Summary of Financial Results for the Fiscal Year 2016 (Ended December 31, 2016)

[Japanese GAAP]

February 2, 2017

Company name: **SENSHUKAI CO.,LTD.** Stock exchange: Tokyo Stock Exchange, First Section
Stock code: 8165 URL: http://www.senshukai.co.jp
Representative: Mr. Hiroyuki Hoshino, President and Representative Director
Inquiries: Mr. Takeshi Naito, Director, Executive Officer, in charge of Corporate Planning
Tel: +81-6-6881-3220

Scheduled date of annual general meeting of shareholders: March 30, 2017
Scheduled date of payment of dividend: March 31, 2017
Scheduled date of filing of Annual Security Report: March 31, 2017
Preparation of supplementary materials for financial results: Yes
Holding of financial results meeting: Yes

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

1. Consolidated Financial Results for the Fiscal Year 2016 (January 1, 2016 – December 31, 2016)

(1) Consolidated operating results

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal Year 2016	129,074	(3.9)	1,194	-	1,673	-	1,420	-
Fiscal Year 2015	134,321	(5.8)	(3,437)	-	(2,540)	-	(5,307)	-

Note: Comprehensive income (millions of yen) Fiscal Year 2016: (579) (-%) Fiscal Year 2015: (6,316) (-%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal Year 2016	27.26	24.16	2.7	1.6	0.9
Fiscal Year 2015	(108.03)	-	(9.9)	(2.5)	(2.6)

Reference: Equity in earnings (losses) of affiliates (millions of yen) Fiscal Year 2016: 228 Fiscal Year 2015: 881

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal Year 2016	101,959	52,572	51.5	1,009.26
Fiscal Year 2015	105,352	53,705	51.0	1,028.17

Reference: Shareholders' equity (millions of yen) Fiscal Year 2016: 52,508 Fiscal Year 2015: 53,678

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal Year 2016	3,825	94	(1,580)	16,600
Fiscal Year 2015	3,400	(8,053)	11,060	14,303

2. Dividends

	Dividend per share					Total dividends (total)	Payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal Year 2015	-	4.00	-	4.00	8.00	417	-	0.7
Fiscal Year 2016	-	4.00	-	4.00	8.00	417	29.3	0.8
Fiscal Year 2017 (forecasts)	-	4.00	-	4.00	8.00		41.6	

Note: The total dividends for Fiscal Year 2016 include a dividend of 1 million yen from the Senshukai stock held by the executive stock compensation trust.

3. Consolidated Outlook for Fiscal Year 2017 (January 1, 2017 – December 31, 2017)

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
2Q 2017 (cumulative)	68,900	4.6	350	-	750	313.3	500	208.0	9.61
Full Year 2017	135,000	4.6	1,350	13.0	1,650	(1.4)	1,000	(29.6)	19.22

*** 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) 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: None

4) Restatements: None

Note: Please refer to "5. Consolidated Financial Statements, (5) Notes to Consolidated Financial Statements (Changes in Accounting Policies)" on page 15 for further information.

(3) Number of shares outstanding (common shares)

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

Fiscal Year 2016: 52,230,393 shares Fiscal Year 2015: 52,230,393 shares

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

Fiscal Year 2016: 203,527 shares Fiscal Year 2015: 23,256 shares

3) Average number of shares outstanding during the period

Fiscal Year 2016: 52,096,233 shares Fiscal Year 2015: 49,135,108 shares

Note: The Senshukai stock held by the trust that is recorded as treasury shares under shareholders' equity is included in the number of treasury shares at the end of Fiscal Year 2016, and is deducted from the number of shares that is used to calculate the average number of shares outstanding during Fiscal Year 2016.

(Reference) Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for Fiscal Year 2016 (January 1, 2016 – December 31, 2016)

(1) Non-consolidated operating results

(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	%
Fiscal Year 2016	101,798	(7.5)	(95)	-	745	-	1,052	-
Fiscal Year 2015	110,052	(9.7)	(4,627)	-	(4,360)	-	(5,701)	-

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal Year 2016	20.21	17.91
Fiscal Year 2015	(116.05)	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal Year 2016	88,881	50,313	56.6	967.07
Fiscal Year 2015	93,560	51,431	55.0	985.15

Reference: Shareholders' equity (millions of yen) Fiscal Year 2016: 50,313 Fiscal Year 2015: 51,431

* Disclosure regarding the implementation of audit procedures

This financial report is not subject to the audit procedures based on the Financial Instruments and Exchange Act. Thus, at the time of its disclosure, the financial statement audit 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 4.

Contents of Attachments

1. Analysis of Operating Results and Financial Position

(1) Analysis of Operating Results

Overview

In 2016, the Japanese economy continued to recover moderately against a backdrop of improvements in employment situation and personal income. However, the economic outlook remained unclear because of concerns about slowing economic growth in China and other countries, effects of Brexit, policies of the new US administration, and other events. In Japan’s retail sector, market conditions continued to be challenging. Consumers were increasingly budget-minded and selective about purchases in association with the diversification of life styles and needs as well as worries about the economic outlook.

Net sales in the current fiscal year decreased 3.9% year-over-year to 129,074 million yen, mainly because of lower sales in the mail-order business.

Although sales decreased, operating income was 1,194 million yen compared with a loss of 3,437 million yen in 2015. This improvement was the result of a decrease in the cost to sales ratio and a decrease in selling, general and administrative expenses resulting mainly from higher operating efficiency. Ordinary income was 1,673 million yen compared with a loss of 2,540 million yen in the previous fiscal year. Profit attributable to owners of parent was 1,420 million yen compared with a loss of 5,307 million yen in the previous fiscal year, mainly due to gain on sales of investment securities.

Overview by segment

(Mail-order Business)

Consolidated sales in the mail-order business, centered on the catalog and the Internet businesses, decreased 6.5% year-over-year to 106,606 million yen in the current fiscal year. The main reason was the weak performance of apparel and fashion accessories, categories which represent relatively large shares of sales.

The segment’s loss was smaller than one year earlier mainly because of decreases in the cost to sales ratio and selling, general and administrative expenses. As a result, there was an operating loss of 240 million yen compared with a loss of 4,597 million yen in the previous fiscal year.

(Bridal Business)

Consolidated sales in the bridal business, centered on the house wedding business, increased 10.1% year-over-year to 16,818 million yen due to contributions from the opening of new facilities. Operating income increased 10.1% year-over-year to 751 million yen.

(Corporates Business)

Consolidated sales in the corporates business, which provides products and services to corporations, increased 8.6% year-over-year to 4,576 million yen, and operating income increased 40.6% to 517 million yen.

(Others)

Consolidated sales in other businesses, which provides services business (primarily insurance and credit card services) and a childcare business, increased 26.5% year-over-year to 1,072 million yen, as two nursery schools were opened in the childcare business. Operating income increased 50.9% to 146 million yen.

(2) Analysis of Financial Position

(Balance sheet position)

Assets totaled 101,959 million yen at the end of the current fiscal year, a decrease of 3,392 million yen from the end of the previous fiscal year.

Current assets increased 670 million yen to 52,618 million yen. The main factors were increases of 2,554 million yen in merchandise and finished goods and 2,301 million yen in cash and deposits, while there were decreases of 1,963 million yen in accounts receivable-other and 1,961 million yen in forward exchange contracts. Non-current assets decreased 4,063 million yen to 49,341 million yen. The factors were decreases of 2,418 million yen in property, plant and equipment, 949 million yen in intangible assets and 695 million yen in investments and other assets.

Current liabilities decreased 2,111 million yen to 29,298 million yen. The main factors were decreases of 1,970 million yen in accounts payable-other and 719 million yen in electronically recorded obligations-operating, while there was an increase of 493 million yen in accounts payable-trade. Non-current liabilities decreased 147 million yen to 20,088 million yen. The main factors were decreases of 219 million yen in deferred tax liabilities and 202 million yen in deferred tax liabilities for land revaluation, while there were increases of 149 million yen in asset retirement obligations and 118 million yen in long-term loans payable.

Net assets decreased 1,133 million yen to 52,572 million yen. The main factor was a decrease of 1,294 million yen in deferred gains or losses on hedges. Consequently, the equity ratio was 51.5%.

(Cash flow position)

The balance of cash and cash equivalents at the end of the current fiscal year was 16,600 million yen, an increase of 2,297 million yen from the end of the previous fiscal year.

Operating activities provided net cash of 3,825 million yen (net cash provided of 3,400 million yen in the previous fiscal year). The main cash inflows were depreciation of 3,231 million yen, profit before income taxes of 1,957 million yen, and a decrease in other current assets of 1,220 million yen. The main cash outflows include an increase in inventories of 2,565 million yen.

Investing activities provided net cash of 94 million yen (net cash used of 8,053 million yen in the previous fiscal year). The main cash inflows were proceeds from sales of property, plant and equipment of 1,021 million yen and proceeds from sales of investment securities of 916 million yen. The main cash outflows include 1,583 million yen for the purchase of property, plant and equipment.

Financing activities used net cash of 1,580 million yen (net cash provided of 11,060 million yen in the previous fiscal year). The main cash inflows include the proceeds from long-term loans payable of 1,700 million yen. The main cash outflows were 2,117 million yen for the repayments of long-term loans payable, 450 million yen for redemption of bonds and 418 million yen for cash dividends paid.

Cash flow indices

	Fiscal Year 2014 (As of Dec. 31, 2014)	Fiscal Year 2015 (As of Dec. 31, 2015)	Fiscal Year 2016 (As of Dec. 31, 2016)
Equity ratio (%)	52.7	51.0	51.5
Equity ratio based on fair value (%)	36.0	39.6	36.1
Ratio of interest-bearing debt to cash flows (years)	5.8	5.9	5.0
Interest coverage ratio (times)	13.8	17.1	23.7

Notes: 1. Cash flow indices are calculated, using consolidated financial figures, as follows:

The equity ratio is shareholders’ equity divided by total assets.

The equity ratio based on fair value is market capitalization divided by total assets.

The ratio of interest-bearing debt to cash flows is interest-bearing debt divided by the quantity of operating cash flows.

The interest coverage ratio is operating cash flows divided by interest payments.

2. Market capitalization is calculated by multiplying the closing share price at the end of the period by the number of

shares issued and outstanding at the end of the period, excluding treasury shares.

3. Interest-bearing debt includes short-term loans payable, bonds with subscription rights to shares, long-term loans payable, and lease obligations shown on the consolidated balance sheet.
4. Operating cash flows and interest payments represent net cash provided by (used in) operating activities and interest expenses paid, respectively, on the consolidated statement of cash flows.

(3) Basic Policy Regarding Distribution of Earnings and Dividends in the Current and Next Fiscal Years

The Group's basic policy is to strengthen the business foundation while maintaining stable dividends, taking into consideration the payout ratio, and ensuring a fair distribution of earnings to shareholders that reflects its business performance.

Specifically, the Group's policy regarding the distribution of earnings to shareholders is to strive continuously for a payout ratio of 30% on a consolidated basis. The Group will use internal reserves to invest in the development of new businesses for the medium to long term, to promote the efficiency of existing businesses, to conduct mergers and acquisitions for expanding the Group businesses, to improve the soundness of its financials, and to generally further strengthen its competitiveness and operations. Based on the aforementioned policies, the Group plans to pay a year-end dividend of 4 yen per share for Fiscal Year 2016 in line with initial plan. Together with an interim dividend of 4 yen per share, total annual dividend of 8 yen per share is to be paid.

Regarding dividends in Fiscal Year 2017, we plan to pay a total annual dividend of 8 yen per share comprised of an interim dividend of 4 yen per share and a year-end dividend of 4 yen per share, based on the earnings outlook and to maintain stable dividends.

(4) Outlook for Fiscal Year 2017

The operating environment is expected to remain challenging in Fiscal Year 2017 as the unclear economic outlook makes consumer reluctant to spend their money. In the core mail-order business, we plan to achieve a turnaround by strengthening product competitiveness and sales capabilities in the e-commerce category. Another priority is improving the profitability of the bridal business, our second core business.

Based on this outlook, our forecast for Fiscal Year 2017 is as follows.

Consolidated (Millions of yen)

	Net sales	Operating income	Ordinary income	Net income
Fiscal Year 2017 (forecast)	135,000	1,350	1,650	1,000
Fiscal Year 2016 (results)	129,074	1,194	1,673	1,420
Change (%)	4.6	13.0	(1.4)	(29.6)

* The above projections are based on information available at the time of release of this report. Actual results could differ from projections due to a variety of factors.

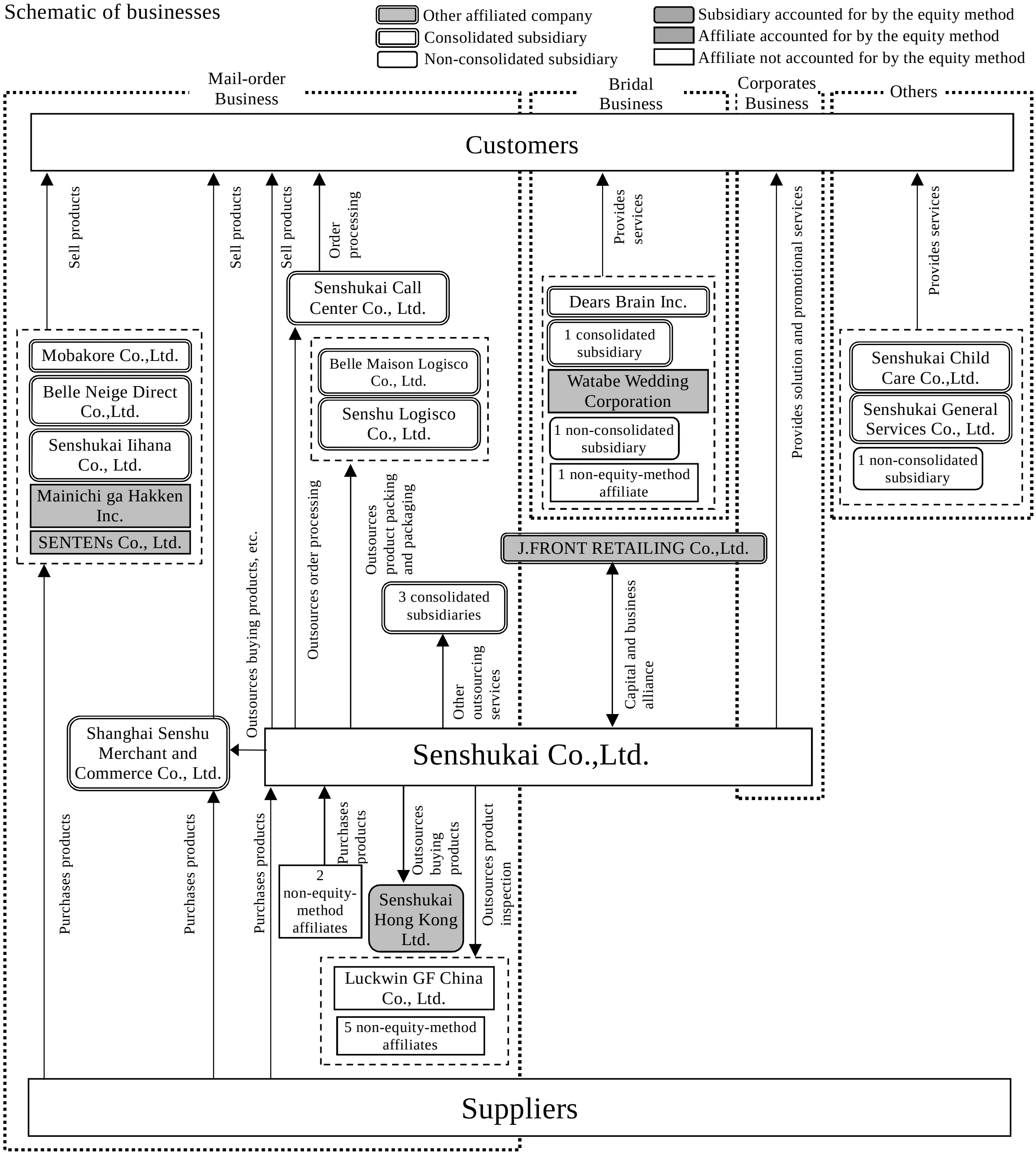
2. Group Organization

The Senshukai Group comprises the parent company, 17 subsidiaries, 12 affiliates, and 1 other affiliated company. Mail-order Business is the mainstay business, and we also operate the Bridal Business, Corporates Business and others.

The following describes the position of each major business activity in the Group's operations and business segments.

Segment	Major business activity	Company
Mail-order Business	Mail order	Senshukai Co.,Ltd., Mobakore Co.,Ltd., Belle Neige Direct Co.,Ltd., Shanghai Senshu Merchant and Commerce Co., Ltd., and 15 other companies
	Telemarketing	Senshukai Call Center Co., Ltd.
	Logistics system	Belle Maison Logisco Co., Ltd., Senshu Logisco Co., Ltd.
Bridal Business		Dears Brain Inc., Watabe Wedding Corporation and 3 other companies
Corporates Business		Senshukai Co.,Ltd.
Others		Senshukai Child Care Co.,Ltd., Senshukai General Services Co., Ltd., and 1 other company

Schematic of businesses



3. Management Policies

(1) Basic Management Policy

The Senshukai Group’s corporate philosophy is to “contribute to society by providing customers with outstanding products and services.”

Senshukai works together with its shareholders, customers, business partners, employees, and all other stakeholders to enhance corporate value and mutual prosperity.

(2) Key Performance Indicators

Under the slogan “Innovate for Smiles 2018” of our medium-to long-term management plan (Fiscal Year 2014 through Fiscal Year 2018), the entire Group is committed to building a solid and distinct position in the mail-order market and to develop new businesses appropriate to our corporate vision “Women's Smiles Company.”

Specifically, our targets for Fiscal Year 2018 are consolidated net sales of 165 billion yen, operating income of 5 billion yen, and a return on equity of 7%.

Going forward, we aim to enhance corporate value by striving for more unified group management, boosting growth, and constructing a solid earnings foundation.

(3) Medium- to Long-term Corporate Management Strategy and Issues

The Group formulated a five-year medium- to long-term management plan “Innovate for Smiles 2018” to enhance its corporate value.

Progress in the Medium- to Long-term Management Plan

1) Mail-order Business

We continue to focus on the following activities: offering private brands that precisely target the requirements of specific customer segments; implementing merchandise planning that allows each private brand to succeed in every sales channel (e-commerce, catalogs, stores and others); developing an SPA (Specialty store retailer of Private-label Apparel) business structure that encompasses each step from planning and manufacture to sales; and improving each sales channel with the goal of establishing an omni-channel framework.

In conjunction with the alliance established with J.FRONT RETAILING Co., Ltd., we started selling Kcarat brand women’s apparel and BENEBIS brand women’s shoes at the stores of Daimaru Matsuzakaya Department Stores Co.Ltd. in 2016. We will continue to focus on strengthening the competitive edge of our private brand items and expanding marketing channels.

2) Bridal Business

To solidify our position as a leading company in the bridal business, we continued to utilize our alliance with Watabe Wedding Corporation with the goal of becoming more profitable.

3) Corporates Business

To take advantage of the growth of the mail-order business, we plan to step up activities to offer various outsourced services for companies that want to start a B-to-C business.

4) Others

We are actively expanding the childcare business for preschool age children that we started in Fiscal Year 2014. At present, we operate six childcare facilities in Tokyo and Chiba, and we plan to open a childcare facility in Shinagawa-ku, Tokyo in April 2017. We will continue to grow and expand the childcare business while prioritizing the quality of childcare service we provide.

(4) Other Important Business Matters

Not applicable.

4. Basic Approach for the Selection of Accounting Standards

The Senshukai Group has a policy of preparing its consolidated financial statements using Japanese GAAP for the time being to facilitate comparisons with prior-year performance and the performance of other companies in Japan.

We will take suitable actions with regard to the application of the International Financial Reporting Standards (IFRS) by taking into account trends in our industry peers in Japan and associated factors in Japan and other countries.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

	Fiscal Year 2015 (As of Dec. 31, 2015)	Fiscal Year 2016 (As of Dec. 31, 2016)
Assets		
Current assets		
Cash and deposits	14,303	16,605
Notes and accounts receivable-trade	4,046	3,889
Merchandise and finished goods	18,025	20,580
Raw materials and supplies	146	141
Deferred tax assets	230	581
Accounts receivable-other	9,781	7,818
Forward exchange contracts	1,961	-
Other	3,675	3,153
Allowance for doubtful accounts	(222)	(152)
Total current assets	51,947	52,618
Non-current assets		
Property, plant and equipment		
Buildings and structures	40,782	41,033
Accumulated depreciation	(24,730)	(24,904)
Buildings and structures, net	16,052	16,128
Machinery, equipment and vehicles	9,013	8,801
Accumulated depreciation	(8,032)	(8,010)
Machinery, equipment and vehicles, net	981	790
Tools, furniture and fixtures	2,948	2,858
Accumulated depreciation	(1,990)	(2,086)
Tools, furniture and fixtures, net	957	771
Land	12,091	11,310
Leased assets	883	979
Accumulated depreciation	(402)	(443)
Leased assets, net	481	536
Construction in progress	1,406	13
Total property, plant and equipment	31,970	29,551
Intangible assets		
Goodwill	2,243	2,027
Other	2,853	2,120
Total intangible assets	5,097	4,147
Investments and other assets		
Investment securities	9,877	8,651
Long-term loans receivable	1,026	1,202
Lease and guarantee deposits	1,901	1,826
Deferred tax assets	131	109
Other	3,666	4,119
Allowance for doubtful accounts	(265)	(266)
Total investments and other assets	16,337	15,642
Total non-current assets	53,404	49,341
Total assets	105,352	101,959

(Millions of yen)

	Fiscal Year 2015 (As of Dec. 31, 2015)	Fiscal Year 2016 (As of Dec. 31, 2016)
Liabilities		
Current liabilities		
Electronically recorded obligations-operating	11,084	10,365
Accounts payable-trade	5,346	5,840
Short-term loans payable	2,111	1,546
Current portion of bonds	450	-
Lease obligations	117	122
Accounts payable-other	7,353	5,383
Accrued expenses	2,477	2,008
Income taxes payable	121	387
Accrued consumption taxes	325	534
Provision for sales promotion expenses	402	437
Other	1,618	2,672
Total current liabilities	31,410	29,298
Non-current liabilities		
Bonds with subscription rights to shares	7,000	7,000
Long-term loans payable	9,181	9,300
Lease obligations	1,122	1,140
Deferred tax liabilities	1,527	1,308
Deferred tax liabilities for land revaluation	535	333
Net defined benefit liability	93	98
Provision for management board incentive plan trust	-	9
Asset retirement obligations	586	735
Other	189	162
Total non-current liabilities	20,236	20,088
Total liabilities	51,647	49,387
Net assets		
Shareholders' equity		
Capital stock	22,304	22,304
Capital surplus	23,860	23,860
Retained earnings	11,009	12,385
Treasury shares	(15)	(151)
Total shareholders' equity	57,159	58,399
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,756	1,271
Deferred gains or losses on hedges	1,282	(11)
Revaluation reserve for land	(6,629)	(6,983)
Foreign currency translation adjustment	110	(143)
Remeasurements of defined benefit plans	(1)	(23)
Total accumulated other comprehensive income	(3,481)	(5,890)
Non-controlling interests	27	64
Total net assets	53,705	52,572
Total liabilities and net assets	105,352	101,959

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

(Consolidated Statement of Income)

(Millions of yen)

	Fiscal Year 2015 (Jan. 1, 2015 – Dec. 31, 2015)	Fiscal Year 2016 (Jan. 1, 2016 – Dec. 31, 2016)
Net sales	134,321	129,074
Cost of sales	*1 73,442	*1 67,087
Gross profit	60,879	61,986
Selling, general and administrative expenses		
Freightage and packing expenses	7,486	6,868
Promotion expenses	18,078	16,795
Provision for allowance for sales promotion expenses	402	437
Provision of allowance for doubtful accounts	135	100
Directors' compensations	555	393
Salaries and allowances	11,187	11,014
Bonuses	1,545	1,410
Depreciation	2,880	3,198
Other	22,044	20,573
Total selling, general and administrative expenses	*2 64,316	*2 60,791
Operating income (loss)	(3,437)	1,194
Non-operating income		
Interest income	90	28
Dividend income	100	103
Share of profit of entities accounted for using equity method	881	228
Gain on adjustment of account payable	264	256
Miscellaneous income	197	200
Total non-operating income	1,534	816
Non-operating expenses		
Interest expenses	188	156
Commission fee	308	57
Miscellaneous loss	140	124
Total non-operating expenses	638	338
Ordinary income (loss)	(2,540)	1,673
Extraordinary income		
Gain on sales of non-current assets	*3 18	*3 34
Gain on sales of investment securities	23	436
Subsidy income	150	511
Gain on transfer of business	149	-
Total extraordinary income	341	983
Extraordinary losses		
Loss on sales and retirement of non-current assets	*4 55	*4 31
Loss on reduction of non-current assets	148	485
Impairment loss	*5 993	*5 139
Special retirement expenses	414	-
Other	22	42
Total extraordinary losses	1,634	698
Profit (loss) before income taxes	(3,834)	1,957
Income taxes-current	163	337
Income taxes-deferred	1,343	163
Total income taxes	1,507	501
Profit (loss)	(5,341)	1,456
Profit (loss) attributable to non-controlling interests	(33)	36
Profit (loss) attributable to owners of parent	(5,307)	1,420

(Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Fiscal Year 2015 (Jan. 1, 2015 – Dec. 31, 2015)	Fiscal Year 2016 (Jan. 1, 2016 – Dec. 31, 2016)
Profit (loss)	(5,341)	1,456
Other comprehensive income		
Valuation difference on available-for-sale securities	497	(476)
Deferred gains or losses on hedges	(1,501)	(1,159)
Revaluation reserve for land	53	18
Foreign currency translation adjustment	(17)	(38)
Share of other comprehensive income of entities accounted for using equity method	(6)	(379)
Total other comprehensive income	(975)	(2,036)
Comprehensive income	(6,316)	(579)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(6,283)	(616)
Comprehensive income attributable to non-controlling interests	(33)	36

(3) Consolidated Statement of Changes in Equity

Fiscal Year 2015 (Jan. 1, 2015 – Dec. 31, 2015)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	20,359	21,038	17,086	(2,776)	55,707
Changes of items during period					
Issuance of new shares	1,945	1,945			3,891
Dividend of surplus			(728)		(728)
Loss attributable to owners of parent			(5,307)		(5,307)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		875		2,762	3,637
Reversal of revaluation reserve for land			(40)		(40)
Net changes of items other than shareholders' equity					
Total changes of items during period	1,945	2,821	(6,077)	2,761	1,451
Balance at end of current period	22,304	23,860	11,009	(15)	57,159

(Millions of yen)

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	1,261	2,780	(6,724)	135	-	(2,546)	-	53,160
Changes of items during period								
Issuance of new shares								3,891
Dividend of surplus								(728)
Loss attributable to owners of parent								(5,307)
Purchase of treasury shares								(0)
Disposal of treasury shares								3,637
Reversal of revaluation reserve for land								(40)
Net changes of items other than shareholders' equity	495	(1,497)	94	(24)	(1)	(934)	27	(907)
Total changes of items during period	495	(1,497)	94	(24)	(1)	(934)	27	544
Balance at end of current period	1,756	1,282	(6,629)	110	(1)	(3,481)	27	53,705

Fiscal Year 2016 (Jan. 1, 2016 – Dec. 31, 2016)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	22,304	23,860	11,009	(15)	57,159
Changes of items during period					
Dividend of surplus			(416)		(416)
Profit attributable to owners of parent			1,420		1,420
Purchase of treasury shares				(136)	(136)
Disposal of treasury shares		0		0	0
Reversal of revaluation reserve for land			372		372
Net changes of items other than shareholders' equity					
Total changes of items during period	-	0	1,375	(136)	1,239
Balance at end of current period	22,304	23,860	12,385	(151)	58,399

(Millions of yen)

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	1,756	1,282	(6,629)	110	(1)	(3,481)	27	53,705
Changes of items during period								
Dividend of surplus								(416)
Profit attributable to owners of parent								1,420
Purchase of treasury shares								(136)
Disposal of treasury shares								0
Reversal of revaluation reserve for land								372
Net changes of items other than shareholders' equity	(484)	(1,294)	(353)	(254)	(21)	(2,409)	36	(2,372)
Total changes of items during period	(484)	(1,294)	(353)	(254)	(21)	(2,409)	36	(1,133)
Balance at end of current period	1,271	(11)	(6,983)	(143)	(23)	(5,890)	64	52,572

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal Year 2015 (Jan. 1, 2015 – Dec. 31, 2015)	Fiscal Year 2016 (Jan. 1, 2016 – Dec. 31, 2016)
Cash flows from operating activities		
Profit (loss) before income taxes	(3,834)	1,957
Depreciation	2,921	3,231
Impairment loss	993	139
Increase (decrease) in allowance for doubtful accounts	(88)	(70)
Increase (decrease) in provision for sales promotion expenses	183	34
Interest and dividend income	(191)	(131)
Interest expenses	188	156
Share of (profit) loss of entities accounted for using equity method	(881)	(228)
Loss (gain) on sales of investment securities	(23)	(436)
Loss (gain) on sales and retirement of non-current assets	37	(2)
Loss on reduction of non-current assets	148	485
Subsidy income	(150)	(511)
Loss (gain) on transfer of business	(149)	-
Extra retirement payment	414	-
Decrease (increase) in notes and accounts receivable-trade	2,556	372
Decrease (increase) in inventories	3,559	(2,565)
Decrease (increase) in other current assets	1,150	1,220
Increase (decrease) in notes and accounts payable-trade	(1,246)	101
Increase (decrease) in other current liabilities	(298)	(995)
Other, net	(485)	1,191
Subtotal	4,805	3,949
Interest and dividend income received	193	151
Interest expenses paid	(199)	(161)
Income taxes (paid) refund	(1,398)	300
Extra retirement payments	-	(414)
Net cash provided by (used in) operating activities	3,400	3,825
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,925)	(1,583)
Proceeds from sales of property, plant and equipment	209	1,021
Purchase of intangible assets	(828)	(613)
Proceeds from subsidy income	150	257
Payments into time deposits	(1,000)	-
Proceeds from withdrawal of time deposits	1,300	100
Purchase of investment securities	(2,643)	(89)
Proceeds from sales of investment securities	152	916
Proceeds from redemption of investment securities	300	-
Purchase of shares of subsidiaries	(612)	(100)
Proceeds from transfer of business	-	216
Other, net	(153)	(30)
Net cash provided by (used in) investing activities	(8,053)	94
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(70)	(30)
Proceeds from long-term loans payable	7,800	1,700
Repayments of long-term loans payable	(2,693)	(2,117)
Proceeds from share issuance to non-controlling shareholders	80	-
Redemption of bonds	(700)	(450)
Proceeds from issuance of common shares	3,868	-
Purchase of treasury shares	(0)	(136)
Proceeds from disposal of treasury shares	3,637	0
Cash dividends paid	(730)	(418)
Other, net	(130)	(128)
Net cash provided by (used in) financing activities	11,060	(1,580)
Effect of exchange rate change on cash and cash equivalents	(15)	(41)
Net increase (decrease) in cash and cash equivalents	6,393	2,297
Cash and cash equivalents at beginning of period	7,910	14,303
Cash and cash equivalents at end of period	14,303	16,600

(5) Notes to Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Changes in Accounting Policies

(Application of the Accounting Standard for Business Combinations, etc.)

The Company has applied the “Accounting Standard for Business Combinations” (Accounting Standards Board of Japan (ASBJ) Statement No. 21, September 13, 2013), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013), “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013), etc. from the current fiscal year. Accordingly, difference arising from changes in the Company’s ownership interests in subsidiaries in cases where control is retained is recognized in capital surplus, and acquisition-related costs in connection with business combinations are recognized as expenses in the fiscal year in which they arise. Regarding business combinations that take place on or after the beginning of the current fiscal year, the Company has revised the method to reflect reviewed allocation of the acquisition costs arising from determination of the provisional accounting treatment on the consolidated financial statements to which the date of the business combination belongs. In addition, the presentation of net income and other items has been revised, and the minority interests item has been renamed non-controlling interests. For consistency with these changes, the consolidated financial statements for the previous fiscal year have been revised.

The Company has adopted these accounting standards, etc. from the beginning of the current fiscal year, in accordance with the transitional accounting treatments set forth in Article 58-2 (4) of the Accounting Standard for Business Combinations, Article 44-5 (4) of the Accounting Standard for Consolidated Financial Statements, and Article 57-4 (4) of the Accounting Standard for Business Divestitures.

The application of these standards has no effect on the consolidated financial statements.

(Application of Practical Solution on a Change in Depreciation Method due to Tax Reform 2016)

Following the change in the Corporation Tax Act, the Company has applied the “Practical Solution on a Change in Depreciation Method due to Tax Reform 2016” (ASBJ Practical Issues Task Force (PITF) No. 32, June 17, 2016) from the current fiscal year, and changed the depreciation method for equipment attached to buildings and structures acquired on or after April 1, 2016, from the declining-balance method to the straight-line method.

The effect of this change on the consolidated financial statements is insignificant.

Additional Information

(Performance-linked Stock Compensation Plan for Directors and Executive Officers)

The Company has a stock compensation plan for directors (excluding outside directors) and executive officers that is linked to the company’s performance. The purpose of this plan is to increase the motivation of these directors and executive officers to improve the Group’s medium- to long-term performance and achieve growth in corporate value. For the accounting treatment of this plan, which uses a trust, the Company uses the gross method in accordance with “Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees etc. through Trusts” (ASBJ PITF No. 30, March 26, 2015).

1. Summary of the plan

For this plan, the Company has made a contribution to establish a trust that purchases the Company’s stock and distributes this stock to eligible individuals. The number of shares given to directors and executive officers by the trust is based on points granted to these directors and executive officers in accordance with their positions and ability to achieve their performance targets. As a result, these individuals receive stock as compensation that is linked to the Company’s results of operations. In principle, directors and executive officers receive the Company’s stock from the trust when their terms of office end or they resign or retire. This plan covers the period of three years from the end of December 2016 to the end of December 2018.

2. The Company's stock held by the trust

The Company's stock held by the trust is included in net assets as treasury shares at book value (excluding associated expenses). There were 180,000 shares with a book value of 136 million yen at the end of the current fiscal year.

(Application of Implementation Guidance on Recoverability of Deferred Tax Assets)

Beginning with consolidated financial statements for the current fiscal year, the Company has applied the "Implementation Guidance on Recoverability of Deferred Tax Assets" (ASBJ Guidance No. 26, March 28, 2016) because the use of this guidance was permitted starting with consolidated financial statements at the end of the current fiscal year.

Notes to Consolidated Statement of Income

*1. The ending inventory is the amount written down to reflect the effect of lower profit margins. The following loss on valuation of inventories is included in cost of sales.

(Millions of yen)

Fiscal Year 2015 (Jan. 1, 2015 – Dec. 31, 2015)	Fiscal Year 2016 (Jan. 1, 2016 – Dec. 31, 2016)
361	330

*2. R&D expenses included in general and administrative expenses

(Millions of yen)

Fiscal Year 2015 (Jan. 1, 2015 – Dec. 31, 2015)	Fiscal Year 2016 (Jan. 1, 2016 – Dec. 31, 2016)
161	134

*3. Gain on sales of non-current assets

(Millions of yen)

Fiscal Year 2015 (Jan. 1, 2015 – Dec. 31, 2015)		Fiscal Year 2016 (Jan. 1, 2016 – Dec. 31, 2016)	
Land	15	Land	31
Other	2	Other	3
Total	18	Total	34

*4. Loss on sales and retirement of non-current assets

(Millions of yen)

Fiscal Year 2015 (Jan. 1, 2015 – Dec. 31, 2015)		Fiscal Year 2016 (Jan. 1, 2016 – Dec. 31, 2016)	
Loss on sales of buildings and structures	19	Loss on retirement of construction in progress	28
Loss on retirement of intangible assets	20	Loss on retirement of intangible assets	2
Other	15	Other	1
Total	55	Total	31

*5. Impairment loss

The Senshukai Group posted impairment loss on the following asset groups.

Fiscal Year 2015 (Jan. 1, 2015 – Dec. 31, 2015)

(Millions of yen)

Location	Primary use	Type	Impairment loss
Senshukai Co.,Ltd. Misato City, Saitama, and others	Assets for the mail-order business	Buildings and structures, and others	61
Senshukai Co.,Ltd. Chiyoda-ku, Tokyo	Other business assets	Buildings and structures, and others	21
Belle Neige Direct Co.,Ltd. Chiyoda-ku, Tokyo, and others	Assets for the mail-order business	Intangible assets, and others	50
Dears Brain Inc. Chuo-ku, Fukuoka, and others	Assets for the bridal business	Leased assets, and others	757
Senshukai Co.,Ltd. Fujimino City, Saitama, and others	Assets to be sold	Land	102

In principle, business assets are based on categories of management accounting. Assets to be sold are accounted independently.

Of the above asset groups, the Company marked down the book value of business assets to the recoverable amount reflecting weak prospects for improved short-term performance due to worsening operating profitability, and it marked down the book value of assets to be sold to the recoverable amount because of a decrease in the assets’ market value. These markdowns were booked as an impairment loss.

The impairment loss on buildings and strucures, tools, furniture and fixtures, leased assets, intangible assets and land were 390 million yen, 14 million yen, 446 million yen, 38 million yen, and 102 million yen, respectively.

The recoverable amount of these business assets was measured at its value in use and calculated by discounting future cash flows using a discount rate of 2.3%. The recoverable amount of assets to be sold was calculated based on the projected sales value.

Fiscal Year 2016 (Jan. 1, 2016 – Dec. 31, 2016)

(Millions of yen)

Location	Primary use	Type	Impairment loss
Senshukai Co.,Ltd. Kita-ku, Osaka City	Idle assets	Tools, furniture and fixtures	124
Senshukai Co.,Ltd. Yamatokoriyama City, Nara, and others	Assets for the mail-order business	Buildings and structures, and others	12
Dears Brain Inc. Chuo-ku, Fukuoka City	Assets for the bridal business	Tools, furniture and fixtures	2

In principle, business assets are based on categories of management accounting.

Of the above asset groups, the Company marked down the book value of business assets to the recoverable amount reflecting weak prospects for improved short-term performance due to worsening operating profitability, and it marked down the book value of idle assets to the recoverable amount because there are no prospects at this time for these assets to be used again. These markdowns were booked as an impairment loss.

The impairment loss on buildings and strucures, and tools, furniture and fixtures were 11 million yen and 127 million yen, respectively.

The recoverable amount of these business assets was measured at its value in use and calculated by discounting future cash flows using a discount rate of 1.4%. The net selling price of idle assets were calculated by using reasonable estimates that reflect market values.

Segment and Other Information

1. Overview of reportable segment

Segments used for financial reporting are the Company's constituent units for which separate financial information is available and for which the Board of Directors performs periodic studies for the purposes of determining the allocation of resources and evaluating performance.

The Senshukai Group primarily operates the mail-order business, bridal business, and corporates business, and the Company and its group companies manage each of these businesses according to these classifications.

Therefore the Group, comprised of these different business segments, has three reportable segments: the mail-order business, bridal business, and corporates business.

The mail-order business is engaged in mail-order sales via a variety of media centered on catalogs and the Internet. The bridal business provides mostly house wedding services. The corporates business uses the Company's infrastructure to provide solutions services and promotional services targeting mail-order companies and e-commerce businesses.

2. Calculation methods for net sales, profit/loss, assets, and other items for each reportable segment

The accounting methods for reportable segments are the same as those used for preparing the consolidated financial statements.

Profits for reportable segments are generally operating income figures.

Inter-segment sales or transfers are based on market prices.

3. Information related to sales and profit or loss, assets, and other items for each reportable segment

Fiscal Year 2015 (Jan. 1, 2015 – Dec. 31, 2015) (Millions of yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Note 2)	Amounts shown on consolidated financial statements (Note 3)
	Mail-order business	Bridal business	Corporates business	Sub-total				
Net sales								
Sales to customers	113,976	15,281	4,214	133,473	848	134,321	-	134,321
Inter-segment sales or transfers	874	0	128	1,002	0	1,003	(1,003)	-
Total	114,850	15,281	4,343	134,475	848	135,324	(1,003)	134,321
Segment profit (loss)	(4,597)	682	367	(3,547)	97	(3,449)	12	(3,437)
Segment assets	87,833	20,786	712	109,332	592	109,924	(4,571)	105,352
Other items								
Depreciation	1,947	925	27	2,901	20	2,921	-	2,921
Amortization of goodwill	52	207	-	260	-	260	-	260
Investment in equity-method affiliates	778	3,219	-	3,998	-	3,998	-	3,998
Increase in property, plant and equipment and intangible assets	3,098	3,152	12	6,263	37	6,300	-	6,300

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. Adjustments are as follows.

(1) The 12 million yen adjustment to segment profit (loss) comprises elimination for inter-segment transactions.

(2) The (4,571) million yen adjustment to segment assets comprises elimination for inter-segment transactions.

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

Fiscal Year 2016 (Jan. 1, 2016 – Dec. 31, 2016) (Millions of yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Note 2)	Amounts shown on consolidated financial statements (Note 3)
	Mail-order business	Bridal business	Corporates business	Sub-total				
Net sales								
Sales to customers	106,606	16,818	4,576	128,001	1,072	129,074	-	129,074
Inter-segment sales or transfers	988	0	106	1,094	0	1,095	(1,095)	-
Total	107,594	16,818	4,682	129,096	1,073	130,169	(1,095)	129,074
Segment profit (loss)	(240)	751	517	1,028	146	1,174	20	1,194
Segment assets	83,002	20,145	753	103,901	738	104,640	(2,680)	101,959
Other items								
Depreciation	2,181	1,009	24	3,215	15	3,231	-	3,231
Amortization of goodwill	-	216	-	216	-	216	-	216
Investment in equity-method affiliates	865	2,961	-	3,826	-	3,826	-	3,826
Increase in property, plant and equipment and intangible assets	701	883	23	1,607	115	1,723	-	1,723

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. Adjustments are as follows.

(1) The 20 million yen adjustment to segment profit (loss) comprises elimination for inter-segment transactions.

(2) The (2,680) million yen adjustment to segment assets comprises elimination for inter-segment transactions.

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

Per Share Information

(Yen)

	Fiscal Year 2015 (Jan. 1, 2015 – Dec. 31, 2015)	Fiscal Year 2016 (Jan. 1, 2016 – Dec. 31, 2016)
Net assets per share	1,028.17	1,009.26
Net income (loss) per share	(108.03)	27.26
Diluted net income per share	-	24.16

Notes: 1. Diluted net income per share in Fiscal Year 2015 is not presented since the Company has outstanding dilutive securities, though posted a net loss

2. The Company's stock held by the executive stock compensation trust is included in treasury shares, which is deducted from the number of shares outstanding at the end of the period for the calculation of net assets per share (deduction of 180,000 shares in Fiscal Year 2016). In addition, this trust stock is included in treasury shares, which is deducted from the average number of shares outstanding during the period for the calculation of net income per share and diluted net income per share (deduction of 180,000 shares in Fiscal Year 2016).

3. Basis for calculation of net income (loss) per share and diluted net income per share are as follows.

(Millions of yen)

	Fiscal Year 2015 (Jan. 1, 2015 – Dec. 31, 2015)	Fiscal Year 2016 (Jan. 1, 2016 – Dec. 31, 2016)
Net income (loss) per share		
Profit (loss) attributable to owners of parent	(5,307)	1,420
Amounts unavailable to common shareholders	-	-
Profit (loss) attributable to owners of parent related to common stock	(5,307)	1,420
Average number of shares outstanding during the period (thousand shares)	49,135	52,096
Diluted net income per share		
Adjustment to profit attributable to owners of parent	-	-
Increase in number of common stock (thousand shares)	-	6,679
[Including: subscription rights to shares (thousand shares)]	[-]	[6,679]
Number of residual securities with no dilution excluded from calculation of diluted net income per share	-	-

Subsequent Events

Not applicable.

6. Other

(1) Changes in Members of Board of Directors

1) Change in Representative Director

Not applicable.

2) Changes in Other Directors and Executive Officers (as of March 30, 2017)

・ Candidate for Directors

Director and Executive Officer:	Koichi Ishida (current Executive Officer, in charge of Sales Planning)
Director and Executive Officer:	Yoshihiro Ogawa (current Executive Officer, in charge of BELLE MAISON Division)
Director:	Hideyuki Ikeda (current Special Projects Manager, Daimaru Matsuzakaya Department Stores Co.Ltd., Advisor of the Company)
Outside Director:	Naoto Terakawa (current President and Representative Director of Tera Management Design Co.Ltd., President and Representative Director of Indigo Blue Co., Ltd., Outside Director of PanaHome Corporation)
Outside Director:	Naomi Aoyama (current Representative Director of Stylebis Ltd.)

・ Retiring Directors and Executive Officers

Director and Executive Officer:	Kazuhisa Masutani (current President and Representative Director, Senshukai Call Center Co., Ltd.)
Outside Director:	Tomoko Oishi (current Professor of Business Administration Department, Kyoto Gakuen University)
Outside Director:	Toshikatsu Sano
Outside Director:	Takahiro Imazu (current Executive Officer, J.FRONT RETAILING Co.,Ltd.)
Executive Officer:	Shigeru Nakayama (currently on assignment at Daimaru Matsuzakaya Department Stores Co.Ltd.)
Executive Officer:	Chie Tomari (current Executive Officer in charge of Bridal Business, on assignment at PLANETWORK CO., LTD.)

Mr. Kazuhisa Masutani will remain President and Representative Director of Senshukai Call Center Co., Ltd. following his retirement as a Senshukai director and executive officer.

Mr. Shigeru Nakayama and Ms. Chie Tomari will remain at their current assignments at Daimaru Matsuzakaya Department Stores and PLANETWORK, respectively, following their retirement as Senshukai executive officers.

・ Candidate for Auditor

(Full-time) Auditor:	Yoshiharu Kitahara (current President and Representative Director, BELLE MAISON LOGISCO CO., LTD.)

(2) Production, Orders and Sales

1) Production

There were no production activities.

2) Orders

There were no production activities in response to orders received.

3) Sales

Sales by business segment

(Millions of yen)

<table>
<tr><th colspan="2" rowspan="2">Business segments and main items</th><th colspan="2">Fiscal Year 2015
(Jan. 1, 2015 – Dec. 31, 2015)</th><th colspan="2">Fiscal Year 2016
(Jan. 1, 2016 – Dec. 31, 2016)</th><th rowspan="2">Change</th><th rowspan="2">Change (%)</th></tr>
<tr><th>Amount</th><th>Share (%)</th><th>Amount</th><th>Share (%)</th></tr>
<tr><td rowspan="7">Mail-order business</td><td>Apparel</td><td>50,867</td><td>37.9</td><td>44,964</td><td>34.9</td><td>(5,903)</td><td>(11.6)</td></tr>
<tr><td>Interior goods</td><td>28,469</td><td>21.2</td><td>28,648</td><td>22.2</td><td>178</td><td>0.6</td></tr>
<tr><td>Household goods</td><td>15,108</td><td>11.3</td><td>13,968</td><td>10.8</td><td>(1,140)</td><td>(7.5)</td></tr>
<tr><td>Fashion accessories</td><td>12,214</td><td>9.1</td><td>10,615</td><td>8.2</td><td>(1,599)</td><td>(13.1)</td></tr>
<tr><td>Foods</td><td>5,816</td><td>4.3</td><td>6,732</td><td>5.2</td><td>916</td><td>15.8</td></tr>
<tr><td>Others</td><td>1,499</td><td>1.1</td><td>1,676</td><td>1.3</td><td>177</td><td>11.8</td></tr>
<tr><td>Subtotal</td><td>113,976</td><td>84.9</td><td>106,606</td><td>82.6</td><td>(7,370)</td><td>(6.5)</td></tr>
<tr><td colspan="2">Bridal business</td><td>15,281</td><td>11.4</td><td>16,818</td><td>13.0</td><td>1,536</td><td>10.1</td></tr>
<tr><td colspan="2">Corporates business</td><td>4,214</td><td>3.1</td><td>4,576</td><td>3.6</td><td>362</td><td>8.6</td></tr>
<tr><td colspan="2">Others</td><td>848</td><td>0.6</td><td>1,072</td><td>0.8</td><td>224</td><td>26.5</td></tr>
<tr><td colspan="2">Total</td><td>134,321</td><td>100.0</td><td>129,074</td><td>100.0</td><td>(5,247)</td><td>(3.9)</td></tr>
</table>

Note: The figures above are stated exclusive of consumption taxes.

** 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.*