

For the Fiscal Year Ended December 31, 2013

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Annual Select<sup>®</sup> 2013

SENSHUKAI CO.,LTD.

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(Securities Code: 8165)

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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 mainly comprising female office workers. In 1976, we entered the catalog mail order business with the first issue of the *Belle Maison* catalog. Senshukai 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 actually proposed lifestyles. We currently provide our membership of approximately 15 million with a wide variety of products and services through various channels, primarily through our hardcopy catalogs, personal computers, smartphones and our shops.



Catalogs



Internet website  
(Personal Computers)



Shops



Smartphones

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

	65 <sup>th</sup> fiscal year From January 1, 2009 to December 31, 2009	66 <sup>th</sup> fiscal year From January 1, 2010 to December 31, 2010	67 <sup>th</sup> fiscal year From January 1, 2011 to December 31, 2011	68 <sup>th</sup> fiscal year From January 1, 2012 to December 31, 2012	69 <sup>th</sup> fiscal year From January 1, 2013 to December 31, 2013
Net sales (Million yen)	147,292	136,859	137,261	145,750	141,552
Ordinary income (loss) (Million yen)	(1,410)	3,167	3,233	2,765	4,631
Net income (loss) (Million yen)	(3,811)	2,037	1,583	2,029	4,046
Comprehensive income (Million yen)	–	–	2,683	4,224	6,380
Net assets (Million yen)	37,906	39,411	41,444	44,932	50,359
Total assets (Million yen)	91,837	90,086	90,441	92,887	98,800
Net assets per share (Yen)	874.89	909.99	956.94	1,037.48	1,162.81
Net income (loss) per share (Yen)	(84.18)	47.04	36.56	46.86	93.43
Diluted net income per share (Yen)	–	–	–	–	–
Equity ratio (%)	41.3	43.7	45.8	48.4	51.0
Return on equity (ROE) (%)	(9.3)	5.3	3.9	4.7	8.5
Price earnings ratio (PER) (Times)	–	10.6	14.1	11.3	9.4
Net cash provided by (used in) operating activities (Million yen)	521	9,585	448	2,337	2,174
Net cash provided by (used in) investing activities (Million yen)	(1,141)	(1,094)	(2,077)	(3,606)	(2,168)
Net cash provided by (used in) financing activities (Million yen)	1,035	(6,417)	(1,727)	991	(986)
Cash and cash equivalents at end of period (Million yen)	8,795	10,855	7,500	7,452	6,495
Number of employees [Separately, average number of temporary employees] (Persons)	1,536 [1,624]	1,556 [1,619]	1,578 [1,593]	1,619 [1,490]	1,635 [1,376]

- Notes:
1. Net sales do not include consumption taxes.
  2. 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.
  3. Diluted net income per share for the 66<sup>th</sup>, 67<sup>th</sup>, 68<sup>th</sup> and 69<sup>th</sup> fiscal years is not presented since Senshukai has no outstanding residual securities.
  4. Price earnings ratio for the 65<sup>th</sup> fiscal year is not presented since Senshukai posted net loss.

## II. Message from the President

**To become the**

**“one and only” choice for women**

# senshukai

A close friend of each and every woman, Senshukai wants to remain a company that can continuously provide to women’s daily lives all those little things — a “kind of joy” or an irrepressible smile — that are apt to make them happy.

In our next Medium- to Long-term Management Plan 2014-2018, we will continue to focus on what women “wish for” and develop original products that meet these desires. To become the “one and only” choice for women as the “Women’s Smiles Company,” we shall put our efforts into offering convenient and trusted services and services with meticulous attention to detail.

Aiming to be a highly profitable enterprise, we have made it our target for the entire Senshukai Group in the next Medium- to Long-term Management Plan to achieve net sales of 187.0 billion yen, operating income of 10.0 billion yen, and return on equity (ROE) of 10%.

Please look out for some great things from Senshukai.



March 28, 2014

**Michio Tanabe**

President and Representative Director

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

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

In the Japanese economy during the fiscal year ended December 31, 2013, stock prices rose and the yen weakened due to the effects of economic and monetary-easing policies taken by the government and the Bank of Japan, and there were signs of recovery in corporate earnings and consumer spending. However, such movement was confined to only a small portion of the segments, and the future of the Japanese economy in general remained uncertain. In the retail industry, the business environment continued to be difficult on the whole, although department stores saw some expensive goods sell well. In the mail-order industry, sales are on the rise year after year due to an expansion in the Internet mail-order market backed by the spread of mobile terminals, such as smartphones and tablets, as well as a further expansion of the business as a result of combining the Internet and non-Internet mail-order transactions. However, competition in this industry has become increasingly fierce partly because of entry by different industries and M&As.

In such a business environment, the Senshukai Group followed the Medium-Term Management Plan, which ended in the fiscal year under review, and made Group-wide efforts to achieve the targets defined in the plan through the promotion of growth strategies.

In the fiscal year under review, consolidated net sales were 141,552 million yen (a year-on-year decrease of 2.9%), due to a decline in sales of the mail-order business.

With regard to profit, operating income was 4,019 million yen (a year-on-year increase of 90.5%), due to an improvement in the gross profit margin and a reduction in selling, general and administrative expenses. Ordinary income was 4,631 million yen (a year-on-year increase of 67.5%), and net income was 4,046 million yen (a year-on-year increase of 99.4%) partly because of loss on sales and retirement of non-current assets.

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

The balance of cash and cash equivalents at the end of the current fiscal year was 6,495 million yen, a decrease of 957 million yen from the end of the previous fiscal year.

Operating activities provided net cash of 2,174 million yen (net cash provided of 2,337 million yen in the previous fiscal year). The main contributing factors were an increase in notes and accounts payable—trade of 4,606 million yen, income before income taxes and minority interests of 3,760 million yen, depreciation of 2,618 million yen, and loss on sales and retirement of non-current assets of 656 million yen. Negative factors included a 5,586 million yen decrease in other current liabilities and a 4,561 million yen increase in inventories.

Investing activities used net cash of 2,168 million yen (net cash used of 3,606 million yen in the previous fiscal year). The main cash outflows were 2,694 million yen for the purchase of property, plant and equipment, and 782 million yen for the purchase of intangible assets. The main cash inflow was 900 million yen proceeds from redemption of investment securities.

Financing activities used net cash of 986 million yen (net cash provided of 991 million yen in the previous fiscal year). The main cash inflow was a 3,000 million yen increase in short-term loans payable, while cash outflows include a repayment of long-term loans payable of 2,448 million yen, cash dividends paid of 950 million yen and redemption of bonds of 700 million yen.

## IV. Issues to be Addressed

### Details of Current Issues

Looking ahead, Senshukai expects the Japanese economy will stay in recovery mode, considering that the weakened yen and rising stock prices of the past year are continuing and taking into account improvement in the employment and personal income environment, such as a low unemployment rate and salary increases. The situation for personal consumption, however, is very unclear due to concern there may be a negative reaction after a surge in demand ahead of a hike in the consumption tax rate effective April 2014.

Under these circumstances, the Senshukai Group has developed new Medium- to Long-term Management Plan “Innovate for Smiles 2018,” covering five fiscal years from January 2014 to December 2018 in order to increase corporate value.

The Company established the following four policies as a basic policy for the Medium- to Long-term Management Plan:

#### 1) Mail-order Business

##### i) Customer strategy

We will expand our customer base by approaching the “career generation,” which is made up of working women who are actively involved in business activities, and “active women in their 50s,” who are expected to become important customers, in addition to the “pregnancy-delivery-child-raising generation” in their 30s to 40s, our present major customers.

##### ii) Merchandise strategy

To differentiate from mall-type large EC operators, we will strengthen the development of our own “original merchandise brands.” Furthermore, we will enhance profitability by strengthening and expanding “SPA (Specialty store retailer of Private label Apparel)-type merchandise,” for which a company independently controls the process from planning to manufacture and retail.

##### iii) Sales channel strategy

We will shift from the conventional channel mix strategy, in which customers buy products based on catalogs, to the omni-channel strategy, in which customers examine our own original merchandise brands and buy products. Under the new strategy, we will build a structure designed to enable customers to buy our products through all channels, including mobiles, PCs and outlets, and make them fans of our products.

##### iv) Fulfillment strategy

We will enhance convenience for our customers and improve the efficiency of operational costs by aggressively making investments related to IT systems and logistics. Furthermore, we will strengthen “services for individual customers,” by taking into account their needs and the characteristics of the merchandise.

#### 2) Bridal Business

We will expand sales of the bridal business by continuously investing in wedding halls through Dears Brain Inc., a subsidiary that operates the bridal business centering on house wedding, and launching new urban and suburban wedding halls and renovating existing halls. At the same time, we will review our promotion activities and improve merchandise costs, aiming to enhance profitability.

#### 3) Corporate Business

We will expand the corporate business, centering on mail order-related “contract operations,” which have increased with the expansion of the EC market.

Furthermore, we will improve profitability of this business by raising the specialization of sales and advertising operations.

#### 4) New Businesses

We will proactively conduct new businesses, mainly those which are expected to generate synergy from the combination with the mail-order business, the Company's core business. In particular, we will focus on the "childcare-related business" that is closely related to the child-raising generation, our major customers.

# 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

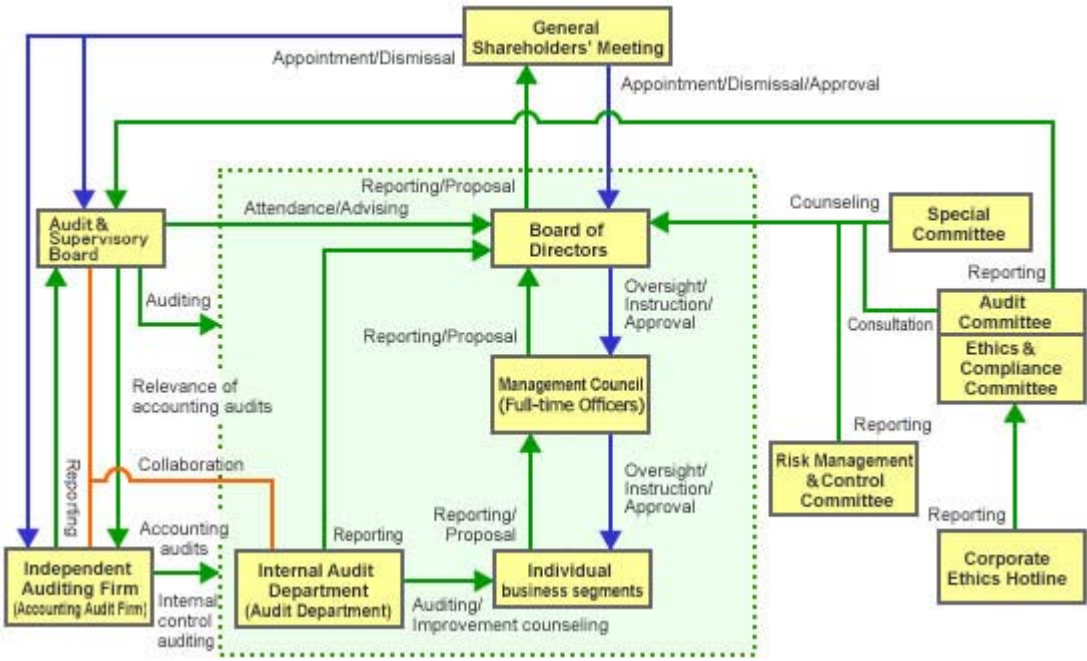
### Status of the management organization system with respect to managerial decision making, execution and oversight and other corporate governance structures

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, in principle, full-time officers to provide for rapid decision making. The Board of Directors meets once a month, as a rule, in addition to ad-hoc meetings, 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 “audit and supervisory board system” to function favorably compared with the “committee system” in terms of the effectiveness of corporate governance. We have accordingly adopted an audit and supervisory board system and established a Board of Directors consisting of nine members including two outside directors, and the Audit & Supervisory Board consisting of four members including two outside Audit & Supervisory Board Members.

Our corporate governance structure, internal control system and risk management structure are presented in the following diagram.



## VI. Consolidated Financial Statements

### (1) Consolidated Balance Sheet

(Million yen)

	Fiscal Year 2012 As of Dec. 31, 2012	Fiscal Year 2013 As of Dec. 31, 2013
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	7,452	6,495
Notes and accounts receivable - trade	6,663	6,395
Securities	595	–
Merchandise and finished goods	16,644	21,296
Raw materials and supplies	188	114
Deferred tax assets	523	542
Accounts receivable - other	9,951	9,609
Forward exchange contracts	772	2,062
Other	3,744	3,968
Allowance for doubtful accounts	(289)	(306)
<b>Total current assets</b>	<b>46,248</b>	<b>50,177</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	36,476	36,207
Accumulated depreciation	(22,425)	(22,453)
Buildings and structures, net	14,050	13,754
Machinery, equipment and vehicles	8,495	8,507
Accumulated depreciation	(7,784)	(7,938)
Machinery, equipment and vehicles, net	710	568
Tools, furniture and fixtures	2,639	2,396
Accumulated depreciation	(1,907)	(1,609)
Tools, furniture and fixtures, net	731	786
Land	11,908	12,108
Leased assets	898	1,495
Accumulated depreciation	(183)	(330)
Leased assets, net	715	1,164
Construction in progress	57	392
<b>Total property, plant and equipment</b>	<b>28,174</b>	<b>28,775</b>
<b>Intangible assets</b>		
Goodwill	2,278	2,127
Other	3,995	3,604
<b>Total intangible assets</b>	<b>6,273</b>	<b>5,731</b>
<b>Investments and other assets</b>		
Investment securities	5,950	7,514
Long-term loans receivable	797	1,010
Lease and guarantee deposits	1,563	1,430
Deferred tax assets	9	298
Other	4,186	4,174
Allowance for doubtful accounts	(317)	(314)
<b>Total investments and other assets</b>	<b>12,190</b>	<b>14,114</b>
<b>Total non-current assets</b>	<b>46,639</b>	<b>48,622</b>
<b>Total assets</b>	<b>92,887</b>	<b>98,800</b>



(Million yen)

	Fiscal Year 2012 As of Dec. 31, 2012	Fiscal Year 2013 As of Dec. 31, 2013
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	8,073	6,496
Electronically recorded obligations - operating	–	6,204
Short-term loans payable	3,405	6,386
Current portion of bonds	700	700
Accounts payable - other	6,568	6,602
Accounts payable-factoring	13,993	8,494
Accrued expenses	2,225	2,144
Income taxes payable	207	416
Accrued consumption taxes	253	159
Provision for directors' bonuses	–	30
Provision for sales promotion expenses	307	588
Other	1,326	1,412
Total current liabilities	37,062	39,635
Non-current liabilities		
Bonds payable	1,850	1,150
Long-term loans payable	6,993	4,814
Lease obligations	828	1,328
Deferred tax liabilities for land revaluation	631	631
Provision for retirement benefits	34	34
Asset retirement obligations	353	387
Other	201	459
Total non-current liabilities	10,892	8,805
Total liabilities	47,955	48,440
<b>Net assets</b>		
Shareholders' equity		
Capital stock	20,359	20,359
Capital surplus	21,038	21,038
Retained earnings	13,581	16,353
Treasury shares	(2,775)	(2,776)
Total shareholders' equity	52,203	54,975
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(578)	774
Deferred gains or losses on hedges	438	1,278
Revaluation reserve for land	(7,041)	(6,720)
Foreign currency translation adjustment	(89)	52
Total accumulated other comprehensive income	(7,271)	(4,615)
Total net assets	44,932	50,359
Total liabilities and net assets	92,887	98,800

**(2) Consolidated Statement of Income and  
Consolidated Statement of Comprehensive Income  
(Consolidated Statement of Income)**

(Million yen)

	Fiscal Year 2012 (Jan. 1, 2012 – Dec. 31, 2012)	Fiscal Year 2013 (Jan. 1, 2013 – Dec. 31, 2013)
Net sales	145,750	141,552
Cost of sales	76,392	72,475
Gross profit	69,357	69,077
Selling, general and administrative expenses		
Freightage and packing expenses	9,074	8,441
Promotion expenses	19,744	18,584
Provision for allowance for sales promotion expenses	307	588
Provision of allowance for doubtful accounts	282	300
Bad debts expenses	23	137
Directors' compensations	550	546
Salaries and allowances	11,332	11,104
Bonuses	1,664	1,676
Provision for directors' bonuses	–	30
Provision for retirement benefits	10	12
Depreciation	2,733	2,618
Other	21,523	21,017
Total selling, general and administrative expenses	67,248	65,057
Operating income	2,109	4,019
Non-operating income		
Interest income	56	54
Dividend income	112	118
Foreign exchange gains	416	107
Share of profit of entities accounted for using equity method	93	142
Gain on adjustment of account payable	160	259
Miscellaneous income	421	282
Total non-operating income	1,260	964
Non-operating expenses		
Interest expenses	238	215
Commission fee	187	–
Miscellaneous loss	179	136
Total non-operating expenses	605	352
Ordinary income	2,765	4,631
Extraordinary income		
Gain on sales of non-current assets	1	4
Gain on sales of investment securities	22	51
Total extraordinary income	23	55
Extraordinary losses		
Loss on sales and retirement of non-current assets	169	660
Impairment loss	64	216
Loss on liquidation of business	84	–
Other	6	49
Total extraordinary losses	326	927
Income before income taxes and minority interests	2,462	3,760
Income taxes - current	184	471
Income taxes - deferred	249	(757)
Total income taxes	433	(286)
Income before minority interests	2,029	4,046
Net income	2,029	4,046

## (Consolidated Statement of Comprehensive Income)

(Million yen)

	Fiscal Year 2012 (Jan. 1, 2012 – Dec. 31, 2012)	Fiscal Year 2013 (Jan. 1, 2013 – Dec. 31, 2013)
Income before minority interests	2,029	4,046
Other comprehensive income		
Valuation difference on available-for-sale securities	430	1,353
Deferred gains or losses on hedges	1,676	839
Foreign currency translation adjustment	71	102
Share of other comprehensive income of entities accounted for using equity method	16	39
Total other comprehensive income	2,194	2,334
Comprehensive income	4,224	6,380
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,224	6,380
Comprehensive income attributable to minority interests	–	–

### (3) Consolidated Statement of Changes in Equity

Fiscal Year 2012 (Jan. 1, 2012 – Dec. 31, 2012)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	20,359	21,038	12,288	(2,775)	50,910
Changes of items during period					
Dividends of surplus			(736)		(736)
Net income			2,029		2,029
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(0)		0	0
Reversal of revaluation reserve for land					
Net changes of items other than shareholders' equity					
Total changes of items during period	–	(0)	1,293	(0)	1,292
Balance at end of current period	20,359	21,038	13,581	(2,775)	52,203

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of current period	(1,008)	(1,237)	(7,041)	(177)	(9,465)	41,444
Changes of items during period						
Dividends of surplus						(736)
Net income						2,029
Purchase of treasury shares						(0)
Disposal of treasury shares						0
Reversal of revaluation reserve for land						
Net changes of items other than shareholders' equity	430	1,676	–	87	2,194	2,194
Total changes of items during period	430	1,676	–	87	2,194	3,487
Balance at end of current period	(578)	438	(7,041)	(89)	(7,271)	44,932

Fiscal Year 2013 (Jan. 1, 2013 – Dec. 31, 2013)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	20,359	21,038	13,581	(2,775)	52,203
Changes of items during period					
Dividends of surplus			(952)		(952)
Net income			4,046		4,046
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		0		0	0
Reversal of revaluation reserve for land			(321)		(321)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	0	2,772	(0)	2,771
Balance at end of current period	20,359	21,038	16,353	(2,776)	54,975

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of current period	(578)	438	(7,041)	(89)	(7,271)	44,932
Changes of items during period						
Dividends of surplus						(952)
Net income						4,046
Purchase of treasury shares						(0)
Disposal of treasury shares						0
Reversal of revaluation reserve for land						(321)
Net changes of items other than shareholders' equity	1,353	839	321	141	2,655	2,655
Total changes of items during period	1,353	839	321	141	2,655	5,427
Balance at end of current period	774	1,278	(6,720)	52	(4,615)	50,359

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

(Million yen)

	Fiscal Year 2012 (Jan. 1, 2012 – Dec. 31, 2012)	Fiscal Year 2013 (Jan. 1, 2013 – Dec. 31, 2013)
<b>Cash flows from operating activities</b>		
Income before income taxes and minority interests	2,462	3,760
Depreciation	2,733	2,618
Impairment loss	64	216
Increase (decrease) in allowance for doubtful accounts	(15)	13
Increase (decrease) in provision for sales promotion expenses	(306)	280
Interest and dividend income	(169)	(172)
Interest expenses	238	215
Foreign exchange losses (gains)	(682)	(14)
Share of (profit) loss of entities accounted for using equity method	(93)	(142)
Loss (gain) on sales of investment securities	(22)	(51)
Loss (gain) on sales and retirement of non-current assets	168	656
Decrease (increase) in notes and accounts receivable - trade	(63)	152
Decrease (increase) in inventories	316	(4,561)
Decrease (increase) in other current assets	(1,337)	233
Increase (decrease) in notes and accounts payable - trade	(1,213)	4,606
Increase (decrease) in other current liabilities	(68)	(5,586)
Other, net	528	208
<b>Subtotal</b>	<b>2,539</b>	<b>2,434</b>
Interest and dividend income received	168	172
Interest expenses paid	(248)	(223)
Income taxes paid	(122)	(209)
<b>Net cash provided by (used in) operating activities</b>	<b>2,337</b>	<b>2,174</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,585)	(2,694)
Proceeds from sales of property, plant and equipment	28	449
Purchase of intangible assets	(1,163)	(782)
Purchase of investment securities	(54)	(7)
Proceeds from sales of investment securities	141	298
Proceeds from redemption of investment securities	–	900
Purchase of shares of subsidiaries	–	(273)
Other, net	26	(59)
<b>Net cash provided by (used in) investing activities</b>	<b>(3,606)</b>	<b>(2,168)</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	(1,500)	3,000
Proceeds from long-term loans payable	5,750	250
Repayments of long-term loans payable	(1,666)	(2,448)
Redemption of bonds	(736)	(700)
Cash dividends paid	(736)	(950)
Other, net	(119)	(138)
<b>Net cash provided by (used in) financing activities</b>	<b>991</b>	<b>(986)</b>
Effect of exchange rate change on cash and cash equivalents	48	23
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(228)</b>	<b>(957)</b>
Cash and cash equivalents at beginning of period	7,500	7,452
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	181	–
<b>Cash and cash equivalents at end of period</b>	<b>7,452</b>	<b>6,495</b>

## VII. Company Information / Stock Information

### Company Information (as of December 31, 2013)

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:	1,635 (Consolidated)
Head office:	1-8-9 Doshin, Kita-ku, Osaka
Telephone:	+81-6-6881-3100
Consolidated subsidiaries:	Belle Maison Logisco Co., Ltd. Senshu Logisco Co., Ltd. Senshukai Call Center Co., Ltd. Mobakore Co., Ltd. Dears Brain Inc. Senshukai General Services Co., Ltd. Other 5 companies

### Directors and Audit & Supervisory Board Members (as of March 31, 2013)

Chairman and Representative Director	Yasuhiro Yukimachi
President and Representative Director	Michio Tanabe
Senior Managing Director	Shohachi Sawamoto
Managing Director	Mamoru Asada
Director	Hiroyuki Hoshino
Director	Koichi Sugiura
Director	Kazuhisa Masutani
Director*	Tomoko Oishi
Director*	Toshikatsu Sano
Audit & Supervisory Board Member (Standing)	Yoshihiro Nakabayashi
Audit & Supervisory Board Member (Standing)	Makoto Yamamoto
Audit & Supervisory Board Member**	Hideyuki Koizumi
Audit & Supervisory Board Member**	Hiroshi Morimoto

\* Outside Director    \*\* Outside Audit & Supervisory Board Member

**Stock Status** (as of December 31, 2013)

Total number of shares authorized to be issued:	180,000,000 shares
Total number of shares issued:	47,630,393 shares
Number of shareholders:	19,209
Major shareholders (Top 10)	

Shareholder name	Number of shares held (Thousands)	Shareholding 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 Corporation	1,665	3.50
Dai Nippon Printing Co., Ltd.	1,509	3.17
Mizuho Bank, Ltd.	1,319	2.77
Senshukai Group Employee Stock Ownership Plan	1,157	2.43
Nippon Life Insurance Company	945	1.98
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	752	1.58
Sumitomo Mitsui Trust Bank, Limited	705	1.48
Total	15,336	32.20

(Note) The Company holds 4,321,851 treasury shares.

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