Summary of Financial Results for the Third Quarter of Fiscal Year 2013 (Nine Months Ended September 30, 2013)

[Japanese GAAP]
October 25, 2013

Company name: **Senshukai Co., Ltd.** Stock exchange: Tokyo Stock Exchange, First Section
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Scheduled date of filing of Quarterly Report: November 13, 2013
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 3rd Quarter of 2013 (January 1, 2013 – September 30, 2013)

(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	%
3Q 2013	100,954	(1.2)	1,575	-	2,012	490.9	1,190	-
3Q 2012	102,219	6.6	127	(88.7)	340	(66.7)	(55)	-

Note: Comprehensive income (million yen) 3Q 2013: 2,346 (up 297.6%) 3Q 2012: 590 (down 38.6%)

	Net income per share	Diluted net income per share
	Yen	Yen
3Q 2013	27.49	-
3Q 2012	(1.28)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
3Q 2013	92,564	46,326	50.0	1,069.67
Fiscal Year 2012	92,887	44,932	48.4	1,037.48

Reference: Shareholders' equity (million yen) 3Q 2013: 46,326 Fiscal Year 2012: 44,932

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal Year 2012	-	10.00	-	10.00	20.00
Fiscal Year 2013	-	12.00	-		
Fiscal Year 2013 (forecasts)				12.00	24.00

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

3. Consolidated Outlook for Fiscal Year 2013 (January 1, 2013 – December 31, 2013)

(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
Full Year 2013	144,500	(0.9)	4,000	89.6	4,400	59.1	3,500	72.5	80.82

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 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: Yes

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

3) Changes in accounting-based estimates: Yes

4) Restatements: None

Note: Subject to "Changes in accounting policies that are difficult to distinguish from changes in accounting-based estimates" since the Company has revised its depreciation method from the first quarter. Please refer to "2. Matters Related to Summary Information (Notes), (3) Changes in Accounting Policies and Accounting-based Estimates, and Restatements" on page 3 for further information.

(4) Number of shares outstanding (common shares)

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

3Q 2013:	47,630,393 shares	Fiscal Year 2012:	47,630,393 shares

2) Number of shares of treasury stock at end of period

3Q 2013:	4,321,785 shares	Fiscal Year 2012:	4,321,445 shares

3) Average number of shares outstanding during the period

3Q 2013:	43,308,820 shares	3Q 2012:	43,309,210 shares

* 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) 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 cumulative third quarter (January 1, 2013 to September 30, 2013) of the current fiscal year, business sentiment in the Japanese economy continued to gradually recover as the rebound in share prices bolstered consumption of some luxury items, and the manufacturing sector's earnings recovery drove an increase in capital expenditures. However, the outlook for the domestic economy remained unclear due to rising raw materials prices and a hike in electricity rates.

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

Net sales in the cumulative third quarter decreased 1.2% year-over-year to 100,954 million yen.

As for profits, due to an improvement in the gross profit margin in the mail-order business, and the cutting of selling, general and administrative expenses, operating income rose 1,134.8% year-over-year to 1,575 million yen.

Ordinary income rose 490.9% year-over-year to 2,012 million yen. Net income totaled 1,190 million yen, compared with a net loss of 55 million yen in the same period of the previous fiscal year, due to loss on sales and retirement of noncurrent assets and other factors.

Overview by segment

(Mail-order Business)

Consolidated sales in the mail-order business, comprising the catalog and the *hanpukai* businesses, decreased 1.0% year-over-year to 90,712 million yen in the cumulative third quarter, due to a slight decline in sales of autumn items in the catalog business, and lower sales caused by a decline in the number of members in the *hanpukai* business.

The gross profit margin improved due to the improvement in cost-of-sales ratio thanks to higher sales of strategic products, fewer valuation losses on goods resulting from the efficient implementation of bargain and clearance sales, and other factors. Operating income totaled 1,184 million yen, compared with an operating loss of 293 million yen in the same period of the previous fiscal year, due to lower distribution-related costs and cuts made to printing costs from review in the paper used in printing catalogs.

1) Catalog business

Consolidated sales in the catalog business decreased 0.4% year-over-year to 84,702 million yen in the cumulative third quarter.

2) *Hanpukai* business

Consolidated sales in the *hanpukai* business decreased 9.3% year-over-year to 6,009 million yen in the cumulative third quarter.

(Bridal Business)

Consolidated sales in the bridal business, centered on the house wedding business, increased 4.0% year-over-year to 7,051 million yen in the cumulative third quarter. However, operating income decreased 63.5% year-over-year to 68 million yen as higher sales were offset by an increase in expenses for new store openings.

(Corporates Business)

Consolidated sales in the corporates business, which provides products and services to corporations, increased 0.3% year-over-year to 2,838 million yen, and operating income increased 1.4% year-over-year to 283 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 62.4% year-over-year to 352 million yen in the cumulative third quarter due to withdrawal from pet business. Operating income totaled 39 million yen, compared with an operating loss of 46 million yen in the same period of the previous fiscal year.

(2) Qualitative Information Regarding Consolidated Financial Position

(Balance sheet position)

Assets totaled 92,564 million yen at the end of the third quarter, down 322 million yen from the end of the previous fiscal year.

Current assets decreased 492 million yen to 45,755 million yen. The main factors were increases of 4,724 million yen in merchandise and finished goods, and 585 million yen in other, and decreases of 3,646 million yen in accounts receivable-other and 2,259 million yen in cash and deposits. Noncurrent assets increased 169 million yen to 46,808 million yen. The main factors were decreases of 684 million yen in property, plant and equipment and 415 million yen in intangible assets, and an increase of 1,269 million yen in investments and other assets.

Current liabilities decreased 233 million yen to 36,829 million yen. The main factors were increases of 2,472 million yen in other and 2,280 million yen in short-term loans payable, and decreases of 4,294 million yen in accounts payable-factoring, and 876 million yen in notes and accounts payable-trade. Noncurrent liabilities decreased 1,483 million yen to 9,409 million yen. The main factors were an increase of 911 million yen in other, and decreases of 1,697 million yen in long-term loans payable and 700 million yen in bonds payable.

Net assets increased 1,393 million yen to 46,326 million yen. The main factors were increases of 1,121 million yen in valuation difference on available-for-sale securities, and 321 million yen in revaluation reserve for land. Consequently, the equity ratio was 50.0%.

(3) Qualitative Information Regarding Consolidated Outlook

Senshukai maintains its consolidated outlook for the current fiscal year (January 1, 2013 to December 31, 2013) that was released on July 25, 2013, but actual results could differ significantly due to a variety of factors. Senshukai will quickly disclose any revisions to its consolidated outlook as they become necessary.

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

(Changes in accounting policies that are difficult to distinguish from changes in accounting-based estimates)

The Company and its domestic consolidated subsidiaries depreciate the property, plant and equipment acquired on or after January 1, 2013, using the depreciation method stipulated in the revised Corporation Tax Act from the first quarter of the current fiscal year, in line with revisions to the Corporation Tax Act.

This change has no significant effect on the amount of income for the cumulative third quarter of the current fiscal year.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	Fiscal Year 2012 (As of Dec. 31, 2012)	3Q 2013 (As of Sep. 30, 2013)
Assets		
Current assets		
Cash and deposits	7,452	5,193
Notes and accounts receivable-trade	6,663	6,702
Merchandise and finished goods	16,644	21,368
Accounts receivable-other	9,951	6,305
Other	5,824	6,409
Allowance for doubtful accounts	(289)	(223)
Total current assets	46,248	45,755
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	14,050	13,555
Land	11,908	11,133
Other, net	2,215	2,800
Total property, plant and equipment	28,174	27,489
Intangible assets		
Goodwill	2,278	2,164
Other	3,995	3,693
Total intangible assets	6,273	5,858
Investments and other assets		
Investment securities	5,950	7,185
Other	6,558	6,592
Allowance for doubtful accounts	(317)	(317)
Total investments and other assets	12,190	13,460
Total noncurrent assets	46,639	46,808
Total assets	92,887	92,564

(Million yen)

	Fiscal Year 2012 (As of Dec. 31, 2012)	3Q 2013 (As of Sep. 30, 2013)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	8,073	7,197
Short-term loans payable	3,405	5,686
Current portion of bonds	700	700
Accounts payable-factoring	13,993	9,699
Income taxes payable	207	137
Provision for sales promotion expenses	307	561
Other	10,373	12,846
Total current liabilities	37,062	36,829
Noncurrent liabilities		
Bonds payable	1,850	1,150
Long-term loans payable	6,993	5,296
Provision for retirement benefits	34	37
Other	2,015	2,926
Total noncurrent liabilities	10,892	9,409
Total liabilities	47,955	46,238
Net assets		
Shareholders' equity		
Capital stock	20,359	20,359
Capital surplus	21,038	21,038
Retained earnings	13,581	13,498
Treasury stock	(2,775)	(2,776)
Total shareholders' equity	52,203	52,119
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(578)	542
Deferred gains or losses on hedges	438	388
Revaluation reserve for land	(7,041)	(6,720)
Foreign currency translation adjustment	(89)	(4)
Total accumulated other comprehensive income	(7,271)	(5,793)
Total net assets	44,932	46,326
Total liabilities and net assets	92,887	92,564

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income

Quarterly Consolidated Statements of Income

(For the Nine-month Period)

(Million yen)

	3Q 2012 (Jan. 1, 2012 – Sep. 30, 2012)	3Q 2013 (Jan. 1, 2013 – Sep. 30, 2013)
Net sales	102,219	100,954
Cost of sales	53,973	51,756
Gross profit	48,245	49,197
Selling, general and administrative expenses	48,117	47,622
Operating income	127	1,575
Non-operating income		
Interest income	40	41
Dividends income	84	78
Gain on adjustment of account payable	85	184
Other	486	373
Total non-operating income	696	677
Non-operating expenses		
Interest expenses	186	162
Commission fee	187	-
Other	110	78
Total non-operating expenses	483	240
Ordinary income	340	2,012
Extraordinary income		
Gain on sales of noncurrent assets	1	4
Gain on sales of investment securities	22	51
Total extraordinary income	23	55
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	95	606
Impairment loss	-	53
Loss on valuation of investment securities	183	-
Total extraordinary losses	278	659
Income before income taxes and minority interests	85	1,409
Income taxes	140	218
Income (loss) before minority interests	(55)	1,190
Net income (loss)	(55)	1,190

Quarterly Consolidated Statements of Comprehensive Income

(For the Nine-month Period)

(Million yen)

	3Q 2012 (Jan. 1, 2012 – Sep. 30, 2012)	3Q 2013 (Jan. 1, 2013 – Sep. 30, 2013)
Income (loss) before minority interests	(55)	1,190
Other comprehensive income		
Valuation difference on available-for-sale securities	269	1,121
Deferred gains or losses on hedges	377	(49)
Foreign currency translation adjustment	(1)	61
Share of other comprehensive income of associates accounted for using equity method	-	23
Total other comprehensive income	645	1,156
Comprehensive income	590	2,346
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	590	2,346
Comprehensive income attributable to minority interests	-	-

(3) Going Concern Assumption

Not applicable.

(4) Significant Changes in Shareholders' Equity

Not applicable.

(5) Segment and Other Information

I 3Q 2012 (Jan. 1, 2012 – Sep. 30, 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	91,669	6,779	2,830	101,279	939	102,219	-	102,219
Inter-segment sales	454	-	44	499	95	594	(594)	-
Total	92,124	6,779	2,874	101,778	1,034	102,813	(594)	102,219
Segment profit (loss)	(293)	187	279	174	(46)	127	(0)	127

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 distributing pet goods sales through retail stores.
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 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.

II 3Q 2013 (Jan. 1, 2013 – Sep. 30, 2013)

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	90,712	7,051	2,838	100,601	352	100,954	-	100,954
Inter-segment sales	493	-	25	518	101	620	(620)	-
Total	91,205	7,051	2,863	101,120	454	101,574	(620)	100,954
Segment profit	1,184	68	283	1,536	39	1,576	(1)	1,575

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 distributing pet goods sales through retail stores.
2. The (1) 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 statements of income.

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

No major events or changes occurred.

** 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.*