,944
Other, net	2,056	2,392
Total property, plant and equipment	26,449	27,855
Intangible assets		
Goodwill	2,429	2,391
Other	4,506	4,404
Total intangible assets	6,935	6,795
Investments and other assets		
Investment securities	5,996	6,396
Other	6,921	7,218
Allowance for doubtful accounts	(343)	(345)
Total investments and other assets	12,574	13,269
Total noncurrent assets	45,959	47,920
Total assets	90,441	93,634

(Million yen)

	Fiscal Year 2011 (As of Dec. 31, 2011)	1Q 2012 (As of Mar. 31, 2012)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	9,282	9,298
Short-term loans payable	3,843	7,384
Current portion of bonds	736	736
Accounts payable-factoring	13,710	14,172
Income taxes payable	146	43
Provision for directors' bonuses	31	-
Provision for sales promotion expenses	613	605
Forward exchange contracts	1,941	647
Other	10,939	10,076
<b>Total current liabilities</b>	<b>41,244</b>	<b>42,964</b>
<b>Noncurrent liabilities</b>		
Bonds payable	2,550	2,200
Long-term loans payable	3,971	3,900
Provision for retirement benefits	31	33
Asset retirement obligations	364	338
Other	834	1,913
<b>Total noncurrent liabilities</b>	<b>7,753</b>	<b>8,385</b>
<b>Total liabilities</b>	<b>48,997</b>	<b>51,350</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	20,359	20,359
Capital surplus	21,038	21,038
Retained earnings	12,288	11,806
Treasury stock	(2,775)	(2,775)
<b>Total shareholders' equity</b>	<b>50,910</b>	<b>50,428</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	(1,008)	(587)
Deferred gains or losses on hedges	(1,237)	(378)
Revaluation reserve for land	(7,041)	(7,041)
Foreign currency translation adjustment	(177)	(136)
<b>Total accumulated other comprehensive income</b>	<b>(9,465)</b>	<b>(8,144)</b>
<b>Total net assets</b>	<b>41,444</b>	<b>42,283</b>
<b>Total liabilities and net assets</b>	<b>90,441</b>	<b>93,634</b>



**(2) Quarterly Consolidated Statements of Income and Comprehensive Income****Quarterly Consolidated Statements of Income****(For the Three-month Period)**

(Million yen)

	1Q 2011 (Jan. 1, 2011 – Mar. 31, 2011)	1Q 2012 (Jan. 1, 2012 – Mar. 31, 2012)
Net sales	31,776	34,062
Cost of sales	16,467	18,137
Gross profit	15,308	15,925
Selling, general and administrative expenses	14,594	16,666
Operating income (loss)	714	(741)
Non-operating income		
Interest income	11	14
Dividends income	1	1
Gain on valuation of compound financial instruments	27	189
Foreign exchange gains	169	318
Other	98	103
Total non-operating income	308	627
Non-operating expenses		
Interest expenses	59	56
Relief aid expenses	64	-
Other	17	45
Total non-operating expenses	141	101
Ordinary income (loss)	881	(216)
Extraordinary income		
Gain on sales of noncurrent assets	-	1
Gain on sales of investment securities	137	22
Total extraordinary income	137	23
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	16	18
Provision of allowance for doubtful accounts	181	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	111	-
Loss on disaster	12	-
Other	12	-
Total extraordinary losses	335	18
Income (loss) before income taxes and minority interests	683	(211)
Income taxes	8	(32)
Income (loss) before minority interests	675	(178)
Net income (loss)	675	(178)

**Quarterly Consolidated Statements of Comprehensive Income****(For the Three-month Period)**

(Million yen)

	1Q 2011 (Jan. 1, 2011 – Mar. 31, 2011)	1Q 2012 (Jan. 1, 2012 – Mar. 31, 2012)
Income (loss) before minority interests	675	(178)
Other comprehensive income		
Valuation difference on available-for-sale securities	(178)	421
Deferred gains or losses on hedges	686	859
Foreign currency translation adjustment	10	32
Share of other comprehensive income of associates accounted for using equity method	10	8
Total other comprehensive income	529	1,320
Comprehensive income	1,204	1,142
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,204	1,142
Comprehensive income attributable to minority interests	-	-

**(3) Going Concern Assumption**

Not applicable.

**(4) Segment Information**

I 1Q 2011 (Jan. 1, 2011 – Mar. 31, 2011)

1. Information related to sales and profit or loss for each reportable segment

(Million yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Note 2)	Amounts shown on quarterly consolidated statements of income (Note 3)
	Mail-order business	Bridal business	Corporates business	Sub-total				
Net sales								
Sales to customers	28,693	1,398	1,284	31,376	399	31,776	-	31,776
Inter-segment sales	336	-	76	413	24	438	(438)	-
Total	29,029	1,398	1,361	31,790	424	32,214	(438)	31,776
Segment profit (loss)	813	(203)	126	736	(23)	712	1	714

Notes: 1. Others represent the businesses which are not included in any of the three reportable segments and consist of the services business primarily offering travel and credit card services, and the pet business.

2. The 1 million yen adjustment to segment profit (loss) comprises elimination for inter-segment transactions.

3. Segment profit (loss) is adjusted to be consistent with operating income shown on the quarterly consolidated statements of income.

2. Information related to impairment of noncurrent assets, goodwill, etc. for each reportable segment

No major events or changes occurred in the consolidated first quarter.

II 1Q 2012 (Jan. 1, 2012 – Mar. 31, 2012)

1. Information related to sales and profit or loss for each reportable segment

(Million yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Note 2)	Amounts shown on quarterly consolidated statements of income (Note 3)
	Mail-order business	Bridal business	Corporates business	Sub-total				
Net sales								
Sales to customers	30,952	1,964	775	33,691	370	34,062	-	34,062
Inter-segment sales	133	-	16	150	21	172	(172)	-
Total	31,085	1,964	792	33,842	392	34,234	(172)	34,062
Segment profit (loss)	(751)	(71)	124	(699)	(42)	(741)	0	(741)

Notes: 1. Others represent the businesses which are not included in any of the three reportable segments and consist of the services business primarily offering travel and credit card services, and the pet business.

2. The 0 million yen adjustment to segment profit (loss) comprises elimination for inter-segment transactions.

3. Segment profit (loss) is adjusted to be consistent with operating loss shown on the quarterly consolidated statements of income.

2. Information related to impairment of noncurrent assets, goodwill, etc. for each reportable segment

No major events or changes occurred in the consolidated first quarter.

**(5) Significant Changes in Shareholders' Equity**

Not applicable.

\* This financial report is solely a translation of summary of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.