

# Summary of Consolidated Financial Results for the Interim Period Ended September 2006

November 10, 2006

Listed Company: Marui Co., Ltd.

Code Number: 8252

(URL: <http://www.0101.co.jp>)

Representative: Hiroshi Aoi, President

For Inquiries: Yoshiaki Kogure, General Manager Finance Department Tel: (03) 3384-0101

Date of Board of Directors Meeting for the Settlement of Accounts: November 10, 2006

Application of U.S. Accounting Standards: Not applied

Financial information presented herein was not audited by certified public accountants

The Tokyo Stock Exchange, First Section

Location of Headquarters: Tokyo

## 1. CONSOLIDATED RESULTS FOR INTERIM PERIOD ENDED SEPTEMBER 2006 (April 1, 2006 to September 30, 2006)

### (1) Consolidated Operating Results

Amounts less than 1 million yen rounded down

	Sales		Operating Income		Ordinary Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Interim period ended September 2006	264,655	-1.1	19,391	-4.3	20,300	-2.0
Interim period ended September 2005	267,616	0.7	20,268	44.7	20,717	36.9
Fiscal year ended March 2006	561,539		44,705		46,178	

	Net Income		Net Income per Share	Diluted Net Income per Share
	Millions of Yen	%	Yen	Yen
Interim period ended September 2006	3,349	-67.8	10.12	9.96
Interim period ended September 2005	10,411	36.5	30.18	29.00
Fiscal year ended March 2006	23,983		70.39	67.31

- (Note) (i) Equity in earnings of equity-method affiliates:  
 Interim period ended September 2006: None Interim period ended September 2005: None  
 Fiscal year ended March 2006: None
- (ii) Average number of outstanding shares during the period (consolidated):  
 Interim period ended September 2006: 330,892,292 shares Interim period ended September 2005: 344,988,801 shares  
 Fiscal year ended March 2006: 340,716,565 shares
- (iii) Changes in accounting policy: None
- (iv) Percentages for sales, operating income, ordinary income, and net income are rates of increase or decrease compared with the same period of previous year.

### (2) Consolidated Financial Position

	Total Assets	Net assets	Equity ratio	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
Interim period ended September 2006	743,163	407,950	54.6	1,243.68
Interim period ended September 2005	701,827	416,820	59.4	1,238.89
Fiscal year ended March 2006	722,578	432,695	59.9	1,286.09

- (Note) Number of outstanding shares at period-end (consolidated):  
 Interim period ended September 2006: 326,441,161 shares Interim period ended September 2005: 336,446,703 shares  
 Fiscal year ended March 2006: 336,443,012 shares

### (3) Consolidated Results of Cash Flows

	Net Cash Provided by Operating Activities	Net Cash Used in Investing Activities	Net Cash Used in Financing Activities	Cash and Cash Equivalents at End of Period
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Interim period ended September 2006	1,330	(12,170)	12,253	44,032
Interim period ended September 2005	9,503	(11,760)	(12,980)	38,067
Fiscal year ended March 2006	36,116	(33,846)	(12,956)	42,619

- (4) Scope of Consolidation and Application of the Equity Method  
 Consolidated subsidiaries: 16 companies  
 Non-consolidated subsidiaries for which the equity method is applied: None  
 Affiliates for which the equity method is applied: None
- (5) Changes in Scope of Consolidation and Application of the Equity Method  
 Consolidated subsidiaries: Newly added: 2 companies Excluded: 4 companies  
 Equity-method non consolidated subsidiaries and affiliates: Newly added: None Excluded: None

## 2. Forecast of Consolidated Results for the Year Ending March 2007 (April 1, 2006 to March 31, 2007)

	Sales	Operating Income	Ordinary Income	Net Income
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Year ending March 2007	557,000	45,000	46,000	12,500

- (Note) Projected net income per share for the year ending March 2007: 38.29 yen

The foregoing estimates are made based on information available as of the date this data was released, and actual results may differ from estimates due to various factors arising in the future. Please see page 6 regarding to assumption for forecast of consolidated results for the year ending March 2007.

## **Marui Group Companies**

### **Business Description**

Marui Co., Ltd., (the Company) and its related companies, which comprised 20 subsidiaries and 3 affiliates as of September 30, 2006, implement operations in three business segments—Retailing, Credit Card and Consumer Finance Services, and Retailing-Related Services.

The following is a categorization and description of the operations of the Company and its related companies.

The categorization is consistent with the Company's operational segments.

### **Retailing**

The Company and the related companies listed below retail apparel, accessories, interior and household goods, foodstuffs, and other goods.

Related Companies: Marui M's Mode Co., Ltd., Marui Fashion Navi. Co., Ltd., Marui Palette Co., Ltd., Marui Access Co., Ltd., Marui Voi Co., Ltd., in The Room Co., Ltd., and Marui Seasoning Co., Ltd.

\* Through corporate divestiture of operational departments related to mail-order sales and e-commerce, Marui Voi Co., Ltd., was established as a new company on April 1, 2006. Further, through corporate divestiture of the interiors operational departments of Marui Access Co., Ltd., in The Room Co., Ltd., was established as a new company on August 1, 2006.

### **Credit Card and Consumer Finance Services**

The Company and the related companies listed below are responsible for the Company's in-house credit card and installment sale operations and provide consumer loan, insurance, and travel agency services.

Related Companies: Epos Card Co., Ltd., Zero First Co., Ltd., and MRI Servicer Co., Ltd..

### **Retailing-Related Services**

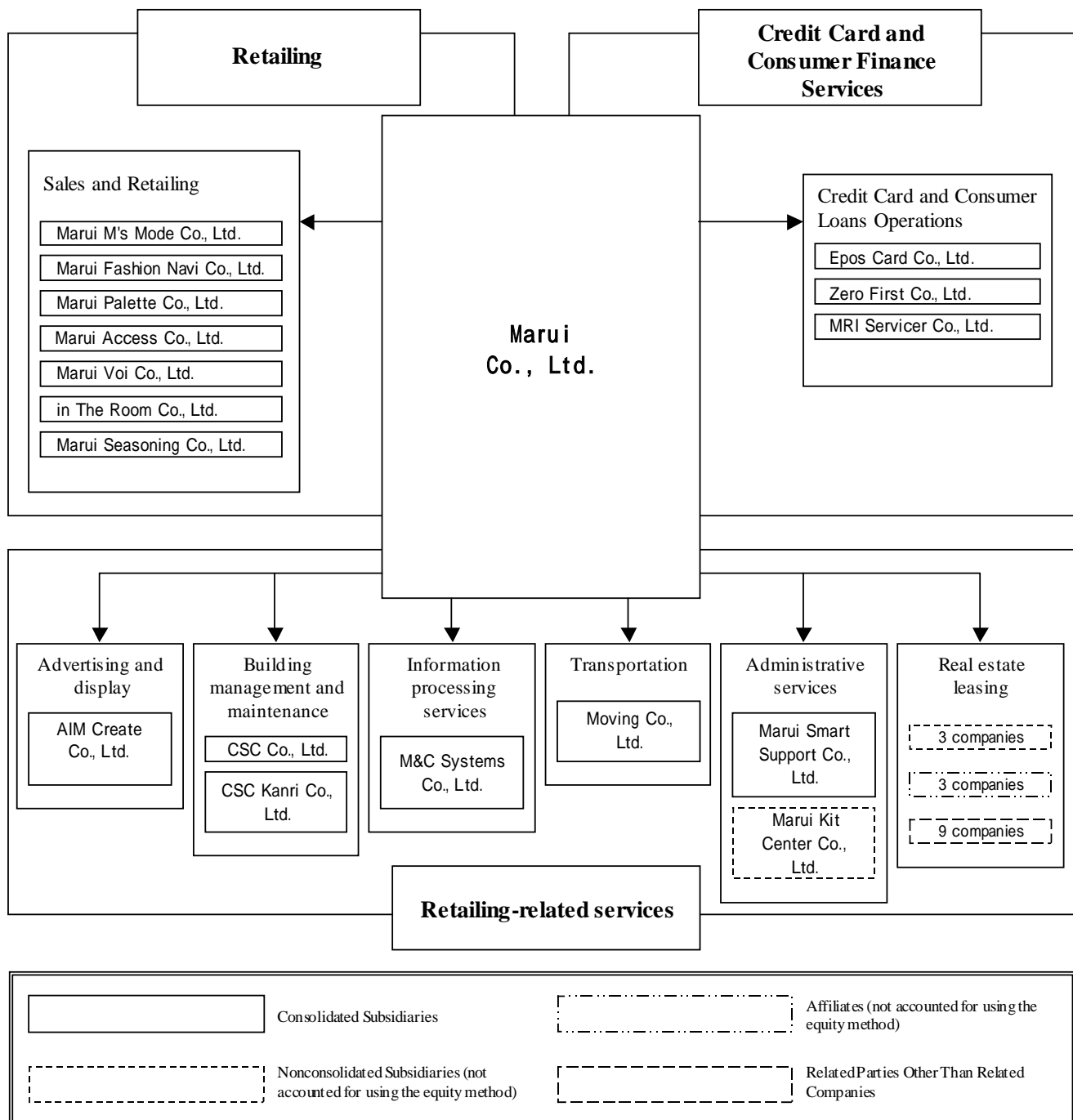
The Company and the affiliates listed below conduct operations for corporate clients that primarily comprise store remodeling, advertising, building management and maintenance, real estate leasing, software development, and truck freight transportation.

Related Companies: AIM Create Co., Ltd., CSC Co., Ltd., M&C Systems Co., Ltd., Moving Co., Ltd., Marui Smart Support Co., Ltd., CSC Kanri Co., Ltd., Marui Kit Center Co., Ltd., Kitasenu Toshi Kaihatsu Co., Ltd., Totsuka Shogyobiru Kanri Co., Ltd., Shiki Toshi Kaihatsu Co., Ltd., Mizonokuchi Shintoshi Co., Ltd., Nakano Sun Cuore Co., Ltd. and Mito Toshi Kaihatsu Co., Ltd.

In addition to the abovementioned companies, the Company and its affiliates lease buildings and other facilities for operations and stores from Aoi Fudosan Co., Ltd., and eight other companies.

## The Marui group

The following is a schematic diagram of the Marui Group's operations.



## **Management Policy**

### **Basic Management Policy**

In addition to mainstay retailing of highly fashionable products, Marui is growing as corporate group that develops Credit Card and Consumer Finance Services as well as Retailing-Related Services. Placing the greatest value on customer service that pleases our customers, we have pursued management innovation that reflects customers' viewpoints and cultivated distinctive business know-how.

By continuing to realize synergy benefits among businesses and by offering customers new additional value, the Group aims to become a corporate group that can contribute further to stockholders, business partners, and local community members.

### **Basic Policy for the Distribution of Profits**

The Group's basic policy is to enhance returns on stockholders' equity while maintaining appropriate distributions of profits to shareholders in light of comprehensive consideration of such factors as performance trends and dividend payout ratios.

In addition, based on cash flows, the Group will actively reinvest retained earnings to expand operations strategically and increase earnings. At the same time, the Group wants to achieve cash dividends levels that appropriately reflect income levels by linking them to progress made in the implementation of the current medium-term management plan.

Specifically, for the fiscal year ending March 2010, the Group targets consolidated operating income of ¥80 billion and full-year cash dividends per share of ¥50. In the intervening fiscal years, the Group plans to pay cash dividends reflecting the degree of progress each year's operating income has made toward that ¥80 billion benchmark. Further, aiming to increase opportunities to distribute profits, we introduced an interim cash dividend linked to interim operating income from the current fiscal year, ending March 2007, with September 30 as the date of record.

### **Medium-to-Long Term Management Strategy**

Underpinned by a Group management system that integrates respective companies, the Group actively pursues growth strategies. Each operational area realizes autonomy while coordinating closely with other operational areas.

In Retailing, we will enhance the efficiency of our store network by continuing our scrap-and-build policy and creating stores centered on mainstay youth fashion. Specifically, we will open highly efficient stores in prime locations. Following on from the September 2006 opening of Namba Marui, plans call for the openings of a new Shinjuku store complex in February 2007 and a new store in front of Yurakucho station in autumn 2007. Moreover, we will fortify the profitability of mainstay stores through a reorganization of the Shinjuku area that will include rebuilding City Shinjuku to coincide with the opening of the new Shinjuku store complex. Meanwhile, in the first half of the current fiscal year we closed our Kawagoe and Totsuka stores and plan to close our Tokorozawa and Tsudanuma stores in the second half. Also, in the fiscal year ending March 2008 we will close our Nakano store. In addition, we will convert the Kawagoe store and Totsuka store to a "modi" tenant building fashion-shop format. Group company AIM Create Co., Ltd., will plan and operate the buildings.

Further, Group companies in Retailing will expand our store network by actively opening stores in fashion-shop buildings and shopping centers. Also, we will reinforce systems-related collaboration with business partners to enhance the accuracy and speed of systems that span from planning and production through to product delivery. At the same time, we intend to bolster profitability by continuing to take steps to increase in-house products and improve gross profit margins.

In Credit Card and Consumer Finance Services, we will enhance the functions and services of the Epos Card, which we began issuing in March 2006. To establish Epos Card as a credit card that customers use long-term as their principal credit card, we aim further heighten its convenience and increase membership.

We will take decisive measures to increase earnings from credit card operations by promoting the use of the Epos Card for installment-payment shopping and at Visa-affiliated stores nationwide.

In Retailing-Related Services, for respective operations that have acquired a high degree of specialization through involvement with our retailing operations we will take steps to increase profitability and aggressively develop business outside the Group.

Through such measures, the Group will fully exploit the management resources of respective companies and advance operations that integrate retailing and credit card operations.

### **Items relating to the Parent Company**

No applicable items.

## **Operational Performance and Financial Position**

### **Operational Performance**

In the interim period under review, ended September 30, 2006, solid external demand and capital investment characterized a favorable business climate for industry. Consumer spending trended modestly upward on the back of improvements in employment and incomes.

Amid those conditions, the Marui Group aggressively pursued a range of measures. However, due the effect of such factors as unseasonable weather and changes in consumer finance market conditions, in the interim period the Group recorded decreases of 1.1% in consolidated total operating revenues, to ¥264,655 million; 4.3% in operating income, to ¥19,391 million; 2.0% in ordinary income, to ¥20,300 million; and 67.8% in net income, to ¥3,349 million.

### **Segment Breakdown**

#### **Retailing**

In Retailing, downtown mainstay stores performed solidly, with Machida Marui posting strong growth after its reopening in March following a refurbishment. Further, following its September launch, Namba Marui performed well and surpassed initial targets. In addition, Group companies successfully expanded their store networks by opening SPA (specialty store retailer of private label apparel) shops and specialty stores in fashion-shop buildings and shopping centers. In mail-order sales operations, as an addition to catalog mail-order sales operations, we stepped up the development of full-scale e-commerce operations by increasing the selection of brands and lineups carried by our Internet-based online shop.

Meanwhile, we were able to improve the gross profit margin 1.2% percentage points, to 30.5%, by increasing in-house-planned products, raising the percentage of products manufactured overseas, and heightening sales of regularly priced products.

As a result of the above, sales at existing stores held at the same level despite the effect of unseasonable weather. However, due to store closures from the end of the previous fiscal year through the interim period, retailing operating revenues declined 3.2%, to ¥198,599 million. Further, although total gross profit was up due to an improvement in the gross profit margin, operating income decreased 5.9%, to ¥7,320 million, because of higher charges on credit sales.

#### **Credit Card and Consumer Finance Services**

In Credit Card and Consumer Finance Services, new credit card members rose steadily following the March issuance of Epos Card. Not only Marui stores but also Visa affiliated stores began accepting the new credit card. As a result, financial charges earned on installment sales jumped 40.4%, to ¥1,229 million.

Meanwhile, changes in the environment for consumer finance affected consumer loans. Consequently, outstanding loans growth stagnated, while interest income only increased slightly.

As a result of the above, segment operating revenues were up 7.1%, to ¥38,580 million, and operating income decreased 7.2%, to ¥10,880 million.

Further, from the previous fiscal year the Company recorded an allowance for loss on interest reimbursement in preparation for losses on reimbursement of interest on consumer loans. However, in response to the October issuance of accounting procedure guidelines by the Japanese Institute of Certified Public Accountants, the Company reviewed its recognition procedures for allowance for loss on interest reimbursement and allowance for doubtful accounts. As a result, the Company recognized ¥10,921 million in special loss.

#### **Retailing-Related Services**

Retailing-Related Services mainly comprise such operations as logistics, advertising and store remodeling, and information systems. With Retailing operations as its core, the Group actively took steps to expand peripheral retailing-related operations, including large-item delivery, the planning and operation of commercial and other facilities, condominium leasing, and information systems solutions that connect these operations.

Segment operating revenues grew 3.3%, to ¥51,813 million, and operating income was up 32.3%, to ¥3,363 million.

## **Financial Position**

Total assets at the end of the interim period increased ¥20,584 million from the previous fiscal year-end, to ¥743,163 million. That increase was attributable to a significant increase in installment sales receivables for Epos Card, launched in March 2006, and a ¥13,353 million increase in retailing sales receivables and installment sales receivables and to a ¥5,879 million rise in total investments and other assets and deferred income taxes that accompanied the recording of a ¥13,200 million allowance for loss on interest reimbursement.

Total liabilities rose ¥47,243 million, to ¥335,212 million, due to increases of ¥21,310 million in short-term loans and current maturities of long-term debt and of ¥20,000 million in commercial paper that offset a ¥6,170 million decrease in income taxes payable.

Total net assets declined ¥26,658 million, to ¥407,950 million, as a result of a ¥24,378 million decrease in total stockholders' equity, which was due to a ¥18,307 million acquisition of treasury stock and a ¥6,070 million decrease in retained earnings as well as a ¥2,329 million decrease in net unrealized holding gains on securities. As a consequence, the stockholders' equity ratio was 54.6%.

## **Consolidated Cash Flows**

Net cash provided by operating activities declined ¥8,172 million, to ¥1,330 million. That decrease was associated with a ¥13,353 million increase in retailing sales receivables and installment sales receivables and income taxes paid in cash of ¥12,979 million that counteracted income before income taxes and minority interests of ¥6,414 million and depreciation and amortization of ¥8,290 million.

Net cash used in investing activities rose ¥409 million, to ¥12,170 million, which was mostly because of payments for purchase of property and equipment of ¥9,334 million that accompanied the September opening of Namba Marui and the refurbishment of existing stores.

Net cash provided by financing activities was ¥12,253 million, compared with net cash used in financing activities of ¥12,980 million in the previous interim period. This was mainly the result of a ¥20,010 million net increase in short-term loans and a ¥20,000 million net increase in commercial paper, which compensated for payments for purchase of treasury stock of ¥18,334 million and dividends paid of ¥9,420 million.

As a result of the above, cash and cash equivalents at end of period amounted to ¥44,032 million, up ¥1,413 million from the previous fiscal year-end.

## **Outlook for the Full Fiscal Year**

The Group will continue implementing decisive measures and advancing a Group growth strategy that seeks to integrate retailing and credit card operations.

In Retailing, we will strengthen profitability by taking steps to enhance and expand in-house lineups and improve gross profit margins. At the same time, we intend to move forward with the opening of SPA shops and specialty stores. Also, in e-commerce, we will further increase the brands available to approach the lineups of our conventional stores and cater to the needs a wide range of customers.

Meanwhile, in Credit Card and Consumer Finance Services we will take preparatory steps in anticipation of amendments to laws relating to consumer finance operations, and we intend to implement measures aimed at strengthening our credit card operations.

As a result of the above, for the full fiscal year, ending March 2007, we expect a 0.8% decrease in total operating revenues, to ¥557,000 million; a 0.7% increase in operating income, to ¥45,000 million; a 0.4% decrease in ordinary income, to ¥46,000 million; and a 47.9% decrease in net income, to ¥12,500 million.

## **Operational and Other Risks**

### **(1) Sales**

The Marui Group's mainstay Retailing operations could be significantly affected by economic trends or by unseasonable weather, such as cool summers or warm winters. Further, the retail industry is witnessing the opening of a succession of commercial facilities and large-scale shopping centers, which could further exacerbate the over supply of stores. In the coming environment of intensified inter-store competition, if the Group was unable to maintain its competitive advantages, the Group's performance could be affected.

### **(2) Statutory Regulations Relating to Installment Sales Operations**

The Group operates installment sales operations through its house credit cards. Those installment sales operations are subject to the "Installment Sales Law," aimed at protecting consumers. As result, those operations are subject to regulations regarding disclosure of transaction terms, issuance of documents, limitation of contract cancellation, contract cancellation, limitation of damages arising from contract cancellation and other factors, prevention of excessive credit, appropriate usage of credit information, and limitation of collection activities. Future revisions of the "Installment Sales Law" could, depending on the content of such revisions, affect the Group's performance.

### **(3) Statutory Regulations Relating to Consumer Loan Operations**

1) In addition to the sale of goods, the Group operates consumer loan business. That consumer loan business is subject to the "Moneylending Control Law," aimed at protecting borrowers. Consequently, that business is subject to regulations pertaining to registration with the Kanto Local Finance Bureau as a moneylender, prohibition of excessive lending, disclosure of lending terms, prohibition of exaggerated advertising, issuance of contract documents, issuance of receipts, provision of ledgers, prohibition of the acquisition of blank power of attorney, and limitation of collection activities. Future revisions of the "Moneylending Control Law," could, depending on the content of such revisions, affect the Group's performance.

2) The effective actual annual interest rates of the Group's consumer loan operations are below the upper limit of 29.2% determined by the "Law Concerning the Regulation of Receiving of Capital Subscription, Deposits and Interest on Deposits." However, a legislative bill has been submitted by the Japanese government that would lower the upper limit of interest rates of the "Law Concerning the Regulation of Receiving of Capital Subscription, Deposits and Interest on Deposits" to the level of the upper limit of the "Interest Payment Restriction Law." If the said legislative bill was enacted, the Group's performance could be affected.

3) Further, article 43 of the "Moneylending Control Law" requires reimbursement of lending interest that exceeds the upper limit on interest rates stipulated by the "Interest Payment Restriction Law." However, in January 2006 a Supreme Court decision established the application of the requirement for reimbursement of lending interest that exceeds the upper limit. As a result, there has been an upward trend in returns of interest in excess of limits stipulated by the "Interest Payment Restriction Law." From the previous fiscal year, the Group recorded an allowance in response. However, an increase in returns of interest that exceeded projections could affect the Group's performance.

(4) The Group holds a large amount of personal information, such information relating to Epos Card members. Regarding the management of personal information as one of its highest-level risks, the Group is dealing with the issue based on a thoroughgoing system. The Group has established regulations for the treatment of personal information based on the standards of industry organizations and endeavors to strengthen its management system through a committee for the promotion of the protection of personal information. Further, we encourage employees to acquire qualification as managers for the treatment of personal information. And, we seek to heighten awareness of the issue among employees through the designation of regular "personal information weeks" and other initiatives.

In addition, we stringently manage digital personal information by using a highly secure host computer. We also have thoroughgoing countermeasures in place to block infiltration from outside by hackers or by viruses and to prevent improper access from within the Company.

In the unlikely event that, despite those measures, there was leakage of personal information, sales could decrease due a loss of public trust in the Group or the Group could face damages resulting from the leakage of information. Such eventualities could affect the Group's performance.

### **(5) External Factors**

Most of the Group's operational facilities are concentrated in the Tokyo metropolitan area. Accordingly, a natural disaster, such as an earthquake, windstorm, or flood that resulted in large-scale damage or a terrorist attack in the Tokyo metropolitan area could affect the Group's performance.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

INTERIM CONSOLIDATED BALANCE SHEETS

	As of September 30, 2005		As of September 30, 2006		Increase (Decrease)	As of March 31, 2006	
	Millions of Yen	% of Total	Millions of Yen	% of Total		Millions of Yen	% of Total
(Assets)							
Current assets:							
Cash and deposits	38,067		44,032			42,619	
Retailing sales receivables	35,255		13,989			40,045	
Installment sales receivables			39,408				
Consumer loans receivables	257,406		257,832			258,488	
Other receivables	1,932		2,730			1,836	
Inventories	48,850		47,460			46,095	
Deferred income taxes	4,914		2,828			4,447	
Other current assets	11,987		13,318			13,830	
Allowance for doubtful accounts	(11,500)		(9,900)			(9,500)	
Total current assets	386,915	55.1	411,701	55.4	24,785	397,863	55.1
Fixed assets:							
Property and equipment, net (Note 1):							
Buildings and store fixtures	103,398		101,716			101,194	
Land	114,272		113,726			113,855	
Other property and equipment	14,959		15,681			15,384	
Total property and equipment	232,630	33.2	231,125	31.1	(1,505)	230,434	31.9
Intangible assets, net	1,396	0.2	2,192	0.3	795	1,237	0.1
Investments and other assets:							
Investments in securities	19,472		33,856			35,046	
Prepaid rents and lease deposits—principally for stores	55,840		51,828			52,047	
Deferred income taxes	2,479		8,582			2,702	
Other assets	3,093		3,876			3,246	
Total investments and other assets	80,885	11.5	98,144	13.2	17,259	93,043	12.9
Total fixed assets	314,912	44.9	331,462	44.6	16,549	324,715	44.9
Total Assets	701,827	100.0	743,163	100.0	41,335	722,578	100.0

	As of September 30, 2005		As of September 30, 2006		Increase (Decrease)	As of March 31, 2006	
	Millions of Yen	% of Total	Millions of Yen	% of Total		Millions of Yen	% of Total
(Liabilities)							
Current liabilities:							
Payables—principally trade	40,091		41,513			41,101	
Short-term loans and current maturities of long-term debt	51,754		73,047			51,737	
Commercial paper	20,000		40,000			20,000	
Income taxes payable	9,240		7,283			13,453	
Accrued bonuses	6,340		5,120			4,300	
Allowance for credit card points			939			294	
Allowance for loss on interest reimbursement						1,200	
Other current liabilities	16,431		20,232			20,222	
Total current liabilities	143,857	20.5	188,135	25.3	44,278	152,309	21.1
Long-term liabilities:							
Bonds	80,000		80,000			80,000	
Convertible bonds	39,839		39,838			39,838	
Long-term debt, less current maturities	9,550		8,300			9,600	
Deferred income taxes	1,597		618			1,758	
Severance and retirement benefits for directors and statutory corporate auditors	785					745	
Allowance for loss on interest reimbursement			13,200				
Other long-term liabilities	7,462		5,121			3,718	
Total long-term liabilities	139,234	19.8	147,077	19.8	7,843	135,660	18.7
Total liabilities	283,091	40.3	335,212	45.1	52,121	287,969	39.8
(Minority interests)							
Minority interests	1,914	0.3				1,913	0.3
(Stockholders' equity)							
Common stock	35,920	5.1				35,920	5.0
Capital surplus	91,273	13.0				91,274	12.6
Retained earnings	327,302	46.6				340,874	47.2
Net unrealized holding gains on securities	5,423	0.8				7,733	1.1
Less treasury stock, at cost	(43,099)	-6.1				(43,108)	-6.0
Total stockholders' equity	416,820	59.4			-	432,695	59.9
Total liabilities, minority interests and stockholders' equity	701,827	100.0				722,578	100.0
(Net assets)							
Stockholders' Equity							
Common stock			35,920	4.8			
Capital surplus			91,274	12.3			
Retained earnings			334,804	45.1			
Less treasury stock, at cost			(61,415)	-8.3			
Total stockholders' equity			400,584	53.9			
Valuation and translation adjustments							
Net unrealized holding gains on securities			5,403	0.7			
Total valuation and translation adjustments			5,403	0.7			
Minority interests			1,962	0.3			
Total net assets			407,950	54.9			
Total liabilities and net assets			743,163	100.0			

**INTERIM CONSOLIDATED STATEMENTS OF INCOME**

	Interim period ended September 30, 2005		Interim period ended September 30, 2006		Increase (Decrease)	Fiscal year ended March 31, 2006	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	Millions of Yen	%
Revenues from retailing	205,178	76.7 (100.0)	198,599	75.0 (100.0)	(6,579)	436,755	77.8 (100.0)
Cost of sales of retailing	144,985	(70.7)	138,057	(69.5)	(6,927)	307,354	(70.4)
Gross profit on retailing	60,192	(29.3)	60,541	(30.5)	348	129,400	(29.6)
Revenues from credit card and consumer finance services							
Interest income on consumer loans	32,628		33,089			65,267	
Finance charges earned on installment sales	875		1,229			1,895	
Other revenues	2,524		2,642			4,961	
	36,028	13.4	36,962	14.0	933	72,124	12.8
Revenues from retailing-related services	26,409	9.9	29,093	11.0	2,684	52,660	9.4
Cost of retailing-related services	21,940		23,941		2,001	44,837	
Gross profit on retailing-related services	4,469		5,152		683	7,822	
Total gross profit	100,690	37.6	102,656	38.8	1,965	209,347	37.3
Selling, general and administrative expenses (Note 1)	80,421	30.0	83,264	31.5	2,843	164,641	29.3
Operating income	20,268	7.6	19,391	7.3	(877)	44,705	8.0
Other income:							
Interest income	108		106			207	
Income from donation of property	686		1,412			1,495	
Exemption from consumption taxes	274					673	
Other non-operating income	414		574			1,122	
	1,483	0.5	2,093	0.8	609	3,498	0.6
Other expenses:							
Interest expenses	899		983			1,799	
Other expenses	135		199			225	
	1,035	0.4	1,183	0.4	148	2,025	0.4
Ordinary income	20,717	7.7	20,300	7.7	(416)	46,178	8.2
Special gains:							
Gain on sale of property and equipment (Note 2)	48		138			153	
Gain on sale of investments in securities	9		271			13	
	58	0.0	410	0.1	352	166	0.1
Special losses:							
Loss on disposal of property and equipment (Note 3)	1,953		1,644			3,393	
Loss on sale of property and equipment (Note 4)			—			854	
Loss on closing stores (Note 5)			143			644	
Loss on impairment of fixed assets (Note 6)	1,301		431			1,431	
Loss on devaluation of investments in securities			17			6	
Loss on sale of investment securities			7				
Loss on prior period adjustment (Note 7)	349		1,131			349	
Provision for loss on interest reimbursement (Note 8)	—		10,921			—	
	3,604	1.3	14,296	5.4	10,692	6,680	1.2
Income before income taxes and minority interests	17,171	6.4	6,414	2.4	(10,756)	39,664	7.1
Income taxes:							
Current	8,540		6,813			18,590	
Deferred	(1,835)		(3,801)			(3,017)	
	6,704	2.5	3,012	1.1	(3,692)	15,572	2.8
Minority interests	55	0.0	52	0.0	(3)	107	0.0
Net income	10,411	3.9	3,349	1.3	(7,061)	23,983	4.3

\* Revenues for the previous interim period and the previous fiscal year are presented in accordance with the classification of revenues in the interim period ended September 30, 2006.

CONSOLIDATED STATEMENTS OF INTERIM CAPITAL SURPLUS AND RETAINED EARNINGS AND  
CONSOLIDATED STATEMENTS OF NET ASSETS

INTERIM CONSOLIDATED STATEMENTS OF CAPITAL SURPLUS AND RETAINED EARNINGS

	Interim period ended September 30, 2005	Fiscal year ended March 31, 2006
	Millions of Yen	Millions of Yen
(Capital surplus)		
Capital surplus at the beginning of the period	91,273	91,273
Increase in capital surplus:		
Sale of treasury stock	0	0
	0	0
Capital surplus at the end of the period	91,273	91,274
(Retained earnings)		
Retained earnings at the beginning of the period	324,703	324,703
Increase in retained earnings:		
Net income	10,411	23,983
	10,411	23,983
Decrease in retained earnings:		
Cash dividends paid	7,731	7,731
Directors' bonuses	80	80
Decrease due to inclusion of subsidiaries		
Decrease due to exclusion of subsidiaries		
	7,812	7,812
Retained earnings at the end of the period	327,302	340,874

INTERIM CONSOLIDATED STATEMENTS OF NET ASSETS

Interim period ended September 30, 2006

(Millions of Yen)

	Stockholders' Equity					Valuation and translation adjustments		Minority interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Less treasury stock, at cost	Total stockholders' equity	Net unrealized holding gains on securities	Total valuation and translation adjustments		
Balance as of March 31, 2006	35,920	91,274	340,874	(43,108)	424,962	7,733	7,733	1,913	434,608
Changes during interim period									
Dividends from surplus			(9,420)		(9,420)				(9,420)
Interim net income			3,349		3,349				3,349
Acquisition and disposal of treasury stock		0		(18,307)	(18,307)				(18,307)
Changes (net) in items outside stockholders' equity during interim period						(2,329)	(2,329)	49	(2,280)
Total changes during interim period		0	(6,070)	(18,307)	(24,378)	(2,329)	(2,329)	49	(26,658)
Balance as of September 30, 2006	35,920	91,274	334,804	(61,415)	400,584	5,403	5,403	1,962	407,950

**INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Interim period ended September 30, 2005	Interim period ended September 30, 2006	Increase (Decrease)	Fiscal year ended March 31, 2006
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
<b>Cash flows from operating activities:</b>				
Income before income taxes and minority interests	17,171	6,414		39,664
Depreciation and amortization	8,449	8,290		17,616
Increase (decrease) in allowance for credit card points		645		294
Increase (decrease) in allowance for doubtful accounts	800	400		(1,200)
Increase (decrease) in accrued bonuses	1,850	820		(190)
Increase in allowance for loss on interest reimbursement		12,000		1,200
Interest and dividends income	(219)	(311)		(371)
Interest expenses	987	1,078		1,976
Gain on sale of property and equipment	(48)	(138)		(153)
Loss on disposal of property and equipment	1,760	1,452		3,140
Loss on impairment of fixed assets	1,301	431		1,431
(Increase) decrease in retailing sales receivables and installment sales receivables	2,496	(13,353)		(2,293)
(Increase) decrease in consumer loans receivables	(8,153)	656		(9,236)
(Increase) decrease in inventories	59	(1,365)		2,815
Increase (decrease) in trade payables	(2,633)	411		(1,623)
Bonuses paid to directors	(80)			(80)
Other, net	(1,545)	(2,571)		2,063
Sub-total	22,193	14,860	(7,333)	55,053
Interest and dividends income received in cash	190	260		300
Interest expenses paid in cash	(750)	(810)		(1,975)
Income taxes paid in cash	(12,130)	(12,979)		(17,262)
Net cash provided by operating activities	9,503	1,330	(8,172)	36,116
<b>Cash flows from investing activities:</b>				
Payments for purchase of property and equipment	(12,213)	(9,334)		(24,476)
Proceeds from sale of property and equipment	113	184		817
Purchase of investments in securities	(1)	(2,887)		(11,721)
Proceeds from sale of investments in securities	20	395		63
Purchase of stocks of subsidiaries	(690)			(690)
Payments of leasehold deposits	(637)	(912)		(1,335)
Refunds of leasehold deposits	1,709	698		3,419
Other, net	(61)	(314)		76
Net cash used in investing activities	(11,760)	(12,170)	(409)	(33,846)
<b>Cash flows from financing activities:</b>				
Net increase (decrease) in short-term loans	508	20,010		1,041
Proceeds from long-term debt	1,500			3,000
Repayments of long-term debt	(2,000)			(4,000)
Net increase in commercial paper	20,000	20,000		20,000
Payments for purchase of treasury stock	(25,248)	(18,334)		(25,257)
Dividends paid	(7,731)	(9,420)		(7,731)
Other, net	(8)	(2)		(8)
Net cash used in financing activities	(12,980)	12,253	25,233	(12,956)
Effect of exchange rate changes on cash and cash equivalents				
Increase (decrease) in cash and cash equivalents	(15,238)	1,413	16,651	(10,686)
Cash and cash equivalents at the beginning of the period	53,305	42,619	(10,686)	53,305
Cash and cash equivalents at the end of the period	38,067	44,032	(5,964)	42,619

**BASIS OF PRESENTING INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Interim period ended September 2005 (from April 1, 2005 to September 30, 2005)	Interim period ended September 2006 (from April 1, 2006 to September 30, 2006)	Fiscal year ended March 2006 (from April 1, 2005 to March 31, 2006)
<p>1.Scope of consolidation</p> <p>(1)Consolidated subsidiaries:18 companies</p> <p>Names of main consolidated companies: Moving Co., Ltd., Marui Card Co., Ltd., Marui M's Mode Co., Ltd., Marui Palette Co., Ltd., Marui Fashion Navi. Co., Ltd., Marui Access Co., Ltd., AIM Create Co., Ltd., Zero First Co., Ltd., M&amp;C System Co., Ltd., Marui Smart Support Co., Ltd., CSC Co., Ltd., Marui Seasoning Co., Ltd and MRI Servicer Co., Ltd..</p> <p>(2)Names of non-consolidated subsidiaries Marui Kit Center Co., Ltd., Kitasenju Toshi Kaihatsu Co., Ltd., Totsuka Shogyobiru Kanri Co., Ltd., Shiki Toshi Kaihatsu Co., Ltd.,</p> <p>Reason for exclusion from scope of consolidation: The combined total assets, sales, net income (amounts corresponding to equity holdings), retained earnings (amounts corresponding to equity holdings), and other factors relating to the four nonconsolidated subsidiaries do not significantly affect consolidated financial statements.</p>	<p>1.Scope of consolidation</p> <p>(1)Consolidated subsidiaries:16 companies</p> <p>Names of main consolidated companies: Marui M's Mode Co., Ltd., Marui Fashion Navi. Co., Ltd., Marui Palette Co., Ltd., Marui Access Co., Ltd., Marui Voi Co., Ltd., in The Room Co., Ltd., Marui Seasoning Co., Ltd., Epos Card Co., Ltd., Zero First Co., Ltd., MRI Servicer Co., Ltd., AIM Create Co., Ltd., CSC Co., Ltd., M&amp;C System Co., Ltd., Moving Co., Ltd., and Marui Smart Support Co., Ltd.</p> <p>In addition, due to the establishment of Marui Voi Co., Ltd., on April 3, 2006, and in The Room Co., Ltd., on August 1, 2006, these companies were included within the scope of consolidation effective from the interim period. Further, Tokyo Moving Co., Ltd., Tokai Moving Co., Ltd., Saikyo Moving Co., Ltd., and Keiyo Moving Co., Ltd., were removed from the scope of consolidation effective from the interim period because of the completion of liquidation proceedings on June 24, 2006, which resulted from the Company's decision on March 31, 2006, to dissolve these companies and transfer their operations to Moving Co., Ltd., to enhance efficiency through operational aggregation.</p> <p>(2)Names of non-consolidated subsidiaries Same as on the left</p> <p>Reason for exclusion from scope of consolidation: Same as on the left</p>	<p>1.Scope of consolidation</p> <p>(1)Consolidated subsidiaries:18 companies</p> <p>Names of main consolidated companies: Moving Co., Ltd., Epos Card Co., Ltd., Marui M's Mode Co., Ltd., Marui Palette Co., Ltd., Marui Fashion Navi. Co., Ltd., Marui Access Co., Ltd., AIM Create Co., Ltd., Zero First Co., Ltd., M&amp;C System Co., Ltd., Marui Smart Support Co., Ltd., CSC Co., Ltd., Marui Seasoning Co., Ltd and MRI Servicer Co., Ltd.</p> <p>Further, it was determined to dissolve Tokyo Moving Co., Ltd., Tokai Moving Co., Ltd., Saikyo Moving Co., Ltd., and Keiyo Moving Co., Ltd., and transfer their operations to Moving Co., Ltd., on March 31, 2006, to enhance efficiency through operational aggregation.</p> <p>In addition, Marui Card Co., Ltd., changed its name to Epos Card Co., Ltd., on March 9, 2006.</p> <p>(2)Names of non-consolidated subsidiaries Marui Kit Center Co., Ltd., Kitasenju Toshi Kaihatsu Co., Ltd., Totsuka Shogyobiru Kanri Co., Ltd., Shiki Toshi Kaihatsu Co., Ltd.,</p> <p>Reason for exclusion from scope of consolidation: The combined total assets, sales, net income (amounts corresponding to equity holdings), retained earnings (amounts corresponding to equity holdings), and other factors relating to the four nonconsolidated subsidiaries do not significantly affect consolidated financial statements.</p>
<p>2.Application of the equity method The equity method has not been applied to four nonconsolidated subsidiaries:Marui Kit Center Co., Ltd., Kitasenju Toshi Kaihatsu Co., Ltd., Totsuka Shogyobiru Kanri Co., Ltd., and Shiki Toshi Kaihatsu Co., Ltd., and three affiliates: Mizunokuchi Shintoshi Co., Ltd., Nakano Sun cuore Co., Ltd., Mito Toshi Kaihatsu Co., Ltd., because their net income (amounts corresponding to equity holdings) and retained earnings (amounts corresponding to equity holdings) do not significantly affect consolidated financial statements.</p>	<p>2.Application of the equity method Same as on the left</p>	<p>2.Application of the equity method The equity method has not been applied to four nonconsolidated subsidiaries:Marui Kit Center Co., Ltd., Kitasenju Toshi Kaihatsu Co., Ltd., Totsuka Shogyobiru Kanri Co., Ltd., and Shiki Toshi Kaihatsu Co., Ltd., and three affiliates: Mizunokuchi Shintoshi Co., Ltd., Nakano Sun cuore Co., Ltd., Mito Toshi Kaihatsu Co., Ltd., because their net income (amounts corresponding to equity holdings) and retained earnings (amounts corresponding to equity holdings) do not significantly affect consolidated financial statements.</p>
<p>3.Closing date of consolidated subsidiaries The closing date of consolidated subsidiaries coincides with the consolidated closing date.</p>	<p>3.Closing date of consolidated subsidiaries Same as on the left</p>	<p>3.Closing date of consolidated subsidiaries The closing date of consolidated subsidiaries coincides with the consolidated closing date.</p>

Interim period ended September 2005 (from April 1, 2005 to September 30, 2005)	Interim period ended September 2006 (from April 1, 2006 to September 30, 2006)	Fiscal year ended March 2006 (from April 1, 2005 to March 31, 2006 )
<p>4. Significant accounting policies</p> <p>(1) Basis and method of valuation of major assets</p> <p>( i ) Securities</p> <p>Available-for-sale securities with available fair market value: Calculated according to the market value method based on market values on consolidated settlement date (unrealized gains and losses are recorded in stockholders' equity, realized gains and losses are calculated used the moving average method).</p> <p>With no available fair market value: Stated at carried cost using the moving average method.</p> <p>( ii ) Inventories</p> <p>Principally calculated using the retail method.</p> <p>(2) Depreciation and amortization of major Fixed assets</p> <p>( i ) Property and equipment</p> <p>Calculated using the declining-balance method based on the estimated useful lives of the assets in accordance with the Japanese Corporate Tax Law. However, the Company employs its own method for estimating the useful lives of the Company's store buildings.</p> <p>( ii ) Intangible assets</p> <p>Calculated using the straight-line method based on the estimated useful lives of the assets in accordance with the Japanese Corporate Tax Law. However, the amortization of software for sale is provided by the greater of the amount calculated using the expected sales revenues or the amount calculated over the expected marketable period (within three years).</p> <p>(3) Accounting policies for principal allowances</p> <p>( i ) Allowance for doubtful accounts</p> <p>Provision is made for losses arising from the non-payment of receivables according to estimates of unrecoverable amounts, based on the historical rate of actual losses for general receivables and on examinations of the collectibility of specific doubtful accounts.</p>	<p>4. Significant accounting policies</p> <p>(1) Basis and method of valuation of major assets</p> <p>( i ) Securities</p> <p>Available-for-sale securities with available fair market value: Calculated according to the market value method based on market values on consolidated settlement date (unrealized gains and losses are recorded in net assets, realized gains and losses are calculated using the moving average method).</p> <p>With no available fair market value: Same as on the left</p> <p>( ii ) Inventories</p> <p>Same as on the left</p> <p>(2) Depreciation and amortization of major Fixed assets</p> <p>( i ) Property and equipment</p> <p>Same as on the left</p> <p>( ii ) Intangible assets</p> <p>Calculated using the straight-line method based on the estimated useful lives of the assets in accordance with the Japanese Corporate Tax Law. However, the amortization of software for sale is provided by the greater of the amount calculated using the expected sales revenues or the amount calculated over the expected marketable period (within three years). In addition, software for in-house use is calculated according to the straight-line method based on usable period (within 5 years).</p> <p>(3) Accounting policies for principal allowances</p> <p>( i ) Allowance for doubtful accounts</p> <p>Provision is made for losses arising from the non-payment of receivables according to estimates of unrecoverable amounts, based on the historical rate of actual losses for general receivables and on examinations of the collectibility of specific doubtful accounts. (additional information) The Company changed its recognition of procedures for the interim period due to the public release of Industrial Committee Report No.37 on October 13, 2006, by the Japanese Institute of Certified Public Accountants, the "Audit Treatment of Recognitions regarding Allowance for Loss on Interest Reimbursement of Consumer Finance Companies." As a result, the Company reclassified ¥678 million of estimated loss on interest reimbursement allocated in the allowance for doubtful</p>	<p>4. Significant accounting policies</p> <p>(1) Basis and method of valuation of major assets</p> <p>( i ) Securities</p> <p>Available-for-sale securities with available fair market value: Calculated according to the market value method based on market values on consolidated settlement date (unrealized gains and losses are recorded in stockholders' equity, realized gains and losses are calculated used the moving average method).</p> <p>With no available fair market value: Same as on the left</p> <p>( ii ) Inventories</p> <p>Same as on the left</p> <p>(2) Depreciation and amortization of major Fixed assets</p> <p>( i ) Property and equipment</p> <p>Calculated using the declining-balance method based on the estimated useful lives of the assets in accordance with the Japanese Corporate Tax Law. However, the Company employs its own method for estimating the useful lives of the Company's store buildings.</p> <p>( ii ) Intangible assets</p> <p>Calculated using the straight-line method based on the estimated useful lives of the assets in accordance with the Japanese Corporate Tax Law. However, the amortization of software for sale is provided by the greater of the amount calculated using the expected sales revenues or the amount calculated over the expected marketable period (within three years).</p> <p>(3) Accounting policies for principal allowances</p> <p>( i ) Allowance for doubtful accounts</p> <p>Provision is made for losses arising from the non-payment of receivables according to estimates of unrecoverable amounts, based on the historical rate of actual losses for general receivables and on examinations of the collectibility of specific doubtful accounts.</p>

Interim period ended September 2005 (from April 1, 2005 to September 30, 2005)	Interim period ended September 2006 (from April 1, 2006 to September 30, 2006)	Fiscal year ended March 2006 (from April 1, 2005 to March 31, 2006 )
<p>( ii )Accrued bonuses Provision is made for the payment of bonuses to employees based on the portion of the estimated amount of bonus payments applicable to the said fiscal period.</p> <p>( iii)Severance and retirement benefits for directors and statutory corporate auditors Provision is made for the payment of required amounts of directors' severance and retirement benefits based on the Company's in-house payment rules.</p>	<p>accounts at the beginning of the period to the allowance for loss on interest reimbursement.</p> <p>( ii )Accrued bonuses Same as on the left</p> <p>( iii) Allowance for credit card points Provision is made for the cost arising from the future usage of credit card points, which given to credit card members, based on the amount of expected usage in the future in relation to outstanding credit card points at the end of the interim period.</p> <p>( iv)Allowance for loss on interest reimbursement Provision is made for loss on reimbursement of interests on consumer loans based on the estimated amount of interest reimbursement at the end of the interim period. (additional information) The Company changed its recognition of procedures for the interim period due to the public release of Industrial Committee Report No.37 on October 13, 2006, by the Japanese Institute of Certified Public Accountants, the "Audit Treatment of Recognitions regarding Allowance for Loss on Interest Reimbursement of Consumer Finance Companies." As a result, the Company recorded a ¥10,921 million provision for loss on interest reimbursement as a special loss.</p> <p>( v ) Severance and retirement benefits for directors and statutory corporate auditors —</p> <p>(additional information) Previously, provision was made for the payment of required amounts of directors' severance and retirement benefits based on the Company's in-house payment rules. However, the ordinary general meeting of stockholders in June 2006 approved the abolition of the directors' severance and retirement benefits plan at the end of the ordinary general meeting of shareholders, as well as the payments of severance and retirement benefits commensurate with the period of service until the end of that ordinary general meeting of stockholders will be done when they retire. As a result, the Company reclassified the accumulated severance and</p>	<p>( ii )Accrued bonuses Provision is made for the payment of bonuses to employees based on the portion of the estimated amount of bonus payments applicable to the said fiscal period.</p> <p>( iii) Allowance for credit card points Provision is made for the cost arising from the future usage of credit card points, which given to credit card members, based on the amount of expected usage in the future in relation to outstanding credit card points at the end of the consolidated fiscal year ended March 31, 2006. (additional information) In March 2006, accompanying the issuance of a new credit card, the Company introduced a credit card points system aimed a promoting credit card usage. As a result, a provision for credit card points cost was recognized from the consolidated fiscal year under review.</p> <p>( iv)Allowance for loss on interest reimbursement Provision is made for loss on reimbursement of interests on consumer loans based on the estimated amount of interest reimbursement at the end of the consolidated fiscal year ended March 31, 2006. (additional information) As a result of a Supreme Court decision issued on January 2006 regarding the appropriate application of reimbursement regulations stipulated by the "Moneylending Control Law," reimbursement of consumer loan interest is expected to increased. Therefore, a provision for loss on interest reimbursement was recognized from the end of the consolidated fiscal year under review. As result, operating income, ordinary income, and income before income taxes and minority interests decreased ¥1,200 million respectively.</p> <p>( v )Severance and retirement benefits for directors and statutory corporate auditors Provision is made for the payment of required amounts of directors' severance and retirement benefits based on the Company's in-house payment rules.</p>

Interim period ended September 2005 (from April 1, 2005 to September 30, 2005)	Interim period ended September 2006 (from April 1, 2006 to September 30, 2006)	Fiscal year ended March 2006 (from April 1, 2005 to March 31, 2006 )
<p>(4) Standards for recognition of sales and income on sales Revenues from retailing are recognized upon the conclusion of contracts with customers. Further, installment sales in revenues from retailing income are recognized at the time of sale. Finance charges earned on installment sales and interest income on consumer loans (in-house loans) are recognized on an accrual basis through charges on declining balances.</p> <p>(5) Accounting for significant lease transactions With the exception of leases for which the ownership of the leased assets is considered to be transferred to the lessee, finance lease transactions are accounted for in accordance with standard accounting procedures for lease transactions.</p> <p>(6) Other significant items concerning the basis of presenting interim consolidated financial statements ( i ) Treatment of consumption tax Consumption taxes are accounted for in accordance with the tax excluded method. However, consumption taxes not subject to exemptions are accounted for as expenses in the fiscal period in which they are incurred. ( ii ) Treatment of amounts for reserve for compression of fixed assets and extraordinary depreciation reserve The amounts of taxes payment and deferred income taxes for the interim period are calculated based on the funding of or transfer from the reserve for compression of fixed assets and extraordinary depreciation reserve in accordance with planned appropriation of earnings in the current fiscal year.</p>	<p>retirement benefits equivalent to ¥816 million to other long-term liabilities.</p> <p>(4) Standards for recognition of sales and income on sales Same as on the left</p> <p>(5) Accounting for significant lease transactions Same as on the left</p> <p>(6) Other significant items concerning the basis of presenting interim consolidated financial statements ( i ) Treatment of consumption tax Same as on the left  ( ii ) Treatment of amounts for reserve for compression of fixed assets and extraordinary depreciation reserve The amounts of tax payments and deferred income taxes applicable to the interim period are calculated based on the planned funding and reversal of the reserve for compression of fixed assets and the reserve for extraordinary depreciation in the current fiscal year.</p>	<p>(4) Standards for recognition of sales and income on sales Same as on the left</p> <p>(5) Accounting for significant lease transactions Same as on the left</p> <p>(6) Other significant items concerning the basis of presenting consolidated financial statements Treatment of consumption tax Consumption taxes are accounted for in accordance with the tax excluded method. However, consumption taxes not subject to exemptions are accounted for as expenses in the fiscal period in which they are incurred.</p>
<p>5. Scope of cash in interim consolidated statements of cash flows In preparing the interim consolidated statements of cash flows, cash, readily-available deposits and short-term highly liquid investments with maturities of not exceeding three months at the time of purchase are considered to be cash and cash equivalents.</p>	<p>5. Scope of cash in interim consolidated statements of cash flows Same as on the left</p>	<p>5. Scope of cash in consolidated statements of cash flows In preparing the consolidated statements of cash flows, cash, readily-available deposits and short-term highly liquid investments with maturities of not exceeding three months at the time of purchase are considered to be cash and cash equivalents.</p>

CHANGE OF BASIS OF PRESENTING INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Interim period ended September 2005 (from April 1, 2005 to September 30, 2005)	Interim period ended September 2006 (from April 1, 2006 to September 30, 2006)	Fiscal year ended March 2006 (from April 1, 2005 to March 31, 2006 )
<p>(Accounting standards for the impairment of fixed assets) From the interim period, the Company adopted a new accounting standard for the impairment of fixed assets (“Opinion Concerning Establishment of Accounting Standard for Impairment of Fixed Assets” issued by the Business Accounting Council on August 9, 2002) and the implementation guidance for accounting standard for impairment of fixed assets (the Accounting Standard Implementation Guidance No. 6 issued by the Accounting Standards Board of Japan on October 31, 2003). As a result, income before income taxes and minority interests in the interim period decreased ¥1,301 million. Further, cumulative impairment loss was deducted directly from respective assets in accordance with the amended Rules for Interim Consolidated Financial Statements.</p>	<p style="text-align: center;">—</p> <p>(Accounting standard for the presentation of net assets in consolidated balance sheet) Effective from the interim period the Company adopted the “Accounting Standard for Presentation of Net Assets in the Balance Sheet” (Accounting Standards Board Statement No. 5, December 9, 2005) and “Implementation Guidance on Accounting Standards for Presentation of Net Assets in the Balance Sheet” (Accounting Standards Board Implementation Guidance No. 8, December 9, 2005). The total amount of "Stockholders' Equity" in accordance with the old standard would be ¥405,987 million. Further, for the interim period the Company prepared net assets in consolidated balance sheets in accordance with the revised Rules for Interim Consolidated Financial Statements.</p> <p>(Partial revision of accounting standard for treasury stock and reversal of legal reserves) Effective from the interim period, the Company adopted the revised “Accounting Standard for Treasury Shares and Appropriation of Legal Reserve” (Accounting Standards Board Statement No. 1 revised on August 11, 2006, Accounting Standards Board of Japan) and “Implementation Guidance on Accounting Standard for Treasury Shares and Appropriation of Legal Reserve” (Accounting Standards Board Implementation Guidance No. 2, revised on August 11, 2006, Accounting Standards Board of Japan) The adoption of the revised accounting standard had no impact on the result of operations. Further, changes in the presentation of consolidated balance sheets due to revisions of the Rules for Interim Consolidated Financial Statements are as follows. In the previous interim period, “less treasury stock, at cost,” was presented as a deduction item from net assets at the foot of stockholders' equity. Effective from the</p>	<p>(Accounting standards for the impairment of fixed assets) From the consolidated fiscal year under review, the Company adopted a new accounting standard for the impairment of fixed assets (“Opinion Concerning Establishment of Accounting Standard for Impairment of Fixed Assets” issued by the Business Accounting Council on August 9, 2002) and the implementation guidance for accounting standard for impairment of fixed assets (the Financial Accounting Standard Implementation Guidance No. 6 issued by the Financial Accounting Standards Board of Japan on October 31, 2003). As a result, income before income tax and minority interests in the fiscal year under review decreased ¥1,431 million. Further, cumulative impairment loss was deducted directly from respective assets in accordance with the amended Rules for Consolidated Financial Statements.</p>

	interim period ended September 2006, “less treasury stock, at cost,” is presented as a deduction item from “stockholders' equity” at the foot of stockholders' equity in Net Assets.	
--	--	--

CHANGE IN PRESENTATION

Interim period ended September 2005 (from April 1, 2005 to September 30, 2005)	Interim period ended September 2006 (from April 1, 2006 to September 30, 2006) (Consolidated balance sheets)	Fiscal year ended March 2006 (from April 1, 2005 to March 31, 2006 )
—	Included in “merchandise sales receivables” in the previous interim period, “installment sales receivables” (¥29,477 million in the previous interim period) is presented separately effective from the interim term due to financial significance.	—

NOTES

(Consolidated Balance Sheets)

As of September 30, 2005	As of September 30, 2006	As of March 31, 2006
Note 1 Accumulated depreciation on property and equipment was ¥194,047 million.	Note 1 Accumulated depreciation on property and equipment was ¥195,569 million.	Note 1 Accumulated depreciation on property and equipment was ¥195,573 million.

(Consolidated Statements of Income)

Interim period ended September 2005 (from April 1, 2005 to September 30, 2005)	Interim period ended September 2006 (from April 1, 2006 to September 30, 2006)	Fiscal year ended March 2006 (from April 1, 2005 to March 31, 2006)																																								
<p>Note 1 The main expense items and amounts comprising selling, general and administrative expenses were as follows:</p> <p style="text-align: right;">(Millions of Yen)</p> <table> <tr><td>Provision for doubtful accounts</td><td style="text-align: right;">5,650</td></tr> <tr><td>Wages and Salaries</td><td style="text-align: right;">19,921</td></tr> <tr><td>Provision for bonuses</td><td style="text-align: right;">5,675</td></tr> <tr><td>Rents</td><td style="text-align: right;">9,243</td></tr> <tr><td>Depreciation and amortization</td><td style="text-align: right;">7,745</td></tr> </table>	Provision for doubtful accounts	5,650	Wages and Salaries	19,921	Provision for bonuses	5,675	Rents	9,243	Depreciation and amortization	7,745	<p>Note 1 The main expense items and amounts comprising selling, general and administrative expenses were as follows:</p> <p style="text-align: right;">(Millions of Yen)</p> <table> <tr><td>Provision for doubtful accounts</td><td style="text-align: right;">6,279</td></tr> <tr><td>Wages and Salaries</td><td style="text-align: right;">19,826</td></tr> <tr><td>Provision for bonuses</td><td style="text-align: right;">4,580</td></tr> <tr><td>Rents</td><td style="text-align: right;">9,062</td></tr> <tr><td>Depreciation and amortization</td><td style="text-align: right;">7,322</td></tr> <tr><td>Provision for allowance for credit card points</td><td style="text-align: right;">822</td></tr> <tr><td>Provision for loss on interest reimbursement</td><td style="text-align: right;">2,021</td></tr> </table>	Provision for doubtful accounts	6,279	Wages and Salaries	19,826	Provision for bonuses	4,580	Rents	9,062	Depreciation and amortization	7,322	Provision for allowance for credit card points	822	Provision for loss on interest reimbursement	2,021	<p>Note 1 The main expense items and amounts comprising selling, general and administrative expenses were as follows:</p> <p style="text-align: right;">(Millions of Yen)</p> <table> <tr><td>Provision for doubtful accounts</td><td style="text-align: right;">9,461</td></tr> <tr><td>Wages and Salaries</td><td style="text-align: right;">44,816</td></tr> <tr><td>Provision for bonuses</td><td style="text-align: right;">3,882</td></tr> <tr><td>Rents</td><td style="text-align: right;">18,398</td></tr> <tr><td>Depreciation and amortization</td><td style="text-align: right;">16,228</td></tr> <tr><td>Provision for allowance for credit card points</td><td style="text-align: right;">294</td></tr> <tr><td>Loss on bad debts</td><td style="text-align: right;">2,709</td></tr> <tr><td>Provision for loss on interest reimbursement</td><td style="text-align: right;">1,200</td></tr> </table>	Provision for doubtful accounts	9,461	Wages and Salaries	44,816	Provision for bonuses	3,882	Rents	18,398	Depreciation and amortization	16,228	Provision for allowance for credit card points	294	Loss on bad debts	2,709	Provision for loss on interest reimbursement	1,200
Provision for doubtful accounts	5,650																																									
Wages and Salaries	19,921																																									
Provision for bonuses	5,675																																									
Rents	9,243																																									
Depreciation and amortization	7,745																																									
Provision for doubtful accounts	6,279																																									
Wages and Salaries	19,826																																									
Provision for bonuses	4,580																																									
Rents	9,062																																									
Depreciation and amortization	7,322																																									
Provision for allowance for credit card points	822																																									
Provision for loss on interest reimbursement	2,021																																									
Provision for doubtful accounts	9,461																																									
Wages and Salaries	44,816																																									
Provision for bonuses	3,882																																									
Rents	18,398																																									
Depreciation and amortization	16,228																																									
Provision for allowance for credit card points	294																																									
Loss on bad debts	2,709																																									
Provision for loss on interest reimbursement	1,200																																									
<p>Note 2 Gain on sale of property and equipment was as follows:</p> <p style="text-align: right;">(Millions of Yen)</p> <table> <tr><td>Land</td><td style="text-align: right;">36</td></tr> <tr><td>Other</td><td style="text-align: right;">12</td></tr> <tr><td>Total</td><td style="text-align: right;">48</td></tr> </table>	Land	36	Other	12	Total	48	<p>Note 2 Gain on sale of property and equipment was as follows:</p> <p style="text-align: right;">(Millions of Yen)</p> <table> <tr><td>Land</td><td style="text-align: right;">134</td></tr> <tr><td>Other</td><td style="text-align: right;">4</td></tr> <tr><td>Total</td><td style="text-align: right;">138</td></tr> </table>	Land	134	Other	4	Total	138	<p>Note 2 Gain on sale of property and equipment was as follows:</p> <p style="text-align: right;">(Millions of Yen)</p> <table> <tr><td>Land</td><td style="text-align: right;">126</td></tr> <tr><td>Other</td><td style="text-align: right;">27</td></tr> <tr><td>Total</td><td style="text-align: right;">153</td></tr> </table>	Land	126	Other	27	Total	153																						
Land	36																																									
Other	12																																									
Total	48																																									
Land	134																																									
Other	4																																									
Total	138																																									
Land	126																																									
Other	27																																									
Total	153																																									
<p>Note 3 Loss on disposal of property and equipment was as follows:</p> <p style="text-align: right;">(Millions of Yen)</p> <table> <tr><td>Buildings and store fixtures</td><td style="text-align: right;">1,395</td></tr> <tr><td>Other property and equipment</td><td style="text-align: right;">363</td></tr> <tr><td>Removal cost</td><td style="text-align: right;">194</td></tr> <tr><td>Total</td><td style="text-align: right;">1,953</td></tr> </table>	Buildings and store fixtures	1,395	Other property and equipment	363	Removal cost	194	Total	1,953	<p>Note 3 Loss on disposal of property and equipment was as follows:</p> <p style="text-align: right;">(Millions of Yen)</p> <table> <tr><td>Buildings and store fixtures</td><td style="text-align: right;">1,182</td></tr> <tr><td>Other property and equipment</td><td style="text-align: right;">273</td></tr> <tr><td>Removal cost</td><td style="text-align: right;">189</td></tr> <tr><td>Total</td><td style="text-align: right;">1,644</td></tr> </table>	Buildings and store fixtures	1,182	Other property and equipment	273	Removal cost	189	Total	1,644	<p>Note 3 Loss on disposal of property and equipment was as follows:</p> <p style="text-align: right;">(Millions of Yen)</p> <table> <tr><td>Buildings and store fixtures</td><td style="text-align: right;">2,375</td></tr> <tr><td>Other property and equipment</td><td style="text-align: right;">762</td></tr> <tr><td>Removal cost</td><td style="text-align: right;">255</td></tr> <tr><td>Total</td><td style="text-align: right;">3,393</td></tr> </table>	Buildings and store fixtures	2,375	Other property and equipment	762	Removal cost	255	Total	3,393																
Buildings and store fixtures	1,395																																									
Other property and equipment	363																																									
Removal cost	194																																									
Total	1,953																																									
Buildings and store fixtures	1,182																																									
Other property and equipment	273																																									
Removal cost	189																																									
Total	1,644																																									
Buildings and store fixtures	2,375																																									
Other property and equipment	762																																									
Removal cost	255																																									
Total	3,393																																									
<p>Note 4</p> <p style="text-align: center;">—</p>	<p>Note 4</p> <p style="text-align: center;">—</p>	<p>Note 4 Loss on sale of property and equipment was as follows:</p> <p style="text-align: right;">(Millions of Yen)</p> <table> <tr><td>Land</td><td style="text-align: right;">604</td></tr> <tr><td>Buildings and store fixtures</td><td style="text-align: right;">244</td></tr> <tr><td>Other</td><td style="text-align: right;">5</td></tr> <tr><td>Total</td><td style="text-align: right;">854</td></tr> </table>	Land	604	Buildings and store fixtures	244	Other	5	Total	854																																
Land	604																																									
Buildings and store fixtures	244																																									
Other	5																																									
Total	854																																									
<p>Note 5</p> <p style="text-align: center;">—</p>	<p>Note 5 Loss on closing stores is as follows:</p> <p style="text-align: right;">(Millions of Yen)</p> <table> <tr><td>Compensation for closing stores</td><td style="text-align: right;">93</td></tr> <tr><td>Restoration cost</td><td style="text-align: right;">49</td></tr> <tr><td>Total</td><td style="text-align: right;">143</td></tr> </table>	Compensation for closing stores	93	Restoration cost	49	Total	143	<p>Note 5 Loss on closing stores is as follows:</p> <p style="text-align: right;">(Millions of Yen)</p> <table> <tr><td>Compensation for closing stores</td><td style="text-align: right;">368</td></tr> <tr><td>Restoration cost</td><td style="text-align: right;">276</td></tr> <tr><td>Total</td><td style="text-align: right;">644</td></tr> </table>	Compensation for closing stores	368	Restoration cost	276	Total	644																												
Compensation for closing stores	93																																									
Restoration cost	49																																									
Total	143																																									
Compensation for closing stores	368																																									
Restoration cost	276																																									
Total	644																																									

Interim period ended September 2005 (from April 1, 2005 to September 30, 2005)	Interim period ended September 2006 (from April 1, 2006 to September 30, 2006)	Fiscal year ended March 2006 (from April 1, 2005 to March 31, 2006)																																																																				
<p>Note 6 The Company and its consolidated subsidiaries recognized asset impairment losses for the following asset groups: (Millions of yen)</p> <table border="0"> <tr><td>Store</td><td></td></tr> <tr><td>- Marui Fujisawa Store (Scheduled February 2006 closure)</td><td></td></tr> <tr><td>    Building and store fixtures</td><td>651</td></tr> <tr><td>    Others</td><td>13</td></tr> <tr><td>Land for lease property</td><td></td></tr> <tr><td>- Musashino, Tokyo</td><td></td></tr> <tr><td>    Land</td><td>384</td></tr> <tr><td>Other</td><td></td></tr> <tr><td>- Tsuchiura, Ibaraki Prefecture</td><td></td></tr> <tr><td>    Land</td><td>251</td></tr> <tr><td><b>Total</b></td><td><b>1,301</b></td></tr> </table> <p>The Company and its consolidated subsidiaries treated stores as the smallest units and the base units that generate cash flows. Further, lease property was grouped according to unit comprising separate properties. Regarding the abovementioned assets, the book value of stores scheduled for closure and of asset groups for which the market value was markedly lower than the book value was reduced to the collectible amount, and the amount of the reduction was recognized as impairment loss in special losses. Further, the collectible amounts for asset groups were based on measurements of net sale values. Land was evaluated using the road-rating method based on the inheritance tax evaluation amount. Also, the net sale value of stores following closure was assessed as zero because store facilities were scheduled for disposal.</p> <p>Note 7 Loss on prior period adjustment was attributable to a reduction in refund of retained earnings to the Company due to a higher-than-expected increase in the amount of pensions at present value distributed to those eligible to receive severance and retirement benefits, which resulted from the winding up of a lump-sum severance and retirement benefit payment plan / approved retirement annuity system in the previous fiscal year.</p> <p>Note 8 —</p>	Store		- Marui Fujisawa Store (Scheduled February 2006 closure)		Building and store fixtures	651	Others	13	Land for lease property		- Musashino, Tokyo		Land	384	Other		- Tsuchiura, Ibaraki Prefecture		Land	251	<b>Total</b>	<b>1,301</b>	<p>Note 6 The Company recognized asset impairment losses for the following asset groups: (Millions of yen)</p> <table border="0"> <tr><td>Store</td><td></td></tr> <tr><td>- Marui Tsudanuma Store (Scheduled January 2007 closure)</td><td></td></tr> <tr><td>    Building and store fixtures</td><td>312</td></tr> <tr><td>    Others</td><td>22</td></tr> <tr><td>Others</td><td></td></tr> <tr><td>- Mito, Ibaraki Prefecture</td><td></td></tr> <tr><td>    Land</td><td>51</td></tr> <tr><td>- Koriyama, Fukushima Prefecture</td><td></td></tr> <tr><td>    Land</td><td>44</td></tr> <tr><td><b>Total</b></td><td><b>431</b></td></tr> </table> <p>The Company and its consolidated subsidiaries treated stores as the smallest units and the base units that generate cash flows. Further, lease property was grouped according to unit comprising separate properties. Regarding the abovementioned assets, the book value of stores scheduled for closure and of asset groups scheduled for sale was reduced to the collectible amount, and the amount of the reduction was recognized as impairment loss in special losses. Further, the collectible amounts for asset groups were based on measurements of net sale values. Land was evaluated using the road-rating method based on the inheritance tax evaluation amount. Also, the net sale value of stores following closure was assessed as zero because store facilities were scheduled for disposal.</p> <p>Note 7 Loss on prior period adjustment was difference at the beginning of the interim period of interest receivable that resulted from the Company's change in the interim period of the credit delinquency period during which interest receivable is not recognized from more than one year to more than six months.</p> <p>Note 8 Due to the public release of Industrial Committee Report No.37 on October 13, 2006, by the Japanese Institute of Certified Public Accountants, the "Audit Treatment of Recognitions regarding Allowance for Loss on Interest Reimbursement of Consumer Finance Companies," there was the difference in provision for loss on interest reimbursement at the beginning of the interim period between the new and old accounting procedures. The Company recorded the abovementioned difference of provision for loss on interest reimbursement in Special losses' column.</p>	Store		- Marui Tsudanuma Store (Scheduled January 2007 closure)		Building and store fixtures	312	Others	22	Others		- Mito, Ibaraki Prefecture		Land	51	- Koriyama, Fukushima Prefecture		Land	44	<b>Total</b>	<b>431</b>	<p>Note 6 The Company and its consolidated subsidiaries recognized asset impairment losses for the following asset groups: (Millions of yen)</p> <table border="0"> <tr><td>Store</td><td></td></tr> <tr><td>- Marui Fujisawa Store (Closed February 2006)</td><td></td></tr> <tr><td>    Buildings and store fixtures</td><td>651</td></tr> <tr><td>    Others</td><td>13</td></tr> <tr><td>Land for lease property</td><td></td></tr> <tr><td>- Musashino, Tokyo</td><td></td></tr> <tr><td>    Land</td><td>384</td></tr> <tr><td>Others</td><td></td></tr> <tr><td>- Tsuchiura, Ibaraki Prefecture</td><td></td></tr> <tr><td>    Land</td><td>251</td></tr> <tr><td>    Buildings and store fixtures</td><td>127</td></tr> <tr><td>    Others</td><td>2</td></tr> <tr><td><b>Total</b></td><td><b>1,431</b></td></tr> </table> <p>The Company and its consolidated subsidiaries treated stores as the smallest units and the base units that generate cash flows. Further, lease property was grouped according to unit comprising separate properties. Regarding the abovementioned assets, the book value of stores scheduled for closure, of asset groups scheduled for sale, and of asset groups for which the market value was markedly lower than the book value was reduced to the collectible amount, and the amount of the reduction was recognized as impairment loss in special losses. Further, the collectible amounts for asset groups were based on measurements of net sale values. Land was evaluated using the road-rating method based on the inheritance tax evaluation amount. Also, the net sale value of stores following closure was assessed as zero because store facilities were scheduled for disposal.</p> <p>Note 7 Loss on prior period adjustment was attributable to a reduction in refund of retained earnings to the Company due to a higher-than-expected increase in the amount of pensions at present value distributed to those eligible to receive severance and retirement benefits, which resulted from the winding up of a lump-sum severance and retirement benefit payment plan / approved retirement annuity system in the previous fiscal year.</p> <p>Note 8 —</p>	Store		- Marui Fujisawa Store (Closed February 2006)		Buildings and store fixtures	651	Others	13	Land for lease property		- Musashino, Tokyo		Land	384	Others		- Tsuchiura, Ibaraki Prefecture		Land	251	Buildings and store fixtures	127	Others	2	<b>Total</b>	<b>1,431</b>
Store																																																																						
- Marui Fujisawa Store (Scheduled February 2006 closure)																																																																						
Building and store fixtures	651																																																																					
Others	13																																																																					
Land for lease property																																																																						
- Musashino, Tokyo																																																																						
Land	384																																																																					
Other																																																																						
- Tsuchiura, Ibaraki Prefecture																																																																						
Land	251																																																																					
<b>Total</b>	<b>1,301</b>																																																																					
Store																																																																						
- Marui Tsudanuma Store (Scheduled January 2007 closure)																																																																						
Building and store fixtures	312																																																																					
Others	22																																																																					
Others																																																																						
- Mito, Ibaraki Prefecture																																																																						
Land	51																																																																					
- Koriyama, Fukushima Prefecture																																																																						
Land	44																																																																					
<b>Total</b>	<b>431</b>																																																																					
Store																																																																						
- Marui Fujisawa Store (Closed February 2006)																																																																						
Buildings and store fixtures	651																																																																					
Others	13																																																																					
Land for lease property																																																																						
- Musashino, Tokyo																																																																						
Land	384																																																																					
Others																																																																						
- Tsuchiura, Ibaraki Prefecture																																																																						
Land	251																																																																					
Buildings and store fixtures	127																																																																					
Others	2																																																																					
<b>Total</b>	<b>1,431</b>																																																																					

## (Consolidated Statements of Net Assets)

Interim period ended September 2006 (from April 1, 2006 to September 30, 2006)

## 1 Number and types of outstanding shares and treasury stock

	Number of shares at previous fiscal year-end (shares)	Increase in number of shares in interim period (shares)	Decreases in number of shares in interim period (shares)	Number of shares at end of interim period (shares)
Outstanding shares				
Common shares	368,660,417	—	—	368,660,417
Total	368,660,417	—	—	368,660,417
Treasury stock				
Common shares (Notes)	32,217,405	10,002,179	328	42,219,256
Total	32,217,405	10,002,179	328	42,219,256

Notes:

- Treasury stock of common shares increased by 10,002,179 shares, which comprised 10,000,000 shares acquired through market purchase and the purchase of 2,179 shares that were less than a trading unit.
- Treasury stock of common shares decreased 328 shares, which was due to the sale of shares that were less than a trading unit.

## 2 Share warrants and share warrants held

No applicable items.

## 3 Dividends

## (1) Cash dividends paid

Resolution	Type of share	Total cash dividends paid (millions of yen)	Cash dividends per share (yen)	Record date	Effective date
Ordinary general meeting of stockholders on June 29, 2006	Common stock	9,420	28	March 31, 2006	June 30, 2006

## (2) Dividends with a date of record in the interim period and an effective date after the end of the interim period

Resolution	Type of share	Total cash dividends paid (millions of yen)	Dividend source	Cash dividends per share (yen)	Record date	Effective date
Board of directors on November 10, 2006	Common Stock	3,917	Retained earnings	12	September 30, 2006	December 8, 2006

## (Consolidated Statements of Cash Flows)

Interim period ended September 2005 (from April 1, 2005 to September 30, 2005)	Interim period ended September 2006 (from April 1, 2006 to September 30, 2006)	Fiscal year ended March 2006 (from April 1, 2005 to March 31, 2006)
Cash and cash equivalents at the end of the period of ¥38,067 million matches the total amount of cash and deposits recorded in interim consolidated balance sheets.	Cash and cash equivalents at the end of the period of ¥44,032 million matches the total amount of cash and deposits recorded in interim consolidated balance sheets.	Cash and cash equivalents at the end of the Fiscal year of ¥42,619 million matches the total amount of cash and deposits recorded in consolidated balance sheets.

## (Lease transaction)

Because disclosure is made via EDINET, details of lease transactions are not included in this interim report.

(Securities)

As of September 30, 2005, the end of the previous interim period

1 Other securities with available fair value

(Millions of yen)

Type	Acquisition cost	Book value	Difference
Equity securities	9,849	19,005	9,156

2 Summary of main securities with no available fair value

(Millions of yen)

Summary	Book value
Other securities Non-listed equity securities	185

As of September 30, 2006, the end of the interim period under review

1 Other securities with available fair value

(Millions of yen)

Type	Acquisition cost	Book value	Difference
Equity securities	24,347	33,466	9,119

2 Summary of main securities with no available fair value

(Millions of yen)

Summary	Book value
Other securities Non-listed equity securities	108

As of March 31, 2006, the previous fiscal year-end

1 Other securities with available fair value

(Millions of yen)

Type	Acquisition cost	Book value	Difference
Equity securities	21,583	34,631	13,048

2 Summary of main securities with no available fair value

Summary	Book value (millions of yen)
Other securities Non-listed equity securities	133

(Derivative Transactions)

Because disclosure is made via EDINET, details of derivative transactions are not included in this interim report.

(Stock options)

Because disclosure is made via EDINET, details of derivative transactions are not included in this interim report.

(Segment Information)

Segment information by operational type

Interim period ended September 2005 (from April 1, 2005 to September 30, 2005)

(Millions of yen)

	Retailing	Credit card and consumer finance services	Retailing-related services	Total	Elimination or corporate	Consolidated
Operating revenues						
(1) Outside customers	205,178	36,028	26,409	267,616	—	267,616
(2) Inter-segment	—	—	23,758	23,758	(23,758)	—
Total	205,178	36,028	50,167	291,374	(23,758)	267,616
Operating expenses	197,395	24,300	47,625	269,322	(21,975)	247,347
Operating income	7,782	11,727	2,541	22,051	(1,782)	20,268

Interim period ended September 2006 (from April 1, 2006 to September 30, 2006)

(Millions of yen)

	Retailing	Credit card and consumer finance services	Retailing-related services	Total	Elimination or corporate	Consolidated
Operating revenues						
(1) Outside customers	198,599	36,962	29,093	264,655	—	264,655
(2) Inter-segment	—	1,618	22,719	24,338	(24,338)	—
Total	198,599	38,580	51,813	288,993	(24,338)	264,655
Operating expenses	191,278	27,700	48,450	267,429	(22,165)	245,263
Operating income	7,320	10,880	3,363	21,564	(2,172)	19,391

Fiscal year ended March 2006 (from April 1, 2005 to March 31, 2006)

(Millions of yen)

	Retailing	Credit card and consumer finance services	Retailing-related services	Total	Elimination or corporate	Consolidated
Operating revenues						
(1) Outside customers	436,755	72,124	52,660	561,539	—	561,539
(2) Inter-segment	—	—	49,331	49,331	(49,331)	—
Total	436,755	72,124	101,991	610,871	(49,331)	561,539
Operating expenses	412,509	52,305	97,561	562,376	(45,542)	516,834
Operating income	24,245	19,818	4,429	48,494	(3,788)	44,705

Note 1: Method of classifying operational segments

Operational classification reflects the classification that the Company employs for internal operational management.

Note 2: Summary of operational segments

(Interim period ended September 30, 2005)

Retailing

sale of apparel, luxury and accessory goods, furniture and household goods, and foodstuffs

Credit card and consumer finance services

operation of in-house credit cards, installment sales operations, handling of consumer loans and insurance and other services

Retailing-related services

truck logistics operations, store remodeling, advertising, software development, building management and maintenance, and real estate leasing operations primarily targeting corporate clients

(Interim period ended September 30, 2006)

Retailing

sale of apparel, luxury and accessory goods, furniture and household goods, and foodstuffs

Credit card and consumer finance services

operation of in-house credit cards, installment sales operations, handling of consumer loans and insurance and other services

Retailing-related services

store remodeling, advertising, building management and maintenance, real estate leasing operations, software development, and truck logistics operations primarily targeting corporate clients

(Fiscal year ended March 31, 2006)

Retailing

sale of apparel, luxury and accessory goods, furniture and household goods, and foodstuffs

Credit card and consumer finance services

operation of in-house credit cards, installment sales operations, handling of consumer loans and insurance and other services

Retailing-related services

truck logistics operations, store remodeling, advertising, software development, building management and maintenance, and real estate leasing operations primarily targeting corporate clients

Note 3: In operating expenses, unallocated operating expenses included in the item elimination or corporate largely comprise costs associated with the management division of the Company's headquarter:

	Millions of yen
Interim period ended September 30, 2005	2,066
Interim period ended September 30, 2006	2,312
Fiscal year ended March 31, 2006	3,581

Segment Information by Geographic Area

No items have been included because the Company did not have any overseas consolidated subsidiaries or overseas branches in the interim period ended September 30, 2005, in the interim period ended September 30, 2006, or in the fiscal year ended March 31, 2006.

Overseas Operating Revenues

A summary of overseas revenues has not been included because overseas revenues amounted to less than 10% of consolidated total operating revenues in the interim period ended September 30, 2005, in the interim period ended September 30, 2006, and in the fiscal year ended March 31, 2006.

\* This is a translation of Japanese Kessan Tanshin (including attachments), a summary of financial statements prepared in accordance with accounting principles generally accepted in Japan. This translation is prepared and provided for the purpose of the reader's convenience. All readers are recommended to refer to the original version in Japanese of the report for complete information.

## (Per Share Information)

	Interim period ended September 30, 2005	Interim period ended September 30, 2006	Fiscal year ended March 31, 2006
	Yen	Yen	Yen
Net assets per share	1,238.89	1,243.68	1,286.09
Net income per share	30.18	10.12	70.39
Diluted net income per share	29.00	9.96	67.31

Notes: The basis for calculation of net income per share and of diluted net income per share is as follows:

	Interim period ended September 30, 2005	Interim period ended September 30, 2006	Fiscal year ended March 31, 2006
Net income per share			
Net income (millions of yen)	10,411	3,349	23,983
Amount not belonging to common stock (millions of yen)	—	—	—
(Bonuses to directors from retained earnings (millions of yen))	(—)	(—)	(—)
Net income available to common stockholders (millions of yen)	10,411	3,349	23,983
Average number of common shares (thousands of shares)	344,988	330,892	340,716
Diluted net income per share			
Adjustment to Net income (millions of yen)	137	138	276
Interest payments (following deduction of applicable tax amounts (millions of yen))	(136)	(136)	(271)
Increase in number of common shares (thousands of shares)	18,717	19,472	19,721
Convertible bonds (thousands of shares)	(18,503)	(18,503)	(18,503)
Subscription warrant (thousands of shares)	(213)	(968)	(1,217)
Residual securities not included in calculation of diluted net income per share due to absence of dilutive effect	—	—	—

## (Subsequent events)

No applicable items.

Breakdown of revenues

Category	Interim period ended September 30, 2005		Interim period ended September 30, 2006			Fiscal year ended March 31, 2006	
	Millions of Yen	Percentage of total	Millions of Yen	Percentage of total	Percentage of increase	Millions of Yen	Percentage of total
Women's apparel	70,132	26.2	67,032	25.3	95.6	149,081	26.5
Men's apparel and sporting goods	39,229	14.7	38,731	14.6	98.7	87,352	15.6
Luxury and accessory goods	57,405	21.5	55,656	21.0	97.0	120,569	21.5
Furniture and household goods	13,459	5.0	11,890	4.5	88.3	27,399	4.9
Foodstuffs and restaurant sales	24,951	9.3	25,288	9.6	101.4	52,352	9.3
Total retailing sales	205,178	76.7	198,599	75.0	96.8	436,755	77.8
Financial charges earned on installment sales	32,628	12.2	33,089	12.5	101.4	65,267	11.6
Interest income on consumer loans	875	0.3	1,229	0.5	140.4	1,895	0.3
Others	2,524	0.9	2,642	1.0	104.7	4,961	0.9
Credit card and consumer finance services	36,028	13.4	36,962	14.0	102.6	72,124	12.8
Retailing-related services	26,409	9.9	29,093	11.0	110.2	52,660	9.4
Total revenues	267,616	100.0	264,655	100.0	98.9	561,539	100.0

Notes:

1. "Others" in "Credit card and consumer finance services" include revenues from annual fees for in-house credit cards and revenues from insurance agency. "Retailing-related services" include revenues from store remodeling, advertising, building management and maintenance, real estate leasing, software development, and truck logistics operations.
2. Revenues for the previous interim period and the previous fiscal year are presented in accordance with the classification of revenues in the interim period ended September 30, 2006.