

Summary of Financial Results for the Second Quarter of Fiscal Year 2015 (Six Months Ended June 30, 2015)

[Japanese GAAP]

July 30, 2015

Company name: **SENSHUKAI CO.,LTD.** Stock exchange: Tokyo Stock Exchange, First Section
 Stock code: 8165 URL: <http://www.senshukai.co.jp>
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Scheduled date of filing of Quarterly Report: August 11, 2015

Scheduled date of payment of dividend: September 1, 2015

Preparation of supplementary materials for quarterly financial results: Yes

Holding of quarterly financial results meeting: Yes

(All amounts are rounded down to the nearest millions of yen)

1. Consolidated Financial Results for the 2nd Quarter of 2015 (January 1, 2015 – June 30, 2015)

(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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2Q 2015	68,161	(7.9)	(1,154)	-	(1,063)	-	(1,219)	-
2Q 2014	74,048	1.8	1,833	12.7	1,946	(2.4)	914	(26.4)

Note: Comprehensive income (millions of yen) 2Q 2015: (645) (- %) 2Q 2014: 8 (down 99.7 %)

	Net income per share	Diluted net income per share
	Yen	Yen
2Q 2015	(26.50)	-
2Q 2014	21.11	19.96

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
2Q 2015	108,055	59,577	55.1	1,140.49
Fiscal Year 2014	100,785	53,160	52.7	1,227.52

Reference: Shareholders' equity (millions of yen) 2Q 2015: 59,542 Fiscal Year 2014: 53,160

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal Year 2014	-	12.00	-	12.00	24.00
Fiscal Year 2015	-	4.00	-	-	-
Fiscal Year 2015 (forecasts)	-	-	-	4.00	8.00

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

3. Consolidated Outlook for Fiscal Year 2015 (January 1, 2015 – December 31, 2015)

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full Year 2015	135,500	(4.9)	(3,400)	-	(3,150)	-	(4,400)	-	(89.55)

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

*** Notes**

(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 (Notes), (2) Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements” on page 4 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 shares)

2Q 2015:	52,230,393 shares	Fiscal Year 2014:	47,630,393 shares
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2) Number of treasury shares at end of period

2Q 2015:	23,003 shares	Fiscal Year 2014:	4,322,649 shares
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3) Average number of shares outstanding during the period

2Q 2015:	46,012,057 shares	2Q 2014:	43,308,375 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, “1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Forecasts and Other Forward-looking Statements.”

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

In the cumulative second quarter (January 1, 2015 to June 30, 2015) of the current fiscal year, the Japanese economy continued to recover at a moderate pace as the benefits of economic stimulus measures by the government and monetary easing by the Bank of Japan support growth in corporate earnings and the number of jobs. However, personal consumption remains lackluster. Consumers are adopting an increasingly defensive stance about expenditures because wage increases are not keeping up with inflation. As a result, the economic outlook remains unclear.

The Senshukai Group is currently in the second year of the medium- to long-term management plan “Innovate for Smiles 2018” that covers the five-year period ending in 2018. All group companies are focusing their energy on achieving the goals of this plan.

Net sales in the cumulative second quarter decreased 7.9% year-over-year to 68,161 million yen. The main reason was a downturn in orders in the mail-order business, which accounts for most sales, due to the prolonged drop in sales after the April 2014 consumption tax hike and a decrease in order amount caused by a revision in marketing measures.

There was an operating loss of 1,154 million yen compared with operating income of 1,833 million yen in the same period of the previous fiscal year, because of an increase in the cost of sales ratio. This ratio was higher due to the higher cost of merchandise as the yen weakened, growth in the percentage of sales from discounted merchandise in association with weak sales, and an increase in clearance sales.

Ordinary loss was 1,063 million yen compared with ordinary income of 1,946 million yen in the same period of the previous fiscal year. Including the effect of reexamining the recoverability of deferred tax assets, there was a net loss of 1,219 million yen compared with net income of 914 million yen in the same period of the previous fiscal year.

Overview by segment

(Mail-order Business)

Consolidated sales in the mail-order business, centered on the catalog and the Internet businesses, decreased 10.6% year-over-year to 59,033 million yen in the cumulative second quarter, due to the prolonged drop in sales after the April 2014 consumption tax hike and a decrease in order amount caused by a revision in marketing measures.

There was an operating loss of 1,434 million yen compared with operating income of 1,464 million yen in the same period of the previous fiscal year, because of an increase in the cost of sales ratio. This ratio was higher due to the higher cost of merchandise as the yen weakened, growth in the percentage of sales from discounted merchandise in association with weak sales, and an increase in clearance sales.

(Bridal Business)

Consolidated sales in the bridal business, centered on the house wedding business, increased 13.5% year-over-year to 6,685 million yen in the cumulative second quarter, because of the acquisition in March of PLANETWORK CO.,LTD, which mainly operates house wedding business. Operating income decreased 48.2% to 89 million yen.

(Corporates Business)

Consolidated sales in the corporates business, which provides products and services to corporations, increased 10.8% year-over-year to 2,078 million yen, and operating income increased 5.1% to 188 million yen.

(Others)

Consolidated sales in other businesses, which provides services business (primarily insurance and credit card services) and childcare business, increased 51.9% year-over-year to 364 million yen. Operating loss was 4 million yen, compared with an operating income of 16 million yen in the same period of the previous fiscal year.

(2) Explanation of Financial Position

(Balance sheet position)

Assets totaled 108,055 million yen at the end of the second quarter of the current fiscal year, an increase of 7,269 million yen from the end of the previous fiscal year.

Current assets increased 4,718 million yen to 58,273 million yen. The main factor was an increase of 11,698 million yen in cash and deposits, while there were decreases of 2,435 million yen in notes and accounts receivable-trade, 1,712 million yen in merchandise and finished goods, 1,648 million yen in accounts receivable-other and 1,249 million yen in other. Non-current assets increased 2,551 million yen to 49,782 million yen. The main factors were increases of 1,638 million yen in property, plant and equipment, and 944 million yen in investments and other assets, while there was a decrease of 31 million yen in intangible assets.

Current liabilities decreased 3,021 million yen to 30,449 million yen. The main factors were decreases of 2,369 million yen in other, 746 million yen in income taxes payable, and 327 million yen in accounts payable-trade, while there was an increase of 328 million yen in electronically recorded obligations-operating. Non-current liabilities increased 3,874 million yen to 18,027 million yen. The main factor was an increase of 4,342 million yen in long-term loans payable, while there was a decrease of 450 million yen in bonds payable.

Net assets increased 6,416 million yen to 59,577 million yen. There was a decrease of 1,660 million yen in retained earnings. However, there were increases of 1,945 million yen in capital stock, 2,821 million yen in capital surplus, and a decrease of 2,762 million yen in treasury shares as a result of the issuance of new shares and the disposal of treasury shares through the third-party allotment to J.FRONT RETAILING Co.,Ltd. in May 2015. Consequently, the equity ratio was 55.1%.

(Cash flow position)

The balance of cash and cash equivalents at the end of the second quarter of the current fiscal year was 18,309 million yen, an increase of 10,398 million yen from the end of the previous fiscal year.

Operating activities provided net cash of 3,141 million yen (net cash provided of 3,514 million yen in the same period of the previous fiscal year). The main cash inflows were decreases of 2,523 million yen in notes and accounts receivable-trade, 2,470 million yen in other current assets, and 1,714 million yen in inventories. The main cash outflows were a decrease of 2,346 million yen in other current liabilities, and a loss before income taxes and minority interests of 1,162 million yen.

Investing activities used net cash of 3,653 million yen (net cash used of 1,290 million yen in the same period of the previous fiscal year). The main cash inflow was the proceeds from redemption of investment securities of 300 million yen. The main cash outflows were 1,953 million yen for the purchase of property, plant and equipment, 1,000 million yen for the payments into time deposits, 612 million yen for the purchase of shares of subsidiaries, and 404 million yen for the purchase of intangible assets.

Financing activities provided net cash of 10,844 million yen (net cash provided of 2,122 million yen in the same period of the previous fiscal year). The main cash inflows were the proceeds from long-term loans payable of 5,600 million yen, proceeds from issuance of common shares of 3,868 million yen, and proceeds from disposal of treasury shares of 3,637 million yen. The main cash outflows were 1,341 million yen for the repayments of long-term loans payable, 513 million yen for the cash dividends paid, and 350 million yen for the redemption of bonds.

(3) Explanation of Consolidated Forecasts and Other Forward-looking Statements

Senshukai currently maintains its consolidated outlook for the current fiscal year (January 1, 2015 to December 31, 2015) that was revised and released on July 24, 2015.

On July 24, 2015, Senshukai announced the start of a tender offer for the shares of Watabe Wedding Corporation (stock code: TYO 4696), the purchase of Watabe Wedding share through a third-party allotment, and the signing of a capital and business alliance agreement that includes Senshukai, Senshukai wholly owned subsidiary Dears

Brain Inc. and Watabe Wedding. We are currently studying the effects of these matters on the 2015 forecast. An announcement will be made promptly if there is a need to revise the forecast or if there is any other information that should be disclosed.

2. Matters Related to Summary Information (Notes)

(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.

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

(Millions of yen)

	Fiscal Year 2014 (As of Dec. 31, 2014)	2Q 2015 (As of Jun. 30, 2015)
Assets		
Current assets		
Cash and deposits	7,910	19,609
Notes and accounts receivable-trade	6,622	4,187
Merchandise and finished goods	21,591	19,878
Accounts receivable-other	9,511	7,862
Other	8,230	6,980
Allowance for doubtful accounts	(311)	(245)
Total current assets	53,554	58,273
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	13,963	14,708
Land	12,311	12,157
Other, net	2,801	3,848
Total property, plant and equipment	29,075	30,714
Intangible assets		
Goodwill	2,225	2,394
Other	3,154	2,954
Total intangible assets	5,380	5,349
Investments and other assets		
Investment securities	6,155	7,073
Other	6,885	6,910
Allowance for doubtful accounts	(265)	(265)
Total investments and other assets	12,774	13,718
Total non-current assets	47,231	49,782
Total assets	100,785	108,055

	(Millions of yen)	
	Fiscal Year 2014 (As of Dec. 31, 2014)	2Q 2015 (As of Jun. 30, 2015)
Liabilities		
Current liabilities		
Electronically recorded obligations-operating	12,124	12,452
Accounts payable-trade	5,397	5,069
Short-term loans payable	2,747	2,593
Current portion of bonds	700	800
Income taxes payable	915	169
Provision for sales promotion expenses	219	367
Other	11,367	8,997
Total current liabilities	33,470	30,449
Non-current liabilities		
Bonds payable	450	-
Bonds with subscription rights to shares	7,000	7,000
Long-term loans payable	3,510	7,852
Net defined benefit liability	84	91
Other	3,109	3,083
Total non-current liabilities	14,153	18,027
Total liabilities	47,624	48,477
Net assets		
Shareholders' equity		
Capital stock	20,359	22,304
Capital surplus	21,038	23,860
Retained earnings	17,086	15,426
Treasury shares	(2,776)	(14)
Total shareholders' equity	55,707	61,576
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,261	2,134
Deferred gains or losses on hedges	2,780	2,430
Revaluation reserve for land	(6,724)	(6,748)
Foreign currency translation adjustment	135	150
Total accumulated other comprehensive income	(2,546)	(2,033)
Minority interests	-	35
Total net assets	53,160	59,577
Total liabilities and net assets	100,785	108,055

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income**(Quarterly Consolidated Statement of Income)****(For the Six-month Period)**

(Millions of yen)

	2Q 2014 (Jan. 1, 2014 – Jun. 30, 2014)	2Q 2015 (Jan. 1, 2015 – Jun. 30, 2015)
Net sales	74,048	68,161
Cost of sales	39,082	36,451
Gross profit	34,966	31,710
Selling, general and administrative expenses	33,132	32,864
Operating income (loss)	1,833	(1,154)
Non-operating income		
Interest income	20	62
Dividend income	77	76
Gain on adjustment of account payable	98	127
Other	102	197
Total non-operating income	300	465
Non-operating expenses		
Interest expenses	102	97
Commission fee	-	219
Other	84	57
Total non-operating expenses	186	374
Ordinary income (loss)	1,946	(1,063)
Extraordinary income		
Gain on sales of non-current assets	0	17
Gain on sales of investment securities	0	-
Subsidy income	-	150
Total extraordinary income	0	167
Extraordinary losses		
Loss on sales and retirement of non-current assets	42	29
Loss on reduction of non-current assets	-	148
Impairment loss	41	88
Loss on sales of investment securities	147	-
Total extraordinary losses	231	266
Income (loss) before income taxes and minority interests	1,716	(1,162)
Income taxes	801	74
Income (loss) before minority interests	915	(1,236)
Minority interests in income (loss)	0	(17)
Net income (loss)	914	(1,219)

(Quarterly Consolidated Statement of Comprehensive Income)
(For the Six-month Period)

(Millions of yen)

	2Q 2014 (Jan. 1, 2014 – Jun. 30, 2014)	2Q 2015 (Jan. 1, 2015 – Jun. 30, 2015)
Income (loss) before minority interests	915	(1,236)
Other comprehensive income		
Valuation difference on available-for-sale securities	83	873
Deferred gains or losses on hedges	(960)	(349)
Revaluation reserve for land	-	53
Foreign currency translation adjustment	(20)	10
Share of other comprehensive income of entities accounted for using equity method	(9)	4
Total other comprehensive income	(906)	591
Comprehensive income	8	(645)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7	(628)
Comprehensive income attributable to minority interests	0	(17)

(3) Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	2Q 2014 (Jan. 1, 2014 – Jun. 30, 2014)	2Q 2015 (Jan. 1, 2015 – Jun. 30, 2015)
Cash flows from operating activities		
Income (loss) before income taxes and minority interests	1,716	(1,162)
Depreciation	1,271	1,400
Impairment loss	41	88
Increase (decrease) in allowance for doubtful accounts	(28)	(65)
Increase (decrease) in provision for sales promotion expenses	(144)	148
Interest and dividend income	(98)	(139)
Interest expenses	102	97
Loss (gain) on sales and retirement of non-current assets	41	12
Loss on reduction of non-current assets	-	148
Loss (gain) on sales of investment securities	147	-
Subsidy income	-	(150)
Decrease (increase) in notes and accounts receivable-trade	529	2,523
Decrease (increase) in inventories	930	1,714
Decrease (increase) in other current assets	2,639	2,470
Increase (decrease) in notes and accounts payable-trade	5,740	(159)
Increase (decrease) in other current liabilities	(9,588)	(2,346)
Other, net	627	(542)
Subtotal	3,930	4,037
Interest and dividend income received	97	127
Interest expenses paid	(106)	(104)
Income taxes (paid) refund	(406)	(919)
Net cash provided by (used in) operating activities	3,514	3,141
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,035)	(1,953)
Proceeds from sales of property, plant and equipment	7	131
Purchase of intangible assets	(398)	(404)
Proceeds from subsidy income	-	150
Payments into time deposits	-	(1,000)
Proceeds from sales of investment securities	216	-
Proceeds from redemption of investment securities	150	300
Purchase of shares of subsidiaries	(125)	(612)
Other, net	(104)	(264)
Net cash provided by (used in) investing activities	(1,290)	(3,653)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(4,180)	(70)
Proceeds from long-term loans payable	1,500	5,600
Repayments of long-term loans payable	(1,241)	(1,341)
Proceeds from share issuance to minority shareholders	-	80
Proceeds from issuance of bonds with subscription rights to shares	6,980	-
Redemption of bonds	(350)	(350)
Proceeds from issuance of common shares	-	3,868
Proceeds from disposal of treasury shares	-	3,637
Cash dividends paid	(520)	(513)
Other, net	(65)	(65)
Net cash provided by (used in) financing activities	2,122	10,844
Effect of exchange rate change on cash and cash equivalents	(13)	66
Net increase (decrease) in cash and cash equivalents	4,333	10,398
Cash and cash equivalents at beginning of period	6,495	7,910
Increase in cash and cash equivalents from newly consolidated subsidiary	290	-
Cash and cash equivalents at end of period	11,118	18,309

(4) Notes to Quarterly Consolidated Financial Statements**(Going Concern Assumption)**

Not applicable.

(Significant Changes in Shareholders' Equity)

Senshukai has conducted the issuance of new shares through the third-party allotment to J.FRONT RETAILING Co.,Ltd. and a disposal of treasury shares on May 7, 2015. Accordingly, capital stock and legal capital surplus increased 1,945 million yen each by the third-party allotment in the cumulative second quarter. In addition, capital surplus increased 875 million yen and treasury shares decreased 2,762 million yen by the disposal of treasury shares. As of the end of the second quarter of the current fiscal year, capital stock, capital surplus and treasury shares were 22,304 million yen, 23,860 million yen and 14 million yen, respectively.

(Segment and Other Information)

I 2Q 2014 (Jan. 1, 2014 – Jun. 30, 2014)

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

(Millions of yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Note 2)	Amounts shown on quarterly consolidated statement of income (Note 3)
	Mail-order business	Bridal business	Corporates business	Sub-total				
Net sales								
Sales to customers	66,042	5,890	1,875	73,808	239	74,048	-	74,048
Inter-segment sales or transfers	403	-	38	441	0	442	(442)	-
Total	66,446	5,890	1,913	74,250	240	74,490	(442)	74,048
Segment profit	1,464	173	178	1,817	16	1,833	0	1,833

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

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

3. Segment profit is adjusted to be consistent with operating income shown on the quarterly consolidated statement of income.

2. Information related to impairment of non-current assets, goodwill, etc. for each reportable segment

No major events or changes occurred.

II 2Q 2015 (Jan. 1, 2015 – Jun. 30, 2015)

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

(Millions of yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Note 2)	Amounts shown on quarterly consolidated statement of income (Note 3)
	Mail-order business	Bridal business	Corporates business	Sub-total				
Net sales								
Sales to customers	59,033	6,685	2,078	67,797	364	68,161	-	68,161
Inter-segment sales or transfers	409	-	80	490	0	490	(490)	-
Total	59,443	6,685	2,159	68,288	364	68,652	(490)	68,161
Segment profit (loss)	(1,434)	89	188	(1,156)	(4)	(1,160)	6	(1,154)

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

2. The 6 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 statement of income.

2. Information related to impairment of non-current assets, goodwill, etc. for each reportable segment

No major events or changes occurred.

(Subsequent Events)

On July 24, 2015, the Board of Directors of Senshukai Co.,Ltd. approved resolutions to conduct a tender offer in accordance with the Financial Instruments and Exchange Act to purchase the common shares of Watabe Wedding Corporation, to purchase share of this company through a third-party allotment, and to establish a capital and business alliance that includes Senshukai, Senshukai wholly owned subsidiary Dears Brain Inc. and Watabe Wedding.

1. Overview of the tender offer

(1) Purpose of the tender offer

The purpose of the tender offer is to make Watabe Wedding an equity-method affiliate of Senshukai.

Senshukai plans to use the tender offer and third-party allotment to acquire 34.00% of all voting rights of Watabe Wedding. Senshukai believes that this investment will facilitate the more efficient sharing of the resources of the two companies. Senshukai also expects that this investment will contribute to growth of the business value of Senshukai's mail-order business and the wedding business of Dears Brain and Watabe Wedding. In addition, Senshukai believes that this investment will give the Senshukai Group more influence in markets where it is active. Consequently, the decision was to establish a capital and business alliance consisting of the Senshukai Group and Watabe Wedding on July 24, 2015.

Senshukai believes that this alliance will contribute to the growth of the Senshukai Group and Watabe Wedding. The alliance is expected to make it possible to form a business alliance that encompasses a number of business categories in the bridal market. The alliance is also expected to yield the benefits of a larger scale of operations because the Senshukai Group and Watabe Wedding together hold about 25,000 weddings every year.

(2) Outline of Watabe Wedding

Name	WATABE WEDDING CORPORATION
Address	20 Naginataboko-cho, Shijou-dori, Karasuma, Higashiiru, Shimogyo-ku, Kyoto
Representative	Nobuaki Hanafusa, President & CEO
Businesses	Overseas wedding services and travel services for wedding participants; domestic wedding services including operation of wedding facilities; production and sale of wedding dresses, etc.; rental of wedding-related attire and formal wear for coming-of-age ceremonies, various parties, etc.; integrated service of clothing and photography by combining beauty care, dressing and studio portraits; and wedding-related services, including consultations for wedding halls in Japan, arranging wedding ceremonies, planning and directing wedding receptions, and bridal goods such as furniture, bedding, jewelry and gems
Capital	4,176 million yen (as of March 31, 2015)
Established	October 3, 1964

(3) Purchase period

July 27, 2015 to September 1, 2015 (27 business days)

(4) Purchase price

700 yen per common share

(5) Number of shares to be purchased

Number of shares to be purchased: 3,367,900 shares
 Minimum number of shares to be purchased: -
 Maximum number of shares to be purchased: 3,367,900 shares

(6) Total purchase cost

2,357 million yen

Note: Calculated by multiplying the number of shares to be purchased (3,367,900) by the price per share (700 yen)

(7) Method for procuring funds for payment

Own funds

2. Overview of the third-party allotment

(1) Class of shares to be offered

Common shares

(2) Number of shares to be offered

5,102,800 shares

(3) Payment amount

700 yen per common share

(4) Total payment amount

3,571 million yen

(5) Payment period

September 7, 2015 to October 28, 2015

(6) Method for procuring funds for payment

Own funds

(7) Other information

Shares sold by Watabe Wedding through the third-party allotment will be newly issued shares and not treasury shares.

Senshukai and Watabe Wedding have agreed that if Senshukai purchases shares using the tender offer, then after confirming the results of the tender offer, Senshukai will pay for the number of shares in the third-party allotment that are required in order to hold 34.00% of the voting rights of Watabe Wedding based on the total number of Watabe Wedding shares acquired using the tender offer and the third-party allotment.

3. Transfer of Watabe Wedding shares to Dears Brain

If Senshukai acquires 34.00% of the voting rights of Watabe Wedding as planned, Senshukai plans to transfer 792,400 shares of Watabe Wedding to Dears Brain. However, as long as Senshukai purchases at least one share of Watabe Wedding using the third-party allotment and based on the result of the tender offer, the number of shares of Watabe Wedding to be transferred will be agreed upon by Senshukai and Dears Brain and will be the number required in order that Dears Brain holds 8.00% of the voting rights of Watabe Wedding after dilution (less than 100 shares will be rounded up).

4. Stock market listing of Watabe Wedding

The shares of Watabe Wedding are listed on the first section of the Tokyo Stock Exchange. The delisting of Watabe Wedding is not the intent of the tender offer. The maximum number of shares that Senshukai will purchase using the tender offer is 3,367,900 (34.00% of all voting rights). Consequently, Watabe Wedding plans to retain its current stock market listing after the tender offer.

** 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.*