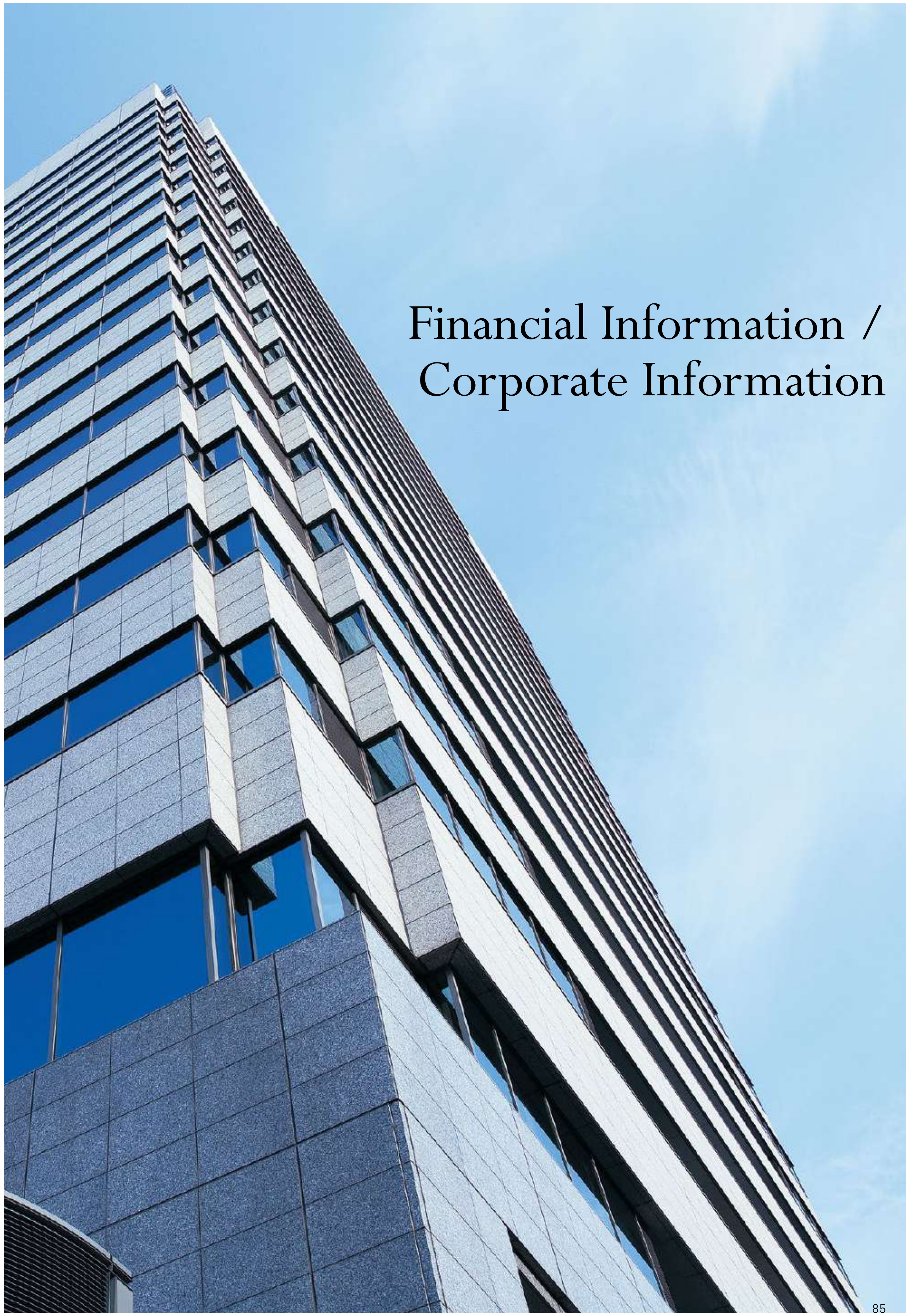


Financial Information / Corporate Information

Financial and Non-Financial Summary

MARUI GROUP CO., LTD., and its consolidated subsidiaries

Millions of yen

Fiscal years ended March 31	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total Group transactions:	—	—	—	—	—	—	—	—	—	1,297,250	1,469,111
Retailing and Store Operation	—	—	—	—	—	—	—	—	—	338,705	322,866
Credit Card Services	—	—	—	—	—	—	—	—	—	1,054,706	1,234,339
Retailing-Related Services	—	—	—	—	—	—	—	—	—	34,695	33,816
Eliminations*1	—	—	—	—	—	—	—	—	—	(130,857)	(121,910)
Total operating revenues	556,213	561,539	552,140	493,533	447,400	419,255	406,472	412,408	407,366	416,460	404,947
Revenue	—	—	—	—	—	—	—	—	—	253,077	249,847
Gross profit	200,533	209,347	210,288	177,565	160,125	149,926	144,736	147,240	148,172	155,726	158,144
Selling, general and administrative expenses	163,687	164,641	166,599	159,382	150,986	139,488	129,940	129,224	123,886	128,579	130,102
EBITDA*2	55,807	62,322	61,415	36,870	28,522	29,695	30,457	33,085	35,237	37,134	38,338
Operating income	36,846	44,705	43,688	18,183	9,138	10,438	14,795	18,015	24,285	27,146	28,042
Net income (loss)	19,168	23,983	4,248	7,603	(8,750)	5,104	(23,638)	5,251	13,255	15,409	16,036
Segment income:											
Retailing and Store Operation	16,417	24,245	19,309	10,645	1,252	37	2,110	7,547	9,885	10,562	8,074
Credit Card Services	18,032	19,818	21,892	5,740	6,725	10,272	13,704	10,619	13,177	15,634	20,126
Retailing-Related Services	5,167	4,429	6,913	6,772	3,740	2,509	1,568	2,567	3,792	4,523	3,333
Total assets	712,644	722,578	740,373	695,491	685,351	664,357	628,910	615,130	624,173	664,019	675,627
Shareholders' equity	436,259	432,695	402,610	336,445	310,818	312,188	284,526	289,975	303,637	315,446	306,795
Installment sales accounts receivable	37,752	40,045	51,310	73,781	88,761	95,871	111,760	142,995	171,187	213,466	227,121
Consumer loans outstanding	249,252	258,488	248,464	222,534	207,117	191,486	158,707	132,280	123,739	125,215	128,030
Interest-bearing debt	181,135	201,175	239,308	277,537	292,061	283,676	264,692	245,175	243,762	264,824	277,839
Net cash provided by (used in) operating activities	41,100	36,116	23,828	13,919	15,316	30,811	30,280	24,897	5,111	(9,227)	12,310
Net cash provided by (used in) investing activities	(19,105)	(33,846)	(28,025)	3,134	(18,234)	(13,034)	(7,033)	(3,913)	435	(6,791)	(3,867)
Net cash provided by (used in) financing activities	(10,135)	(12,956)	6,300	(32,241)	2,409	(14,519)	(22,926)	(23,660)	(5,571)	16,141	(7,267)
Cash and cash equivalents	53,305	42,619	44,722	29,535	29,026	32,283	32,603	29,928	29,940	30,053	31,229
Capital investments	30,272	25,812	30,293	23,649	24,073	17,398	14,332	7,941	7,665	11,238	9,786
Depreciation and amortization	18,961	17,616	17,727	18,686	19,384	19,257	15,661	15,069	10,951	9,988	10,296
Earnings (loss) per share (yen)	54.31	70.39	12.92	24.91	(31.90)	18.65	(86.36)	19.19	48.43	56.29	58.87
Net assets per share (yen)	1,241	1,286	1,233	1,207	1,135	1,140	1,039	1,059	1,109	1,152	1,166
Cash dividends per share (yen)	22.0	28.0	28.0	28.0	28.0	14.0	14.0	14.0	15.0	18.0	19.0
Payout ratio (%)	40.5	39.8	216.7	112.4	—	75.1	—	73.0	31.0	32.0	32.3
Total return ratio (%)	40.5	144.4	646.1	911.3	—	75.1	—	73.0	31.0	32.0	125.3
Operating income margin (%)	6.6	8.0	7.9	3.7	2.0	2.5	3.6	4.4	6.0	6.5	6.9
Return on equity (%)	4.5	5.5	1.0	2.1	(2.7)	1.6	(7.9)	1.8	4.5	5.0	5.2
Return on assets (%)	5.4	6.4	6.1	2.4	1.1	1.5	2.2	2.8	3.9	4.3	4.2
Equity ratio (%)	61.2	59.9	54.4	48.4	45.4	47.0	45.2	47.1	48.6	47.5	45.4
Stock price at year-end (yen)	1,441	2,325	1,445	1,061	523	678	537	690	975	885	1,365
Market capitalization (including treasury stock) (billions of yen)	531.2	857.1	532.7	338.0	166.6	216.0	171.1	219.8	310.6	282.0	380.3
Price earnings ratio (times)	26.5	33.0	111.8	42.6	—	36.4	—	36.0	20.1	15.7	23.2
Price book-value ratio (times)	1.2	1.8	1.2	0.9	0.5	0.6	0.5	0.7	0.9	0.8	1.2
Total number of employees	8,558	8,156	8,154	7,147	7,085	6,847	6,492	6,218	6,101	5,966	5,918
Ratio of female employees (%)	39.9	39.4	39.9	44.4	44.6	44.7	44.4	44.4	44.3	44.5	44.6
Total number of stores	32	31	28	25	25	25	26	27	27	27	27
Total sales floor area (thousand m^2)	381.4	381.4	381.4	381.4	444.8	453.3	457.8	458.4	453.1	446.5	444.0
Environment preservation expenditure (thousands of yen)	—	—	588,300	660,600	731,900	633,700	893,700	1,164,500	1,141,300	924,500	1,281,000
Electricity consumption (thousands of kWh)	—	—	—	—	—	259,800	244,800	204,500	204,800	215,000	199,000
CO_2 emissions (t-CO_2)	125,935	150,975	142,006	125,628	122,136	130,600	114,900	96,300	104,300	113,000	109,000

*1 Eliminations under total Group transactions represent the deduction of credit card transactions recorded in Retailing and Store Operation.
*2 Earnings before interest, taxes, and depreciation and amortization

In the fiscal year ended March 31, 2015, the Japanese economy continued to display a modest recovery trend on the back of increased corporate earnings and an improved job market. The recovery in these areas stemmed from the benefits of government-spearheaded economic stimulus measures as well as the significant "Quantitative and Qualitative Monetary Easing" policy of the Bank of Japan. Conversely, the outlook for consumer spending remained opaque due to slow recovery in consumer confidence on account of the influences of the consumption tax rate hike, higher commodity prices following the yen's depreciation, and a decline in real wages.

In this economic environment, MARUI GROUP launched a new three-year, medium-term management plan, based on which it worked to improve corporate value by pushing forward with measures to strengthen profitability in pursuit of the plan's goals of consolidated operating income of ¥36.0 billion or more and return on equity (ROE) of 6.0% or more in the fiscal year ending March 31, 2017.

Consolidated Financial Results in the Fiscal Year under Review

In the fiscal year ended March 31, 2015, total operating revenues decreased 2.8% year on year. Operating revenues showed double-digit growth of 15.2% in the Credit Card Services segment, while the impacts of the consumption tax rate hike caused operating revenues to decline in the Retailing and Store Operation and Retailing-Related Services segments. Gross profit increased for the fourth consecutive year due to the strong performance of the Credit Card Services segment.

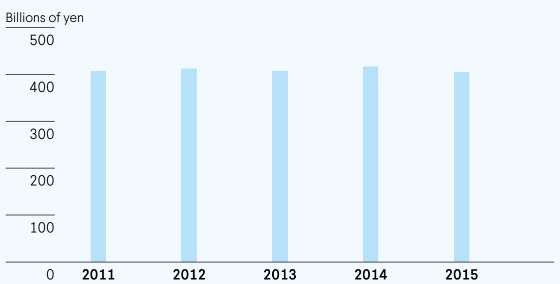
Selling, general and administrative expenses rose 1.2% year on year. While we worked to cut fixed costs and systematically lower sales promotion expenses, overall expenses edged up due to higher variable costs, partially as a result of increased loyalty point related expenses stemming from a rise in the number of card transactions.

Due to the above, operating income increased 3.3% year on year, to ¥28.0 billion, and ordinary income rose 1.1%, up for the sixth consecutive year. Provision for loss on interest repayment of ¥12.7 billion was posted as an extraordinary loss, while gain on sale of investment securities of ¥12.1 billion was recorded as extraordinary income. As a result, net income increased 4.1% and earnings per share (EPS) were up 4.6%, growing for the fourth consecutive year. ROE rose to 5.2%, up 0.2 percentage points from 5.0% in the fiscal year ended March 31, 2014.

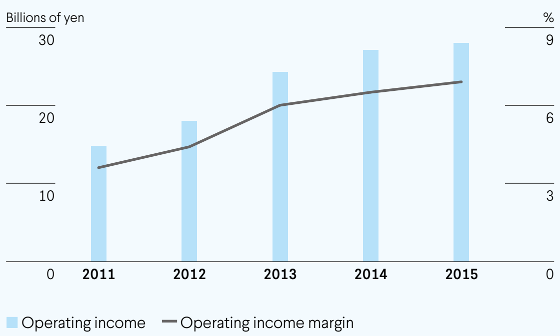
Consolidated Financial Results

Total operating revenues	¥404.9 billion (down 2.8%)
Gross profit	¥158.1 billion (up 1.6%)
Selling, general and administrative expenses	¥130.1 billion (up 1.2%)
Operating income	¥28.0 billion (up 3.3%)
Ordinary income	¥28.0 billion (up 1.1%)
Net income	¥16.0 billion (up 4.1%)
EPS	¥58.9 (up 4.6%)
ROE	5.2% (up 0.2 points)

Total Operating Revenues



Operating Income / Operating Income Margin



Financial Results by Segment

→ See also MARUI GROUP's Three Business Segments on page 54

In the Retailing and Store Operation segment, operating revenues were down due to the impacts of the consumption tax rate hike and a shift in earnings source, from product sales to rent revenues, accompanying the transition to shopping center style stores. Operating income was down despite efforts to reduce fixed costs.

In the Credit Card Services segment, operating revenues showed double digit growth as profits were buoyed by increased financial charges earned on installment sales and on sales at affiliated merchants in conjunction with higher card shopping transaction volumes as well as a rise in interest income on consumer loans following higher cash advance transactions. Operating income similarly showed a massive increase, leading this segment to record higher revenues and income for its third consecutive year.

In the Retailing-Related Services segment, revenues and income decreased due to the absence of the large-scale internal construction order recorded in the previous fiscal year.

Operating Revenues by Segment

Retailing and Store Operation	¥307.6 billion (down 6.2%)
Outside customers	¥302.7 billion (down 6.1%)
Credit Card Services	¥70.6 billion (up 14.3%)
Outside customers	¥68.4 billion (up 15.2%)
Retailing-Related Services	¥56.1 billion (down 5.6%)
Outside customers	¥33.8 billion (down 2.5%)

Operating Income by Segment

Retailing and Store Operation	¥8.1 billion (down 23.6%)
Credit Card Services	¥20.1 billion (up 28.7%)
Retailing-Related Services	¥3.3 billion (down 26.3%)

Assets, Liabilities, and Net Assets

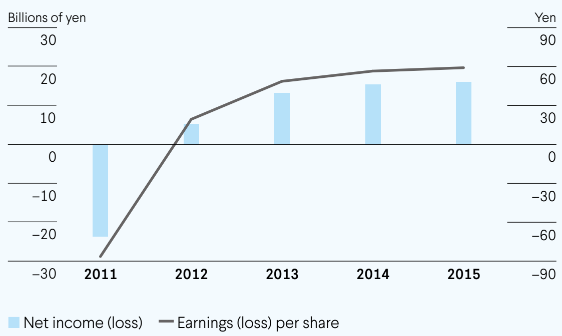
The Company strives to maintain a sound financial position while emphasizing capital efficiency.

The balance of operating receivables as of March 31, 2015, reached a new record high, increasing ¥16.4 billion from a year earlier. This result was largely due to the higher number of customers using EPOS cards at Marui stores and strong growth in transactions at affiliated merchants. Accordingly, total assets as of March 31, 2015, were up ¥11.6 billion.

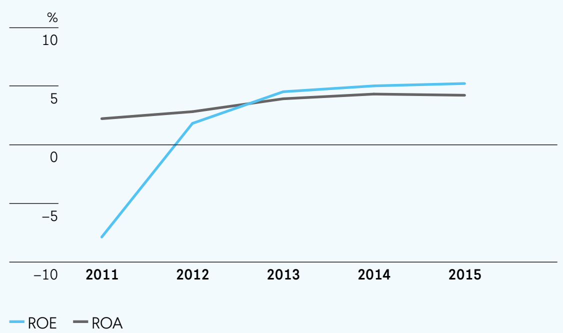
At the same time, total liabilities grew ¥20.2 billion, largely due to a ¥13.0 billion increase in interest-bearing debt. The Company aims to ensure efficiency in the use of interest-bearing debt. While considering funding demand for expanding business operations, the Company pursues a policy of maintaining a level of interest-bearing debt that is lower than the level of operating receivables. As of March 31, 2015, the ratio of interest-bearing debt to operating receivables was 78.2%, relatively unchanged from a year earlier.

Net assets as of March 31, 2015, were down ¥8.6 billion from a year earlier. While net income of ¥16.0 billion was recorded, decreases in assets of ¥15.0 billion for the acquisition of treasury stock and ¥4.9 billion for

Net Income (Loss) / Earnings (Loss) per Share



ROE / ROA



dividends paid from capital surplus caused overall net assets to decline. As a result, the equity ratio was 45.4%, down 2.1 percentage points.

Major Indicators

Operating receivables	¥355.2 billion (up 4.9%)
Installment sales accounts receivable	¥227.1 billion (up 6.4%)
Operating loans	¥128.0 billion (up 2.2%)
Fixed assets	¥248.9 billion (down 0.2%)
Total liabilities	¥368.4 billion (up 5.8%)
Interest-bearing debt	¥277.8 billion (up 4.9%)
Shareholders' equity	¥306.8 billion (down 2.7%)
Equity ratio	45.4% (down 2.1 points)
Total assets	¥675.6 billion (up 1.7%)

Cash Flows

Cash flows generated over the period of the medium-term management plan will be utilized to conduct growth investments and enhance shareholder returns.

Net cash provided by operating activities amounted to ¥12.3 billion. Core operating cash flow, calculated by excluding the rise in operating receivables from operating cash flow, came to ¥28.7 billion due to an increase of ¥16.4 billion in the combined total of installment sales accounts receivable and operating loans that resulted from the expansion of the Credit Card Services business.

Generated cash was used to conduct growth investments for improving corporate value and enhance shareholder returns. Specific outflows included ¥10.9 billion in purchase of property and equipment associated partially with store renovations, ¥4.9 billion in cash dividends paid, and ¥15.0 billion in purchase of treasury stock.

Due to the aforementioned factors, cash and cash equivalents at end of period stood at ¥31.2 billion, relatively unchanged from March 31, 2014.

Cash Flow Items	FY2014	FY2015	Change
Core operating cash flow	¥34.5 billion	¥28.7 billion	–¥5.7 billion
Change in operating receivables	(¥43.7 billion)	(¥16.4 billion)	¥27.2 billion
Net cash provided by (used in) operating activities	(¥9.2 billion)	¥12.3 billion	¥21.5 billion
Purchase of property and equipment	(¥9.4 billion)	(¥10.9 billion)	–¥1.4 billion
Decrease (increase) in short-term investment securities	(¥0.0 billion)	¥4.8 billion	¥4.8 billion
Net cash used in investing activities	(¥6.8 billion)	(¥3.9 billion)	¥2.9 billion
Cash dividends paid	(¥4.7 billion)	(¥4.9 billion)	–¥0.2 billion
Purchase of treasury stock	(¥0.0 billion)	(¥15.0 billion)	–¥15.0 billion
Net cash provided by (used in) financing activities	¥16.1 billion	(¥7.3 billion)	–¥23.4 billion
Cash and cash equivalents at end of period	¥30.1 billion	¥31.2 billion	¥1.2 billion

Consolidated Financial Results Forecasts for the Fiscal Year Ending March 31, 2016 (as of August 4, 2015)

"Total Group transactions" has been introduced as a new management indicator designed to more accurately portray management performance. This indicator reflects the total of the revenue from tenants and other sales in the Retailing and Store Operation segment, card shopping transactions at affiliated merchants and cash advance transactions in the Credit Card Services segment, and sales to outside customers in the Retailing-Related Services segment.

In addition, the method of calculating the sales in the Retailing and Store Operation segment was changed. Previously, sales conducted through the consignment buying system, in which products are procured from suppliers at the same time they are sold to customers, were reflected at total value, or the value of the items sold. However, based on international standards and the fact that the Company does not assume inventory risks for these transactions, it was decided to change the calculation method to show transactions at net value, which is the amount of income accruing to the Company. In conjunction with this change, the line item that was previously "total operating revenues" will be stated as "revenue."

In the fiscal year ending March 31, 2016, significant growth is projected for total Group transactions, revenue, operating income, and net income attributable to owners of parent. In addition, all segments are expected to record increased income.

Consolidated Financial Results Forecasts

Total Group transactions	¥1,710.0 billion (up 16.4%)
Revenue	¥251.0 billion (up 0.5%)
Gross profit	¥162.0 billion (up 1.6%)
Selling, general and administrative expenses	¥132.0 billion (up 0.5%)
Operating income	¥30.0 billion (up 7.0%)
Net income attributable to owners of parent	¥17.5 billion (up 9.1%)
EPS	¥69.0 (up 17.2%)
ROE	5.8% (up 0.6 points)

Forecasts for Transactions by Segment

Retailing and Store Operation	¥325.0 billion (up 0.7%)
Credit Card Services	¥1,466.0 billion (up 18.8%)
Retailing-Related Services	¥35.0 billion (up 3.5%)

Forecasts for Revenue by Segment

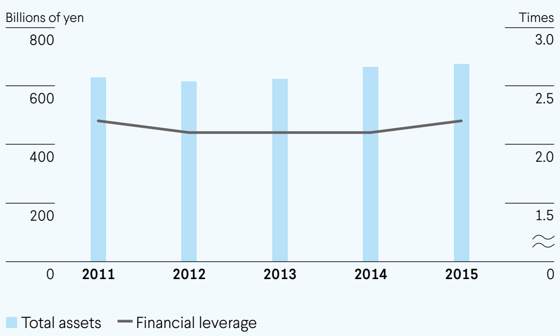
Retailing and Store Operation	¥141.0 billion (down 4.5%)
Credit Card Services	¥75.0 billion (up 9.6%)
Retailing-Related Services	¥35.0 billion (up 3.5%)

* Sales to outside customers only

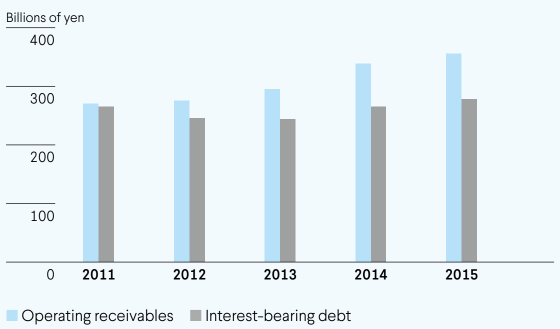
Forecasts for Operating Income by Segment

Retailing and Store Operation	¥8.5 billion (up 5.3%)
Credit Card Services	¥22.0 billion (up 9.3%)
Retailing-Related Services	¥3.5 billion (up 5.0%)

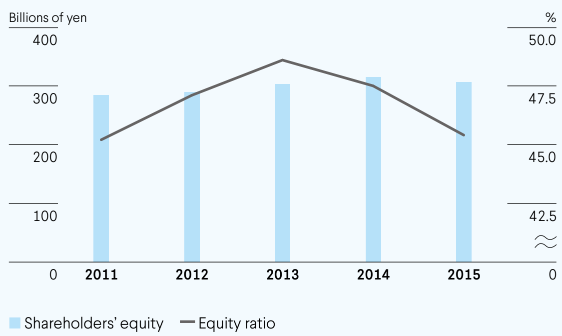
Total Assets / Financial Leverage



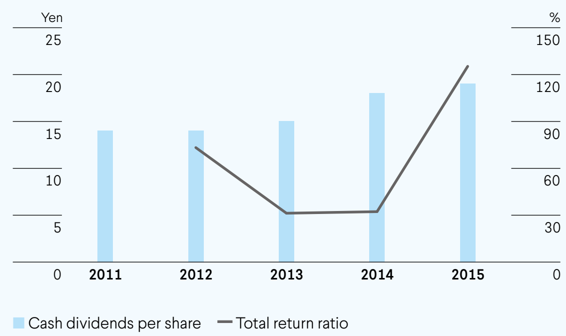
Operating Receivables / Interest-Bearing Debt



Shareholders' Equity / Equity Ratio



Cash Dividends per Share / Total Return Ratio



Consolidated Balance Sheets

MARUI GROUP CO., LTD. and Its Consolidated Subsidiaries
As of March 31, 2014 and 2015

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2014	2015	2015
Assets			
Current assets:			
Cash and deposits (Notes 5 and 20)	¥ 30,064	¥ 31,240	$ 260,333
Notes and accounts receivable–trade (Note 5)	6,323	6,453	53,775
Accounts receivable–installment (Notes 3 and 5)	213,466	227,121	1,892,675
Operating loans (Notes 4 and 5)	125,215	128,030	1,066,916
Allowance for doubtful accounts (Note 5)	(7,440)	(8,110)	(67,583)
	337,565	353,495	2,945,791
Inventories	19,285	16,834	140,283
Deferred tax assets (Note 10)	9,122	6,444	53,700
Other	18,503	18,738	156,150
Total current assets	414,542	426,753	3,556,275
Property and equipment (Note 12):			
Land	99,402	99,665	830,541
Buildings and structures	256,435	256,707	2,139,225
Construction in progress	162	488	4,066
Other	36,964	35,146	292,883
Accumulated depreciation	(217,900)	(219,313)	(1,827,608)
Property and equipment, net	175,064	172,694	1,439,116
Investments and other assets:			
Investment securities (Notes 5 and 6)	23,672	24,389	203,241
Investments in unconsolidated subsidiaries and affiliates	672	772	6,433
Intangible assets	6,625	6,237	51,975
Leasehold and other deposits (Note 5)	37,735	35,824	298,533
Deferred tax assets (Note 10)	3,285	6,348	52,900
Other	2,420	2,606	21,716
Total investments and other assets	74,411	76,178	634,816
Total assets	¥664,019	¥675,627	$5,630,225
Liabilities			
Current liabilities:			
Accounts payable–trade (Note 5)	¥ 29,975	¥ 27,002	$ 225,016
Short-term loans payable and current portion of long-term loans payable (Notes 5 and 9)	71,324	56,839	473,658
Current portion of bonds payable (Notes 5 and 9)	20,000	17,000	141,666
Commercial papers (Notes 5 and 9)	12,000	10,000	83,333
Income taxes payable (Notes 5 and 10)	2,211	3,340	27,833
Provision for bonuses	4,016	3,763	31,358
Provision for point card certificates	2,813	4,590	38,250
Provision for loss on redemption of gift certificates	150	153	1,275
Other	27,250	28,593	238,275
Total current liabilities	169,740	151,281	1,260,675
Non-current liabilities:			
Bonds payable (Notes 5 and 9)	82,000	85,000	708,333
Long-term loans payable (Notes 5, 7, and 9)	79,500	109,000	908,333
Deferred tax liabilities (Note 10)	1,214	1,516	12,633
Provision for loss on interest repayment	6,870	12,652	105,433
Provision for loss on guarantees	123	140	1,166
Asset retirement obligations (Note 11)	536	548	4,566
Other	8,144	8,232	68,600
Total non-current liabilities	178,389	217,090	1,809,083
Total liabilities	348,130	368,371	3,069,758
Contingent liabilities (Note 13)			
Net assets (Note 14)			
Shareholders' equity:			
Capital stock	35,920	35,920	299,333
Authorized: 1,400,000,000 shares of common stock			
Issued: 318,660,417 shares as of March 31, 2014, and 278,660,417 shares as of March 31, 2015			
Capital surplus	91,307	91,307	760,891
Retained earnings	236,274	197,875	1,648,958
Treasury stock (Note 25)			
44,901,353 shares as of March 31, 2014, and 15,588,364 shares as of March 31, 2015	(53,832)	(19,290)	(160,750)
Total shareholders' equity	309,669	305,813	2,548,441
Accumulated other comprehensive income:			
Valuation difference on available-for-sale securities	5,776	982	8,183
Total accumulated other comprehensive income	5,776	982	8,183
Subscription rights to shares (Note 21)	39	39	325
Minority interests	402	420	3,500
Total net assets	315,889	307,255	2,560,458
Total liabilities and net assets	¥664,019	¥675,627	$5,630,225

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Income / Consolidated Statements of Comprehensive Income

MARUI GROUP CO., LTD. and Its Consolidated Subsidiaries
For the fiscal years ended March 31, 2014 and 2015

Consolidated Statements of Income	Millions of yen		Thousands of U.S. dollars (Note 1)
	2014	2015	2015
Total operating revenues (Note 12)	¥416,460	¥404,947	$3,374,558
Cost of sales (Notes 12 and 15)	260,733	246,802	2,056,683
Gross profit	155,726	158,144	1,317,866
Selling, general and administrative expenses (Note 16)	128,579	130,102	1,084,183
Operating income	27,146	28,042	233,683
Non-operating income (expenses):			
Interest income	125	110	916
Dividend income	417	446	3,716
Gain on bad debt recovered	1,112	1,275	10,625
Gain on donation of property and equipment	726	194	1,616
Gain on sale of investment securities	–	12,094	100,783
Interest expenses	(1,828)	(1,870)	(15,583)
Loss on retirement of property and equipment (Note 17)	(1,381)	(1,097)	(9,141)
Impairment loss (Note 18)	–	(1,859)	(15,491)
Loss on interest repayment	–	(390)	(3,250)
Provision for loss on interest repayment	–	(12,652)	(105,433)
Loss on closing of stores	(162)	–	–
Other, net	(78)	(291)	(2,425)
	(1,069)	(4,041)	(33,675)
Income before income taxes and minority interests	26,076	24,001	200,008
Income taxes (Note 10):			
Income taxes–current	3,331	6,193	51,608
Income taxes–deferred	7,314	1,745	14,541
	10,646	7,938	66,150
Income before minority interests	15,430	16,062	133,850
Minority interests in income	20	25	208
Net income	¥ 15,409	¥ 16,036	$ 133,633

Per share data (Note 24)	Yen		U.S. dollars (Note 1)
	2014	2015	2015
Net income per share:			
Basic	¥ 56.29	¥ 58.87	$0.49
Diluted	56.29	58.86	0.49
Cash dividends	18.00	19.00	0.15
Net assets per share	1,152.28	1,166.20	9.71

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Comprehensive Income	Millions of yen		Thousands of U.S. dollars (Note 1)
	2014	2015	2015
Income before minority interests	¥15,430	¥16,062	$133,850
Other comprehensive income (Note 19):			
Valuation difference on available-for-sale securities	1,032	(4,794)	(39,950)
Total other comprehensive income	1,032	(4,794)	(39,950)
Comprehensive income	¥16,462	¥11,268	$ 93,900
Comprehensive income attributable to:			
Owners of parent	¥16,441	¥11,242	$93,683
Minority interests	20	25	208

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Changes in Net Assets

MARUI GROUP CO., LTD. and Its Consolidated Subsidiaries
For the fiscal years ended March 31, 2014 and 2015

Millions of yen

	Shareholders' equity					Accumulated other comprehensive income				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total	Valuation difference on available-for-sale securities	Total	Subscription rights to shares	Minority interests	Total net assets
Balance as of April 1, 2013	¥35,920	¥ 91,307	¥225,554	¥(53,889)	¥298,893	¥ 4,744	¥ 4,744	¥25	¥389	¥304,051
Changes of items during period:										
Dividends from surplus			(4,653)		(4,653)					(4,653)
Net income			15,409		15,409					15,409
Purchase of treasury stock				(2)	(2)					(2)
Disposal of treasury stock		(35)		59	24					24
Transfer of loss on disposal of treasury stock		35	(35)		–					–
Other			(0)		(0)					(0)
Net changes of items other than shareholders' equity						1,032	1,032	14	13	1,060
Total changes of items during period	–	–	10,720	56	10,776	1,032	1,032	14	13	11,837
Balance as of April 1, 2014	¥35,920	¥ 91,307	¥236,274	¥(53,832)	¥309,669	¥ 5,776	¥ 5,776	¥39	¥402	¥315,889
Changes of items during period:										
Dividends from surplus			(4,927)		(4,927)					(4,927)
Net income			16,036		16,036					16,036
Purchase of treasury stock				(15,002)	(15,002)					(15,002)
Disposal of treasury stock		(6)		43	36					36
Retirement of treasury stock		(49,500)		49,500	–					–
Transfer from retained earnings to capital surplus		49,507	(49,507)		–					–
Net changes of items other than shareholders' equity						(4,794)	(4,794)	0	17	(4,776)
Total changes of items during period	–	–	(38,398)	34,541	(3,856)	(4,794)	(4,794)	0	17	(8,633)
Balance as of March 31, 2015	¥35,920	¥ 91,307	¥197,875	¥(19,290)	¥305,813	¥ 982	¥ 982	¥39	¥420	¥307,255

The accompanying notes are an integral part of these consolidated financial statements.

Thousands of U.S. dollars (Note 1)

	Shareholders' equity					Accumulated other comprehensive income				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total	Valuation difference on available-for-sale securities	Total	Subscription rights to shares	Minority interests	Total net assets
Balance as of April 1, 2014	$299,333	$ 760,891	$1,968,950	$(448,600)	$2,580,575	$ 48,133	$ 48,133	$325	$3,350	$2,632,408
Changes of items during period:										
Dividends from surplus			(41,058)		(41,058)					(41,058)
Net income			133,633		133,633					133,633
Purchase of treasury stock				(125,016)	(125,016)					(125,016)
Disposal of treasury stock		(50)		358	300					300
Retirement of treasury stock		(412,500)		412,500	–					–
Transfer from retained earnings to capital surplus		412,558	(412,558)		–					–
Net changes of items other than shareholders' equity						(39,950)	(39,950)	0	141	(39,800)
Total changes of items during period	–	–	(319,983)	287,841	(32,133)	(39,950)	(39,950)	0	141	(71,941)
Balance as of March 31, 2015	$299,333	$ 760,891	$1,648,958	$(160,750)	$2,548,441	$ 8,183	$ 8,183	$325	$3,500	$2,560,458

Consolidated Statements of Cash Flows

MARUI GROUP CO., LTD. and Its Consolidated Subsidiaries
For the fiscal years ended March 31, 2014 and 2015

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2014	2015	2015
Cash flows from operating activities:			
Income before income taxes and minority interests	¥ 26,076	¥ 24,001	$ 200,008
Depreciation and amortization	9,988	10,296	85,800
Increase (decrease) in provision for point card certificates	1,094	1,777	14,808
Increase (decrease) in provision for allowance for doubtful accounts	(830)	670	5,583
Increase (decrease) in provision for loss on interest repayment	(4,288)	5,781	48,175
Increase (decrease) in provision for bonuses	399	(253)	(2,108)
Interest and dividend income	(542)	(556)	(4,633)
Interest expenses	1,828	1,870	15,583
Loss (gain) on retirement of property and equipment	848	604	5,033
Loss (gain) on sale of investment securities	0	(12,094)	(100,783)
Impairment loss	–	1,859	15,491
Decrease (increase) in notes and accounts receivable–trade	(133)	(129)	(1,075)
Decrease (increase) in accounts receivable–installment	(42,278)	(13,655)	(113,791)
Decrease (increase) in operating loans	(1,475)	(2,815)	(23,458)
Decrease (increase) in inventories	103	1,964	16,366
Increase (decrease) in accounts payable–trade	1,766	(2,973)	(24,775)
Other, net	2,049	980	8,166
Subtotal	(5,393)	17,328	144,400
Interest and dividend income received	441	475	3,958
Interest expenses paid	(1,818)	(1,906)	(15,883)
Income taxes paid	(2,710)	(3,721)	(31,008)
Income taxes refund	253	135	1,125
Net cash provided by (used in) operating activities	(9,227)	12,310	102,583
Cash flows from investing activities:			
Purchase of property and equipment	(9,439)	(10,874)	(90,616)
Purchase of investment securities	(99)	(17,931)	(149,425)
Proceeds from sale of investment securities	12	22,684	189,033
Payments for leasehold and other deposits	(511)	(70)	(583)
Proceeds from collection of leasehold and other deposits	3,383	2,165	18,041
Other, net	(137)	159	1,325
Net cash provided by (used in) investing activities	(6,791)	(3,867)	(32,225)
Cash flows from financing activities:			
Net increase (decrease) in short-term loans payable	(30,937)	(29,985)	(249,875)
Proceeds from long-term loans payable	25,000	45,000	375,000
Proceeds from issuance of bonds	19,902	19,897	165,808
Redemption of bonds	–	(20,000)	(166,666)
Net increase (decrease) in commercial papers	7,000	(2,000)	(16,666)
Purchase of treasury stock	(2)	(15,016)	(125,133)
Cash dividends paid (Note 14)	(4,653)	(4,927)	(41,058)
Other, net	(167)	(234)	(1,950)
Net cash provided by (used in) financing activities	16,141	(7,267)	(60,558)
Net increase (decrease) in cash and cash equivalents	122	1,176	9,800
Cash and cash equivalents at beginning of period	29,940	30,053	250,441
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	(10)	–	–
Cash and cash equivalents at end of period (Note 20)	¥ 30,053	¥ 31,229	$ 260,241

The accompanying notes are an integral part of these consolidated financial statements.

1. BASIS OF PRESENTATION

The accompanying consolidated financial statements of MARUI GROUP CO., LTD. ("the Company") and its consolidated subsidiaries (collectively, "the Group") have been prepared in accordance with the provisions set forth in the Financial Instruments and Exchange Act of Japan and its related accounting regulations as well as in conformity with accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form that is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2014 consolidated financial statements to conform to the classifications used in 2015.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which the Company is incorporated and operates.

As permitted by the regulations under the Financial Instruments and Exchange Act of Japan, amounts of less than one million yen have been omitted. As a result, the totals shown in the accompanying consolidated financial statements in Japanese yen do not necessarily agree with the sums of the individual amounts.

The U.S. dollar amounts shown in the accompanying consolidated financial statements and notes thereto were translated from the presented Japanese yen amounts into U.S. dollar amounts at the rate of ¥120 = $1, the approximate rate of exchange at March 31, 2015, and were then rounded down to the nearest thousand. As a result, the totals shown in the accompanying consolidated financial statements in U.S. dollars do not necessarily agree with the sums of the individual amounts. This translation of Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan. Such translation should not be construed as a representation that Japanese yen could be converted into U.S. dollars at that or any other rate.

2. SIGNIFICANT ACCOUNTING POLICIES

(1) Principles of consolidation and accounting for investments in unconsolidated subsidiaries and affiliates

The consolidated financial statements as of and for the fiscal year ended March 31, 2015, include the accounts of the Company and its nine (ten in 2014) significant subsidiaries.

Under the control or influence concept, those companies in which the Company, either directly or indirectly, is able to exercise control over operations are consolidated, and those companies over which the Company has the ability to exercise significant influence are accounted for using the equity method. For the fiscal years ended March 31, 2014 and 2015, there was no subsidiary or affiliate accounted for using the equity method. Investments in the remaining unconsolidated subsidiaries and affiliates are stated at cost. If the equity method of accounting was applied to the investments in these companies, the effect on the accompanying consolidated financial statements would not be material.

All significant intercompany balances and transactions have been eliminated in consolidation.

The fiscal year-end of all consolidated subsidiaries is March 31, the same as that of the Company.

(2) Foreign currency translation

All monetary assets and liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rates prevailing at the consolidated balance sheet dates. All revenues and expenses associated with foreign currencies are translated into Japanese yen at the exchange rates prevailing when such transactions were made. The resulting exchange gains or losses are credited or charged to income.

(3) Cash and cash equivalents

In preparing the consolidated statements of cash flows, the Group considers cash on hand, readily available deposits, and highly liquid short-term investments with maturities of three months or less when purchased that are exposed to an insignificant risk of changes in value to be cash and cash equivalents.

(4) Investment securities

Investment securities held by the Group are all classified as available-for-sale securities.

Available-for-sale securities with a determinable market value are stated at fair value based on the market value at the balance sheet date, and unrealized gains or losses, net of applicable income taxes, are reported as a separate component of net assets. Cost of securities sold is computed based on the moving-average method. Available-for-sale securities without a determinable market value are stated at cost determined by the moving-average method.

Investments in unconsolidated subsidiaries and affiliates are stated at cost determined by the moving-average method.

(5) Inventories

Inventories are measured at the lower of cost determined by the monthly weighted-average method or net selling value.

(6) Depreciation and amortization

Property and equipment (excluding leased assets) are depreciated by the straight-line method.

Intangible assets are amortized by the straight-line method. Capitalized computer software costs for internal use are amortized by the straight-line method over the estimated useful lives (within five years).

For finance leases which do not transfer ownership of the leased assets to the lessee, leased assets are depreciated by the straight-line method over the lease terms with no residual value.

(7) Allowance for doubtful accounts

The allowance for doubtful accounts is stated at the amount determined based on the historical experience of bad debt with respect to ordinary receivables ("general reserve"), plus an estimate of uncollectible amounts determined by reference to specific doubtful receivables of customers experiencing financial difficulties ("specific reserve").

(8) Provision for bonuses

The provision for bonuses is accrued at the fiscal year-end to which such bonuses are attributable.

(9) Provision for point card certificates

Credit points are awarded to customers when they make purchases using the Group's member card and, upon request, the Company will issue gift certificates or allows customers to use their accumulated credit points for their payment.

The provision for point card certificates is accrued to the estimated amount required based on the balance of credit points awarded to card members outstanding at the fiscal year-end.

(10) Provision for loss on redemption of gift certificates

The monetary value of gift certificates and other certificates that have not been redeemed for a set period of time after issuance is recognized as income. However, some gift certificates and other certificates can be redeemed after the recognition of income.

The provision for loss on redemption of gift certificates is provided at the estimated amount to be redeemed in the future based on historical experience.

(11) Provision for loss on interest repayment
The provision for loss on interest repayment is provided to the estimated amount of repayment claims on consumer loan interests at the fiscal year-end.

(12) Provision for loss on guarantees
The provision for loss on guarantees is provided at the estimated amount of loss arising from the Group's guarantee obligations of customers' liabilities in relation to loans to individuals from financial institutions with which the Group has guarantee service arrangements.

(13) Basis for revenue recognition
The charges for installment sales and interest income on consumer loans are recognized on an accrual basis based on the remaining loan balances.

(14) Hedge accounting
The Group utilizes interest rate swaps to mitigate the fluctuation risk of interests on loans payable.

The Group applies the special accounting treatment for interest rate swaps as all requirements for this treatment are fulfilled. The Group omits the evaluation of hedge effectiveness for interest rate swaps under the special accounting treatment.

(15) Consumption taxes
National and local consumption taxes are accounted for by the tax-excluded method. Non-deductible consumption tax and other taxes imposed on fixed assets are recorded as expenses as incurred.

3. ACCOUNTS RECEIVABLE–INSTALLMENT
The following balances for lump sums receivable and revolving receivable were securitized and are therefore excluded from the consolidated balance sheets as of March 31, 2014 and 2015:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2014	2015	2015
Card shopping:			
Lump sums receivable	¥46,000	¥53,000	$441,666
Revolving receivable	–	13,526	112,716

4. LOAN COMMITMENTS
Certain consolidated subsidiaries that operate in the Credit Card Services segment provide consumer loan services to customers.

The unused balance of loans contingent with the loan commitments was as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2014	2015	2015
Total loan limits	¥989,565	¥1,081,117	$9,009,308
Amount executed as loans	125,215	128,030	1,066,916
Unused balance	¥864,349	¥ 953,086	$7,942,383

Under the provisions of the loan service contract, the Group is able to decline a loan request or decrease a loan limit when a customer's financial conditions or other circumstances change. Thus, the total unused balance will not necessarily be executed as loans.

5. FINANCIAL INSTRUMENTS
(1) Status of financial instruments
(a) Policy on financial instruments
The Group raises necessary funds for business operations through bank loans and corporate bond issuance. Temporary surplus funds are invested in highly safe short-term deposits. Derivative transactions are utilized to avoid the interest rate fluctuation risk on loans. The Group does not use derivative transactions for speculative purposes.

(b) Financial instruments, their risks, and the risk management system
Accounts receivable–installment and operating loans are exposed to the credit risk of customers. In accordance with the internal risk management rules, the Group mitigates such risk by monitoring and evaluating the credit status of each customer by means of third-party personal credit information agencies and the Group's own credit monitoring system.

Investment securities primarily consist of shares issued by business partners and are exposed to both credit risk and market risk. The Group mitigates such risks by regularly monitoring the share price and the financial condition of the issuers.

Leasehold and other deposits consist of security deposits to rent properties for stores.

Accounts payable–trade is settled in the short term.

Long-term loans payable with a floating interest rate is exposed to interest rate fluctuation risk. The Group utilizes interest rate swaps to avoid such risk by fixing the future interest rate.

(2) Estimated fair value of financial instruments

Carrying value, fair value, and the difference between them as of March 31, 2014 and 2015, are summarized below. Financial instruments for which the fair value is difficult to estimate are excluded from the following table (See Note 2 below).

Millions of yen

	2014			2015		
	Carrying value	Fair value	Difference	Carrying value	Fair value	Difference
(1) Cash and deposits	¥ 30,064	¥ 30,064	¥ –	¥ 31,240	¥ 31,240	¥ –
(2) Notes and accounts receivable–trade	6,323	6,323	–	6,453	6,453	–
(3) Accounts receivable–installment	213,466			227,121		
Allowance for doubtful accounts *1	(4,736)			(5,198)		
	208,730	231,321	22,591	221,923	249,151	27,227
(4) Operating loans	125,215			128,030		
Allowance for doubtful accounts *2	(2,273)			(2,231)		
	122,942	136,298	13,355	125,798	142,766	16,968
(5) Investment securities:						
Available-for-sale securities	23,430	23,430	–	24,152	24,152	–
(6) Leasehold and other deposits	11,329	11,049	(280)	9,493	9,312	(180)
Assets, total	¥402,821	¥438,488	¥35,666	¥419,062	¥463,077	¥44,015
(1) Accounts payable–trade	¥ 29,975	¥ 29,975	¥ –	¥ 27,002	¥ 27,002	¥ –
(2) Short-term loans payable and current portion of long-term loans payable	71,324	71,324	–	56,839	56,839	–
(3) Current portion of bonds payable	20,000	20,000	–	17,000	17,000	–
(4) Commercial papers	12,000	12,000	–	10,000	10,000	–
(5) Income taxes payable	2,211	2,211	–	3,340	3,340	–
(6) Bonds payable	82,000	83,089	1,089	85,000	85,860	860
(7) Long-term loans payable	79,500	79,438	(61)	109,000	109,046	46
Liabilities, total	¥297,011	¥298,038	¥ 1,027	¥308,181	¥309,089	¥ 907
Derivative transactions	¥ –	¥ –	¥ –	¥ –	¥ –	¥ –

*1 The amount presents the total of general reserve and specific reserve for accounts receivable–installment.
*2 The amount presents the total of general reserve and specific reserve for operating loans.

Thousands of U.S. dollars (Note 1)

	2015		
	Carrying value	Fair value	Difference
(1) Cash and deposits	$ 260,333	$ 260,333	$ –
(2) Notes and accounts receivable–trade	53,775	53,775	–
(3) Accounts receivable–installment	1,892,675		
Allowance for doubtful accounts	(43,316)		
	1,849,358	2,076,258	226,891
(4) Operating loans	1,066,916		
Allowance for doubtful accounts	(18,591)		
	1,048,316	1,189,716	141,400
(5) Investment securities:			
Available-for-sale securities	201,266	201,266	–
(6) Leasehold and other deposits	79,108	77,600	(1,500)
Assets, total	$3,492,183	$3,858,975	$366,791
(1) Accounts payable–trade	$ 225,016	$ 225,016	$ –
(2) Short-term loans payable and current portion of long-term loans payable	473,658	473,658	–
(3) Current portion of bonds payable	141,666	141,666	–
(4) Commercial papers	83,333	83,333	–
(5) Income taxes payable	27,833	27,833	–
(6) Bonds payable	708,333	715,500	7,166
(7) Long-term loans payable	908,333	908,716	383
Liabilities, total	$2,568,175	$2,575,741	$ 7,558
Derivative transactions	$ –	$ –	$ –

Note 1. Calculation method for fair value of financial instruments and information on securities and derivative transactions

Assets:

(1) Cash and deposits and (2) Notes and accounts receivable–trade

The fair value approximates their carrying value because of their short maturities.

(3) Accounts receivable–installment and (4) Operating loans

The fair value is determined as their present value by discounting, using the risk-free rate, their future cash flows adjusted for their credit risk identified in the credit control process. With regard to bad receivables and loans, allowance for doubtful accounts is estimated based on the present value of their estimated future cash flows. The fair value approximates the amount of carrying value less allowance for doubtful accounts. Thus, the amount of carrying value less allowance for doubtful accounts is used as fair value.

(5) Investment securities

The fair value is based on quotes on an exchange.

(6) Leasehold and other deposits

The fair value is determined as their present value by discounting future cash flows at the risk-free rate adjusted for credit risk premium. The amount includes the current portion of leasehold and other deposits.

Liabilities:

(1) Accounts payable–trade, (2) Short-term loans payable and current portion of long-term loans payable, (3) Current portion of bonds payable, (4) Commercial papers, and (5) Income taxes payable

The fair value approximates their carrying value because of their short maturities.

(6) Bonds payable

The fair value is based on the present value calculated by discounting the sum of principal and interests using an interest rate, for which credit risk and redemption periods are taken into account.

(7) Long-term loans payable

The carrying value of long-term loans payable with a floating interest rate approximates its fair value since the interest rate reflects the market rate in the short term. Thus, carrying value is used as its fair value. The fair value of long-term loans payable hedged by interest rate swaps under special accounting treatment is calculated by discounting the sum of principal and interests accounted for together with interest rate swaps using a reasonably estimated interest rate applied to similar borrowings. The fair value of long-term loans payable with fixed interest rates is calculated by discounting the sum of principal and interests using an interest rate that would be applied to similar new borrowings.

Derivative transactions

See Note 7, "DERIVATIVE TRANSACTIONS," for details.

Note 2. Financial instruments whose fair value is extremely difficult to determine

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2014	2015	2015
Unlisted stocks	¥ 782	¥ 877	$ 7,308
Part of security deposits	28,058	27,915	232,625

Unlisted stocks are not included in (5) Investment securities in the table above, as there were no market prices available and it is extremely difficult to determine the fair value. Similarly, part of security deposits is not included in (6) Leasehold and other deposits.

Note 3. Redemption schedule for monetary claims and securities with maturities

Millions of yen

	2014			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash and deposits	¥ 30,064	¥ –	¥ –	¥ –
Notes and accounts receivable–trade	6,323	–	–	–
Accounts receivable–installment	116,084	70,104	17,003	10,273
Operating loans	60,977	63,383	776	77
Leasehold and other deposits	1,574	4,560	3,588	1,606
Total	¥215,024	¥138,048	¥21,368	¥11,958

Millions of yen

	2015			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash and deposits	¥ 31,240	¥ –	¥ –	¥ –
Notes and accounts receivable–trade	6,453	–	–	–
Accounts receivable–installment	129,841	66,160	19,638	11,481
Operating loans	62,466	65,005	486	72
Leasehold and other deposits	1,515	3,654	2,843	1,480
Total	¥231,516	¥134,820	¥22,968	¥13,034

Thousands of U.S. dollars (Note 1)

	2015			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash and deposits	$ 260,333	$ –	$ –	$ –
Notes and accounts receivable–trade	53,775	–	–	–
Accounts receivable–installment	1,082,008	551,333	163,650	95,675
Operating loans	520,550	541,708	4,050	600
Leasehold and other deposits	12,625	30,450	23,691	12,333
Total	$1,929,300	$1,123,500	$191,400	$108,616

See Note 9, "SHORT-TERM LOANS PAYABLE AND LONG-TERM DEBT," for the schedule of aggregate annual maturities of long-term loans payable and long-term debt.

6. INVESTMENT SECURITIES

(1) Information on available-for-sale securities as of March 31, 2014 and 2015, is as follows:

Millions of yen

	2014			2015		
	Carrying value	Acquisition cost	Difference	Carrying value	Acquisition cost	Difference
Carrying value exceeding acquisition cost:						
Stocks	¥20,815	¥11,524	¥ 9,291	¥18,783	¥16,468	¥2,314
Subtotal	20,815	11,524	9,291	18,783	16,468	2,314
Carrying value not exceeding acquisition cost:						
Stocks	2,615	3,920	(1,305)	5,369	6,319	(950)
Subtotal	2,615	3,920	(1,305)	5,369	6,319	(950)
Total	¥23,430	¥15,444	¥ 7,986	¥24,152	¥22,787	¥1,364

Thousands of U.S. dollars (Note 1)

	2015		
	Carrying value	Acquisition cost	Difference
Carrying value exceeding acquisition cost:			
Stocks	$156,525	$137,233	$19,283
Subtotal	156,525	137,233	19,283
Carrying value not exceeding acquisition cost:			
Stocks	44,741	52,658	(7,916)
Subtotal	44,741	52,658	(7,916)
Total	$201,266	$189,891	$11,366

Unlisted stocks in the amount of ¥241 million and ¥237 million ($1,975 thousand) as of March 31, 2014 and 2015, are not included in the table above since their market price is not readily available and it is extremely difficult to determine their fair value.

(2) Information on sale of available-for-sale securities for the fiscal years ended March 31, 2014 and 2015, is as follows:

Millions of yen

	2014			2015		
	Proceeds from sales	Gains	Losses	Proceeds from sales	Gains	Losses
Stocks	¥12	¥–	¥0	¥22,684	¥12,094	¥–
Total	¥12	¥–	¥0	¥22,684	¥12,094	¥–

Thousands of U.S. dollars (Note 1)

	2015		
	Proceeds from sales	Gains	Losses
Stocks	$189,033	$100,783	$–
Total	$189,033	$100,783	$–

(3) When the fair value of investment securities declines by 30% to 50%, the Group recognizes an impairment loss after comprehensively evaluating the recoverability of the market price. No impairment loss was recognized for the fiscal year ended March 31, 2014. For the fiscal year ended March 31, 2015, the Group recognized an impairment loss on available-for-sale securities but omitted its disclosure since the amount was immaterial.

7. DERIVATIVE TRANSACTIONS

For the fiscal years ended March 31, 2014 and 2015, the Group's derivative transactions were limited to interest rate swaps that qualified for hedge accounting and met the requirements for the special accounting treatment for interest rate swaps as described below. There were no derivative transactions for which hedge accounting was not applied.

Hedge accounting method:	Special treatment for interest rate swaps
Type of derivative transactions:	Interest rate swaps, receive floating / pay fixed
Hedged item:	Long-term loans payable

Millions of yen / Thousands of U.S. dollars (Note 1)

2014			2015			2015		
Contract amount			Contract amount			Contract amount		
Total	Due after one year	Fair value	Total	Due after one year	Fair value	Total	Due after one year	Fair value
¥17,000	¥17,000	*	¥17,000	¥17,000	*	$141,666	$141,666	*

* Interest rate swaps under the special accounting treatment are accounted for as an integral component of the long-term loans payable designated as hedged items. Thus, their fair value is included in that of long-term loans payable.

8. LEASES

(As a Lessee)

The Group capitalizes leased assets under finance leases that do not transfer ownership. These assets are mainly comprised of buildings and properties in connection with the Retailing and Store Operation segment and software.

The future minimum lease payments under non-cancellable operating leases were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2014	2015	2015
Within one year	¥ 3,976	¥ 3,960	$ 33,000
Over one year	22,385	18,469	153,908
Total	¥26,361	¥22,429	$186,908

(As a Lessor)

The future minimum lease receipts under non-cancellable operating leases were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2014	2015	2015
Within one year	¥ 2,550	¥ 3,452	$ 28,766
Over one year	10,044	8,859	73,825
Total	¥12,594	¥12,311	$102,591

9. SHORT-TERM LOANS PAYABLE AND LONG-TERM DEBT

Short-term loans payable and current portion of long-term loans payable as of March 31, 2014 and 2015, consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2014	2015	2015
Short-term loans payable	¥38,324	¥39,339	$327,825
Current portion of long-term loans payable	33,000	17,500	145,833
Total	¥71,324	¥56,839	$473,658

Annual weighted-average interest rates of short-term loans payable were 0.46% and 0.42% and those of current portion of long-term loans payable were 0.83% and 0.88% for the fiscal years ended March 31, 2014 and 2015, respectively.

Annual weighted-average interest rates of commercial papers, due within a year, were 0.09% and 0.10% for the fiscal years ended March 31, 2014 and 2015, respectively.

Long-term debt as of March 31, 2014 and 2015, consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2014	2015	2015
0.50% long-term loans from banks and others due through 2027	¥ 79,500	¥109,000	$ 908,333
13th series unsecured 1.51% corporate bond, due 2017	10,000	10,000	83,333
16th series unsecured 1.01% corporate bond, due 2015	12,000	12,000	100,000
17th series unsecured 0.80% corporate bond, due 2014	20,000	–	–
18th series unsecured 0.97% corporate bond, due 2017	10,000	10,000	83,333
19th series unsecured 0.58% corporate bond, due 2015	5,000	5,000	41,666
20th series unsecured 0.79% corporate bond, due 2017	10,000	10,000	83,333
21st series unsecured 0.57% corporate bond, due 2017	10,000	10,000	83,333
22nd series unsecured 0.85% corporate bond, due 2019	5,000	5,000	41,666
23rd series unsecured 0.342% corporate bond, due 2016	10,000	10,000	83,333
24th series unsecured 0.582% corporate bond, due 2018	10,000	10,000	83,333
25th series unsecured 0.344% corporate bond, due 2019	–	10,000	83,333
26th series unsecured 0.562% corporate bond, due 2021	–	10,000	83,333
Lease obligation	2,273	2,047	17,058
	183,773	213,047	1,775,391
Less: Current portion	20,226	17,178	143,150
Total	¥163,547	¥195,869	$1,632,241

The aggregate annual maturities of long-term debt subsequent to March 31, 2015, are as follows:

	Millions of yen			Thousands of U.S. dollars (Note 1)		
Year ending March 31	Long-term loans payable	Bonds payable	Lease obligation	Long-term loans payable	Bonds payable	Lease obligation
2016	¥ 17,500	¥ 17,000	¥ 178	$ 145,833	$141,666	$ 1,483
2017	15,000	30,000	149	125,000	250,000	1,241
2018	10,000	20,000	149	83,333	166,666	1,241
2019	14,000	10,000	149	116,666	83,333	1,241
2020 and thereafter	70,000	25,000	1,422	583,333	208,333	11,850
Total	¥126,500	¥102,000	¥2,047	$1,054,166	$850,000	$17,058

10. DEFERRED TAX ACCOUNTING

Major components of deferred tax assets and deferred tax liabilities as of March 31, 2014 and 2015, were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2014	2015	2015
Deferred tax assets:			
Depreciation	¥ 6,628	¥ 6,339	$ 52,825
Impairment loss	5,373	5,586	46,550
Provision for loss on interest repayment	2,548	4,478	37,316
Provision for point card certificates	1,043	1,624	13,533
Net operating loss carried forward	4,973	1,494	12,450
Allowance for doubtful accounts	2,673	1,423	11,858
Net unrealized loss on non-current assets	1,426	1,372	11,433
Provision for bonuses	1,484	1,324	11,033
Other	5,895	4,632	38,600
Subtotal	32,047	28,275	235,625
Valuation allowance	(9,280)	(7,684)	(64,033)
Total deferred tax assets	22,767	20,590	171,583
Deferred tax liabilities:			
Reserve for special account for advanced depreciation of non-current assets	9,183	8,737	72,808
Valuation difference on available-for-sale securities	2,207	380	3,166
Other	182	197	1,641
Total deferred tax liabilities	11,572	9,315	77,625
Deferred tax assets, net	¥11,194	¥11,275	$ 93,958

Income taxes consist of corporation, inhabitants' and enterprise taxes. Reconciliations between the statutory tax rate and the effective tax rate reflected in the consolidated statements of income were as follows:

	2014	2015
Statutory tax rate	38.0%	35.6%
Adjustments:		
Permanent differences such as entertainment expenses, etc.	0.4	0.4
Permanent differences such as dividends	(0.2)	(0.3)
Change in valuation allowance	(2.4)	(4.7)
Inhabitants' tax	0.5	0.6
Adjustments due to changes in tax rate	2.5	1.9
Other	2.0	(0.4)
Effective tax rate	40.8%	33.1%

In line with the promulgation on March 31, 2015, of the "Act for Partial Revision of the Income Tax Act, etc. (Act No. 9, 2015)" and the "Act for Partial Revision of the Local Tax Act, etc. (Act No. 2, 2015)," the Group has changed the effective statutory tax rate to calculate deferred tax assets and deferred tax liabilities for the fiscal year ended March 31, 2015, from 35.6% to 33.1% for temporary differences expected to be reversed in the fiscal year beginning on April 1, 2015, and to 32.3% for those expected to be reversed in and after the fiscal year beginning on April 1, 2016.

As a result of this change, deferred tax assets decreased by ¥423 million ($3,525 thousand) and income taxes–deferred and valuation difference on available-for-sale securities increased by ¥463 million ($3,858 thousand) and ¥40 million ($333 thousand), respectively.

11. ASSET RETIREMENT OBLIGATIONS

(1) Asset retirement obligations recognized in the consolidated balance sheets

The Group's asset retirement obligations mainly include the cost of restoring the store sites to their original condition under the real estate lease contracts of stores. The Group calculated its asset retirement obligations by assuming the lease period as the expected period of use and applying discount rates of 0.12% to 1.38%.

Asset retirement obligations as of March 31, 2014 and 2015, consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2014	2015	2015
Beginning balance	¥ 787	¥549	$4,575
Increase due to acquisition of property and equipment	8	–	–
Increase due to change in estimate *1	9	87	725
Adjustments due to passage of time	4	2	16
Decrease due to fulfillment of obligation	(190)	(13)	(108)
Decrease due to change in estimate *2	(70)	–	–
Other increase (decrease)	–	9	75
Ending balance	¥ 549	¥635	$5,291

*1 The reasonable estimate of obligation became available for stores to be closed.
*2 The more-reasonable estimate became available; thus, the amount of obligation estimated at the time of acquisition of the respective assets was decreased.

(2) Asset retirement obligations other than those recognized in the consolidated balance sheets

While the Group estimates asset retirement obligations based on the real estate lease contracts of stores, it is not possible to reasonably estimate the cost of restoring the store sites to their original condition under the general lease contracts since the period of use is not clearly determined. Therefore, the Group does not recognize the asset retirement obligations for stores other than those that are planning to be closed.

12. INVESTMENT AND RENTAL PROPERTY

Certain consolidated subsidiaries hold commercial properties, including land, for rental in the Tokyo metropolitan area and other areas. The net rental income in connection with these properties for the fiscal years ended March 31, 2014 and 2015, was ¥3,851 million and ¥3,824 million ($31,866 thousand), respectively. The rental income was included in net sales and the associated rental expenses were included in cost of sales. The carrying value and the fair value of such assets were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2014	2015	2015
Carrying value *1:			
Beginning balance	¥31,800	¥32,285	$269,041
Changes during the year	484	81	675
Ending balance	¥32,285	¥32,367	$269,725
Fair value *2	¥62,931	¥66,959	$557,991

*1 Carrying value represents the amount on the consolidated balance sheets which is carried at the acquisition costs less the accumulated depreciation.
*2 Fair value is based on the appraised value provided by third-party real estate appraisers.

13. CONTINGENT LIABILITIES

The Group has commitments to guarantee customers' liabilities in relation to personal loans to individuals from financial institutions with which the Group has guarantee service arrangements.

As of March 31, 2014 and 2015, the amounts of the Group's guarantee obligations were ¥16,800 million and ¥19,327 million ($161,058 thousand), respectively.

14. NET ASSETS

Under the Companies Act of Japan ("the Act"), the entire amount paid for new shares is required to be designated as capital stock. However, a company may, by a resolution of the Board of Directors, designate an amount not exceeding one-half of the price of the new shares as additional paid-in capital, which is included in capital surplus. The legal earnings reserve is included in retained earnings in the accompanying consolidated balance sheets.

The Act provides that an amount equal to at least 10% of the amount to be disbursed as distributions of capital surplus (other than additional paid-in capital) and retained earnings (other than legal earnings reserve) be transferred to additional paid-in capital and the legal earnings reserve, respectively, until the total of additional paid-in capital and the legal earnings reserve equals 25% of the capital stock account.

Such distributions can be made at any time by resolution of the shareholders' meeting, or by resolution of the Board of Directors if certain conditions are met.

Under the Act, additional paid-in capital and the legal earnings reserve may not be distributed as dividends; the Act allows all additional paid-in capital and all legal earnings reserve to be transferred to other capital surplus and retained earnings, respectively, which are potentially available for dividends.

The maximum amount that the Company can distribute as dividends is calculated based on the unconsolidated financial statements of the Company in accordance with Japanese laws and regulations.

The following tables summarize the dividends paid for the fiscal years ended March 31, 2014 and 2015:

		2014			
Resolution	Class of share	Total amount of dividend (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Annual general meeting of shareholders held on June 26, 2013	Common stock	¥2,189	¥8	March 31, 2013	June 27, 2013
Board of Directors' meeting held on November 7, 2013	Common stock	2,463	9	September 30, 2013	December 4, 2013

		2015					
Resolution	Class of share	Total amount of dividend (Millions of yen)	Total amount of dividend (Thousands of U.S. dollars) (Note 1)	Dividend per share (Yen)	Dividend per share (U.S. dollars) (Note 1)	Record date	Effective date
Annual general meeting of shareholders held on June 26, 2014	Common stock	¥2,463	$20,525	¥9	$0.07	March 31, 2014	June 27, 2014
Board of Directors' meeting held on November 6, 2014	Common stock	2,464	20,533	9	0.07	September 30, 2014	December 4, 2014

Dividends with a record date during the fiscal year ended March 31, 2015, but with an effective date subsequent to the fiscal year ended March 31, 2015, were as follows:

Resolution	Class of share	Total amount of dividend (Millions of yen)	Total amount of dividend (Thousands of U.S. dollars) (Note 1)	Source	Dividend per share (Yen)	Dividend per share (U.S. dollars) (Note 1)	Record date	Effective date
Annual general meeting of shareholders held on June 25, 2015	Common stock	¥2,630	$21,916	Retained earnings	¥10	$0.08	March 31, 2015	June 26, 2015

15. COST OF SALES

For the fiscal years ended March 31, 2014 and 2015, cost of sales included the revaluation loss on inventories in the amounts of ¥86 million and ¥43 million ($358 thousand), respectively.

16. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses for the fiscal years ended March 31, 2014 and 2015, were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2014	2015	2015
Advertisement	¥ 14,849	¥ 14,712	$ 122,600
Provision for point card certificates	2,813	4,590	38,250
Provision for allowance for doubtful accounts	6,361	7,748	64,566
Provision for loss on interest repayment	867	–	–
Salaries and allowances	33,300	33,165	276,375
Provision for bonuses	3,799	3,533	29,441
Rent	16,535	15,345	127,875
Depreciation and amortization	8,542	8,771	73,091
Other	41,509	42,237	351,975
	¥128,579	¥130,102	$1,084,183

17. LOSS ON RETIREMENT OF PROPERTY AND EQUIPMENT

Loss on retirement of property and equipment for the fiscal years ended March 31, 2014 and 2015, consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2014	2015	2015
Buildings and structures	¥ 748	¥ 515	$4,291
Furniture and fixtures	632	582	4,850
	¥1,381	¥1,097	$9,141

18. IMPAIRMENT LOSS

For the fiscal year ended March 31, 2014, no impairment loss was recognized. For the fiscal year ended March 31, 2015, the Group recognized an impairment loss on the asset group as stated below.

Use	Location	Type of assets	Millions of yen	Thousands of U.S. dollars (Note 1)
Stores, etc.	Kyoto Marui	Buildings and structures	¥1,787	$14,891
	Kyoto, Kyoto City	Other	71	591
		Total	¥1,859	$15,491

The Group has grouped its fixed assets by either store or rental property, which are the minimum cash-generating units. Carrying value of each asset group is written down to its respective recoverable amount and in doing so recognized an impairment loss.

The Group estimated the recoverable amount of each asset group based on value in use or fair value less costs to sell. If a store reports continuous operating losses, the Group evaluates that the value in use of the store is zero since positive cash flows cannot be expected in the future. If a store is planned to be closed, the Group evaluates that the fair value less cost to sell is zero.

19. COMPREHENSIVE INCOME

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2014	2015	2015
Valuation difference on available-for-sale securities:			
Amounts incurred for the year	¥1,543	¥ 5,473	$ 45,608
Reclassification adjustments	0	(12,094)	(100,783)
Before tax effect adjustment	1,544	(6,621)	(55,175)
Tax effect	(511)	1,827	15,225
Valuation difference on available-for-sale securities	1,032	(4,794)	(39,950)
Total other comprehensive income	¥1,032	¥ (4,794)	$ (39,950)

20. CASH FLOW STATEMENTS

Reconciliations of cash and cash equivalents in the consolidated statements of cash flows to accounts and amounts in the accompanying consolidated balance sheets as of March 31, 2014 and 2015, were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2014	2015	2015
Cash and deposits	¥30,064	¥31,240	$260,333
Time deposits with maturity in excess of three months	(11)	(11)	(91)
Cash and cash equivalents	¥30,053	¥31,229	$260,241

21. SUBSCRIPTION RIGHTS TO SHARES

For the fiscal years ended March 31, 2014 and 2015, the amounts of costs incurred for subscription rights to shares ("stock options") were ¥38 million and ¥36 million ($300 thousand), respectively, and were included in selling, general and administrative expenses.

The outline of stock options of the Company is as follows:

	2013	2014	2015
Date of resolution	June 27, 2012	June 26, 2013	June 26, 2014
Title and number of grantee	7 Directors and 5 Executive Officers of the Company	7 Directors and 5 Executive Officers of the Company	8 Directors and 5 Executive Officers of the Company
Type and number of shares to be issued upon exercise of stock options	Common stock 52,000 shares	Common stock 38,400 shares	Common stock 43,500 shares
Granted date	August 3, 2012	July 11, 2013	July 11, 2014
Vesting conditions	No provision	No provision	No provision
Eligible service period	No provision	No provision	No provision
Exercise period	From April 1, 2013 to March 31, 2023	From April 1, 2014 to March 31, 2024	From April 1, 2015 to March 31, 2025

The following table describes the scale and changes in stock options that existed during the fiscal year ended March 31, 2015. The number of stock options is translated into the number of shares.

			Number of shares
	2013	2014	2015
Before vested:			
As of March 31, 2014	–	–	–
Granted	–	–	43,500
Forfeited	–	–	–
Vested	–	–	43,500
As of March 31, 2015	–	–	–
After vested:			
As of March 31, 2014	2,600	38,400	–
Vested	–	–	43,500
Exercised	–	36,400	–
Forfeited	–	–	–
As of March 31, 2015	2,600	2,000	43,500

	Yen	U.S. dollars (Note 1)	Yen	U.S. dollars (Note 1)	Yen	U.S. dollars (Note 1)
Exercise price	¥ 1	$0.008	¥ 1	$0.008	¥ 1	$0.008
Average exercise price	–	–	874	7.28	–	–
Fair value at granted date	485	4.04	1,007	8.39	844	7.03

The Black-Scholes option-pricing model is applied to estimate the fair value of stock options granted for the fiscal year ended March 31, 2015, based on the following assumptions.

Expected volatility *1	35.050%
Expected holding period *2	5.7 years
Expected dividend *3	¥18 ($0.15) per share
Risk-free rate *4	0.180%

*1 It is estimated based on the share price over the period corresponding to the expected holding period.
*2 It is estimated based on the assumption that stock options are exercised at the middle of the exercise period.
*3 It is based on the dividends for the fiscal year ended March 31, 2014.
*4 It is the average yield on government bonds for the period that corresponds to the remaining life of the stock option.

Since it is difficult to reasonably estimate the number of stock options that will expire in the future, the number of stock options that were forfeited is shown as the number of vested options.

22. SEGMENT INFORMATION

(1) Overview of reportable segments

The Group defines its reportable segments as a component of the Group for which separate financial information is available and whose operating results are regularly evaluated by the Board of Directors to make decisions about how resources are to be allocated among the Group and assess their performance.

The Group consists of the following three reportable segments identified by products and services: "Retailing and Store Operation," "Credit Card Services," and "Retailing-Related Services."

The Retailing and Store Operation segment engages in retailing operations of clothes and accessories and management of commercial property rental. The Credit Card Services segment engages in the credit card, the consumer loans, and the rental guarantee businesses. The Retailing-Related Services segment engages in businesses such as store design, advertising, apparel distribution, IT systems, total building management, and real estate rental.

(2) Basis of measurement for the amounts of segment net sales, segment income or loss, segment assets, and other items

The accounting policies of each reportable segment are consistent with those disclosed in Note 2, "SIGNIFICANT ACCOUNTING POLICIES."

Segment income is measured on the basis of operating income. Intersegment sales and transfers are accounted for based on the prevailing market price.

Millions of yen

	2014					
	Reportable segment					
	Retailing and Store Operation	Credit Card Services	Retailing-Related Services	Total	Adjustment *1	Consolidated *2
Operating revenues:						
Outside customers	¥322,342	¥ 59,421	¥34,695	¥416,460	¥ –	¥416,460
Intersegment	5,489	2,374	24,813	32,678	(32,678)	–
Total	¥327,832	¥ 61,795	¥59,509	¥449,138	¥(32,678)	¥416,460
Segment income	¥ 10,562	¥ 15,634	¥ 4,523	¥ 30,721	¥ (3,574)	¥ 27,146
Segment assets	¥242,160	¥371,097	¥65,717	¥678,975	¥(14,956)	¥664,019
Other items:						
Depreciation and amortization	¥ 6,524	¥ 1,054	¥ 2,136	¥ 9,714	¥ 273	¥ 9,988
Increase in property and equipment and intangible assets	8,530	1,450	2,015	11,996	(1,201)	10,795

*1 Adjustment to segment income consists of intersegment elimination of ¥1,301 million and corporate expenses of ¥(4,876) million that are not allocated to each reportable segment. Adjustment to segment assets mainly consists of intersegment elimination of ¥(217,051) million and corporate assets of ¥204,635 million, which mainly present the Company's loans in connection with the Group's cash management system.
*2 Segment income is reconciled to operating income on the consolidated statements of income.

Millions of yen

	2015					
	Reportable segment					
	Retailing and Store Operation	Credit Card Services	Retailing-Related Services	Total	Adjustment *1	Consolidated *2
Operating revenues:						
Outside customers	¥302,693	¥ 68,436	¥33,816	¥404,947	¥ –	¥404,947
Intersegment	4,918	2,186	22,332	29,437	(29,437)	–
Total	¥307,611	¥ 70,623	¥56,149	¥434,384	¥(29,437)	¥404,947
Segment income	¥ 8,074	¥ 20,126	¥ 3,333	¥ 31,535	¥ (3,492)	¥ 28,042
Segment assets	¥239,592	¥385,466	¥64,944	¥690,003	¥(14,376)	¥675,627
Other items:						
Depreciation and amortization	¥ 6,976	¥ 1,223	¥ 1,869	¥ 10,070	¥ 226	¥ 10,296
Increase in property and equipment and intangible assets	6,280	1,710	2,208	10,198	(412)	9,786

Thousands of U.S. dollars (Note 1)

	Reportable segment: Retailing and Store Operation	Reportable segment: Credit Card Services	Reportable segment: Retailing-Related Services	Reportable segment: Total	Adjustment *1	Consolidated *2
	2015					
Operating revenues:						
Outside customers	$2,522,441	$ 570,300	$281,800	$3,374,558	$ –	$3,374,558
Intersegment	40,983	18,216	186,100	245,308	(245,308)	–
Total	$2,563,425	$ 588,525	$467,908	$3,619,866	$(245,308)	$3,374,558
Segment income	$ 67,283	$ 167,716	$ 27,775	$ 262,791	$ (29,100)	$ 233,683
Segment assets	$1,996,600	$3,212,216	$541,200	$5,750,025	$(119,800)	$5,630,225
Other items:						
Depreciation and amortization	$ 58,133	$ 10,191	$ 15,575	$ 83,916	$ 1,883	$ 85,800
Increase in property and equipment and intangible assets	52,333	14,250	18,400	84,983	(3,433)	81,550

*1 Adjustment to segment income consists of intersegment elimination of ¥1,602 million ($13,350 thousand) and corporate expenses of ¥(5,095) million ($(42,458) thousand) that are not allocated to each reportable segment. Adjustment to segment assets mainly consists of intersegment elimination of ¥(224,929) million ($(1,874,408) thousand) and corporate assets of ¥213,560 million ($1,779,666 thousand), which mainly present the Company's loans in connection with the Group's cash management system.

*2 Segment income is reconciled to operating income on the consolidated statements of income.

Disclosures as to related information with regard to the concentration of products and service, location, and major customers are omitted since there is no relevant information to be disclosed.

For the fiscal year ended March 31, 2015, an impairment loss of ¥1,859 million ($15,491 thousand) was reported by the Retailing and Store Operation segment.

23. RELATED PARTY INFORMATION

Related party information where directors and their close relatives substantially own a majority of the voting rights is as follows:

2014

Name of the company	Location	Capital (Millions of yen)	Business	Voting rights	Relationship	Transaction	Amount (Millions of yen)	Account name	Balance (Millions of yen)
Nakano Co., Ltd.	Shinjuku, Tokyo	¥10	Real estate rental	Direct 0.8%	Property rental Concurrent position as director	Property rental	¥42	Leasehold and other deposits	¥ 41
								Other current liabilities	1
Seiwa Kogyo Co., Ltd.	Shinjuku, Tokyo	10	Real estate rental	Direct 0.2%	Property rental Concurrent position as director	Property rental-stores	44	Leasehold and other deposits	191

The monetary amounts above do not include consumption taxes. Terms and conditions for rental agreements are determined similarly to those of third-party transactions.

2015

Name of the company	Location	Capital (Millions of yen)	Business	Voting rights	Relationship	Transaction	Amount (Millions of yen)	Account name	Balance (Millions of yen)
Nakano Co., Ltd.	Shinjuku, Tokyo	¥10 ($83 thousand) (Note 1)	Real estate rental	Direct 0.9%	Property rental Concurrent position as director	Property rental	¥42 ($350 thousand) (Note 1)	Leasehold and other deposits	¥ 41 ($341 thousand)
								Other current liabilities	1 ($8 thousand)
Seiwa Kogyo Co., Ltd.	Shinjuku, Tokyo	10 ($83 thousand) (Note 1)	Real estate rental	Direct 0.5%	Property rental Concurrent position as director	Property rental-stores	44 ($366 thousand) (Note 1)	Leasehold and other deposits	191 ($1,591 thousand)

The monetary amounts above do not include consumption taxes. Terms and conditions for rental agreements are determined similarly to those of third-party transactions.

24. PER SHARE INFORMATION

Net income per share, both basic and diluted, for the fiscal years ended March 31, 2014 and 2015, are as follows:

	Yen 2014	Yen 2015	U.S. dollars (Note 1) 2015
Net income per share	¥56.29	¥58.87	$0.49
Diluted net income per share	56.29	58.86	0.49

	Thousands of shares 2014	Thousands of shares 2015
Weighted-average number of outstanding shares	273,760	272,430
Diluted shares:		
Assumed exercise of stock options	2	48

Net income per share is computed based on the net income attributable to shareholders of common stock and the weighted-average number of outstanding shares.

25. SUBSEQUENT EVENT

At the Board of Directors' meeting held on May 14, 2015, the Company resolved to acquire its own shares based on Article 156 of the Companies Act of Japan ("the Act"), which is applied by the deemed replacement of terms pursuant to the provisions of Article 165 (3) of the Act.

The Group launched the medium-term management plan (fiscal year ended March 31, 2015 to fiscal year ending March 31, 2017) that defines the improvement of corporate value by implementing growth strategies and financial strategies. Under the financial strategic plans, the Group has an objective to enhance its investments targeting future growth and stable return to shareholders by effectively applying free cash flows generated over the three-year period of the plan. To meet such an objective, the Company will acquire its own shares in an approximate total amount of ¥50,000 million ($416,666 thousand) over the duration of the plan in order to achieve the ROE target of 6% or more in the early stage and increase returns for shareholders going forward. Therefore, following ¥15,000 million ($125,000 thousand) of the acquisition executed for the fiscal year ended March 31, 2015, the Company resolved to acquire its own shares as follows:

Class of share:	Common stock
Number of shares:	17,000,000 shares (maximum)
	(Ratio to outstanding shares, excluding treasury stock: 6.46%)
Total amount of acquisition:	¥20,000 million ($166,666 thousand) (maximum)
Acquisition period:	From May 15, 2015 to August 31, 2015

KPMG

Independent Auditor's Report

To the Board of Directors of MARUI GROUP CO., LTD.:

We have audited the accompanying consolidated financial statements of MARUI GROUP CO., LTD. and its consolidated subsidiaries, which comprise the consolidated balance sheets as at March 31, 2015 and 2014, and the consolidated income statements, statements of comprehensive income, statements of changes in net assets and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of MARUI GROUP CO., LTD. and its consolidated subsidiaries as at March 31, 2015 and 2014, and their financial performance and cash flows for the years then ended in accordance with accounting principles generally accepted in Japan.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2015 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

KPMG AZSA LLC

September 8, 2015

Tokyo, Japan

Corporate History

Feb.	1931	Chuji Aoi opened first store in Momozono-cho, Nakano-ku, Tokyo, after separating from Maruni Shokai Co., Ltd.
Apr.	1935	Changed store name to MARUI
Oct.	1936	Opened new store at site of former flagship Nakano Marui store
Mar.	1937	Established MARUI CO., LTD., with capital of ¥50,000
Jul.	1941	Temporarily closed all five stores due to war-time business restrictions
Feb.	1947	Rebuilt flagship Nakano Marui where former store stood before war
Apr.	1955	Tadao Aoi (current Honorary Chairman) joined the Company
Jan.	1960	Changed name of monthly payment system to "credit"
Mar.	1960	Issued first credit card in Japan
Feb.	1963	Formulated Company credo of "Drive action yourself"
Apr.	1963	Listed stocks on Second Section of Tokyo Stock Exchange
Jun.	1965	Upgraded stocks to First Section of Tokyo Stock Exchange
Jan.	1966	Launched full-fledged "scrap & build" initiative
Aug.	1966	Introduced industry's first computer
Jan.	1970	Became No. 1 in monthly payment credit industry in fiscal year ended January 31, 1970
Jan.	1971	Completed construction of Marui Computer Center
Mar.	1972	Chuji Aoi became Chairman; Tadao Aoi became President
Jan.	1973	Started OIOI campaign; Made all store phone numbers end with 0101
May	1974	Opened New Shinjuku Marui (currently Shinjuku Marui Main Building)
Aug.	1975	Founder Chuji Aoi passed away
Sep.	1975	Began offering on-the-spot approval at stores for Akai Cards
Feb.	1981	Began handling small-amount consumer loans
Aug.	1983	Issued Japan's first magnetic card compliant with international standards
Sep.	1984	Established M & C SYSTEMS CO., LTD.; Entered into IT systems business
Jan.	1991	Recorded increased revenues and income for 30th consecutive year
Nov.	1994	Completed construction of new Head Office building near north exit of Nakano Station
Sep.	1995	Introduced new logo mark OIOI
Jan.	2000	Launched Marui store website
Oct.	2003	Switched Group to integrated management system
Oct.	2003	Opened Kobe Marui, first Marui store in Kansai region
Feb.	2004	Opened Kitasenju Marui, largest Marui store to date
Mar.	2005	Obtained special license from Visa International for MARUI Card that included direct issuance rights
Apr.	2005	Tadao Aoi became Chairman; Hiroshi Aoi became President
May	2005	Announced MARUI GROUP's medium-term management plan

Chuji Aoi, MARUI's founder

1960
Issued first credit card in Japan

1972
Chuji Aoi became Chairman;
Tadao Aoi became President

2003
Opened Kobe Marui,
first Marui store in Kansai region

2005
Tadao Aoi became Chairman;
Hiroshi Aoi became President

Mar.	2006	Began issuing EPOS cards (world's first multipurpose IC card to be issued on-the-spot in stores)
Sep.	2006	Opened Namba Marui, first Marui store in Osaka AIM CREATE CO., LTD., established Machida Modi on site of former Maruibe Machida, representing shift to new business
Oct.	2007	Switched to holding company system; Changed name to MARUI GROUP CO., LTD.
Oct.	2007	Opened Yurakucho Marui
Apr.	2008	Began issuing EPOS Gold cards
Jun.	2008	Tadao Aoi became Honorary Chairman
Feb.	2010	Launched Rakuchin private brand series
Nov.	2010	Commenced business alliance with Rakuten, Inc.
Dec.	2010	MARUI KIT CENTER CO., LTD., visited by Emperor and Empress of Japan
Jun.	2013	EPOS cardholders exceeded 5 million
Sep.	2013	Began issuing credit cards using tablets at all stores
Oct.	2013	Announced opening of Hakata Marui, which is to be first store in Kyushu
May	2014	Reopened Machida Marui as first store with tenants on fixed-term rental contracts
Jun.	2014	Announced MARUI GROUP's new medium-term management plan (April 1, 2014 – March 31, 2017)
Feb.	2015	MARUI GROUP's stock price increased for first time in seven years and four months, posting top rate of growth among companies on First Section of Tokyo Stock Exchange EPOS CARD transactions exceeded ¥1 trillion
Apr.	2015	Reopened Shibuya Marui (previously Jam Shibuya)

2010
MARUI KIT CENTER CO., LTD., visited by Emperor and Empress of Japan

2014
Reopened Machida Marui as first store with tenants on fixed-term rental contracts

***Keiki ha Mizukara Tsukuru Mono*, biography of MARUI founder Chuji Aoi (Kinichiro Toba, Toyo Keizai Inc.)**

In July 1987, Toyo Keizai published a biography of Chuji Aoi entitled *Keiki ha Mizukara Tsukuru Mono* (Pioneer Spirit of Creating Opportunities) in recognition of the 12th anniversary of his passing. Framed in the history of Japan's credit industry, this book presents Aoi's business philosophy along with the story of MARUI's growth over the period of half a century.

***Keiki wo Shikaketa Otoko*, novel about MARUI founder Chuji Aoi Released on August 27, 2015 (Yuzuru Demachi, Gentosha Inc.)**

Yuzuru Demachi, who, like Chuji Aoi, hails from Toyama Prefecture, wrote a novel entitled *Keiki wo Shikaketa Otoko* (The Man Who Built the Economy) about MARUI's founder. The novel was published by Gentosha in 2015, 70 years after the end of World War II and 40 years since the passing of founder Aoi. It chronicles the countless ordeals Aoi overcame on his odyssey, beginning with his ambitious move from Toyama to Tokyo and the harsh training he underwent at Maruni Shokai. Later, the book details the founding of MARUI, the struggles to rebuild after the war, and the turmoil experienced within the Company. This novel also provides a memorable account of Aoi's wife Tazuko and how she supported her husband throughout his life, which was devoted to his business.

Retailing and Store Operation


In the Retailing and Store Operation business, MARUI is transitioning toward a unique shopping center style store model to devote more of stores' floor space to sundries, restaurants, and other high-demand areas that support all lifestyles.

Spring 2016 will mark the long-awaited opening of Hakata Marui, our first store in Kyushu.

MARUI CO., LTD.

Established	October 1, 2007	Number of Employees	3,959
Capital	¥100 million	Head Office	3-2, Nakano 4-chome, Nakano-ku, Tokyo 164-8701, Japan
President and Representative Director	Masao Nakamura	Telephone	03-3384-0101 (Receptionist)
Business Activities	Retailing and Marui store operation, Internet sales, specialty store business (operation and development of directly managed sales floors and private brands)	Homepage	www.0101.co.jp.e.ex.hp.transfer.com

Credit Card Services


The MARUI Group issued Japan's first credit card. In the fiscal year ended March 31, 2015, card transactions exceeded ¥1 trillion for the first time since EPOS cards were launched in 2006. By leveraging the expertise gained through the Group's long history of providing credit services, Epos Card is working to expand the number of cardholders, improve usage rates, increase usage amounts, and further strengthen operating foundations.

Epos Card Co., Ltd.

Established	October 1, 2004	Number of Employees	801
Capital	¥100 million	Head Office	3-2, Nakano 4-chome, Nakano-ku, Tokyo 164-8701, Japan
President and Representative Director	Toshikazu Takimoto	Telephone	03-4574-0101 (Receptionist)
Business Activities	Credit card business, credit loan business	Homepage	www.eposcard.co.jp (Japanese only)

Space Production, Commercial Facility Management, and Advertising Businesses

By leveraging the MARUI Group's expertise, AIM CREATE provides comprehensive proposals for design, construction, planning, promotion, advertising, and operation of commercial facilities. The company strives to create facilities that bring joy to visitors.

AIM CREATE CO., LTD.

Established	August 4, 1959
Capital	¥100 million
President and Representative Director	Akira Ino
Business Activities	Design and construction of commercial facilities, advertisement planning and production, property management
Number of Employees	350
Head Office	34-28, Nakano 3-chome, Nakano-ku, Tokyo 164-0001, Japan
Telephone	03-5340-0101 (Receptionist)
Homepage	www.aim-create.co.jp (Japanese only)

Apparel Distribution Business / Internet Sales Support Business

By combining MARUI's Internet sales know-how with leading-edge distribution operations, MOVING provides powerful support for customers' businesses by responding to their various needs.

MOVING CO., LTD.

Established	October 25, 1960
Capital	¥100 million
President and Representative Director	Takashi Wakashima
Business Activities	Trucking business, forwarding and other businesses
Number of Employees	359
Head Office	5-1, Bijogihigashi 2-chome, Toda-shi, Saitama 335-0032, Japan
Telephone	048-233-1000 (Receptionist)
Homepage	www.moving.co.jp (Japanese only)

IT Systems Business

M & C SYSTEMS operates high-quality systems utilizing data centers equipped with exceptionally safe facilities and provides system support for the Retailing and Store Operation and Credit Card Services businesses.

M & C SYSTEMS CO., LTD.

Established	September 1, 1984
Capital	¥234 million
President and Representative Director	Nariaki Fuse
Business Activities	Software development, IT systems operation
Number of Employees	110
Head Office	3-2, Nakano 4-chome, Nakano-ku, Tokyo 164-8701, Japan
Telephone	03-5343-0100 (Receptionist)
Homepage	www.m-and-c.co.jp (Japanese only)

Total Building Management Business

MARUI FACILITIES offers comprehensive operation and management services for large-scale commercial facilities that include security, facility maintenance and management, janitorial, and food court operation services to improve facility value by providing safety and security while creating comfortable environments.

MARUI FACILITIES Co., Ltd.

MARUI FACILITIES

Established	July 1, 1987
Capital	¥100 million
President and Representative Director	Yoshiaki Kogure
Business Activities	Total building management business
Number of Employees	329
Head Office	34-28, Nakano 3-chome, Nakano-ku, Tokyo 164-0001, Japan
Telephone	03-3229-0101 (Receptionist)
Homepage	www.marui-facilities.co.jp (Japanese only)

Real Estate Rental Business

MARUI HOME SERVICE conducts its operations while strengthening coordination with Epos Card. In addition to soliciting Epos Card's ROOM iD advanced-payment rent guarantee service, the company is advertising its services through billing statements and emails as well as on its website.

MARUI HOME SERVICE Co., Ltd.

OIOI HOME SERVICE

Established	October 1, 2007
Capital	¥100 million
President and Representative Director	Naoya Shibata
Business Activities	Real estate rental business
Number of Employees	69
Head Office	34-28, Nakano 3-chome, Nakano-ku, Tokyo 164-0001, Japan
Telephone	03-6361-0101 (Receptionist)
Homepage	www.marui-hs.co.jp (Japanese only)

Loan Collection Business

The greatest strengths of MRI's business are the claim collection expertise MARUI GROUP has developed as a pioneer in the field of credit and the ability to communicate with customers refined through its retailing operations. MRI provides reliable and trustworthy services by consulting with customers while remaining considerate of their individual situations.

MRI Co., Ltd.

MRI SERVICER

Established	November 25, 2004
Capital	¥500 million
President and Representative Director	Kazutoshi Masuda
Business Activities	Collection and management of receivables business, credit check business
Number of Employees	55
Head Office	34-28, Nakano 3-chome, Nakano-ku, Tokyo 164-0001, Japan
Telephone	03-4574-4700 (Receptionist)
Homepage	www.mri-s.co.jp (Japanese only)

Small-Amount Short-Term Insurance Policy Business

Epos Small Amount and Short Term Insurance's ROOM GUARD comprehensive renters' insurance plans support rental housing tenants by providing coverage for personal belongings, repairs, and indemnity.

Epos Small Amount and Short Term Insurance Co., Ltd.

EPOS SSI

Established	February 1, 2013
Capital	¥300 million (including paid-in capital)
President and Representative Director	Izumi Aso
Business Activities	Small-amount short-term insurance policy business
Number of Employees	9
Head Office	34-28, Nakano 3-chome, Nakano-ku, Tokyo 164-0001, Japan
Telephone	03-4546-0101 (Receptionist)
Homepage	www.epos-ssi.co.jp (Japanese only)

Supply Pickup

MARUI KIT CENTER supports other businesses by providing pickup services to ensure smooth delivery of the supplies needed for sales activities in stores and by conducting product inspections and office work. These tasks are performed by people with disabilities, creating employment opportunities for such individuals while helping them achieve independence.

MARUI KIT CENTER CO., LTD.

Special subsidiary established to employ people with disabilities

OIOI Kit Center

Established	October 1, 2003
Capital	¥42.5 million
President and Representative Director	Takeo Horiguchi
Business Activities	Supply pickup, product inspection
Number of Employees	46
Head Office	Toda Product Center, Second Building, 5-1, Bijogihigashi 2-chome, Toda-shi, Saitama 335-0032, Japan
Telephone	048-421-7351 (Receptionist)

Corporate Websites for Operating Companies in MARUI GROUP's Retailing-Related Services Business

Space Production, Commercial Facility Management, and Advertising Businesses

AIM CREATE CO., LTD.
www.aim-create.co.jp (Japanese only)

Apparel Distribution Business / Internet Sales Support Business

MOVING CO., LTD.
www.moving.co.jp (Japanese only)

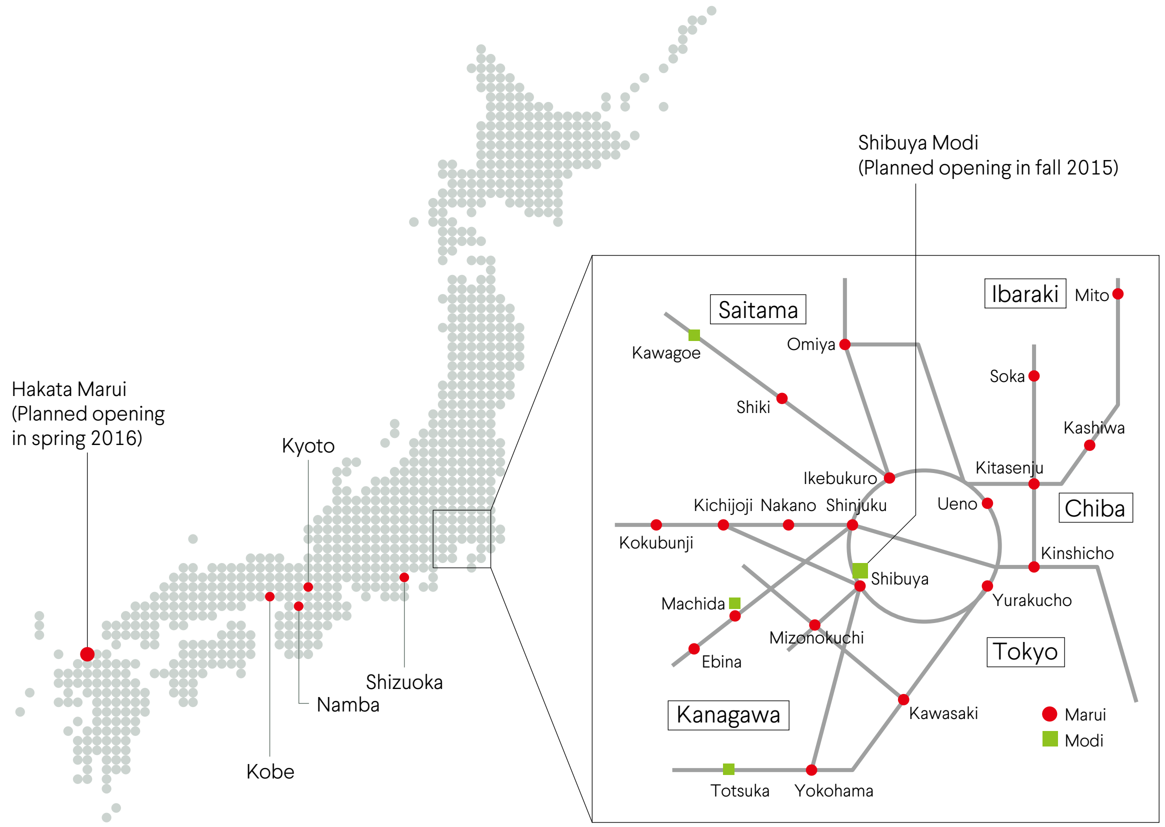
IT Systems Business
M & C SYSTEMS CO., LTD.
www.m-and-c.co.jp (Japanese only)

Total Building Management Business
MARUI FACILITIES Co., Ltd.
www.marui-facilities.co.jp (Japanese only)

Real Estate Rental Business
MARUI HOME SERVICE Co., Ltd.
www.marui-hs.co.jp (Japanese only)

MARUI GROUP Store Network

As of June 30, 2015



Marui stores

	Name	Sales floor area (m²)	Operating revenues (billions of yen)	Opened	Address	Telephone
Tokyo	Shinjuku Marui	30,590	28.4	September 10, 1948	3-30-13 Shinjuku, Shinjuku-ku 160-0022	03-3354-0101
	Ikebukuro Marui	12,170	6.8	February 25, 1977	3-28-13 Nishi-Ikebukuro, Toshima-ku 171-0021	03-3989-0101
	Shibuya Marui	4,240	9.2*1	October 1, 1958	1-22-6 Jinnan, Shibuya-ku 150-0041	03-3464-0101
	Kinshicho Marui	22,990	13.0	September 2, 1983	3-9-10 Koutoubashi, Sumida-ku 130-0022	03-3635-0101
	Ueno Marui	16,390	13.9	August 24, 1985	6-15-1 Ueno, Taito-ku 110-8502	03-3833-0101
	Kitasenju Marui	35,300	34.5	February 27, 2004	3-92 Senju, Adachi-ku 120-8501	03-5244-0101
	Yurakucho Marui	18,500	22.9	October 12, 2007	2-7-1 Yurakucho, Chiyoda-ku 100-0006	03-3212-0101
	Nakano Marui	4,950	5.3	February 17, 1931	3-34-28 Nakano, Nakano-ku 164-0001	03-3382-0101
	Kichijoji Marui	11,950	5.6	October 30, 1960	1-7-1 Kichijoujiminami-cho, Musashino-shi 180-8552	0422-48-0101
	Machida Marui	7,550	5.7	September 20, 1980	6-1-6 Haramachida, Machida-shi 194-0013	042-728-0101
	Kokubunji Marui	14,300	14.0	March 1, 1989	3-20-3 Minami-cho, Kokubunji-shi 185-8562	042-323-0101
Kanagawa	Marui City Yokohama	16,770	13.8	September 20, 1996	2-19-12 Takashima, Nishi-ku, Yokohama-shi 220-0011	045-451-0101
	Kawasaki Marui	12,300	4.7	March 11, 1988	1-11 Nisshin-cho, Kawasaki-ku, Kawasaki-shi 210-0024	044-245-0101
	Marui Family Mizonokuchi	32,260	21.3	September 12, 1997	1-4-1 Mizonokuchi, Takatsu-ku, Kawasaki-shi 213-0001	044-814-0101
	Marui Family Ebina	19,500	12.7	April 19, 2002	1-6-1 Chuo, Ebina-shi 243-0483	046-232-0101
Saitama	Omiya Marui	18,640	11.0	September 28, 1982	2-3 Sakuragi-cho, Omiya-ku, Saitama-shi 330-9501	048-642-0101
	Soka Marui	16,530	4.5	February 21, 1992	2-9-1 Takasago, Soka-shi 340-0015	048-922-0101
	Marui Family Shiki	18,900	13.0	February 25, 2000	5-26-1 Hon-cho, Shiki-shi 353-0004	048-487-0101
Chiba	Kashiwa Marui	18,810	7.3	April 24, 1964	1-1-11 Kashiwa, Kashiwa-shi 277-0005	04-7163-0101
Ibaraki	Mito Marui	13,300	3.9	July 25, 1970	1-2-4 Miyamachi, Mito-shi 310-0015	029-225-0101
Shizuoka	Shizuoka Marui	13,460	5.7	September 21, 1969	6-10 Miyukicho, Aoi-ku, Shizuoka-shi 420-0857	054-252-0101
Osaka	Namba Marui	17,000	12.0	September 22, 2006	3-8-9 Namba, Chuo-ku, Osaka-shi 542-0076	06-6634-0101
Hyogo	Kobe Marui	6,940	5.1	October 3, 2003	1-7-2 Sannomiya-cho, Chuo-ku, Kobe-shi 650-0021	078-334-0101
Kyoto	Kyoto Marui	8,760	4.4	April 27, 2011	68 Shin-cho, Shijodori-Kawaramachi-Higashiiru, Shimogyo-ku, Kyoto-shi 600-8567	075-257-0101
Fukuoka	Hakata Store Development Office	15,000 (planned)	—	Spring 2016 (planned)	2F, XYMAX Hakata Ekimae Building, 4-2-1 Hakata Ekimae, Hakata-ku, Fukuoka-shi 812-0011	092-518-0101

Modi stores

	Name	Sales floor area (m²)	Operating revenues (billions of yen)	Opened	Address	Telephone
Tokyo	Shibuya Modi	9,840	—	Fall 2015 (planned)	1-21-3 Jinnan, Shibuya-ku 150-0041	—
	Machida Modi	13,720	8.6	September 28, 2006	6-2-6 Haramachida, Machida-shi 194-0013	042-812-2700
Kanagawa	Totsuka Modi	16,580	9.3	March 15, 2007	10 Totsuka-cho, Totsuka-ku, Yokohama-shi 244-0003	045-862-0135
Saitama	Kawagoe Modi	7,850	1.3	March 24, 2007	4-2 Wakita-cho, Kawagoe-shi 350-1122	049-227-5950

*1 Operating revenues for Shibuya Marui are from the period when the current Shibuya Modi was considered part of Shibuya Marui during the fiscal year ended March 31, 2015.


Shinjuku Marui


Kitasenju Marui


Yurakucho Marui


Marui Family Mizonokuchi


Namba Marui


Machida Modi

Overview of MARUI GROUP

As of March 31, 2015

Company Overview

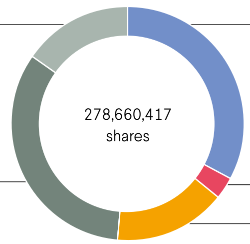
Name	MARUI GROUP CO., LTD.
Head office	3-2, Nakano 4-chome, Nakano-ku, Tokyo 164-8701, Japan
Date of foundation	February 17, 1931
Date of establishment	March 30, 1937
Capital	¥35,920 million
Business activities	Corporate planning and management for Group companies conducting Retailing and Store Operation, Credit Card Services, and Retailing-Related Services businesses and other businesses
Stores	Marui: 24 located in Kanto, Tokai, and Kansai regions (1 scheduled to be opened in spring 2016) Modi: 3 located in Kanto region (1 scheduled to be opened in fall 2015)
Total sales floor area	444,040 m²
Number of employees	5,918 (Group total, excludes temporary employees)
Main banks	The Bank of Tokyo-Mitsubishi UFJ, Ltd. Sumitomo Mitsui Banking Corporation Mitsubishi UFJ Trust and Banking Corporation Mizuho Bank, Ltd. The Bank of Yokohama, Ltd.
Accounting auditor	KPMG AZSA LLC

Stock Information

Stock listing	Tokyo Stock Exchange, First Section (loan margin trading issues)
Securities code	8252
Number of authorized shares	1,400,000,000
Number of common shares issued*1	278,660,417
Number of shareholders	22,979

*1 Number of common shares issued includes 15,588,364 shares of treasury stock, equivalent to 5.6% of the total number of shares of common stock issued.

Distribution of Shares Held by Shareholder Type



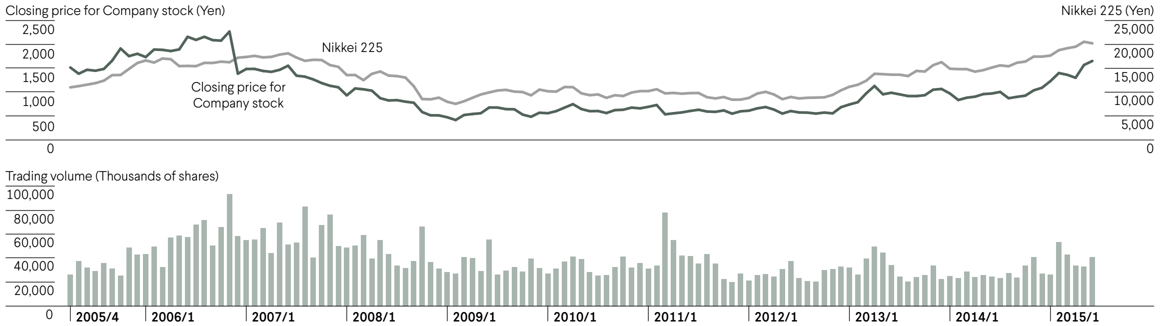
*2 Individuals and others includes 15,588,364 shares of treasury stock.

Major Shareholders

Name	Number of shares (Thousands of shares)	Percent of total shares issued*3 (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	22,808	8.7
Japan Trustee Services Bank, Ltd. (Trust Account)	19,965	7.6
Aoi Real Estate Co., Ltd.	6,019	2.3
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	5,808	2.2
Juniper Networks, Inc.	4,661	1.8
Northern Trust Corporation (AVFC) Re U.S. Tax Exempted Pension Funds	4,194	1.6
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	4,100	1.6
Toho Co., Ltd.	3,779	1.4
BNP Paribas S.A.	3,680	1.4
AOI SCHOLARSHIP FOUNDATION	3,234	1.2

*3 Percent of total shares issued is calculated excluding treasury stock.

Stock Price



MARUI GROUP Websites

MARUI GROUP

MARUI GROUP CO., LTD.
Corporate information and IR information
www.0101maruigroup.co.jp/english.html

Retailing and Store Operation

MARUI CO., LTD.
Marui store and product information
www.0101.co.jp.e.ex.hp.transfer.com

MARUI Internet shopping web channel
(Japanese only)
voi.0101.co.jp

Credit Card Services

Epos Card Co., Ltd. (Japanese only)
www.eposcard.co.jp

From the Chief Editor

Co-Creation Management Report 2015 was constructed as a tool for facilitating meaningful communication with stakeholders and understanding with regard to MARUI GROUP. In compiling this 2015 report, the first report of its type for the Company, an internal project team was assembled in December 2014. The editorial policies of the report and the information to be communicated were discussed extensively, and numerous stakeholders both inside and outside the Company were interviewed to help develop an understanding of reader needs.

The project team consisted of several representatives from the Group, including President Hiroshi Aoi and core members from the Corporate Planning Division, the Financial Department, the General Affairs Department, and the CSR Promotion Department, as well as external corporate communication consultants. Through a multifaceted discussion process spanning months, we sought to present the corporate value of the Group in a visible form. As integrated reports have recently been gathering attention on a global scale, we referenced such guidelines as the International Integrated Reporting Framework released by the International Integrated Reporting Council in compiling this report.

We plan to collect feedback and suggestions from readers of this report to be utilized for improving future reports as we strive to evolve these reports into truly valuable communication tools. It is our hope that this report will help readers better understand the policies and initiatives MARUI GROUP is implementing in the pursuit of sustainable growth and long-term improvements in corporate value.

Shin Sakamoto
Chief Editor of Co-Creation Management Reports
General Manager, Public Relations Office, General Affairs Department,
MARUI GROUP CO., LTD.

Contact
MARUI GROUP CO., LTD.
3-2, Nakano 4-chome, Nakano-ku, Tokyo 164-8701, Japan
Tel: 03-3384-0101 (Receptionist)
Fax: 03-5343-6615
Email: koho-ml@0101.co.jp

For inquires about:
Corporate information, please contact
Public Relations Office, General Affairs Department
IR and financial information, please contact
Financial Section, Financial Department
Stock, please contact General Affairs Section,
General Affairs Department