

MARUI GROUP

Financial Results Presentation

for the Year Ended March 31, 2006



May 12, 2006
MARUI Co., LTD.

-
- 1 . FY06* Results Overview
 - 2 . FY06 Looking Back
 - 3 . Strategy from FY07**
 - 4 . Strategy for Credit Card and Consumer Finance Services
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*Year ended March 31, 2006 **Year ending March 31, 2007

FY06 Results Overview

Statements of Income



Higher revenues and earnings reach targets, operating income up ¥7.9 billion, or 21%, year on year to ¥44.7 billion

	Previous period	Target at start of FY06	Actual performance	YOY comparison (%)	YOY difference	Target comparison (%)	Target difference
Operating revenues	556.2	556.0	561.5	101.0	+ 5.3	101.0	+ 5.5
Gross profit	200.5	204.0	209.3	104.4	+ 8.8	102.6	+ 5.3
SG&A expenses	163.7	164.0	164.6	100.6	+ 1.0	100.4	+ 0.6
Operating income	36.8	40.0	44.7	121.3	+ 7.9	111.8	+ 4.7
Ordinary income	38.1	40.0	46.2	121.2	+ 8.1	115.5	+ 6.2
Net income	19.2	22.0	24.0	125.1	+ 4.8	109.1	+ 2.0

Billions of yen, %

Breakdown of Total Operating Revenues



Total operating revenues surpass previous year and target due to brisk merchandise sales. Consumer loans also grow strongly

Billions of yen, %

	Previous period	Target at start of FY06	Actual performance	YOY comparison (%)	YOY difference	Target comparison (%)	Target difference
Total operating revenues	556.2	556.0	561.5	101.0	+ 5.3	101.0	+ 5.5
Merchandise sales	434.1	429.0	436.8	101	+ 2.6	102	+ 7.8
Interest income on consumer loans	60.1	66.1	65.3	109	+ 5.2	99	- 0.8
Finance charges earned on installment sales	1.8	1.8	1.9	108	+ 0.1	106	+ 0.1
Other revenues	60.2	59.1	57.6	96	- 2.6	97	- 1.5

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Breakdown of Gross Profit



Gross margin on merchandise sales improves 1.0% year on year, gross profit up ¥8.8 billion year on year

Billions of yen, %

	Previous period	Target at start of FY06	Actual performance	YOY comparison (%)	YOY difference	Target comparison (%)	Target difference
Total Gross Profit	200.5	204.0	209.3	104.4	+ 8.8	102.6	+ 5.3
Merchandise Sales	124.1	124.0	129.4	104	+ 5.3	104	+ 5.4
Consumer Loans	60.1	66.1	65.3	109	+ 5.2	99	- 0.8
Other Revenues	16.4	13.9	14.7	90	- 1.7	106	+ 0.7
Gross Profit Margin	36.1	36.7	37.3	-	+ 1.2	-	+ 0.6
Gross Profit Margin on Merchandise Sales	28.6	28.9	29.6	-	+ 1.0	-	+ 0.7

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Breakdown of SG&A



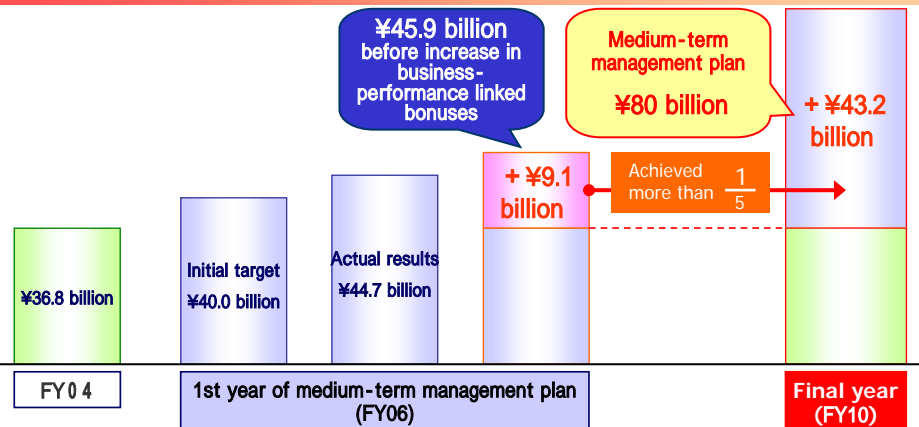
Up ¥1 billion as higher provision for bad debts counteracts reductions in personnel cost as well as depreciation and amortization

Billions of yen, %

	Previous period	Target at start of FY06	Actual performance	YOY comparison (%)	YOY difference	Target comparison (%)	Target difference
SG&A	163.7	164.0	164.6	100.6	+ 1.0	100.4	+ 0.6
Sales promotion expenses	14.7	15.6	16.6	113	+ 1.9	106	+ 1.0
Sales administration expenses	29.3	29.7	28.7	98	- 0.6	97	- 1.0
Personnel cost	58.9	57.5	57.5	98	- 1.4	100	0
Property and equipment expenses	31.9	31.4	30.8	96	- 1.1	98	- 0.6
Depreciation and amortization	17.9	17.3	16.2	91	- 1.7	94	- 1.1
Provision for doubtful accounts	9.8	11.5	12.2	124	+ 2.3	106	+ 0.7
Interest reimbursement expense	0	-	1.7	-	+ 1.7	-	+ 1.7
Other	1.1	1.0	0.9	87	- 0.1	90	- 0.1

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Operating Income Progress



Returning part of amount in excess of plan to stockholders and employees

Cash dividends	+ ¥2.0 billion	¥6 increase in cash dividends planned for FY06 × ¥336 million shares
Business-performance linked bonuses	¥2.0 billion	Achievement of in-house challenge target (operating income of ¥42 billion) ¥0.8 billion Further, distributed portion of amount exceeding challenge target ¥1.2 billion

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Segment Information



Retailing operating income jumps 48% and operating margin increases 1.8 percentage points to 5.6%

Billions of yen, %

	FY05			FY06		
	Retailing	Credit card and consumer finance services	Retail-related services**	Retailing	Credit card and consumer finance services	Retail-related services**
Operating Revenues	434.1	69.2	101.1	436.8	72.1	102.0
Operating Expenses	417.7	51.2	95.9	412.5	52.3	97.6
Operating Income	16.4	18.0	5.2	24.2	19.8	4.4
Year on year*	-	-	-	14.8	11.0	
Operating Income Margin (%)	3.8	26.1	-	5.6	27.5	-

*Year-on-year comparison for the fiscal year ended March 31, 2005, has not been included because the previous fiscal period was an irregular accounting period.

**Operating margins for other and Retailing-Related Services is not included because operating income is before inter-segment eliminations.

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FY06 Looking Back

Breakdown of Merchandise Sales



Existing store outperform target with 0.9% year-on-year growth.
Merchandise sales better target by ¥7.8 billion

	Billions of yen, %						
	Previous interim period	Target at start of FY06	Actual performance	YOY comparison (%)	YOY difference	Target comparison (%)	Target difference
Merchandise sales	4 3 4.1	4 2 9.0	4 3 6.8	1 0 0.6	+ 2.6	1 0 1.8	+ 7.8
Existing stores	4 1 6.6	4 1 3.9 (99.4%)	4 2 0.5	1 0 0.9	+ 3.9	1 0 1.6	+ 6.6
Outside stores etc.	3.3	2.5	2.6	8 1	- 0.7	1 0 6	+ 0.1
Closed stores	2.6	-	-	-	- 2.6	-	-
Mail-order sales	1 1.6	1 2.6	1 3.6	1 1 6	+ 2.0	1 0 8	+ 1.0

* Closed stores means the Numazu Store (closed May 2004) and the Marui One Shinjuku (closed August 2004).

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Store Refurbishments



Successful refurbishments of mainstay stores CITY SHINJUKU, CITY SHIBUYA, and CITY UENO drive up sales sharply.



Sales year on year (★ indicates period of large-scale refurbishment) (%)

	FY 05		FY 06		Full year
	First half	Second half	First half	Second half	
SHINJUKU STORE	9.6	★ 105	★ 111	107	109
SHIBUYA STORE	9.2	★ 108	114	105	109
CITY UENO	8.5	8.9	★ 106	★ 109	108



CITY SHINJUKU 108
MEN SHINJUKU 111
YOUNG SHINJUKU 115

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KOBE MARUI and KITASENJU MARUI



From outset of second year of operations, KOBE MARUI and KITASENJU MARUI see brisk sales and outperform 1st 12 months of operations

KOBE MARUI	KITASENJU MARUI
 <p>FY06 results</p> <ul style="list-style-type: none"> · Sales ¥8.0 billion · YOY: 111% · Customer numbers · YOY: 138% <p>· Opened October 3, 2003</p>	 <p>FY06 results</p> <ul style="list-style-type: none"> · Sales ¥37.0 billion · YOY: 104% · Customer numbers · YOY: 102% <p>· Opened February 27, 2004</p>

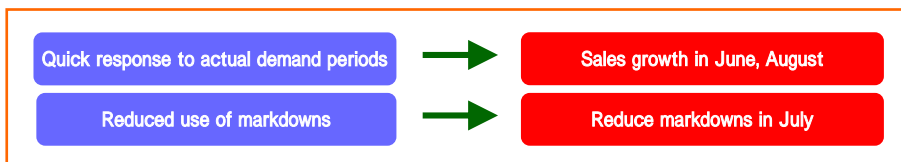
Sales in 2nd year of operations compared with the same month of previous year (%)

	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
KOBE MARUI	117	116	86	128	109	111	107	112	114	108	114	116
KITASENJU MARUI	93	97	101	108	108	106	105	108	112	106	99	100

* In June change in the implementation of a sale affected Kobe Marui, and in February a sale marking the first anniversary of its opening affected Kitasenu Marui.

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First-Half: Stepping Up Sales of Regularly Priced Products (CITY SHINJUKU)



FY06 first-half results



		YOY
Merchandise sales		109%
Women's and men's apparel		114%
Gross profit		110%
Women's and men's apparel No-markdown sales	First half	113%
	July	120%

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Second-Half: Stepping Up Sales of Regularly Priced Products OIOI

Concerted initiative by all stores improves December / January regularly priced product sales 12%

1. In winter sale period, all stores marketed regularly priced spring products early
2. Introduced precise seasonal planning for popular products, focusing on women's and men's coats
3. Curbed inventories subject to discount sales and established detailed plans for each lineup for the start of discounting and discount rates

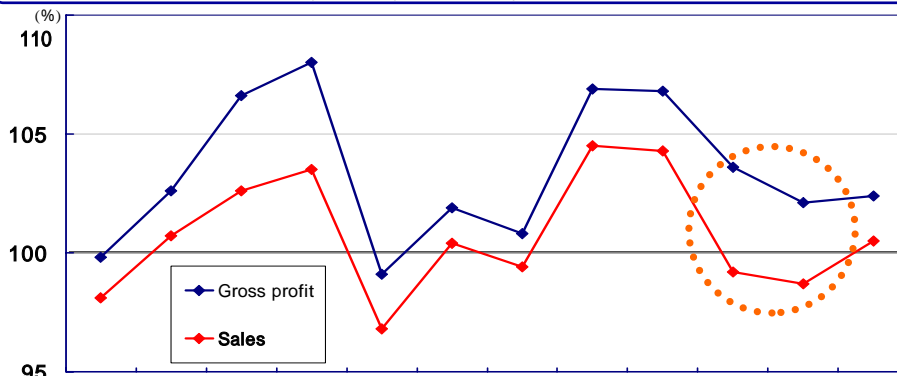
Performance of regularly priced products and discounted products in sale periods

	June - July			▶	December - January		
	Previous fiscal year	Share of sales	Year on year		Previous fiscal year	Share of sales	Year on year
All stores	107%	100%	-		104%	100%	-
Regularly priced products	108%	63%	± 0%		112%	66%	+ 5%
Discounted products	107%	37%	± 0%		92%	34%	5%

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Year-On-Year Trends in Sales and Gross Profit (existing stores) OIOI

Successfully stepping up regularly priced sales grew second-half gross profit year on year in every month.



	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Gross profit	99.8	102.6	106.6	108.0	99.1	101.9	100.8	106.9	106.8	103.6	102.1	102.4
Sales	98.1	100.7	102.6	103.5	96.8	100.4	99.4	104.5	104.3	99.2	98.7	100.5
Difference	1.7	1.9	4.0	4.5	2.3	1.5	1.4	2.4	2.5	4.4	3.7	1.9

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Sales and Gross Profit by Product Category



Gross margins improve across all merchandise categories, men's apparel and sporting goods post favorable sales and gross profit

	Billions of yen, %					
	Sales	YOY comparison (%)	Gross Profit	YOY comparison (%)	Gross margin	Year on year
Merchandise sales	436.8	100.6	129.4	104.3	29.6	+1.0
Women's apparel	149.1	101	43.5	106	29.2	+1.2
Men's apparel and sporting goods	87.4	106	30.8	107	35.2	+0.5
Luxury and accessory goods	120.6	98	41.9	103	34.8	+1.5
Furniture and household goods	27.4	97	5.8	98	21.0	+0.2
Foodstuff and restaurant sales	52.3	98	7.4	99	14.2	+0.2

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First-Half Advancement of Supply Chain Management (men's apparel category)



Polo shirts a mega hit, sales of the priority supply-chain-management line quadruple compared with year before last



FY06 first-half results

Billions of yen, %

	Sales	YOY comparison	YOY difference
Men's apparel merchandise department	22.8	109%	+1.8
Polo shirts	1.6	197%	+0.8
Percentage of sales	7%	-	44%

Introduction of JAN for men's apparel

Number of traded companies	Number of companies using JAN	JAN ratio

JAN ratio = no. of JAN products sold ÷ total no. of products sold

Polo shirts generate more than 40% of the increase in sales of men's apparel merchandise department

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Second-Half Advancement of SCM (men's apparel category)



Extending the scope of supply chain management to multiple lineups generates ¥2 billion year-on-year improvement in 3Q sales.

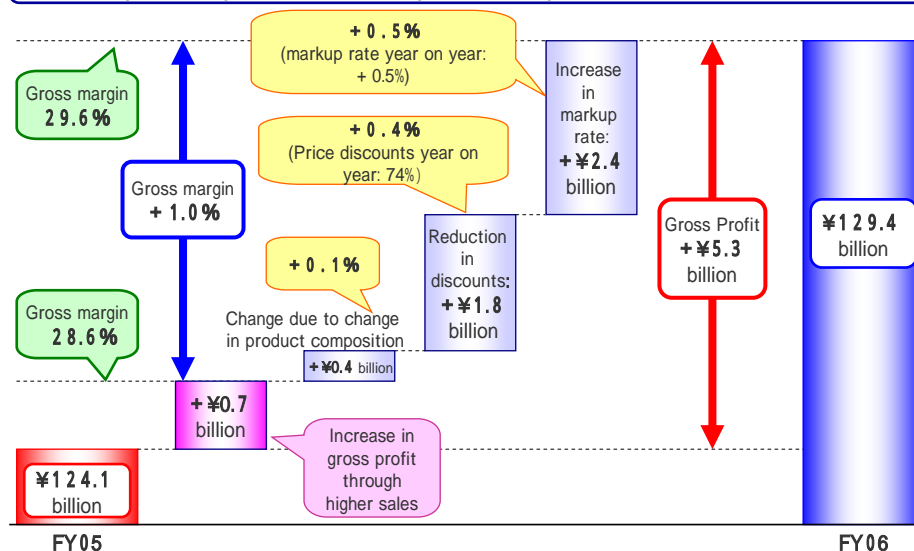
Initial target (in April)		September - November	3Q results		
	YOY comparison(%)			YOY comparison (%)	YOY difference (Billions of yen)
Men's apparel	107%	Revise monthly	Men's apparel	114%	+ 2.0
Outerwear, total	107%		Revise sales plans	Outerwear, total	117%
Blouson	80%	Reflect in purchasing plans	Blouson	158%	+ 0.8
Coat	100%		Coat	100%	+ 0
Jacket	126%		Jacket	111%	+ 0.1
Leather	200%		Leather	105%	+ 0

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Breakdown of Improvement in Gross Profit (gross profit on merchandise sales)



Largely due to an increase in the markup rate and curbing of price reductions, the gross margin rose 1 percentage point and gross profit was up ¥5.3 billion.



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Sales and Gross Profit of SPA Shops and Specialty Stores



M Mode meets targets for sales and gross profits, all companies increase year-on-year profit margins.

Billions of yen, %

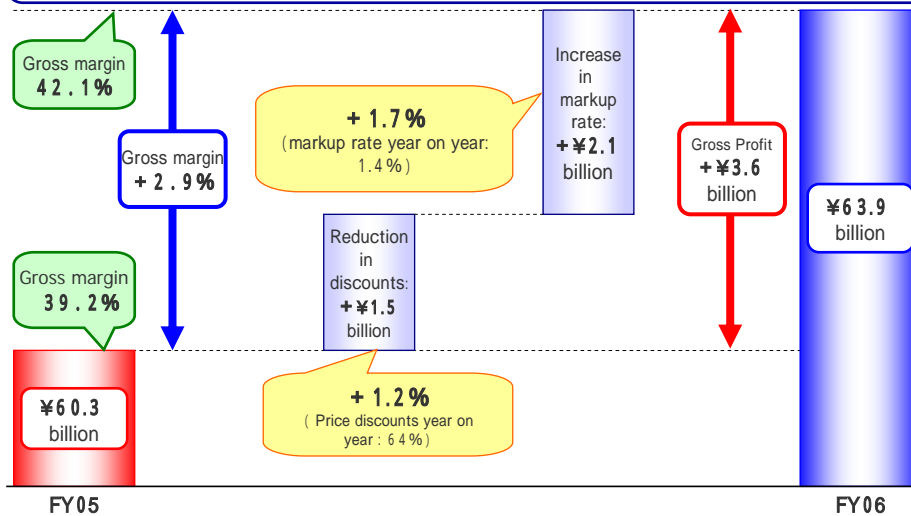
	Sales	Target comparison (%)	Gross profit	Target comparison (%)	Gross margin (%)	Target difference	Year on year
Total for 4 companies	151.9	95	63.9	98	42.1	+1.2	+2.9
Marui Modes Mode Co., Ltd.	52.1	101	21.7	105	41.7	+1.3	+2.5
Marui Fashion Navi. Co., Ltd.	31.2	96	13.9	96	44.7	0.0	+5.6
Marui Palette Co., Ltd.	38.0	94	14.2	94	37.3	+0.1	+1.6
Marui Access Co., Ltd.	30.6	95	14.1	95	45.9	+0.3	+0.8

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Breakdown of Gross Margin Improvement of SPA shops and Specialty Stores (total for 4 companies)



The four Marui-managed companies see increases of 2.9 percentage points in gross margin and ¥3.6 billion in gross profit due to higher markup rate and fewer price discounts.

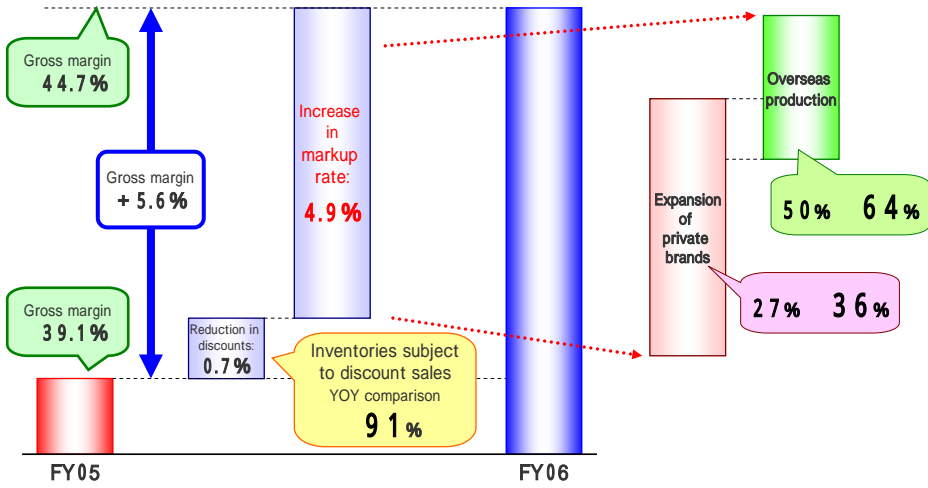


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Breakdown of Gross Margin Improvement of Marui Fashion Navi



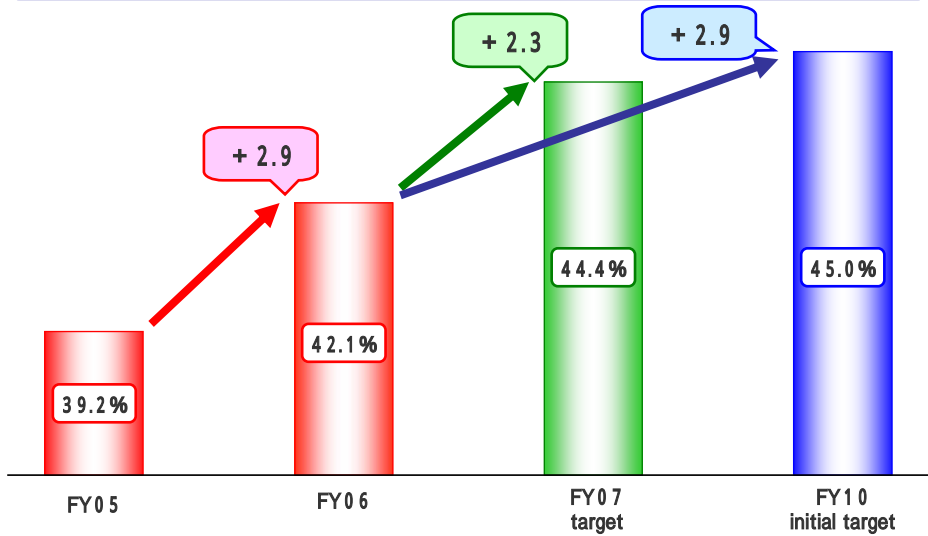
Gross margins improve substantially, buoyed by increased markup rate, through expansion of overseas production, and expanded private-brand



SPA Shops and Specialty Stores Gross Profit Results and Targets



Gross margin improved markedly in the first year of the medium-term management plan and in FY07 gross margin is projected to approach the plan's final-year targets.



Consumer Loans Outstanding



Consumer loans outstanding post a ¥9.2 billion, or 4%, year-on-year increase.

Billions of yen, %

	Previous period	Target at start of FY06	Actual performance	YOY comparison (%)	YOY difference	Target comparison (%)	Target difference
Consumer Loans Outstanding	249.3	264.0	258.5	103.7	+ 9.2	97.9	- 5.5
MARUI	204.0	204.0	200.5	98	- 3.5	98	- 3.5
Cashing	197.8	202.0	198.5	100	+ 0.6	98	- 3.5
Specific-purpose credit	6.1	2.0	2.0	32	- 4.1	100	0
Zero First	45.3	60.0	58.0	128	+ 12.7	97	- 2.0

* From FY06, new specific-purpose credit was transferred to Epos Card and recorded in receivables—installment sales.

Finance charges earned on installment sales (specific-purpose credit)	-	4.0	3.8	-	+ 3.8	9.5	- 0.2
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Interest Income on Consumer Loans



Interest income on consumer loans trended roughly in line with targets, rising 9%, to ¥65.3 billion.

Billions of yen, %

	Previous period	Target at start of FY06	Actual performance	YOY comparison (%)	YOY difference	Target comparison (%)	Target difference
Interest Income on Consumer Loans	60.1	66.1	65.3	108.6	+ 5.2	98.8	- 0.8
MARUI	50.5	52.6	51.9	103	+ 1.4	99	- 0.7
Cashing	49.5	52.0	51.4	104	+ 1.9	98	- 0.6
Specific-purpose credit	1.0	0.6	0.5	54	- 0.5	83	- 0.1
Zero First	9.6	13.5	13.4	139	+ 3.8	99	- 0.1

* From FY06, new specific-purpose credit was recorded in receivables—installment sales.

Finance charges earned on installment sales (specific-purpose credit)	-	0.3	0.3	-	+ 0.3	100	0
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Strategy from FY07

NANBA MARUI



Unveil NANBA MARUI in autumn 2006 as the second Marui store in the Kansai region, following on from KOBE Marui.



Upper floors to be occupied by Toho cinema complex

12 levels above ground, 2 basement levels
Basement level 1 through level 7 for use by Marui
Sales floor space: 17,000 m² (plan)



Ideally located at Ebisubashisuji entrance in front of Nanba station.

New Shinjuku Store Complex



New store complex slated for spring 2007 launch at Shinjuku-sanchome, where No. 13 subway line scheduled to open.



14 levels above ground, 3 basement levels
Basement level 1 through level 8 for use by Marui
Sales floor space 9,000 m² (plan)



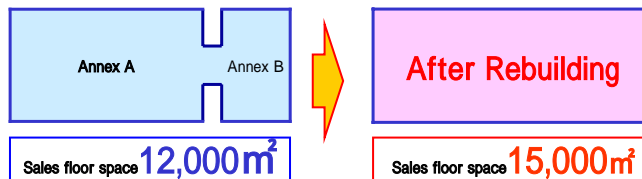
Prime location at the intersection of three subway lines

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CITY SHINJUKU Rebuilding Plan



At the same time as the opening of the new Shinjuku store complex in spring 2007, Marui will scrap two annexes and rebuild one annex for opening spring 2009.



Build a highly profitable mainstay downtown store on a par with YURAKUCHO STORE

Effect of rebuilding	Measures during construction period	Capital investment
<p>Sales 1.3 times or more</p> <p>Sales Floor Space 1.25 times</p>	<p>New annex + Field (use as alternative store)</p> <p>2 annexes combined have sales floor space approximately equivalent to CITY SHINJUKU s</p>	<p>Approximately ¥10 billion</p> <p>Recover over 4 year-period after opening of New Shinjuku Store Complex and CITY SHINJUKU</p>

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YURAKUCHO STORE



Due to unveil a city-type store autumn 2007 as main tenant following redevelopment of area in front to Yurakucho station.



20 levels above ground, 4 basement levels
Basement level 1 through level 9 for use by Marui
Sales floor space 20,000 m² (plan)



Store Closures



Enhance store network efficiency through closure of four stores in FY07.

FY06 Store closures

	Closure timing	FY06 merchandise sales (Billions of yen)
FUJISAWA	Feb. 2006	¥6.3
★ be MACHIDA	Mar. 2006	¥8.6

FY07 Scheduled store closures

★ KAWAGOE	2006 summer	¥4.1
★ TOTSUKA	2006 autumn	¥11.3
★ TOKOROZAWA	2007 spring	¥6.0
TSUDANUMA	2007 spring	¥4.1

★ means stores owned or jointly owned by Marui

Plans call for conversion of four stores into tenant building formats for fashion-related stores

Group company Aim Creates to undertake operations as part of its property management operations

All companies SPA shops and specialty stores to open in fashion-shop buildings

Opening Plans for SPA Shops and Specialty Stores



Shop	Group Company	Store-opening location	Store-opening timing	Sales Floor Space
Chanelique	Marui Palette Co., Ltd.	LaLaport and Funabashi	Mar. 2006	1 0 0 m ²
Studio Zero One	Marui Fashion Navi. Co., Ltd.	Resort Outlets Oarai	Mar. 2006	1 3 0 m ²
Studio Zero One	Marui Fashion Navi. Co., Ltd.	Aqua City Odaiba	Mar. 2006	1 7 0 m ²
Love one Square	Marui Palette Co., Ltd.	Ikebukuro Sunshine City	Apr. 2006	3 0 0 m ²
in The Room	Marui Access Co., Ltd.	LaLaport and Toyosu	2006 autumn	2,0 0 0 m ²
in The Room	Marui Access Co., Ltd.	Nagoya	2007 spring	3,0 0 0 m ²

Nagoya in The Room



Opened	Scheduled for opening	
	Determined	Under negotiation
8	13	10

End of FY07 (plan)

30 stores

Equivalent to one store with sales floor space of 15,000 m²

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Establishment of New Company Marui Voi Co., Ltd



Establish new company in April to realize early, full-fledged development of e-commerce.

Advance launch of e-commerce operations in November 2004

Open virtual store in Voi web site (May 2005)

FY06 sale of ¥2.5 billion (5.3 time previous year)

	FY 05	FY06
C u s t o m e r s	New customers	0.092 million customers (95%)
	Customer composition	Young customer ratio 5.7%
	New credit-card members	2900 members
M D	Product linkage	Percentage of sales stemming from catalogs and stores: 55%
	Average order price	¥19,500
		Percentage of sales stemming from e-commerce operations and stores: 85% (+30%)
		0.125 million customers (134%)
		Young customer ratio 6.7% (+10%)
		4100 members (140%)
		¥21,000 (+107%)

Establish

Marui Voi Co., Ltd.

April 2006

Toward full-fledged participation in e-commerce

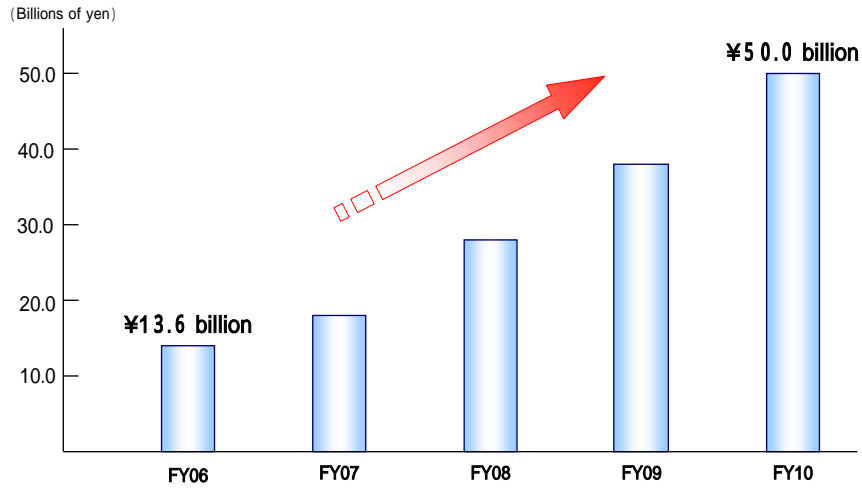
Construction of business model integrated with retail stores

Creation of synergy benefits with Credit Card and Consumer Finance Services operations

Start with 100 employees


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[FY2010] **Operating revenues ¥50.0 billion** **Operating income ¥6.0 billion**




**Strategy for Credit Card and
Consumer Finance Services
(centered on Epos Card)**

Launch of Epos Card as credit card customers use first and use for a lifetime.



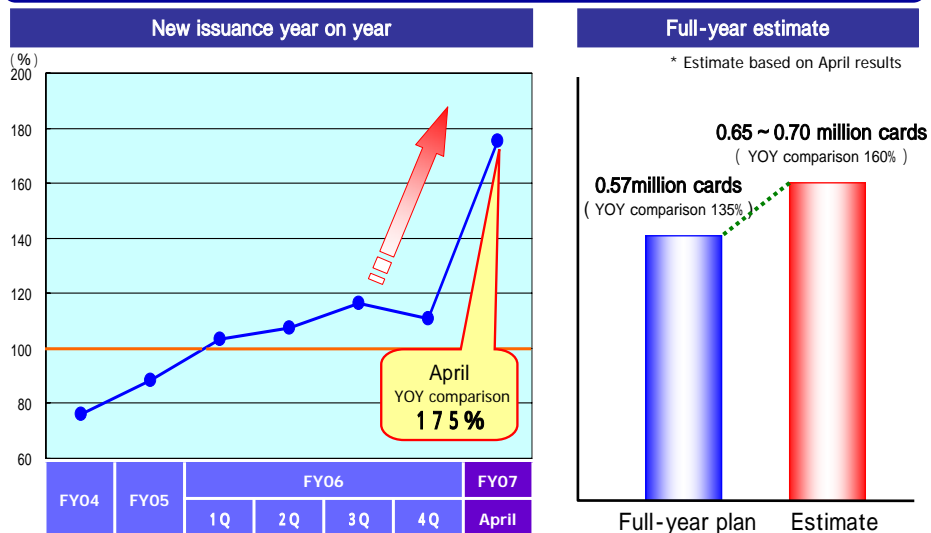
- House credit card
- Immediate issuance at stores
- Lump-sum / installment payment
- 5% birthday discount
- Annual membership fee ¥1,000



- International credit-card including VISA
- Immediate IC card issuance at stores (world first)
- Introduce shopping / revolving payment
- Membership admission month / birthday 5% cash discount
- Annual membership effectively free (points worth ¥1,000 given)
- Introduction of complimentary points systems
 - ¥1,000 spent at Marui earns 1 point
 - ¥1,000 spent at affiliated merchants earns 1 point
- Establishment of Epos Net

- Revolving change / anytime revolving
- Credit card usage 10% discount
- Credit card usage double points
- Revolving usage triple points
- Revolving usage double points

Start issuing Epos Credit Cards from 29 March, new credit card issuance rises conspicuously in April, up 75% year on year.



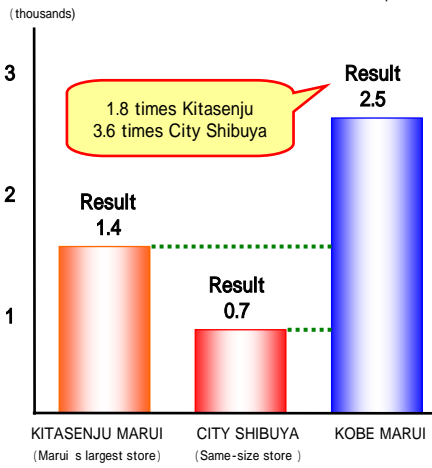
Credit Card Issuance Part 2



Begin issuance of Epos Card in Kansai at Kobe Marui issuance trends markedly outperform mainstay stores.

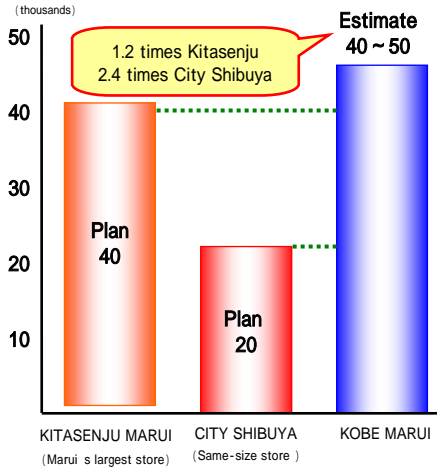
New issuance April 17 30 results

* Issuance starts at Kobe Marui April 17



Full-year estimate

* Estimate based on April results



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Credit Card Usage at Marui



Credit-card sales jump 29% from previous year, significant fall-off in other credit card usage.

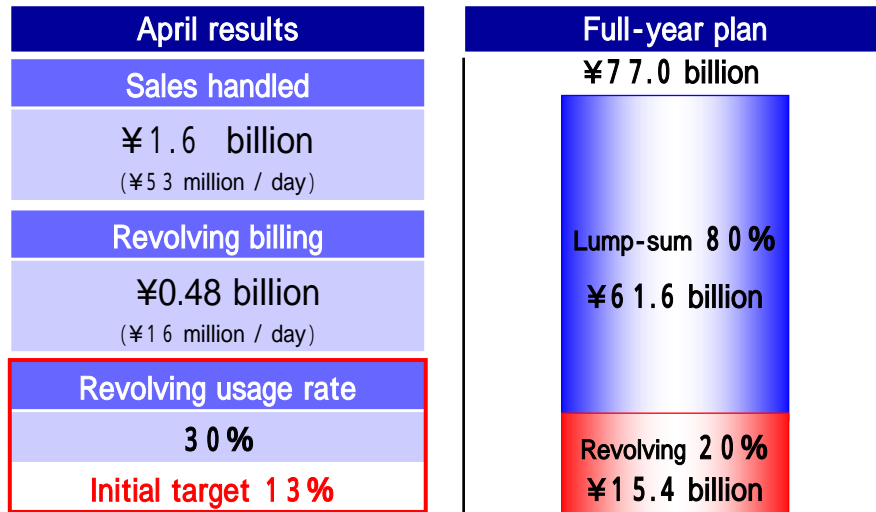
	January March		April	
	YOY comparison(%)	Breakdown	YOY comparison(%)	Breakdown
Credit card usage (Epos Card / Akai Card)	100 %	56 %	129 %	65 %
Lump-sum	103	30	160	38
Revolving installment	96	26	102	27
Other credit card usage	110	44	84	35
Total	104	100	109	100

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Usage at Affiliated Merchants



A 30% usage rate for revolving payments at affiliated merchants in April significantly exceeds initial projections



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Key Operational Strategies



1

Exploit Epos Card to increase card-using customers and thereby grow cashing

2

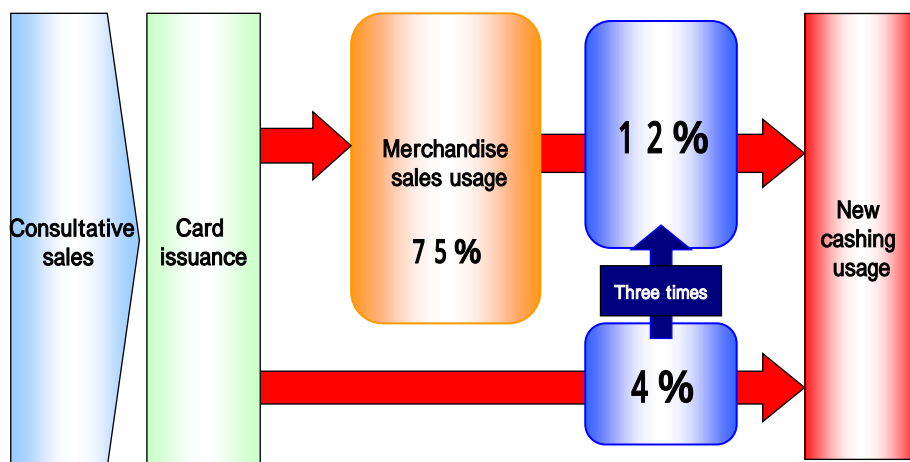
Establish credit card business as third pillar in addition to Retailing and consumer finance services

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Key Operational Strategy Number 1
**Increase card-using customers
 and thereby grow cashing**

Marui's Cashing Usage Scheme

< Introduction route to new cashing usage > *within 2 years of credit card issuance

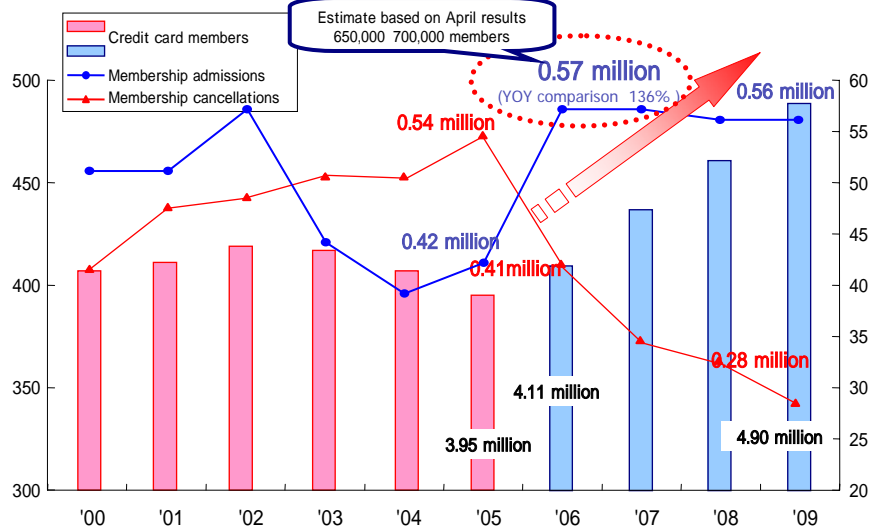


80% of new cashing customers from merchandise sales usage

Credit Card Members: Admission / Cancellation



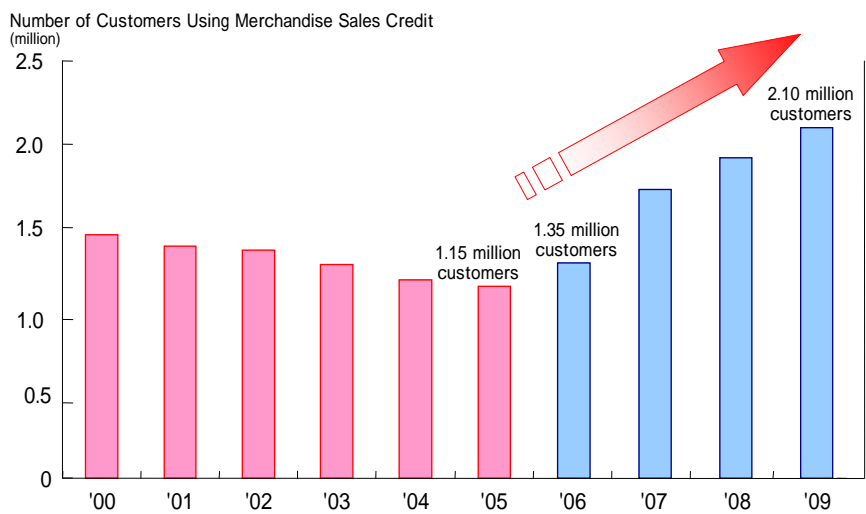
After bottoming at 3.95 million in 2005, members projected to reach 4.90 million in 2009.



Number of Customers Using Merchandise Sales Credit



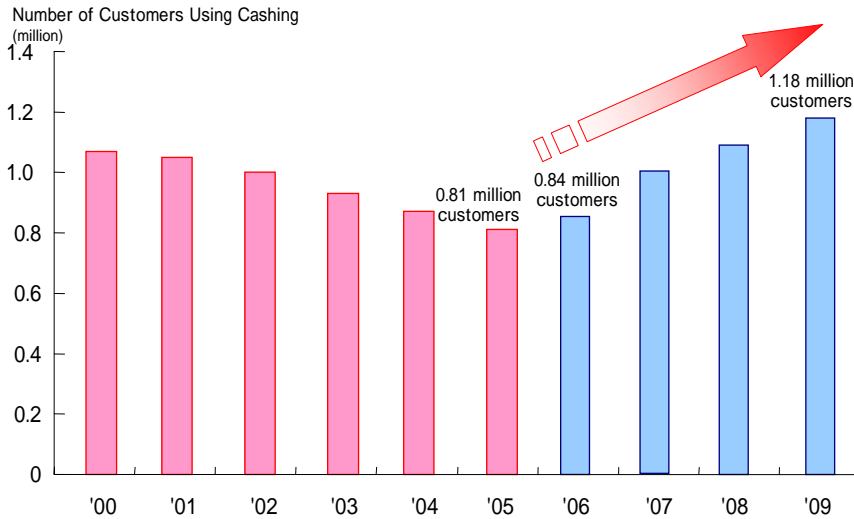
After bottoming at 1.15 million in 2005, number of customers using credit projected to reach 2.10 million in 2009.



Number of Customers Using



After bottoming at 810,000 in 2005, number of customers using cashing projected to reach 1.18 million in 2009.



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Projected Cashing Figures



	FY06	FY10	FY06 comparison
Cashing consumer loans outstanding	¥198.5 billion	¥247.0 billion	+ ¥48.5 billion
Cashing customers	0.81 million	1.18 million	+ 0.37 million
Consumer loans outstanding per customer	0.24 million	0.20 million	- 0.04 million
Cashing income	¥51.3 billion	¥62.0 billion	+ ¥10.7 billion

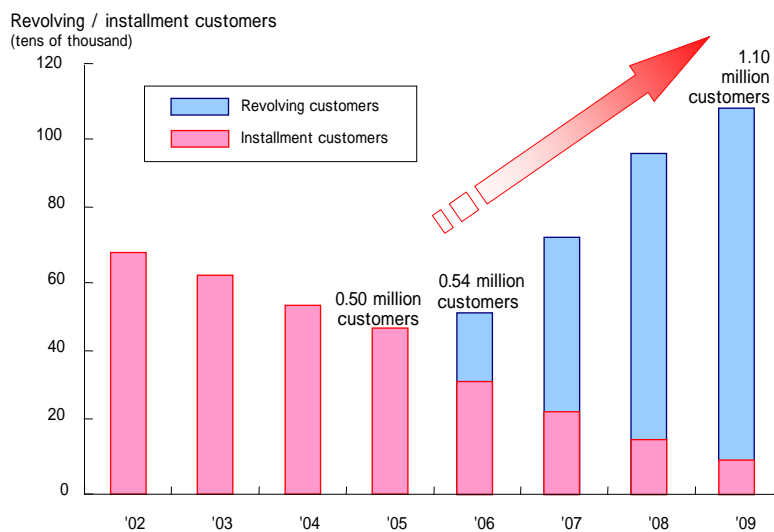
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Key Operational Strategy Number 2

Establish Credit Card Business as Third Pillar

Marui Merchandise Sales Revolving / Installment Customers

After bottoming at 500,000 in 2005, number of revolving / installment customers projected to reach 1.10 million in 2009.

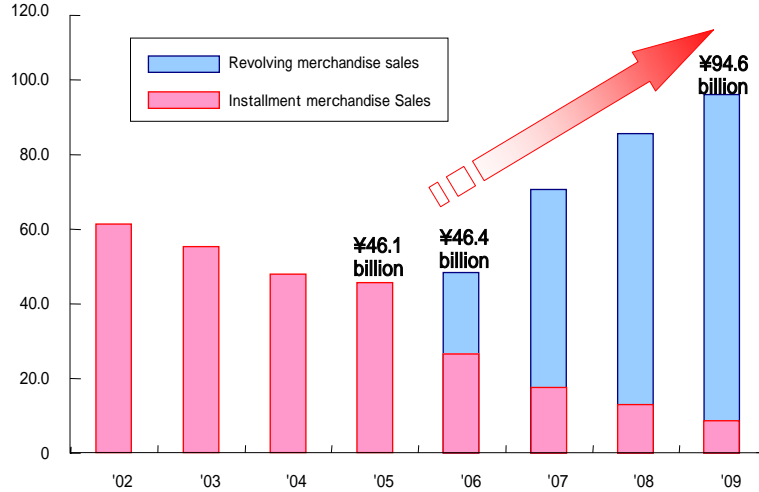


Marui Revolving / Installment Merchandise Sales



After bottoming at ¥46.1 billion in 2005, revolving / installment sales projected to reach ¥94.6 billion in 2009.

Revolving / Installment Merchandise Sales
(billions of yen)



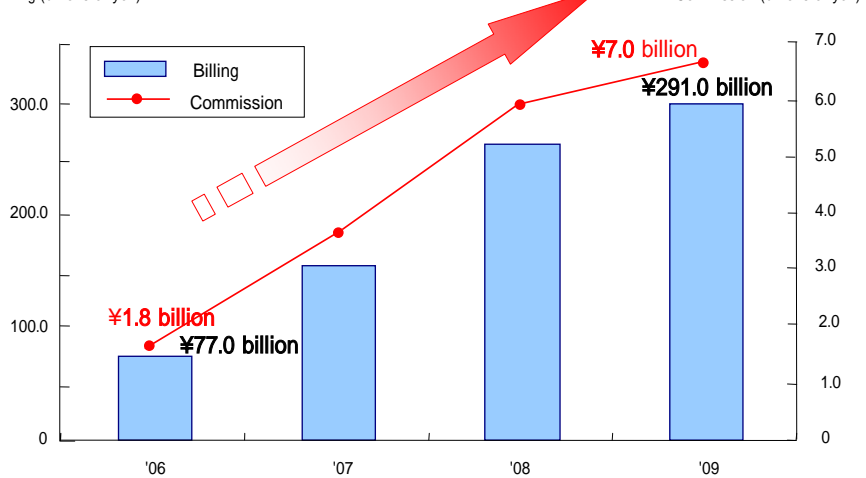
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Affiliated Merchants Billing / Fees



In 2009, anticipate affiliated merchant billing of ¥291 billion and fees of ¥7 billion.

Billing (billions of yen) Commission (billions of yen)

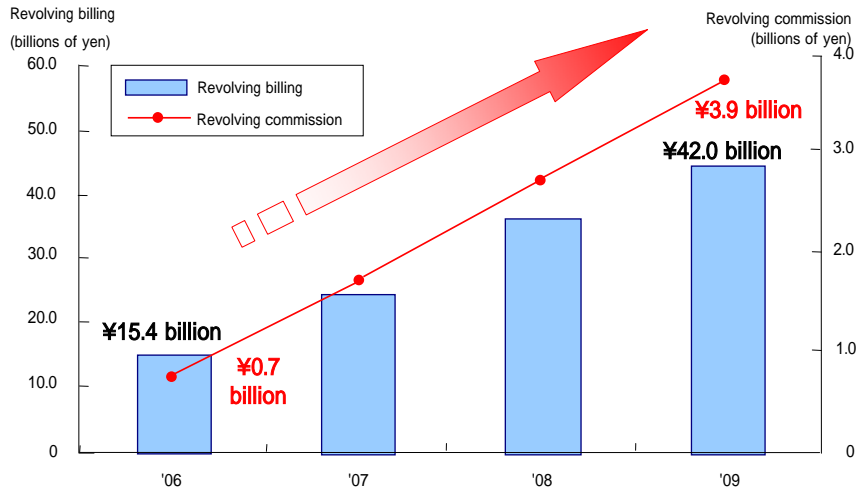


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Affiliated Merchants Revolving Billing



In 2009, anticipate affiliated merchant revolving billing of ¥42 billion and commission of ¥3.9 billion.



Numerical Outlook for Credit Card and Consumer Finance Services (Group total)



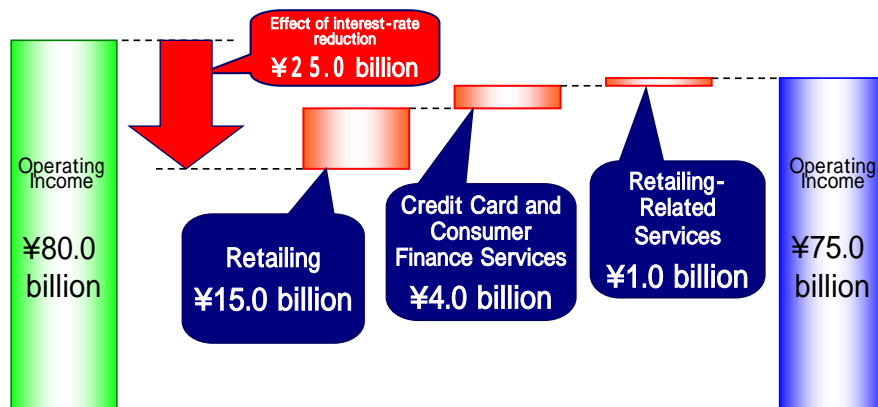
	FY06	FY10	FY06 comparison	Comparison with medium-term plan
	billions of yen	billions of yen	billions of yen	billions of yen
Credit card business (Finance charges earned on installment sales Merchant fees etc.)	7.4	25.1	+ 17.7	+ 11.3
Cashing	64.7	84.8	+ 20.1	+ 3.6
MARUI	51.3	62.0	+ 10.7	+ 3.6
Zero First	13.4	22.8	+ 9.4	± 0
Total	72.1	109.9	+ 37.8	+ 14.9

Response to Strengthening of Cashing Regulations

Effect of Lower Interest Rates on Medium-Term Management Plan

Assuming maximum drop in interest rates, aim to realize the medium-term management targets

Assumptions · Interest rate upper limit: 29.2% 18% → Actual interest rate: 26% 18% (8%)
 · Adopted from April 2007



FY10 Medium-Term Management Plan

FY07 Plan

FY07 Plan (Consolidated)



Billions of yen, %

	FY06	FY07			
		First-half	YOY comparison (%)	Full year	YOY comparison (%)
Operating revenues	5 6 1.5	2 7 1.0	1 0 1	5 7 5.0	1 0 2
Gross profit	2 0 9.3	1 0 4.0	1 0 3	2 2 0.0	1 0 5
SG&A expenses	1 6 4.6	8 1.0	1 0 1	1 6 5.0	1 0 0
Operating income	4 4.7	2 3.0	1 1 3	5 5.0	1 2 3
Ordinary income	4 6.2	2 3.0	1 1 1	5 5.0	1 1 9
Net income	2 4.0	1 0.5	1 0 1	2 5.5	1 0 6

FY07 Plan Assumptions



	FY06	FY07
Existing stores Merchandise sales year on year	100.9%	99.1% (moving average for FY04-FY06)
Gross margin on merchandise sales	29.6% (Year on year +1.0)	30.3% (Year on year +0.7)
Consumer loans outstanding	¥258.5 billion (YOY comparison 104%)	¥269.0 billion (YOY comparison 104%)
Interest income on consumer loans	¥65.3 billion (YOY comparison 109%)	¥67.5 billion (YOY comparison 103%)
Finance charges earned on installment sales	¥1.9 billion (YOY comparison 109%)	¥3.5 billion (YOY comparison 184%)
Merchant fees	-	¥1.8 billion

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Dividend Policy



From FY06 change to dividends that reflect performance,
from FY07 introduce interim dividend

**Cash dividends of ¥50 per share slated when operating income reaches ¥80 billion,
targeted by the medium-term management plan**

	FY05	FY06-FY09	FY10
Operating income	¥36.8 billion	Cash dividends per share reflect progress toward ¥80 billion operating income target	¥80.0 billion
Dividends per share	¥22		¥50



	FY06 (plan)	FY07 (plan)
Operating income	¥44.7 billion	¥55.0 billion
Achievement ratio	56%	69%
Dividends per share	¥28	¥35

Scheduled introduction of
interim dividend from FY07

Interim dividends also reflect
performance, ¥15 planned

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OIOI