



Summary of Financial Results for the First Quarter of Fiscal Year 2009 (Three Months Ended March 31, 2009)

April 24, 2009

Company name: **Senshukai Co., Ltd.** Stock Exchanges: Tokyo and Osaka, First Sections
 Stock Code: 8165 URL: <http://www.senshukai.co.jp>
 Representative: Mr. Yasuhiro Yukimachi, President and Representative Director
 Inquiries: Mr. Michio Tanabe, Senior Managing Director
 Tel: +81-6-6881-3100
 Scheduled date of filing of Quarterly Report: May 15, 2009
 Scheduled date of payment of dividend: -

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

1. Consolidated Financial Results for the 1st Quarter of 2009 (January 1, 2009 – March 31, 2009)

(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 | % |
| 1Q 2009 | 35,617 | - | (1,960) | - | (526) | - | (761) | - |
| 1Q 2008 | 37,467 | (2.3) | 524 | (74.5) | (3,883) | - | (4,429) | - |

| | Net income per share | Diluted net income per share |
|---------|----------------------|------------------------------|
| | Yen | Yen |
| 1Q 2009 | (16.30) | - |
| 1Q 2008 | (94.82) | - |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|------------------|-----------------|-----------------|--------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| 1Q 2009 | 99,798 | 44,434 | 44.5 | 951.11 |
| Fiscal Year 2008 | 104,059 | 44,274 | 42.5 | 947.19 |

Reference: Shareholders' equity (million yen) 1Q 2009: 44,428 Fiscal Year 2008: 44,245

2. Dividends

| (Record date) | Dividend per share | | | | |
|----------------------------|--------------------|--------|--------|---------|--------|
| | 1Q-end | 2Q-end | 3Q-end | Yearend | Annual |
| | Yen | Yen | Yen | Yen | Yen |
| Full Year 2008 | - | 8.00 | - | 9.00 | 17.00 |
| Full Year 2009 | - | | | | |
| Full Year 2009 (forecasts) | | 8.00 | - | 9.00 | 17.00 |

Note: Revision of dividend forecast during the period: None

3. Consolidated Outlook for Fiscal Year 2009 (January 1, 2009 – December 31, 2009)

(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 |
| 2Q 2009 (cumulative) | 82,000 | - | 1,300 | - | 1,400 | - | 970 | - | 20.77 |
| Full Year 2009 | 162,500 | 2.7 | 3,200 | 32.6 | 3,400 | - | 2,750 | - | 58.87 |

Note: Revision of consolidated outlook during the period: None

4. Other

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

(2) Application of simplified accounting methods and special accounting methods in the preparation of quarterly consolidated financial statements: Yes

Note: Please refer to “Qualitative Information and Financial Statements, 4. Others” on page 5 for further information.

(3) Changes in accounting principles, procedures and presentation methods for preparation of quarterly consolidated financial statements

1) Changes caused by revision of accounting standards: Yes

2) Other changes: Yes

Note: Please refer to “Qualitative Information and Financial Statements, 4. Others” on pages 5 and 6 for further information.

(4) Number of shares outstanding (common shares)

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

| | | | |
|----------|-------------------|-------------------|-------------------|
| 1Q 2009: | 47,630,393 shares | Fiscal Year 2008: | 47,630,393 shares |
|----------|-------------------|-------------------|-------------------|

2) Number of treasury stock at end of period

| | | | |
|----------|----------------|-------------------|----------------|
| 1Q 2009: | 918,290 shares | Fiscal Year 2008: | 917,908 shares |
|----------|----------------|-------------------|----------------|

3) Average number of shares outstanding during the period

| | | | |
|----------|-------------------|----------|-------------------|
| 1Q 2009: | 46,712,357 shares | 1Q 2008: | 46,714,209 shares |
|----------|-------------------|----------|-------------------|

*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 4, “Qualitative Information and Financial Statements, 3. Qualitative Information Regarding Consolidated Outlook.”

- Effective from the current fiscal year, the Company has adopted “Accounting Standards for Quarterly Financial Statements” (ASBJ Statement No. 12) and “Guidance on Accounting Standards for Quarterly Financial Statements” (ASBJ Guidance No. 14). In addition, the quarterly consolidated financial statements are prepared in accordance with “Regulations for Quarterly Consolidated Financial Statements”. The Company has adopted the amended Regulations for Quarterly Consolidated Financial Statements, pursuant to the proviso of Article 7, Paragraph 1, Item 5 of the Supplementary Provision of the “Cabinet Office Ordinance Partially Revising Regulation for Terminology, Forms and Preparation Methods of Financial Statements” (Cabinet Office Ordinance No. 50, August 7, 2008).

Qualitative Information and Financial Statements

1. Qualitative Information Regarding Consolidated Results of Operations

The Japanese economy continued to deteriorate in the first quarter (January-March 2009) as the global recession spilled over from last year and combined with the financial crisis to weigh on stocks, and cause a slump in corporate profits. The retail industry suffered from a contraction in personal spending as consumers adopted a more defensive stance toward spending and became more thrifty as the environment for employment and income deteriorated. Price competition intensified as retailers sought to meet the low-price needs of consumers in an environment of deteriorating consumer sentiment and escalating competition across industries and business formats, and together with poor weather, the outlook for the retail industry remained harsh and uncertain.

In this environment, the Senshukai Group will pull together in the second year of its medium-term management plan to achieve the targets of its plan which concludes in Fiscal Year 2010.

Consolidated net sales decreased 4.9% year-over-year to 35,617 million yen in the fiscal year of the current fiscal year.

In terms of profits, operating income declined from a 524 million yen profit in the previous first quarter, to a 1,960 million yen loss in the current first quarter, due to a rise in the cost-to-sales ratio following a change in the valuation of inventories, and a rise in the SG&A-to-sales ratio following an increase in personnel and other expenses accompanying the consolidation of a new subsidiary. However, this was roughly in line with the Company's initial forecast.

Ordinary losses narrowed 3,356 million yen year-over-year to 526 million yen in the first quarter of the current fiscal year, due to the booking of foreign exchange gains and a decline in losses on write-down of compound financial instruments. Net losses narrowed 3,667 million yen year-over-year to 761 million yen.

Segment information

Mail-order Business

Consolidated sales in the mail-order business, which comprises the catalog and the *hanpukai* businesses, decreased 7.5% year-over-year to 32,215 million yen in the first quarter as sales declined in the *hanpukai* business due to a decline in members, and in the catalog business due to lackluster consumption.

In terms of profits, operating income declined from a 679 million yen profit in the previous first quarter to a 1,679 million yen loss in the current first quarter due to a rise in the cost-to-sales ratio following a change in the valuation of inventories.

1) Catalog business

Consolidated sales in the catalog business decreased 7.6% year-over-year to 29,449 million yen.

2) *Hanpukai* business

Consolidated sales in the *hanpukai* business declined 7.2% year-over-year to 2,765 million yen.

Other Businesses

The "other businesses" segment consists of the services business which primarily offers travel and credit card services, the storefront business, the pet business, the corporates business which provides products and services to corporations, and wedding business. Consolidated sales in this segment increased 29.7% year-over-year to 3,401 million yen, but operating losses expanded 131 million yen to 282 million yen.

Year-over-year changes in value and percentage terms are included as reference given differences in applied accounting standards.

2. Qualitative Information Regarding Consolidated Financial Position

Balance sheet position

Assets totaled 99,798 million yen at the end of the first quarter of the current fiscal year, down 4,261 million yen from the end of the previous fiscal year.

Current assets decreased 3,215 million yen to 46,782 million yen. The main factors were an increase in notes and accounts receivable-trade of 848 million yen, while cash and deposits and accounts receivable-other decreased 2,320 million yen and 1,858 million yen, respectively. Fixed assets decreased 1,045 million yen to 53,015 million yen, mainly due to increases in property and equipment of 80 million yen and intangible assets of 44 million yen, while there was a decrease in investments and other assets of 1,170 million yen.

Current liabilities decreased 14,585 million yen to 39,567 million yen. The main factors were decreases in forward exchange contracts of 7,660 million yen and short-term bank loans of 7,097 million yen. Long-term liabilities increased 10,164 million yen to 15,796 million yen, mainly due to increases in long-term debt of 6,200 million yen and corporate bonds of 4,300 million yen.

Net assets increased 159 million yen to 44,434 million yen. The main factors were a decrease in retained earnings of 1,181 million yen, while deferred hedge gains (losses) increased 1,209 million yen and net unrealized gains on available-for-sale securities increased in 119 million yen. Consequently, the equity ratio was 44.5%.

Cash flow position

The balance of cash and cash equivalents at the end of the first quarter was 5,612 million yen, a decrease of 2,574 million yen from the end of the previous fiscal year.

Operating activities used net cash of 5,798 million yen. The main contributing factor was a 1,301 million yen decrease in other current assets. Negative factors included 3,760 million yen payment for cancellation of derivative contracts, foreign exchange gains of 1,802 million yen, an 879 million yen decrease in other current liabilities, and loss before income taxes and minority interests of 863 million yen.

Investing activities used net cash of 544 million yen. The main cash outflows were 313 million yen for purchases of property and equipment and 163 million yen for purchases of intangible assets.

Financing activities provided net cash of 3,565 million yen. The main cash inflows were proceeds from long-term debt of 7,184 million yen and issuance of bonds of 4,872 million yen, while there were net decrease in short-term bank loans of 8,000 million yen and cash dividends paid of 393 million yen.

3. Qualitative Information Regarding Consolidated Outlook

The Company expects the business environment to remain harsh in Fiscal Year 2009 due to a deceleration in personal consumption from further deterioration in the economy, and concerns over poor weather. It thinks it can achieve its initial consolidated forecasts for the current fiscal year (January-December 2009), released when it announced Fiscal Year 2008 results, as first-quarter consolidated results trended in line with its plan.

It also expects to achieve its non-consolidated forecasts for the same reason.

4. Others

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation)

Not applicable.

(2) Application of simplified accounting methods and special accounting methods in the preparation of quarterly consolidated financial statements

(Simplified accounting methods)

1) Method for estimating the uncollectible amount of general reserve

The uncollectible amount of general reserve was estimated using the historical default rates at the end of the previous fiscal year as the ratio at the end of the first quarter of the current fiscal year was found not to be significantly different from the ratio at the end of the previous fiscal year.

2) Valuation of inventories

For inventories at the end of the first quarter of the current fiscal year, a valuation was determined by using a reasonable method based on actual inventories at the end of the previous fiscal year. No physical inventory count was performed.

For inventory write-down is based on the current net sales value of items on which profit margins have declined significantly.

3) Calculation of depreciation expense for fixed assets

For assets subject to the declining-balance method, depreciation expense for the period is calculated pro rata from the full-year amount of depreciation expense for the fiscal year.

4) Judgments about the recoverability of deferred tax assets

Judgments about the recoverability of deferred tax assets are made based on the earnings forecast at the end of the previous fiscal year and tax planning with regard to items where there have been no significant changes in the operating environment or in the occurrence of temporary differences following the end of the previous fiscal year.

(Special accounting methods in the preparation of quarterly consolidated financial statements)

The tax expenses were calculated by first estimating the effective tax rate after the application of tax effect accounting with respect to income before income taxes during the fiscal year, and multiplying that rate by the quarterly income before income taxes. 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. Deferred income taxes were included and displayed with income taxes.

(3) Changes in accounting principles, procedures and presentation methods for preparation of quarterly consolidated financial statements

1) Application of “Accounting Standards for Quarterly Financial Statements”

Effective from the current fiscal year, the Company has adopted “Accounting Standards for Quarterly Financial Statements” (Accounting Standards Board of Japan (“ASBJ”) Statement No. 12) and “Guidance on Accounting Standards for Quarterly Financial Statements” (ASBJ Guidance No. 14). In addition, the quarterly consolidated financial statements are prepared in accordance with “Regulations for Quarterly Consolidated Financial Statements”. The Company has adopted the amended Regulations for Quarterly Consolidated Financial Statements, pursuant to the proviso of Article 7, Paragraph 1, Item 5 of the Supplementary Provision of the “Cabinet Office Ordinance Partially Revising Regulation for Terminology, Forms and Preparation Methods of Financial Statements” (Cabinet Office Ordinance No. 50, August 7, 2008).

2) Application of “Accounting Standards for Measurement of Inventories”

In prior years, inventories for regular sales purposes were stated at the lower of cost, determined by the monthly average method, or market. With the adoption of “Accounting Standards for Measurement of Inventories” (ASBJ Statement No. 9) from the first quarter of the current fiscal year, inventories are stated at cost determined by the monthly average method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins).

As an effect of this change, operating loss increased by 960 million yen, and ordinary income and income before income taxes and minority interests each decreased by the same amount. The effect of these changes on segment operations is shown in the Segment Information section.

3) Application of “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements”

Effective from the first quarter of the current fiscal year, the Company has adopted “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (ASBJ Practical Issue Task Force (“PITF”) No. 18).

This change has no effect on the amount of income.

4) Application of “Accounting Standards for Lease Transactions”

In prior years, the Company accounted for finance leases where there is no transfer of ownership as ordinary operating leases for accounting purposes. However, the Company is able to use the following accounting standards beginning with quarterly consolidated financial statements for fiscal years starting on or after April 1, 2008: “Accounting Standards for Lease Transactions” (ASBJ Statement No. 13); and “Guidance on Accounting Standards for Lease Transactions” (ASBJ Guidance No. 16). The Company has adopted these standards and guidance beginning with the first quarter of the current fiscal year, using an accounting method for leases that is based on the method used for ordinary purchases and sales. Furthermore, for the depreciation of lease assets associated with finance leases where there is no transfer of ownership, the straight-line method with no residual value is applied with the lease period used as the useful life of the asset.

For finance leases where there is no transfer of ownership that started prior to the fiscal year when these standards were first applied, the Company continues to use an accounting method that is based on the method used for ordinary lease transactions.

This change has no effect on the amount of income.

(Supplemental information)

1) Change in useful lives of property and equipment

Effective from the first quarter of the current fiscal year, the Company and its domestic consolidated subsidiaries have reviewed the useful lives of machinery, etc. as a result of revision to the Corporate Tax Law and consequently have revised the useful lives as stipulated in the revised law.

This change has no significant effect on the amount of income.

2) Abolishment of the retirement benefit system for directors and corporate auditors

The Board of Directors resolved at a meeting held on January 29, 2009 to abolish the Company’s retirement benefit system for directors and corporate auditors, and shareholders resolved at their annual general meeting held on March 27, 2009 to pay current directors and corporate auditors, upon retirement, a lump sum for their term of service up through the day of abolishment of the system. Consolidated subsidiaries have also abolished the retirement benefit system for directors and corporate auditors. As a result, the Company has drawn down the entire balance of liabilities for retirement benefits for directors and corporate auditors, and booked the unpaid amount in the “Other” account of current liabilities at the end of the first quarter of the current fiscal year.

5. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Million yen)

| | 1Q 2009 (As of Mar. 31, 2009) | Fiscal Year 2008 Summary (As of Dec. 31, 2008) |
|-------------------------------------|----------------------------------|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 5,350 | 7,670 |
| Notes and accounts receivable-trade | 11,736 | 10,888 |
| Marketable securities | 267 | 524 |
| Merchandise and finished goods | 16,215 | 16,400 |
| Raw materials and supplies | 110 | 97 |
| Accounts receivable-other | 6,170 | 8,028 |
| Other | 7,238 | 6,705 |
| Allowance for doubtful accounts | (306) | (316) |
| Total current assets | 46,782 | 49,998 |
| Fixed assets | | |
| Property and equipment | | |
| Buildings and structures, net | 14,909 | 15,059 |
| Land | 11,168 | 11,168 |
| Other, net | 2,539 | 2,308 |
| Total property and equipment | 28,617 | 28,536 |
| Intangible assets | | |
| Goodwill | 2,961 | 2,963 |
| Other | 2,548 | 2,502 |
| Total intangible assets | 5,509 | 5,465 |
| Investments and other assets | | |
| Investment securities | 10,933 | 11,368 |
| Other | 8,156 | 8,893 |
| Allowance for doubtful accounts | (200) | (203) |
| Total investments and other assets | 18,888 | 20,058 |
| Total fixed assets | 53,015 | 54,060 |
| Total assets | 99,798 | 104,059 |

(Million yen)

| | 1Q 2009 (As of Mar. 31, 2009) | Fiscal Year 2008 Summary (As of Dec. 31, 2008) |
|---|----------------------------------|---|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable-trade | 8,826 | 8,527 |
| Short-term bank loans | 2,859 | 9,957 |
| Current portion of corporate bonds | 766 | 66 |
| Accounts payable-factoring | 14,502 | 15,789 |
| Accrued income taxes | 73 | 194 |
| Allowance for sales promotion expenses | 374 | 346 |
| Forward exchange contracts | 2,127 | 9,788 |
| Other | 10,037 | 9,484 |
| Total current liabilities | 39,567 | 54,153 |
| Long-term liabilities | | |
| Corporate bonds | 4,468 | 168 |
| Long-term debt | 10,312 | 4,112 |
| Liabilities for employees' retirement benefits | 44 | 45 |
| Other | 971 | 1,305 |
| Total long-term liabilities | 15,796 | 5,631 |
| Total liabilities | 55,363 | 59,784 |
| Net assets | | |
| Shareholders' equity | | |
| Common stock | 20,359 | 20,359 |
| Capital surplus | 21,038 | 21,038 |
| Retained earnings | 12,882 | 14,064 |
| Treasury stock | (632) | (631) |
| Total shareholders' equity | 53,648 | 54,830 |
| Valuation and translation adjustments | | |
| Net unrealized gains on available-for-sale securities | (1,192) | (1,312) |
| Deferred hedge gains (losses) | (828) | (2,038) |
| Land revaluation difference | (7,103) | (7,103) |
| Foreign currency translation adjustments | (95) | (130) |
| Total valuation and translation adjustments | (9,220) | (10,584) |
| Minority interests | 6 | 29 |
| Total net assets | 44,434 | 44,274 |
| Total liabilities and net assets | 99,798 | 104,059 |

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

| | (Million yen) |
|--|--------------------------------|
| | 1Q 2009 |
| | (Jan. 1, 2009 – Mar. 31, 2009) |
| Net sales | 35,617 |
| Cost of sales | 19,809 |
| Gross profit | 15,807 |
| Selling, general and administrative expenses | 17,767 |
| Operating loss | (1,960) |
| Other income | |
| Interest income | 30 |
| Dividend income | 1 |
| Foreign exchange gains | 1,733 |
| Other | 55 |
| Total other income | 1,820 |
| Other expenses | |
| Interest expenses | 63 |
| Losses on write-down of compound financial instruments | 137 |
| Investment loss on equity method | 17 |
| Bond issuance cost | 127 |
| Other | 41 |
| Total other expenses | 387 |
| Ordinary loss | (526) |
| Extraordinary losses | |
| Losses on sales and disposal of fixed assets | 6 |
| Losses on write-down of investment securities | 331 |
| Total extraordinary losses | 337 |
| Loss before income taxes and minority interests | (863) |
| Income taxes | (55) |
| Minority interests in loss | (47) |
| Net loss | (761) |

(3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

| | 1Q 2009 (Jan. 1, 2009 – Mar. 31, 2009) |
|--|---|
| Cash flows from operating activities | |
| Loss before income taxes and minority interests | (863) |
| Depreciation expenses | 597 |
| Increase (decrease) in allowance for doubtful accounts | (11) |
| Increase (decrease) in allowance for sales promotion expenses | 27 |
| Interest and dividend income | (32) |
| Interest expenses | 63 |
| Foreign exchange losses (gains) | (1,802) |
| Investment loss (profit) on equity method | 17 |
| Losses (gains) on write-down of compound financial instruments | 137 |
| Bond issuance cost | 127 |
| Losses (gains) on sales and disposal of fixed assets | 6 |
| Losses (gains) on write-down of investment securities | 331 |
| Decrease (increase) in notes and accounts receivable-trade | (820) |
| Decrease (increase) in inventories | 195 |
| Decrease (increase) in other current assets | 1,301 |
| Increase (decrease) in notes and accounts payable-trade | 285 |
| Increase (decrease) in accrued consumption taxes | (160) |
| Increase (decrease) in other current liabilities | (879) |
| Other | (340) |
| Subtotal | (1,820) |
| Interests and dividends received | 62 |
| Interests paid | (43) |
| Payment for cancellation of derivative contracts | (3,760) |
| Income taxes paid | (236) |
| Net cash used in operating activities | (5,798) |
| Cash flows from investing activities | |
| Purchases of property and equipment | (313) |
| Purchases of intangible assets | (163) |
| Purchases of investment securities | (25) |
| Purchases of subsidiary stock | (65) |
| Other | 23 |
| Net cash used in investing activities | (544) |
| Cash flows from financing activities | |
| Net increase (decrease) in short-term bank loans | (8,000) |
| Proceeds from long-term debt | 7,184 |
| Repayments of long-term debt | (97) |
| Proceeds from issuance of bonds | 4,872 |
| Purchases of treasury stock | (0) |
| Proceeds from sales of treasury stock | 0 |
| Cash dividends paid | (393) |
| Net cash provided by financing activities | 3,565 |
| Effect of exchange rate change on cash and cash equivalents | 7 |
| Increase (decrease) in cash and cash equivalents | (2,769) |
| Cash and cash equivalents at beginning of period | 8,186 |
| Increase in cash and cash equivalents due to consolidation of subsidiary | 195 |
| Cash and cash equivalents at end of period | 5,612 |

Effective from the current fiscal year, the Company has adopted “Accounting Standards for Quarterly Financial Statements” (ASBJ Statement No. 12) and “Guidance on Accounting Standards for Quarterly Financial Statements” (ASBJ Guidance No. 14). In addition, the quarterly consolidated financial statements are prepared in accordance with “Regulations for Quarterly Consolidated Financial Statements”. The Company has adopted the amended Regulations for Quarterly Consolidated Financial Statements, pursuant to the proviso of Article 7, Paragraph 1, Item 5 of the Supplementary Provision of the “Cabinet Office Ordinance Partially Revising Regulation for Terminology, Forms and Preparation Methods of Financial Statements” (Cabinet Office Ordinance No. 50, August 7, 2008).

(4) Going Concern Assumption

Not applicable.

(5) Segment Information

Business segments

1Q 2009 (Jan. 1, 2009 – Mar. 31, 2009)

(Million yen)

| | Mail-order business | Other businesses | Total | Elimination or corporate | Consolidated |
|-------------------------|---------------------|------------------|---------|--------------------------|--------------|
| Net sales | | | | | |
| (1) Sales to customers | 32,215 | 3,401 | 35,617 | - | 35,617 |
| (2) Inter-segment sales | 293 | 389 | 683 | (683) | - |
| Total | 32,509 | 3,791 | 36,300 | (683) | 35,617 |
| Operating loss | (1,679) | (282) | (1,962) | 2 | (1,960) |

Notes: 1. The classification of business segments is based on categories adopted for internal management purposes.

2. Principal activities of each business segment

(1) Mail-order business: Catalog and *hanpukai* businesses

(2) Other businesses: Product sales, services, and transportation

3. Change in accounting policy

Accounting standards for measurement of inventories

As stated in “Qualitative Information and Financial Statements, 4. Others, (3) Changes in accounting principles, procedures and presentation methods for preparation of quarterly consolidated financial statements, 2), “Accounting Standards for Measurement of Inventories” (ASBJ Statement No. 9) has been adopted with effect from the first quarter of the first quarter of the current fiscal year. As an effect of this change, operating loss in the mail-order business increased by 960 million yen. There is no effect on other businesses.

Geographical segment information

1Q 2009 (Jan. 1, 2009 – Mar. 31, 2009)

Geographic segment information has not been presented because the Company and its consolidated subsidiaries have conducted over 90% of their total net sales in Japan.

Overseas sales

1Q 2009 (Jan. 1, 2009 – Mar. 31, 2009)

Overseas sales have not been presented because they represented less than 10% of total consolidated sales.

(6) Significant Changes in Shareholders' Equity

Not applicable.

Reference Material**Financial Statements, etc. of the Same Period Previous Fiscal Year****(1) Consolidated Statements of Income (Summary)**

(Million yen)

| Accounts | 1Q 2008 |
|--|--------------------------------|
| | (Jan. 1, 2008 – Mar. 31, 2008) |
| | Amount |
| I Net sales | 37,467 |
| II Cost of sales | 19,367 |
| Gross profit | 18,099 |
| III Selling, general and administrative expenses | 17,575 |
| Operating income | 524 |
| IV Other income | 87 |
| Interest income | 15 |
| Dividend income | 1 |
| Other | 71 |
| V Other expenses | 4,496 |
| Interest expenses | 17 |
| Foreign exchange losses | 3,855 |
| Losses on write-down of compound financial instruments | 577 |
| Other | 46 |
| Ordinary loss | (3,883) |
| VI Extraordinary losses | 18 |
| Loss before income taxes and minority interests | (3,902) |
| Income taxes | 535 |
| Minority interests in loss | (8) |
| Net loss | (4,429) |

(2) Consolidated Statements of Cash Flows (Summary)

(Million yen)

| | 1Q 2008 (Jan. 1, 2008 – Mar. 31, 2008) |
|---|---|
| Accounts | Amount |
| I Cash flows from operating activities | |
| Loss before income taxes and minority interests | (3,902) |
| Depreciation expenses | 445 |
| Increase in allowance for sales promotion expenses | 110 |
| Interest and dividend income | (16) |
| Interest expenses | 17 |
| Losses on write-down of compound financial instruments | 577 |
| Increase in notes and accounts receivable-trade | (1,836) |
| Increase in inventories | (652) |
| Decrease in other current assets | 1,332 |
| Decrease in notes and accounts payable-trade | (1,556) |
| Decrease in other current liabilities | (189) |
| Other | 3,692 |
| Subtotal | (1,978) |
| Interests and dividends received | 59 |
| Interests paid | (23) |
| Income taxes paid | (1,758) |
| Net cash used in operating activities | (3,700) |
| II Cash flows from investing activities | |
| Purchases of property and equipment | (124) |
| Purchases of intangible assets | (127) |
| Purchases of investment securities | (1,170) |
| Increase in time deposits | (500) |
| Other | 38 |
| Net cash used in investing activities | (1,885) |
| III Cash flows from financing activities | |
| Net increase in short-term bank loans | 3,000 |
| Proceeds from long-term debt | 3,032 |
| Cash dividends paid | (620) |
| Other | (0) |
| Net cash provided by financing activities | 5,410 |
| IV Decrease in cash and cash equivalents | (174) |
| V Cash and cash equivalents at beginning of period | 3,526 |
| VI Cash and cash equivalents at end of period | 3,351 |

* 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.