

*Translation: Please note that the following purports to be an accurately translated excerpt of the original Japanese version prepared for the convenience of investors External Japan. However, in the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.*

Stock Exchange Code: 8252

June 5, 2014

3-2, Nakano 4-chome, Nakano-ku, Tokyo

**MARUI GROUP CO., LTD.**

**Hiroshi Aoi**

President and Representative Director

## **Notice of Convocation of the 78th Ordinary General Meeting of Shareholders**

Dear Shareholders:

You are cordially invited to attend the 78th Ordinary General Meeting of Shareholders of MARUI GROUP CO., LTD. (the “Company”).

**If you are unable to attend the aforesaid meeting, you can exercise your votes through either of the methods stated below. The Company respectfully requests you to study the “Reference Document Concerning the General Meeting of Shareholders” below and exercise your voting rights on or before 7:00 p.m. (JST) June 25, 2014 (Wednesday):**

### **GUIDANCE ON THE WAY TO EXERCISE THE VOTING RIGHTS:**

#### **[In case of attending the General Meeting of Shareholders]**

Please submit the Voting Rights Exercise Form enclosed herewith to the reception at the place of the meeting. Furthermore, please be advised that person other than the shareholders such as proxy who is not a shareholder and person accompanying with you shall not enter the place of meeting.

#### **[In case of exercising voting rights by mail]**

Please indicate on the Voting Rights Exercise Form enclosed herewith your consent or dissent to the proposals on the agenda, and return the form to the Company by mail on or before the time limit stated above.

#### **[In case of exercising voting rights via the Internet]**

Please access the website for the exercise of voting rights (<http://www.evotep.jp/>), using the log-in ID and temporary password which are shown on the Voting Rights Exercise Form. After logging in, please indicate whether you approve or disapprove the items on the agenda by following the instructions on the display screen by the time limit stated above.

With respect to exercising voting rights via the Internet, the Company takes liberty to ask shareholders to confirm the Guidelines for the Exercise of Voting Rights via the Internet. *(Note: This paragraph intentionally omitted as the Internet voting service is only available in Japan with the Japanese language.)*

## PARTICULARS

1. **Date and Time of the Meeting:** Thursday, June 26, 2014 at 10:00 a.m.  
(Reception commences at 9 a.m.)
2. **Place of the Meeting:** 3<sup>rd</sup> Floor of the Head Office of MARUI GROUP CO., LTD.  
at 3-2, Nakano 4-chome, Nakano-ku, Tokyo, Japan
3. **Matters to be dealt with at the Meeting:**

### **Matters to be Reported:**

1. Report on the Business Report, the Consolidated Financial Statements and the Non-Consolidated Financial Statements for the 78th Fiscal Year (from April 1, 2013 to March 31, 2014).
2. Report on the Results of the Audits of Consolidated Financial Statements by the Accounting Auditors and the Audit & Supervisory Board.

### **Matters to be Resolved:**

**Proposal 1:** Proposed Disposal of Surplus

**Proposal 2:** Election of Ten (10) Directors

**Proposal 3:** Election of One (1) Audit & Supervisory Board Member

**Proposal 4:** Election of One (1) Substitute Audit & Supervisory Board Member

**Proposal 5:** Renewal of Countermeasures (Takeover Defense) in Response to Large-Scale Purchase of Shares of the Company

### **4. Guidance for Exercising Voting Rights:**

- (1) In the event that a shareholder exercises voting rights both via return mail (Voting Rights Exercise Form) and the Internet, the Company will consider the exercise of voting rights via the Internet to be valid.
- (2) In the event that a shareholder exercises voting rights via the Internet more than once, the Company will consider the last exercise of voting rights to be valid.

- End -

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If there is any amendment to the contents of the Reference Document Concerning the General Meeting of Shareholders, the Business Report, the Non-Consolidated Financial Statements, the Consolidated Financial Statements, the Company will announce such amendment on the Company's homepage (<http://www.0101maruigroup.co.jp/>).

(Attached Materials)

## Business Report

(For the fiscal year from April 1, 2013 to March 31, 2014)

### 1. Information on the Status of Marui Corporate Group

#### (1) Development of the Businesses of the Corporate Group and Financial Results

The management environment during the fiscal year under review was characterized by the lingering uncertain future outlook due to concerns over rising prices and possible economic slowdown after the consumption tax rate hike despite the mild economic recovery brought on by the government's economic measures and the Bank of Japan's monetary easing as well as some signs of pick-up in consumer spending driven by improved employment and last-minute demand before the consumption tax rate hike.

Amid this operating environment, the Marui Corporate Group carried out sweeping reforms throughout its businesses in response to customer needs in the aim of becoming a Group that is widely supported by customers across all age groups. In addition, the Group promoted its basic strategy of integrating "stores, credit cards, and the Web" and, by using its management resources to the fullest, aimed to increase profitability.

As a result, total operating revenues increased by 2.2% from the preceding fiscal year to 416,460 million yen, and operating income expanded by 11.8% from the preceding fiscal year to 27,146 million yen in the consolidated fiscal year under review. Consequently operating profit margin reached 6.5%, resulting in the achievement of the 6% operating profit margin for two consecutive years, which had been targeted as part of the 3-year "medium-term initiatives," which began in the fiscal year 2011 ended March 2012. Moreover, ordinary income rose by 13.3% over the preceding year to 27,698 million yen and net income by 16.3% to 15,409 million yen.

#### Retailing and Store Operations

In the retailing and store operations segment, "Renovation of retailing" that had been carried out step by step for "products," "sales floors" and "creating of shops" was further advanced with an aim to provide broad services across "stores, credit cards, and the Web" with the concept of "Being fashionable × Sharing common values × Being reasonably priced" in response to common needs and values of customers of all ages.

For "Renovation of products" which was launched earlier, the "Rakuchin" series, the new private brand products which were the embodiment of the basic concept remained strong. Sales of new private brand products leaped 1.8 times compared to the preceding period due to the reinforced advertisement such as TV commercials in addition to the increased number of product types and the affordable lineups in accordance with customers' needs.

In pursuing "Renovation of sales floors," the Group promoted sales floors where products are displayed and presented in a way that directly conveys their characteristics and functionality.

Furthermore, a new online shopping site specializing in shoes and bags was launched. Concurrently "Rakuchin-Bin," a new free shipping/returns service for shoes, was started to allow easier trial fitting and the nationwide sales campaign was implemented. As a result, sales for online shopping grew 7% from the preceding fiscal year.

In the "Renovation in creating shops," Shinjuku Marui was renovated and reopened. The Group worked together with customers in creating shops and introduced the first men's floor in Shinjuku Marui Main Building. Moreover, gift items and event shops that are popular among women were placed in Shinjuku Marui Men to broaden the customer base.

As a result of these initiatives, the number of customers 30 years of age and older grew and the number of customers made a purchase at existing stores increased 5% from the preceding fiscal year, an

increase for the sixth consecutive year. However, due to factors including the effects of closure of specialty stores in the preceding fiscal year, total operating revenues from this segment declined by 1.1% from the preceding fiscal year to 327,832 million yen.

Although advertising expenses increased due to active promotions, efforts to cut back fixed costs resulted in operating income to post a rise of 3.3% from the preceding fiscal year to 10,562 million yen, an increase for the fourth consecutive fiscal year. As a result, operating profit margin in the retailing and store operations segment was 3.2%, achieving the plan of 3.0% or higher for the second consecutive year, which had been targeted since fiscal year 2011 ended March 2012 in the three-year “medium-term initiatives”.

Furthermore, the plan to open a new store in front of Hakata Station in Fukuoka, which would be the first in the Kyushu area, was determined in October 2013. It is scheduled to open in spring 2016 and the Group intends to create a store together with customers by further advancing past experience in shop creation to be of service in the region long into the future.

### **Credit Card Services**

In the credit card services segment, the Group worked towards expanding the number of customers as well as the volume of transactions handled.

In addition to soliciting new members at Marui stores, steady increase in “collaboration cards”, original affiliated credit cards, issued outside the Marui store channel and such led to membership growth of 9% from the preceding fiscal year to reach 5.42 million.

As for expanding the base of high-volume card users, the Group worked to increase the Gold Card membership. By providing upgraded services such as special discount offers on popular stage performances/accommodations and limited-time bonus points, the number of Gold Card members increased by 250 thousand from the end of the preceding fiscal year to 830 thousand.

Furthermore, card issuance using tablet terminals started at Marui stores. Paperless application was realized as it eliminated the need for customer to fill out application forms and the management level of personal information was drastically enhanced. In addition, on-the-spot card issuance increased due to shortened time required for credit screening, contributing to the increase in utilization of credit cards as well as to cutbacks in the cost of postage, etc.

Through these measures the total volume of credit card shopping transactions outside Marui stores continued to rise sharply (29%) from the preceding fiscal year and as a result, the amount of total transactions for revolving and installment payments rose 20% from the preceding fiscal year to 160,600 million yen.

In terms of cash advances, since the total transaction volume increased 11% from the preceding fiscal year to 127,700 million yen, the amount of operating loans outstanding at the end of the fiscal year under review increased 1.2% from the preceding fiscal year to 125,215 million yen, exceeding the preceding fiscal year for the first time in eight fiscal years since fiscal year 2005 ended March 2006.

As a result, the balance of operating receivables increased by 43,800 million yen from the preceding fiscal year to 338,700 million yen, renewing the record high. Additionally, strong performances were also recorded in the Group’s rent guarantee and bank loan guarantee businesses. Thanks to these various factors, the Group posted increases in both operating revenues and operating income for the second consecutive fiscal year in the credit card services segment with operating revenues increasing by 15.0% from the preceding fiscal year to 61,795 million yen and operating income increasing by 18.6% from the preceding fiscal year to 15,634 million yen.

### Retailing-Related Services

In the retailing-related services segment, the Group posted increases in both operating revenues and operating income for the second consecutive year with the operating revenues increasing by 18.7% from the preceding fiscal year to 59,509 million yen and operating income surging by 30.9% from the preceding fiscal year to 4,523 million yen, as a result of increased orders for interior works and advertisement production through reinforcing continuous transactions with customers and also of thorough cost management.

(Segment Information)

(Millions of yen)

Category	Retailing and Store Operations	Credit Card Services	Retailing-Related Services	Total	Adjustments	Consolidated
Operating Revenues						
Outside to Customers	322,342	59,421	34,695	416,460	-	416,460
Inter-Segment Sales	5,489	2,374	24,813	32,678	(32,678)	-
Total	327,832	61,795	59,509	449,138	(32,678)	416,460
(Year on Year (%))	(98.9)	(115.0)	(118.7)	(103.1)	(116.4)	(102.2)
Segment Profit	10,562	15,634	4,523	30,721	(3,574)	27,146
(Year on Year (%))	(103.3)	(118.6)	(130.9)	(114.4)	(139.1)	(111.8)
Operating Margin (%)	3.2	25.3	7.6	-	-	6.5

(Detail of operating revenues by business categories)

Category	Operating Revenues (Millions of yen)	Composition Ratio (%)	Year on Year (%)
Women's apparel	86,906	20.9	94.0
Men's apparel & sporting goods	61,053	14.6	96.3
Luxury & accessory goods	93,714	22.5	102.6
Furniture & household goods	21,192	5.1	98.8
Foodstuffs & restaurants sales	54,467	13.1	103.8
Others	5,008	1.2	103.4
Retailing and store operations	322,342	77.4	98.9
Interest income on consumer loans	21,084	5.1	99.5
Financial charges earned on installment sales	20,700	5.0	123.8
Affiliated merchants	12,738	3.0	130.1
Others	4,896	1.2	127.7
Credit card services	59,421	14.3	115.3
Retailing-related services	34,695	8.3	116.3
Total	416,460	100.0	102.2

Note: Operating Revenues of the retailing-related services include the interior design and furnishing of retail stores, publicity and advertising, IT systems services, the management and maintenance of buildings, distribution/logistics for fashion goods, and real-estate rental business on a subcontracted basis.

(Matters concerning Changes of Business Segment)

Categories of business segment have been reclassified since the fiscal year under review. As a result, revenues and incomes related to leasing and administration, etc. of commercial facilities, which had been included in “retailing-related services,” were added to “retailing services,” which has then newly been reclassified as “retailing and store operations.”

Accordingly, revenues from leasing and administration, etc. of commercial facilities are reported in “others” of “retailing and store operations” in “Detail of operating revenues by business categories” above.

Comparisons with the results of the previous fiscal year are based on recomposed results of the previous fiscal year according to reclassified business segment.

## **(2) Capital Investments**

The capital investments of the Group were mainly for the renovation of sales floors at existing stores and the upgrading of information terminals. The total expenditures on capital investments during the fiscal year under review amounted to 11,200 million yen.

## **(3) Fund-Raising**

The Group raises funds with the highest priority given to ensuring financial stability, while making efforts to lengthen its funding period and diversifying its maturity dates as well as funding methods.

During the consolidated fiscal year under review, the Group raised funds of 33,300 million yen in loans from financial institutions, 20,000 million yen from the issuance of bonds and 7,000 million yen from the issuance of commercial papers in response to the repayment of loans. Additionally, the Group increased the amount of funds raised through the securitization of receivables by 9,000 million yen.

## **(4) Issues to be Addressed**

In the next fiscal year, it is expected that, although continuous improvements in employment and household income brought on by the government’s economic measures are anticipated, a severe management environment will continue due to a slowdown in consumption attributed to rising prices, increasing burden of taxes/insurance premiums and changes in individual’s values and purchasing behaviors are assumed to be more evident.

Under these circumstances, the Group has drawn up a mid-term management plan for the three-year period through to fiscal year 2016 and will strive to realize long-term profit through effective use of the management resources of the Group in order to achieve consolidated operating income of 36,000 million yen or more and ROE of 6% or higher.

In the retailing and store operations segment, the Group intends to review traditional creating of shops that have focused on apparel and will expand product categories which are high in demand by customers, such as sundries and restaurants, to meet their lifestyles. For this reason, the Group will shift from the conventional business model centering on purchase contracts and will attract tenants on fixed-term leasing contracts to improve and stabilize earnings for establishing a renewed growth base.

As the first phase of such, Machida Marui will reopen in late May after an overall renovation. In pursuing “a shop where anybody can casually drop by and which can satisfy daily needs,” the Group has held a number of meetings with local customers over the past two years to create a store together. Such efforts resulted in the increased number of customers and favorable responses on some of the floors pre-opened in April. Going forward, the Group is determined to make the entire stores even more attractive by increasing product categories meeting customers’ needs and offering extensive product lineup through attracting tenants on fixed-term contracts at all Marui stores.

For the Marui-original sales areas, the Group will concentrate its management resources on highly original shops and brands and will transform them into specialty shops with stronger earning capabilities and more competitiveness. The Group will then aim to open shops outside Marui stores.

Regarding the Hakata store scheduled to open in spring 2016, a store-opening preparation office was set

up in April and begun full-fledged activities for creating the store. Incorporating opinions of customers in the whole Kyushu region, the Group will, together with customers, create a store that will be supported by customers of all ages as well as create fans of the store.

In the credit card services segment, the Group will expand card issuance locations nationwide, which have mainly been at Marui stores, by issuing collaboration cards and promoting new membership through website in order to further reinforce business bases.

As for collaboration card business, the Group will start issuing “HUIS TEN BOSCH EPOS CARD” in July in collaboration with Huis Ten Bosch Co., Ltd., that operates one of the largest theme parks in Japan, offering services such as discounts and benefits within the park. In addition, collaborating with IDEA FACTORY Co., Ltd., the leading company in game software for women, “OTOMATE EPOS CARD” with popular game character designs will be issued. The Group will work further to develop more collaboration cards with attractive services that can satisfy customers.

In addition, the Group will enhance measures for customers to be able to use credit card with a sense of security by offering a “mail notification service,” which informs the user when the card is transacted, and an “EPOS Virtual Card” exclusively for online shopping and such, while raising recognition through nationwide promotion using TV commercials.

Through these various measures, the Group is committed to strengthening its management base and further improving its performance. Management, therefore, looks forward to the continued support and encouragement of its shareholders.

#### (5) Property, Profits and Losses

Category	75th Fiscal year ended March 31, 2011	76th Fiscal year ended March 31, 2012	77th Fiscal year ended March 31, 2013	78th Fiscal year ended March 31, 2014
Total operating revenues (Millions of yen)	406,472	412,408	407,366	416,460
Ordinary income (Millions of yen)	14,088	17,621	24,443	27,698
Net income (Net loss) (Millions of yen)	(23,638)	5,251	13,255	15,409
Net income per share (Net loss) (yen)	(86.36)	19.19	48.43	56.29
Total assets (Millions of yen)	628,910	615,130	624,173	664,019
Net assets (Millions of yen)	284,885	290,349	304,051	315,889



### (6) Major Subsidiaries of the Group

Company Name	Capital Stock	Percentage of Ownership	Principal Business
	(Millions of yen)	(%)	
Marui Co., Ltd.	100	100.0	Marui Store Business Operation, Original Sales and Private Brand Operation and Development, Online Shopping and Mail-order, Outside Specialty Store Business
EPOS Card Co., Ltd.	100	100.0	Credit Card Business, Credit Loan Business
MRI Co., Ltd.	500	100.0 (100.0)	Collection and Management of Receivables Business, Credit Check Business
ZERO FIRST Co., Ltd.	100	100.0 (100.0)	Consumer Finance (Loan) Business
AIM Create Co., Ltd.	100	100.0	Proposal of Commercial Facilities Category, Design and Interior Decoration, Operation and Management, Planning and Making of Advertisement, Others
M & C Systems Co., Ltd.	234	95.0	Software Development, Computer Operation
Marui Facilities Co., Ltd.	100	100.0	Building Management Service Business, Security Service Business
Moving Co., Ltd.	100	100.0	Trucking Business, Forwarding Business
Marui Home Service Co., Ltd.	100	100.0	Real-Estate Rental Business

Note: Figures in parentheses ( ) in the Percentage of Ownership column include the share of indirect ownership.

### (7) Lines of Business of the Group

The Group's lines are Retailing of apparel, luxury & accessory goods, and furniture & household goods and Store Operations, Credit Card Services, and Retailing-related Services.



## (8) Major Business Hubs

### i. Head Office

Company Name	Location
MARUI GROUP CO., LTD. Marui Co., Ltd. EPOS Card Co., Ltd. MRI Co., Ltd. ZERO FIRST Co., Ltd. AIM Create Co., Ltd. M & C Systems Co., Ltd. Marui Facilities Co., Ltd. Marui Home Service Co., Ltd.	Nakano-ku, Tokyo
Moving Co., Ltd.	Toda-shi, Saitama Prefecture

### ii. Stores

Prefecture	Store Name
Tokyo	Shinjuku, Marui City Ikebukuro, Shibuya, Kinshicho, Ueno Marui, Kitasenju Marui, Yurakucho Marui, Nakano Marui, Kichijoji, Machida Marui, Kokubunji Marui
Kanagawa	Marui City Yokohama, Kawasaki, Marui Family Mizonokuchi, Marui Family Ebina
Saitama	Omiya, Soka Marui, Marui Family Shiki
Chiba	Kashiwa
Ibaraki	Mito
Shizuoka	Shizuoka
Osaka	Namba Marui
Hyogo	Kobe Marui
Kyoto	Kyoto Marui

\*Hakata Store will open in spring 2016

## (9) Matters concerning Employees

Business Category	Number of Employees	Comparison with the Previous Fiscal Year End
	(Number of Person)	(Number of Person)
Retailing and Store Operations	4,253	205 (decrease)
Credit Card Services	648	124 (increase)
Retailing-Related Services	882	26 (decrease)
All of the Group (in common)	183	28 (decrease)
Total	5,966	135 (decrease)

Notes:

1. The numbers of employees shown do not include part-time employees. Average number of part-time employees during the fiscal year (calculated by using monthly work hours as standard) is 1,976.
2. All of the Group (in common) is the number of employees in corporate management departments which cannot be categorized to specific segments.

#### (10) Main Loan Lenders

Lenders	Outstanding Balance
	(Millions of yen)
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	68,900
Sumitomo Mitsui Banking Corporation	23,500
Mitsubishi UFJ Trust and Banking Corporation	19,500
Mizuho Bank, Ltd.	15,300
The Bank of Yokohama, Ltd.	4,900

Note: The above amounts do not include syndicated loans (Total of 10 billion yen).

#### 2. Matters concerning the Shares of the Group

**(1) Total Number of Shares Authorized to be Issued: 1,400,000,000 shares**

**(2) Number of Shares Issued and Outstanding: 318,660,417 shares (including 44,901,353 shares of treasury stock)**

**(3) Number of Shareholders: 24,209 shareholders**

#### (4) Principal Shareholders (Top 10)

Registered Name	Number of Shares Held	Percentage of Shareholding
	(thousand shares)	%
The Master Trust Bank of Japan, Ltd. (Trust Account)	24,041	8.8
Japan Trustee Services Bank, Ltd. (Trust Account)	22,016	8.0
Atom Corporation	6,622	2.4
Aoi Real Estate Company	6,019	2.2
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	5,808	2.1
Northern Trust Company (AVFC) Account Non-Treaty	5,030	1.8
Juniper	4,636	1.7
Toho Co., Ltd.	3,779	1.4
BNP Paribas Japan	3,584	1.3
Aoi Scholarship Foundation	3,164	1.2

Notes:

1. The Company holds 44,901 thousand shares of treasury stock but is excluded from the above principal shareholders.
2. Calculations of percentage of shareholding are based on the total number of issued and outstanding shares excluding the treasury stock.

### 3. Matters concerning Subscription Rights to Shares

#### (1) Subscription Rights to Shares Held by the Directors Issued in Consideration of Duty as of the End of This Term

Name of Subscription Rights to Shares (Issue Date)	Exercise Period	Number of Subscription Rights to Shares	Class and Number of Shares to Be Issued Upon Exercise of Subscription Rights to Shares	Number of Holders (External Director)	Amount Paid for Subscription Rights to Shares	Exercise Price of Subscription Rights to Shares
Subscription Rights to Shares, 2013 (July 11, 2013)	From April 1, 2014 to March 31, 2024	279 rights	Common Stock of the Company 27,900 shares	7 persons (0 person)	1,007 yen per share	1 yen per share

Notes: Conditions for exercise of subscription rights to shares:

1. Holders of subscription rights to shares must be Directors, Audit & Supervisory Board Members or Executive Officers of the Company or subsidiaries of the Company when they exercise subscription rights to shares. In the event that a holder of subscription rights to shares loses the position of Director, Audit & Supervisory Board Member or Executive Officer due to the maturity of office or any other due reason, the holder may exercise the rights within five (5) years following the day on which the holder lost the position.
2. Notwithstanding paragraph (1) above, in the event that a proposal to approve a merger in which the Company becomes the non-surviving company, a proposal to approve a corporate split agreement or plan in which the Company becomes the split company, or a proposal to approve a share exchange agreement or plan in which the Company becomes the wholly-owned subsidiary, is approved at the general meeting of shareholders of the Company (or is resolved at the Board of Directors of the Company, if a resolution of the general meeting of shareholders is not required); the holder may exercise the rights within 30 days following the day on which said approval was given.
3. Any other conditions shall be as provided in the “Subscription Rights to Shares Allotment Agreement” to be concluded between the Company and the holder of subscription rights to shares.

#### (2) Subscription Rights to Shares Held by the Executive Officers Issued in Consideration of Duty during This Term

Name of Subscription Rights to Shares (Issue Date)	Exercise Period	Number of Subscription Rights to Shares	Class and Number of Shares to Be Issued Upon Exercise of Subscription Rights to Shares	Number of Grantee	Amount Paid for Subscription Rights to Shares	Exercise Price of Subscription Rights to Shares
Subscription Rights to Shares, 2013 (July 11, 2013)	From April 1, 2014 to March 31, 2024	105 rights	Common Stock of the Company 10,500 shares	5 persons	1,007 yen per share	1 yen per share

Note: Conditions for exercise of subscription rights to shares are the same as (1).

#### 4. Matters concerning Officers of the Group

##### (1) Names of Directors and Audit & Supervisory Board Member of the Group

Name	Position	Position in Charge and Important Position of Other Organizations Concurrently Assumed
Hiroshi Aoi	President and Representative Director, Executive Officer and Group Representative	
Motohiko Sato	Senior Managing Director, Senior Managing Executive Officer	In charge of Corporate Planning, Finance, Card Business and Information System
Masao Nakamura	Managing Director, Managing Executive Officer	In charge of Retailing and Store Operations President and Representative Director, Marui Co., Ltd.
Koichiro Horiuchi	Director	President and Representative Director, Fuji Kyuko Co., Ltd. External Audit & Supervisory Board Member, Yamanashi Chuo Bank, Ltd.
Takashi Wakashima	Director, Executive Officer	In charge of CSR Promotion, Real Estate Business & Architecture President and Representative Director, Moving Co., Ltd. President and Representative Director, Nakano Suncuore Co., Ltd. President and Representative Director, Totsuka Commercial Buildings Management Co., Ltd.
Tomoo Ishii	Director, Executive Officer	General Manager, Personnel Division In charge of Audit and General Affairs
Toshikazu Takimoto	Director, Executive Officer	President and Representative Director, EPOS Card Co., Ltd. President and Representative Director, ZERO FIRST Co., Ltd.
Nariaki Fuse	Director, Executive Officer	President and Representative Director, M & C Systems Co., Ltd.
Michitaka Mukohara	Audit & Supervisory Board Member (Full time)	
Yoshihide Kikuchi	Audit & Supervisory Board Member (Full time)	
Tadashi Ooe	Audit & Supervisory Board Member	Attorney External Audit & Supervisory Board Member, Canon Inc. External Director, JECO Co., Ltd.
Takehiko Takagi	Audit & Supervisory Board Member	Tax Accountant External Audit & Supervisory Board Member, Totenko Co., Ltd. External Audit & Supervisory Board Member, Kawada Technologies, Inc.

##### Notes:

1. Of the Director, Mr. Koichiro Horiuchi is an External Director and the Group has submitted a notification designating him as independent director/ audit & supervisory board member to Tokyo Stock Exchange, Inc.
2. Of the Audit & Supervisory Board Member, Mr. Tadashi Ooe and Mr. Takehiko Takagi are both External Audit & Supervisory Board Member and the Group has submitted a notification

designating them as independent director/ audit & supervisory board member to Tokyo Stock Exchange, Inc.

3. There is no special interest between other organizations where Director, Mr. Koichiro Horiuchi and Audit & Supervisory Board Members Mr. Tadashi Ooe and Mr. Takehiko Takagi concurrently assume the office, and the Group.
4. Audit & Supervisory Board Member, Mr. Tadashi Ooe is a qualified Attorney and is well-versed to Corporate Law.
5. Audit & Supervisory Board Member, Mr. Takehiko Takagi is a Certified Public Tax Accountant and has an appreciable extent of knowledge in finance and accounting.
6. Mr. Takashi Wakashima assumed the positions of Representative Director, President of Totsuka Commercial Buildings Management Co., Ltd. as of April 15, 2013, and of Representative Director, President of Nakano Suncuore Co., Ltd. as of June 8, 2013.
7. There was a change in director's position, duty and occupation on April 1, 2014.

Name	Previous	Present
Tomoo Ishii	Director, Executive Officer General Manager, Personnel Division In charge of Audit, General Affairs	Director, Executive Officer General Manager, Personnel Division In charge of Audit, General Affairs, Healthcare Promotion

## (2) Remuneration, etc. to Directors and Audit & Supervisory Board Members

Category	Number of Persons subject to Payment	Total Amount of Remuneration (Millions of yen)
Director (External Director)	8 (1)	214 (10)
Audit & Supervisory Board Member (External Audit & Supervisory Board Member)	4 (2)	50 (15)
Total	12	264

Notes:

1. Basic remuneration for Directors with the resolution at the General Meeting of Shareholders has the ceiling amount of 300 million yen per year (remuneration for Directors does not include a salary portion payable to Directors who concurrently are employees of the Company.). In addition, remuneration for Director (Other than External Directors) by Subscription Rights to Shares as Stock Options has the ceiling of 100 million yen per year. (Resolution Date of the General Meeting of Shareholders: June 27, 2012)
2. Basic remuneration for Audit & Supervisory Board Member with the resolution at the General Meeting of Shareholders has the ceiling amount of 6 million yen per month. (Resolution Date of the General Meeting of Shareholders: April 28, 1987)
3. The above Remuneration and Other Amounts include 28 million yen of Subscription Rights to Shares granted to seven (7) Directors (Other than External Directors) as Stock Compensation-Type Stock Options.
4. In addition to above payments, 34 million yen was paid to two (2) directors from subsidiary of the Company.

### (3) Information on External Officers

#### i. Principal Activities of External Director and External Audit & Supervisory Board Members

Position	Name	Activities of External Director and Audit & Supervisory Board Member
Director	Koichiro Horiuchi	Attended all 11 meetings of the Board of Directors held during the fiscal year under review. Raised questions and made comments, mainly from the perspective of his long experience as a senior manager, and, as necessary, expressed his opinions in a timely and appropriate manner.
Audit & Supervisory Board Member	Tadashi Ooe	Attended 10 of the 11 meetings of the Board of Directors and all 15 meetings of the Audit & Supervisory Board held during the fiscal year under review. Expressed his opinions in a timely and appropriate manner based mainly on his professional knowledge as an attorney. In addition, held meetings periodically with the Representative Director; exchanged opinions regarding risks confronting the Company, major issues related to auditing of the Company, and other matters; and is working to deepen mutual understanding and trust.
	Takehiko Takagi	Attended 10 of the 11 meetings of the Board of Directors and all 15 meetings of the Audit & Supervisory Board held during the fiscal year under review. Expressed his opinions in a timely and appropriate manner based mainly on his professional knowledge as a Certified Public Tax Accountant. In addition, held meetings periodically with the Representative Director; exchanged opinions regarding risks confronting the Company, major issues related to auditing of the Company, and other matters; and is working to deepen mutual understanding and trust.

#### ii. Outline of the Content of the Liability Limitation Contracts

The Company concludes contracts with its External Directors and External Audit & Supervisory Board Members to limit their liability for damages, as provided for under Article 423-1 of the Companies Act. Based on these contracts, a ceiling is placed on the amount of liabilities which is equivalent to the minimum amount of such liabilities as determined by law.

## 5. Matters concerning Accounting Auditors

(1) Name of Accounting Auditors of the Group KPMG AZSA LLC

### (2) Remuneration, etc. to the Accounting Auditors during the Fiscal Year under review

1. Remuneration paid for services rendered as accounting auditors for the fiscal year under review.  
98 million yen
2. Total cash and other remuneration to be paid by the Company and its subsidiaries to the accounting auditors. 136 million yen

Note: In the audit contract between the Company and its accounting auditors, remuneration paid for audits under the Companies Act and audits under the Financial Instruments and Exchange Act are not clearly distinguished and cannot be practically separated. Therefore, the total amounts of remuneration, etc. paid to the accounting auditors are stated in 1 and 2 as the amount of remuneration, etc. for the fiscal year under review.

### (3) Content of Non-Auditing Activities

The Company and its subsidiaries call upon the accounting auditors to conduct work related to the provision of letters of comfort in connection with corporate bond issuance.

### (4) Policy Regarding the Dismissal or Refusal to Reappoint the Accounting Auditor

When the Company has a reason or need of its own and in other cases, such as those instances where the accounting auditor is deemed to have infringed on or violated the Companies Act, the Certified Public Accountants Act, and/or other laws and regulations or when the accounting auditor's behavior is offensive to public order and morals, the Company's Audit & Supervisory Board will consider whether to dismiss or refuse to reappoint the accounting auditors. When the Board of Audit & Supervisory Board Member judges it appropriate to dismiss or refuse to reappoint the accounting auditor, under Article 17-1 of the Rules of the Audit & Supervisory Board, it will request the Board of Directors to submit a "Proposal for Dismissal or Refusal to Reappoint the Accounting Auditor" to the General Meeting of Shareholders, and the Board of Directors will deliberate this proposal.

## 6. Company's System and Policy

### (1) System which ensures that the execution of duties by Directors complies with laws and ordinances and the Articles of Incorporation, and the system which ensures that the Company's business is duly executed.

The Company Group (the "Company Group" or sometimes the "Group") will proceed with arrangement for the internal control system from the viewpoint of carrying out the Company Group operation and promote efficient operation with healthy and a high level of transparency.

- i. System which ensures that execution of duties by Directors comply with laws and ordinances and the Articles of Incorporation
  - a. Directors shall discharge legally and duly duties in accordance with the Directors'/ Audit & Supervisory Board Members' Internal Regulations and the Codes of Conduct of the Group.
  - b. The Board of Directors shall be in principle held ten times a year and supervise the execution of duties by Directors.
  - c. Audit & Supervisory Board Members shall audit independently the execution of business by Directors and Executive Officers in accordance with the Regulations of the Audit & Supervisory Boards.
  - d. Highly independent External Directors and External Audit & Supervisory Board Members shall be elected and the objectivity and transparency of operation shall be intended to be enhanced.



- ii. System for maintaining and controlling information regarding execution of business by Directors
  - a. The Company shall arrange the regulations for controlling documents, pursuant to which minutes of the Board of Directors and other important documents related to the execution of business by Directors shall be maintained.
- iii. Regulations related to controlling risk of loss and other system
  - a. Director in charge of controlling risk shall be appointed and the General Affairs Department shall be the office to promote the internal control system.
  - b. The Compliance Promotion Board shall control risk of the overall Group based on the details of business, which are made to documents as a link to the internal control system.
  - c. Six committees (namely, Public Relation IR Committee, Environment CSR Promotion Committee, Internal Control Committee, Personal Information Protection Promotion Committee, Safety Control Committee and Insider Trading Prevention Committee) which were established to control high risk fields in the course of operation, shall intend to improve speedily business and in advance prevent any accident from occurring.
- iv. System which ensures that Directors execute their duties efficiently
  - a. By a few Directors and due to a flat organization, speedy and due decision making shall be carried out.
  - b. Duties and power of Directors shall be definitively defined and execution of the duties shall be undertaken efficiently and speedily by Executive Officers based on authority commissioned by the Board of Directors.
- v. System which ensures that financial report shall be made properly
  - a. The policy and procedures covering the entire Company to ensure that financial report shall be carried out properly, shall be presented and the proper arrangement and operation shall be secured.
  - b. A system intending to evaluate risks occurring inappropriate statements with respect to important items of financial report and reduce risks, shall be proceeded to be established.
  - c. A system for monitoring the internal control system with respect to financial report shall be properly arranged and shall confirm the conditions and status of operation.
- vi. System which ensures that employees shall execute business in compliance with laws and ordinances and the Articles of Incorporation
  - a. The Codes of Conduct of the Group shall be made fully known to employees of the Company so that all employees with high ethics shall carry out healthy corporate activities.
  - b. Various manuals of the Company shall be upgraded to have employees comply with laws and ordinances and the internal regulations of the Company to the fullest extent and employees shall be educated as much as possible.
  - c. Marui Group Hot Line (internal notification system) was established in accordance with the purport of the Whistleblower Protection Act and it is intended to prevent any problem from occurring in advance and find any problem as soon as possible.
- vii. Arrangement for system which ensures that corporate group consisting of the Company and its subsidiaries execute duly their businesses
  - a. The details of business which each company of the Group stated on documents as a link to the internal control system shall be reviewed continuously, at the same time the appropriate system shall be secured upon constantly confirming updated situation and the newest information through the six committees.
  - b. Any and all undue demands by anti-social power threatening social order and safety shall be refused and any relationship with anti-social power shall be intercepted so that a system, which ensures that anti-social power shall be excluded with strong affiliation with external professional organizations such as

lawyers and police offices, shall be further arranged.

- c. With respect to transactions between the Company and its subsidiaries, affiliation between Audit & Supervisory Board Members of subsidiaries and the Audit Department of the Company shall be further deepened so that an audit system which ensures that proper transactions and due accounting treatment shall be secured shall be arranged.
- viii. Matters related to employee whom Audit & Supervisory Board Members request to appoint to assist Audit & Supervisory Board Members in discharging their duties
  - a. Audit & Supervisory Board Members may give an instruction to the Audit Department to assist audit duties.
- ix. Matters related to independence of employee in viii. above from Directors
  - a. The Audit Department shall not be instructed by Directors with respect to any instruction for assistance of audit duties made by Audit & Supervisory Board Members.
- x. System under which Directors and employees report to Audit & Supervisory Board Members and system under which any report is made to Audit & Supervisory Board Members
  - a. The internal audit system shall be reinforced and supporting function for Audit & Supervisory Board Members shall be strengthened.
  - b. Directors and employees shall make report to Audit & Supervisory Board Members as soon as possible when Directors and employees know any undue conduct, any fact which might infringe seriously any company in the Group or any act violating any laws, ordinances or the Articles of Incorporation.
- xi. Other system which ensures efficient audit to be carried out by Audit & Supervisory Board Members
  - a. The Board of Directors shall seriously cooperate with any request made by Audit & Supervisory Board Members in connection with discharging their duties smoothly.
  - b. Representative Directors and Audit & Supervisory Board Members shall have a meeting regularly and mutually confirm the status of executing business or discharging duties.
  - c. Audit & Supervisory Board Members may attend the Board of Directors' and other important management meetings as necessary to grasp the process under which important decision-making is processed and the status of executing business.
  - d. Audit & Supervisory Board Members may receive the provision of report or information from Directors and employees as necessary and inspect materials and records.

## **(2) Basic policy toward controlling the company**

- i. Basic policy toward any person(s) who should have control in determining the Company's policy toward finance and business

With respect to the person who should have control in determining the Company's policy toward finance and business, the Company desires that the person who should secure and enhance corporate value and common interest of shareholders of the Company falls under the aforesaid person.

Furthermore, it is imperative that the Company should be managed stably upon fully understanding the Company's corporate idea and management resources on a basis of long- and mid-term for the purpose of enhancing corporate value and common interest of shareholders of the Company.

At present, the Company has exerted its best efforts to operate its business amid extremely severe competition in the retail industry to secure and enhance corporate value and common interest of shareholders of the Company. However, although the capital market in Japan is told that it has been legally adjusted and arranged to a certain extent, a large scale of shares of a listed company might, in the

Company's judgment, be highly possibly purchased unilaterally without having sufficient negotiation, or process for an agreement with the targeted company in the Japanese capital market.

It goes without saying that as far as the Company is a listed company, it is the principle that a purchase and sale of the Company's shares should be conducted at the complete discretion of shareholders and investors. Even if an acquisition of a large scale of shares is intended to be conducted, the Company believes that the judgment on whether or not to allow such acquisition to proceed should be left finally to shareholders. Accordingly, the Company does not negate it if it contributes to the enhancement of corporate value and common interest of shareholders of the Company.

However, there might exist an acquisition of a large scale of shares which does not contribute to the enhancement of corporate value and common interest of shareholders of a targeted company, such as an acquisition after which, judging from the purpose of the acquisition, the targeted company will not be intended to be managed seriously and reasonably, which will threaten the targeted company to incur unrecoverable damage, an acquisition which might force practically shareholders to sell their shares, or an acquisition with respect to which a sufficient time and required information have not been provided to shareholders and the board of directors of the targeted company to enable them to examine the terms and conditions of the acquisition or the board of directors to make an alternative proposal.

The Company deems any of the aforesaid purchasers inappropriate as a person who should have control in determining the Company's policy toward finance and business.

ii. Details of the measures contributing to realization of the Basic Policy

(a) Measures by which corporate value and common interest of shareholders of the Company is secured and enhanced

The Company group is a corporate group supporting "all people's life style having young mind" through three (3) segments, namely retailing and store operations, credit card services and retailing-related services based on the corporate philosophies that are "keeping developing for the purpose of being useful to customers" and "people's growth equals to the corporate growth". Through business operation, emphasizing on being useful to the shareholders, customers, business partners and people in the local communities, the Company will target to be a corporate group to be trusted furthermore by these parties.

The Company group has drawn up a mid-term management plan for the three-year period through to fiscal year 2016 and will strive to realize long-term profit through effective use of the management resources of the Group in order to achieve consolidated operating income of 36,000 million yen or more and ROE of 6% or higher.

In 2007, in the light of promoting the group strategy flexibly and defining the assignment, the Company moved to adopt a holding company system so that it started the Company group management on a full-fledged basis. Activating the management resources, the Company group has been promoting its peculiar Trinity business model, which integrates "stores, credit cards and the Web" and generates synergy effects.

First of all, with respect to the retailing and store operations business, the Company engaged in "Retail renovation" in that in response to needs and feeling of the value on products common to customers over the generations, a wide variety of services are being provided on the basis of the fundamental concept "Being fashionable × Sharing common values × Being reasonably priced". With respect to "Renovation of products" engaged prior thereto, in compliance with changes in the feeling of value and lifestyle, the Company group engaged in expansion of new private brand products added by comfortableness and functionality in addition to fashionable sense. Next, with respect to "Renovation of sales floor", based on

the characteristic and function of products, the presentation and display were reviewed and replaced so that many customers over the generations now find it easier to understand products. Furthermore, with respect to “Renovation of store opening”, the Company group proceeded to open a store together with customers so as to expand sundries and drinks and foods, invite shops selling at reasonable prices, reorganize and expand own sales floor. The Company group intends to open a store with respect to which a number of visiting customers and profits would be balanced. From now on, the Company group proceeds to convert to increase the number of tenants based on real estate lease agreements from the current purchase and sales operation so that sales and net income will be improved and become stable by virtue of heightened attraction of stores through the expansion of product categories and enrichment of products mixture. Moreover, management resources will be collectively invested in highly independent shops and brands in Marui’s sales floor to be converted to more profitable and competitive specialty shops and furthermore, the Company group will open specialty shops outside Marui stores.

Moreover, while the Company group has developed to open large-scale stores mainly in prime locations in the Tokyo metropolitan area for many years, it is taking a “scrap and build” approach toward stores that are to be closed for not living up to customers’ expectations with regard to their scale or facilities so as to make the network of stores more efficient. The Company group steadily continued to open new stores in large-scale locations in nation-wide Japan, changed from the area previously centered in Kanto district, such as in Kobe in 2003 and in Namba, Osaka in 2006 and in Kyoto in 2011. In spring 2016, opening of a store was determined at Hakata-Ekimae, Fukuoka, the first store in Kyushu region, further evolving various measures in the past to develop stores with the cooperation with customers. The Company group will examine actively to open new stores in large-scale cities and locations hereafter.

Furthermore, with respect to the Web online shopping which is expected to grow fast, the Company group proceeds mainly with “Marui web channel” and “Voi”, an online shopping magazine.

In addition, the Company group has developed the convenient services through integration of stores, credit cards and the Web. Such services include the integrated management of inventories at physical stores and for online shops, the establishment of the Marui Web Channel Park services that a customer may fit on or receive a product purchased through the Web sales at stores, and commonalization of IDs of EPOS cards and that of online services.

Moreover, following shoes specialty site, bag specialty site was open. “*Rakuchinbin*” was introduced for the convenience of customers to try on at home by which shoes are delivered to and returned by a customer free of charge and research function was introduced to select coordination with cloth. Services are so enriched in response to customers’ requests so that enhanced and convenient services are available.

Next, with respect to credit card business, in 1960 the Company group issued the first credit card in Japan, using the word “credit” to replace the traditional word “Geppu” (monthly installation payment). Thereafter, the Company group evolved to handle renovating measures such as the on-the-spot issuance of credit cards at stores and materialization of an online system over all of its stores, thus engaged in innovative operations in the retail industry in Japan. Since 2006, the Company group has issued EPOS cards retaining the conventional good aspects adherent to house cards added by the versatility of the Visa brand, which are now held by 5,420 thousand customers. In addition to Gold Cards and Design Cards which have been issued since 2008, the Company group issued Platinum Cards in 2011. Points gained in Gold Cards and Platinum Cards have become able to be changed with no time limit and Gold Cards have been issued immediately at the front desk of Marui stores since 2012. The Company group pursues to expand the

number of cardholders, the number of customers using the said credit cards as main credit cards and the amount used through issues of credit cards utilizing tablet terminals in each of Marui stores, and through promotion of issue of Marui's own affiliated "collaboration cards" at stores other than Marui stores. Hereafter the Company group will increase the issue of credit cards other than at Marui stores so as to extend across the nation.

The Company actively proceeded to acquire shares of the Company with a view to returning profits to shareholders and enhance the capital efficiency for many years. In fact, the Company commenced to purchase its shares in 2002 and acquired a total of 96 million shares until March 31, 2009. The Company cancelled 50 million treasury stock (representing approximately 14% of the total issued shares) in the fiscal year ended March 31, 2008. The Company hereafter aims to enhance the corporate value through increasing operating revenues and earnings and carrying out flexible capital policy. With regard to dividend, the Company considers that returning profit to shareholders as an important management issue and will endeavor to return profits to shareholders under the fundamental dividend policy; that is, to continue to allocate appropriate profits to shareholders. Specifically, the Company uses the consolidated payout ratio of 30% or higher as a guide and will return profit to shareholders taking into consideration business result trends and financial conditions, etc.

(b) Measures toward social responsibility

The Company intends to continue to be a corporate group to be trusted by shareholders, customers, business partners, people in the local communities and the employees. The Company group has promoted carrying out various social contribution activities such as the establishment of safe and secure sales system and compliance with laws and ordinances including protection of personal information and preservation of environment so as to discharge actively corporate social responsibilities. The Company will further enhance the corporate value of the Company by virtue of responding to increasingly defined demands for social responsibilities.

(c) Measures toward enforcing corporate governance

The Company considers that healthy and fair management is placed in the first priority; the corporate governance in principle facilitates stably to enhance the corporate value and common interests of shareholders on a long-term basis. As part of such enhancement, the Company has shortened the terms of office of Directors to one year. In the light of enforcing the supervisory functions and proceeding highly transparent management, the Company adopted to increase the number of External Directors by one (1) to total of two (2) External Directors at this General Meeting of Shareholders. Thus, the Company will hereafter further strengthen the corporate governance.

iii. Measures by which inappropriate person should be excluded from controlling the Company

The Company deemed the measures stated in ii. above as its principle and will seek for maximizing corporate value and common interest of shareholders of the Company, but an acquisition of a large scale of shares which will not contribute to corporate value and common interest of shareholders of the Company might be conducted. The Board of Directors of the Company at its meeting held on May 13, 2011 resolved upon the renewal of the "measures against conduct for acquisition of a large scale of shares of the Company (anti-takeover measures)" with formal amendments complying with a change to electronic shares from share certificate and other required alterations (amended plan to be called the "Plan"), which was further approved by shareholders at the 75th Ordinary General Meeting of Shareholders of the Company held on June 29, 2011.

In the event that an acquisition of a large scale of shares is conducted, for the purpose of enabling shareholders to make appropriate judgment or the management of the Company or the Independent Committee of the Company to negotiate or discuss with the acquirer, the Plan purports to secure necessary and sufficient information and time to be provided by the acquirer so that corporate value and common interest of shareholders of the Company is secured and enhanced.

The Plan is applicable to the following cases: (a) purchases of shares, etc. of the Company resulting in the acquirer to hold 20% or more; or (b) a tender offer resulting in the acquirer to hold 20% or more of the Company's shares, etc. together with a number of percentages of shares, etc. of the Company's shares, etc. held by the specially related person(s) (the "Purchases, etc.").

In the event that the Purchases, etc. is to be conducted, a person conducting the Purchases, etc. (the "Purchaser, etc.") shall in advance submit a document stating information necessary to examine the content of the Purchases, etc. and undertaking to comply with the terms and conditions of the Plan to the Board of Directors of the Company. Then, information provided by the Purchaser, etc., an opinion of the Board of Directors and materials on which the opinion was based and an alternative proposal prepared by the Board of Directors shall be submitted to the Independent Committee composed by independent External Director and External Audit & Supervisory Board Member, which proceeds to investigate and evaluate the same. The Independent Committee shall evaluate or investigate the content of the Purchases, etc., examine the alternative proposal submitted by the Board of Directors, directly or indirectly negotiate with the Purchasers, etc., and make disclosures, etc. to shareholders, whenever necessary upon receiving advice from independent third parties (including financial adviser, certified public accountants, lawyers, consultants, other professionals).

In the event that the Purchasers, etc. have not complied with the procedures stipulated in the Plan, or the Independent Committee deems the Purchases, etc. to fall under any of the requirements of the Plan such as the case in which the Purchases, etc. might explicitly infringe corporate value and common interest of shareholders of the Company, the Independent Committee shall make a recommendation to the Board of Directors to carry out gratis allotment of stock acquisition rights.

The Board of Directors as an organization under the Companies Act shall adopt a resolution whether or not gratis allotment of stock acquisition rights should be carried out upon respecting the recommendation of the Independent Committee to the fullest extent. In the event that the Company adopts a resolution to carry out gratis allotment of stock acquisition rights upon respecting the recommendation of the Independent Committee to make gratis allotment of stock acquisition rights, the Company shall convene the General Meeting of Shareholders and confirm the intention of shareholders (excluding a case in which the Purchasers, etc. have not complied with the procedures stipulated in the Plan).

The Plan is in effect from the close of the 75th Ordinary General Meeting of Shareholders held on June 29, 2011 to the close of the General Meeting of Shareholders to be held in June 2014. However, even if prior to the end of the effective period, in the event that the abolition of the Plan is approved by a majority of shares with voting rights represented at the General Meeting of Shareholder of the Company or by a resolution of the Board of Directors composed by Directors elected at the General Meeting of Shareholders of the Company, the Plan shall be abolished at that time.

At the time of amendment of the Plan, since gratis allotment of stock acquisition rights is not carried out, rights and interest of shareholders are not directly actually affected. On the other hand, in the event that gratis allotment of stock acquisition rights is carried out, if shareholders did not exercise stock acquisition rights nor made payment of cash equivalent to the exercise price, the values of shares of the Company held by the shareholders would be diluted as a result of exercise of stock acquisition rights by other shareholders (excluding a case in which the Company delivers shares of the Company to shareholders in exchange for acquiring stock acquisition rights from shareholders other than unqualified persons). Furthermore, even if gratis allotment of stock acquisition rights has once been approved to be carried out, in the event that the Company suspends to carry out gratis allotment of stock acquisition rights or determines to acquire stock



acquisition rights free of charge from allotted shareholders in accordance with the terms and conditions of the Plan, the value of each share is not diluted. Accordingly, shareholders who sold or purchased shares in anticipation of shares of the Company diluted would be subject to loss corresponding to the fluctuation of market price of the Company's shares.

For further details of the Plan please refer to the "Measures (Anti-takeover Measures) Concerning Large-Scale Purchase Action of Shares of the Company" (only in Japanese) dated May 13, 2011. ([http://www.0101maruigroup.co.jp/pdf/settlement/11\\_0513/11\\_0513\\_1.pdf](http://www.0101maruigroup.co.jp/pdf/settlement/11_0513/11_0513_1.pdf))

iv. Judgment and reason thereof of the Board of Directors of the Company on the detailed measures

The measures stated in Paragraphs ii. and iii. above were introduced for the purpose of securing and enhancing corporate value and common interest of shareholders of the Company, in conformity of the basic policy of the Company. In particular, the Plan has been introduced upon approval at the General Meeting of Shareholders, provided with reasonable and objective requirements, requires that judgment by the Independent Committee constituted by independent External Director and Audit & Supervisory Board Member should be respected to the fullest extent. The Independent Committee may obtain advice from professional third parties. Since the term of office of Directors is one year, through the election of Directors every year shareholders may cause their intention reflected on the Plan. The fairness and objectivity of the Plan is pledged by the provisions of the Plan that the General Meeting of Shareholders or the Board of Directors may at any time abolish the Plan. The Plan does not infringe corporate value and common interest of shareholders of the Company nor purports to cause the positions of Directors maintained.

Amounts and shares in this business report have been rounded down to the nearest display unit. Ratio etc., are rounded off to the nearest display digit.



## Consolidated Balance Sheets

(As of March 31, 2014)

(Millions of yen)

Item	Amount	Item	Amount
<b><u>Assets</u></b>		<b><u>Liabilities</u></b>	
<b>Current assets</b>	<b>414,542</b>	<b>Current liabilities</b>	<b>169,740</b>
Cash and deposits	30,064	Accounts payable-trade	29,975
Notes and accounts receivable-trade	6,323	Short-term loans payable	71,324
Accounts receivable-installment	213,466	Current portion of bonds	20,000
Operating loans	125,215	Commercial papers	12,000
Merchandise	19,285	Income taxes payable	2,211
Deferred tax assets	9,122	Provision for bonuses	4,016
Other	18,503	Provision for point card certificates	2,813
Allowance for doubtful accounts	(7,440)	Reserve for loss from redemption of gift certificates	150
		Other	27,250
<b>Noncurrent assets</b>	<b>249,476</b>	<b>Noncurrent liabilities</b>	<b>178,389</b>
<b>Property, plant and equipment</b>	<b>175,064</b>	Bonds payable	82,000
Buildings and structures	67,062	Long-term loans payable	79,500
Land	99,402	Deferred tax liability	1,214
Construction in progress	162	Provision for loss on interest repayment	6,870
Other	8,436	Provision for loss on guarantees	123
		Asset retirement obligations	536
<b>Intangible assets</b>	<b>6,625</b>	Other	8,144
Software	5,497	<b>Total liabilities</b>	<b>348,130</b>
Other	1,127		
<b>Investments and other assets</b>	<b>67,786</b>	<b><u>Net assets</u></b>	
Investment securities	24,213	<b>Shareholders' equity</b>	<b>309,669</b>
Guarantee deposits	37,735	<b>Capital stock</b>	<b>35,920</b>
Deferred tax assets	3,285	<b>Capital surplus</b>	<b>91,307</b>
Other	2,552	<b>Retained earnings</b>	<b>236,274</b>
		<b>Treasury stock</b>	<b>(53,832)</b>
		<b>Accumulated other comprehensive income</b>	<b>5,776</b>
		<b>Valuation difference on available- for-sale securities</b>	<b>5,776</b>
		<b>Subscription rights to shares</b>	<b>39</b>
		<b>Minority interests</b>	<b>402</b>
		<b>Total net assets</b>	<b>315,889</b>
<b>Total assets</b>	<b>664,019</b>	<b>Total liabilities and net assets</b>	<b>664,019</b>

## Consolidated Statement of Income

(From April 1, 2013 to March 31, 2014)

(Millions of yen)

Item	Amount	
<b>Total operating revenues</b>		<b>416,460</b>
Cost of sales		260,733
Gross profit		155,726
Selling, general and administrative expenses		128,579
<b>Operating income</b>		<b>27,146</b>
<b>Non-operating income</b>		
Interest income	125	
Dividends income	417	
Gain on bad debts recovered	1,112	
Gain on donation of noncurrent assets	726	
Other	253	2,635
<b>Non-operating expenses</b>		
Interest expenses	1,828	
Other	254	2,083
<b>Ordinary income</b>		<b>27,698</b>
<b>Extraordinary loss</b>		
Loss on retirement of noncurrent assets	1,381	
Loss on closing of stores	162	
Other	77	1,621
<b>Income before income taxes and minority interests</b>		<b>26,076</b>
Income taxes-current	3,331	
Income taxes-deferred	7,314	10,646
<b>Income before minority interests</b>		<b>15,430</b>
Minority interests in income		20
<b>Net income</b>		<b>15,409</b>

## Consolidated Statement of Changes in Net Assets

(From April 1, 2013 to March 31, 2014)

(Millions of yen)

	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
<b>Balance as of April 1, 2013</b>	35,920	91,307	225,554	(53,889)	298,893
<b>Changes in the Fiscal Year:</b>					
Dividends			(4,653)		(4,653)
Net Income			15,409		15,409
Acquisition of Treasury Stock				(2)	(2)
Disposition of Treasury Stock		(35)		59	24
Transfer of Gain on Disposition of Treasury Stock		35	(35)		—
Other			(0)		(0)
Changes in Items Other than Shareholders' Equity-Net					
<b>Total Changes in the Fiscal Year</b>	—	—	10,720	56	10,776
<b>Balance as of March 31, 2014</b>	35,920	91,307	236,274	(53,832)	309,669

(Millions of yen)

	Accumulated Other Comprehensive Income		Subscription Rights to Shares	Minority Interests	Total Net Assets
	Valuation Difference on Available-for-Sale Securities	Total Accumulated Other Comprehensive Income			
<b>Balance as of April 1, 2013</b>	4,744	4,744	25	389	304,051
<b>Changes in the Fiscal Year:</b>					
Dividends					(4,653)
Net Income					15,409
Acquisition of Treasury Stock					(2)
Disposition of Treasury Stock					24
Transfer of Gain on Disposition of Treasury Stock					—
Other					(0)
Changes in Items Other than Shareholders' Equity-Net	1,032	1,032	14	13	1,060
<b>Total Changes in the Fiscal Year</b>	1,032	1,032	14	13	11,837
<b>Balance as of March 31, 2014</b>	5,776	5,776	39	402	315,889

(English Translation)

## Notes to Consolidated Financial Statement

### 1. Significant Matters on the Basis for the Preparation of the Consolidated Financial Statements

#### (1) Scope of consolidation

##### i.) Number of consolidated subsidiaries: 10

Names of principal consolidated subsidiaries:

Marui Co., Ltd., EPOS Card Co., Ltd., MRI Co., Ltd., ZERO FIRST Co., Ltd., AIM Create Co., Ltd., M & C System Co., Ltd., Marui Facilities Co., Ltd., Moving Co., Ltd., Marui Home Service Co., Ltd.

As EPOS Guarantee Co., Ltd. completed its liquidation during the current consolidated fiscal year, it is excluded from the scope of consolidation.

(Additional Information)

At the Board of Directors Meeting held on February 28, 2014, the Group resolved the absorption-type merger of the consolidated subsidiary ZERO FIRST Co., Ltd. with the Group's wholly-owned subsidiary EPOS Card Co., Ltd. being the surviving entity. The date of the merger (effective date of merger) is scheduled to be October 1, 2014.

##### ii.) Names of non-consolidated subsidiaries:

Marui (Shanghai) Co., Ltd., Epos S.S. Insurance Co., Ltd., Marui Kit Center Co., Ltd., Kitasenju Urban Development Co., Ltd., Totsuka Commercial Buildings Management Co., Ltd., Shiki Urban Development Co., Ltd.

Epos Small Amounts and Short Term Reserve CO., LTD. changed its name to Epos S.S. Insurance Co., Ltd. on October 22, 2013.

Reasons for excluding non-consolidated subsidiaries from the scope of consolidation

The six non-consolidated subsidiaries above are excluded from the scope of consolidation because each of the sums of their total assets, total operating revenues, net income (an amount prorated to ownership) and retained earnings (an amount prorated to ownership) has no significant impact on the Company's consolidated financial statements.

#### (2) Application of the equity method

The Company does not apply an equity method for the above six non-consolidated subsidiaries and the following four affiliates: MIZONOKUCHISHINTOSHI Co., Ltd., Nakano Suncuore Co., Ltd., Yurakucho Ekimae Development Co., Ltd., Mito Urban Development Co., Ltd., because their respective net income/loss (an amount prorated to ownership) and retained earnings (an amount prorated to ownership) have no significant impact on the consolidated financial statements.

#### (3) Summary of significant accounting policies

##### i.) Basis and method for valuation of significant assets

###### (a) Inventories

Merchandise is valued at cost using the monthly weighted average method (carrying amount in the balance sheet is calculated with consideration of write-downs due to decreased profitability).

###### (b) Securities

Available-for-sale securities for which fair values are available are valued at the quoted market price prevailing at the end of each consolidated fiscal year (with any unrealized gains or losses reported as a separate component of net assets at a net-of-tax amount and cost of sales determined by the moving-average method). Available-for-sale securities for which fair values are not available are stated at cost using the moving-average method.

##### ii.) Method of depreciation and amortization of significant depreciable assets

###### (a) Property, plant and equipment (excluding lease assets)

Property, plant and equipment are depreciated using the straight-line method.

###### (b) Intangible assets (excluding lease assets)

Intangible assets are amortized using the straight-line method, however, software for internal use is amortized using the straight-line method over the useful life estimated by the Company (not exceeding five years).

(c) Lease assets

Lease assets under financial lease contracts that do not transfer ownership of leased property to the lessee are depreciated using the straight-line method over the lease term with the residual value of zero.

iii.) Basis for recognizing significant allowances and provisions

(a) Allowance for doubtful accounts

The estimated uncollectible amounts are determined based on the historical rate of bad-debt losses for general receivables and on the case-by-case analysis of recoverability for receivables with default possibility.

(b) Provision for bonuses

The portion of estimated bonus payments that is incurred during the current consolidated fiscal year is recognized.

(c) Provision for point card certificates

Based on the balance of points awarded to card members outstanding at the end of the current consolidated fiscal year, the amount expected to be used is recognized.

(d) Reserve for loss from redemption of gift certificates

In order to provide for the loss on future exchange of gift and other certificates that have been recognized as revenue after a certain period has passed after their issuance, the amount estimated to be exchanged in the future is determined based on past experiences track record.

(e) Provision for loss on interest repayment

The amount of consumer loan interest estimated to be repaid at the end of the current consolidated fiscal year is recognized.

(f) Provision for loss on guarantees

In order to provide for the loss resulting from satisfying the guaranteed obligations relating to consumer loans extended by financial institutions, the amount of loss estimated to have been incurred at the end of the current consolidated fiscal year is recognized.

iv.) Other significant matters for the preparation of consolidated financial statements

(a) Basis for recognizing revenues and expenses

Financial charges earned on installment sales and consumer loan interest income are recognized on an accrual basis by the method of charging on the declining balance of loans.

(b) Accounting treatment of consumption taxes

National and local consumption taxes are accounted for by the tax-excluded method.

(Additional Information)

Revision to amounts of deferred tax assets and deferred tax liability due to changes in taxation rate of corporate tax and others.

With the promulgation of “Act on Partial Revision of the Income Tax Act, etc.” on March 31, 2014, special corporate tax for reconstruction will not be imposed from the consolidated fiscal year starting on or after April 1, 2014.

Accordingly, the effective tax rate used in calculating deferred tax assets and deferred tax liability for the current consolidated fiscal year has been changed from 38.0% of the previous consolidated fiscal year to 35.6% for the temporary differences that are expected to be eliminated during the consolidated fiscal year starting on April 1, 2014.

As a result, the amount of deferred tax assets (the amount after deducting the amount of deferred tax liability) decreased by 651 million yen and the amount of income taxes-deferred posted in the consolidated fiscal year under review increased by the same amount.

## 2. Notes to changes in presentation method

(Consolidated Statement of Income)

Up to the previous consolidated fiscal year, “Sales on retailing,” “Revenues from credit card services” and “Revenues from retailing-related services” were presented as items under Total operating revenues in Consolidated Statement of Income. However, in order to enhance clarity of Consolidated Statement of Income, only “Total operating revenues” will be presented starting the current consolidated fiscal year.

## 3. Notes to Consolidated Balance Sheets

(1) Accumulated depreciation of property, plant and equipment	217,900 million yen
(2) Guarantee liabilities	
Loan guarantees for personal loans offered by financial institutions	16,800 million yen
(3) Balance of securitized receivables	46,000 million yen
(4) Accumulated reduction entry excluded national subsidy from acquisition costs of tangible fixed assets	62 million yen

## 4. Notes to Consolidated Statement of Changes in Net Assets

(1) Type and number of shares issued

Share Class	Number of Shares as of April 1, 2013	Increase in Shares in the Fiscal Year	Decrease in Shares in the Fiscal Year	Number of Shares as of March 31, 2014
Common Stock	318,660,417 shares	-	-	318,660,417 shares

(2) Dividends

i.) Cash dividends paid

Resolution	Share Class	Total Amount of Dividend	Dividend per Share	Record Date	Effective Date
Ordinary General Meeting of Shareholders on June 26, 2013	Common stock	(Millions of yen) 2,189	(Yen) 8	March 31, 2013	June 27, 2013
Board of Directors Meeting on November 7, 2013	Common stock	(Millions of yen) 2,463	(Yen) 9	September 30, 2013	December 4, 2013

ii.) Dividends for which the record date falls in the current consolidated fiscal year, but the effective date comes in the following consolidated fiscal year.

The item regarding dividend on common stock is being proposed as follows:

Resolution	Share Class	Total Amount of Dividend	Resource for Dividend	Dividend per Share	Record Date	Effective Date
Ordinary General Meeting of Shareholders on June 26, 2014	Common stock	(Millions of yen) 2,463	Retained earnings	(Yen) 9	March 31, 2014	June 27, 2014

(3) The class and the number of shares underlying subscription rights to shares (excluding subscription rights to shares of which the first day of their exercise period has not arrived) at the end of the current consolidated fiscal year.

Common stock                      2,600 shares

## 5. Notes to Financial Instruments

(1) Matters concerning the status of financial instruments

The Group raises funds primarily through loans from financial institutions and bond issuance. Temporary surplus funds are held in highly safe cash and bank deposits.

We strive to lower the customer credit risks relating to installment sales receivables and operating

loans in accordance with our rules on extending credit. All of the investment securities are stocks, and the fair values of listed stocks are checked on a quarterly basis. Guarantee money deposited is mainly in connection with lease agreements for stores.

Loans are used as working capital. Interest rate swap transactions are used for a part of long-term loans payable in order to reduce interest volatility risks. According to the Company's policy, we utilize derivative transactions solely for the purpose described above and not for speculative purposes.

(2) Fair value, etc. of financial instruments

Carrying amount in the consolidated balance sheets, fair value and net unrealized gain/loss of financial instruments as of March 31, 2014 are shown in the table below.

(Millions of yen)

	Consolidated Balance Sheets Carrying Amount	Fair Value	Unrealized Gain/Loss
(1) Cash and deposits	30,064	30,064	-
(2) Notes and accounts receivable-trade	6,323	6,323	-
(3) Accounts receivable-installment Allowance for doubtful accounts	213,466 (4,736)		
	208,730	231,321	22,591
(4) Operating loans Allowance for doubtful accounts	125,215 (2,273)		
	122,942	136,298	13,355
(5) Investment securities Other securities	23,430	23,430	-
(6) Guarantee deposits	11,329	11,049	(280)
Total assets	402,821	438,488	35,666
(1) Accounts payable-trade	29,975	29,975	-
(2) Short-term loans payable	71,324	71,324	-
(3) Current portion of bonds	20,000	20,000	-
(4) Commercial papers	12,000	12,000	-
(5) Income taxes payable	2,211	2,211	-
(6) Bonds payable	82,000	83,089	1,089
(7) Long-term loans payable	79,500	79,438	(61)
(8) Derivative instruments	-	-	-
Total liabilities	297,011	298,038	1,027

Notes: 1. Method of determining the fair value of financial instruments, and matters concerning securities and derivative instruments

Assets

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

For those items that are settled within short periods of time, the carrying amount is used as fair value because their fair value approximates their carrying amounts.

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

Fair value of these items is determined at their present value by discounting, at the risk free rate, their future cash flows that are adjusted for their credit risks identified in the credit control process. With respect to receivables with default possibility, the unrecoverable amount is estimated based on the present value of their estimated future cash flows. Their fair value thus is very close to the balance sheets amount at the end of the consolidated fiscal year under review less the estimated unrecoverable amount. This amount is therefore used as the fair value.

(5) Investment securities

Investment securities are measured at their quoted prices on the stock exchange.

(6) Guarantee deposits



Fair value of guarantee deposits is determined at the present value of their future cash flows, discounted at a rate that equals the risk free rate, adjusted for credit risks. Guarantee deposits that are expected to be repaid within one year are included.

#### Liabilities

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

These items are stated at their carrying amounts as they are settled within a short period of time and their fair values are essentially the same as their carrying amounts.

- (6) Bonds payable

Each bond is measured at the present value of the sum of the principal amount and interest payments, discounted at a rate that takes into account the remaining period of the bond and credit risks.

- (7) Long-term loans payable

Long-term loans payable with variable rates are stated at their carrying amounts as such loans reflect the market interest rate in a short period of time and their carrying amounts approximate fair value. Some of these loans are subject to the special treatment for interest rate swaps (See Item (8) below). The sum of the principal amount and interest payments that is treated in combination with such an interest rate swap is discounted at a reasonably estimated interest rate that would be applicable to other similar loans.

Those with a fixed interest rate are measured by discounting the sum of the principal amount and interest payments at an interest rate assumed to be applied if the same loans were newly executed.

- (8) Derivative instruments

The interest rate swaps that are subject to the special treatment are treated in combination with long-term loans payable that are designated as the hedged items. Their fair value is thus presented as part of the long-term loans payable (See Item (7) above).

2. As it is extremely difficult to determine the fair value of non-publicly traded stocks (at the amount of 782 million yen in the consolidated balance sheets) for which no market prices are available and the future cash flows cannot be estimated, they are not included in Item (5) Investment Securities above.

As it is also extremely difficult to determine the fair value of part of the lease deposits (at the amount of 28,058 million yen in the consolidated balance sheets) for which no market prices are available and the future cash flows cannot be estimated, they are not included in Item (6) Guarantee deposits.

#### **6. Notes to Real Estate for Rent and Others**

- (1) Matters concerning the status of real estate for rent and others

Certain subsidiaries of the Company own commercial properties (including land) for rent in Tokyo and other areas.

- (2) Matters concerning the fair value of real estate for rent and others

(Millions of yen)

Consolidated Balance Sheets Carrying Amount	Fair Value
32,285	62,931

Notes: 1. The amount shown in the consolidated balance sheets equals the cost less accumulated depreciation and accumulated impairment loss.

2. Fair value at the end of the consolidated fiscal year under review is an amount based primarily on real-estate appraisals including index-based adjustments by licensed outside real estate appraisers.

**7. Notes to Per Share Information**

(1) Net asset per share	1,152.28 yen
(2) Net income per share	56.29 yen

**8. Notes to Significant Subsequent Events**

None applicable

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The amounts shown in these consolidated financial statements were rounded down to the unit used for presentation. Fractional percentages are rounded off to the nearest unit used for presentation.

## Non-Consolidated Balance Sheets

(As of March 31, 2014)

(Millions of yen)

Item	Amount	Item	Amount
<b><u>Assets</u></b>		<b><u>Liabilities</u></b>	
<b>Current assets</b>	<b>170,730</b>	<b>Current liabilities</b>	<b>143,610</b>
Cash and deposits	20,097	Short-term loans payable	71,200
Deferred tax assets	141	Current portion of bonds	20,000
Short-term loans receivable from subsidiaries and affiliates	149,086	Short-term loans payable to subsidiaries and affiliates	39,104
Other	1,404	Commercial papers	12,000
<b>Noncurrent assets</b>	<b>409,487</b>	Accounts payable-other	165
<b>Property, plant and equipment</b>	<b>1,405</b>	Accrued expenses	369
Buildings	18	Deposits received	216
Structures	2	Provision for bonuses	203
Vehicles	7	Other	350
Furniture and fixtures	1,377	<b>Noncurrent liabilities</b>	<b>161,567</b>
<b>Intangible assets</b>	<b>0</b>	Bonds payable	82,000
<b>Investments and other assets</b>	<b>408,081</b>	Long-term loans payable	79,500
Investment securities	22,731	Other	67
Stocks of subsidiaries and affiliates	377,746	<b>Total liabilities</b>	<b>305,177</b>
Investments in capital of subsidiaries and affiliates	132	<b><u>Net assets</u></b>	
Deferred tax assets	7,150	<b>Shareholders' equity</b>	<b>269,881</b>
Other	321	<b>Capital stock</b>	<b>35,920</b>
		<b>Capital surplus</b>	<b>91,307</b>
		Legal capital surplus	91,307
		<b>Retained earnings</b>	<b>196,485</b>
		Legal retained earnings	8,980
		Other retained earnings	187,505
		General reserve	135,600
		Retained earnings brought forward	51,905
		<b>Treasury stock</b>	<b>(53,832)</b>
		<b>Valuation and translation adjustments</b>	<b>5,120</b>
		<b>Valuation difference on available-for-sale securities</b>	<b>5,120</b>
		<b>Subscription rights to shares</b>	<b>39</b>
		<b>Total net assets</b>	<b>275,041</b>
<b>Total assets</b>	<b>580,218</b>	<b>Total liabilities and net assets</b>	<b>580,218</b>

## Non-Consolidated Statement of Income

(From April 1, 2013 to March 31, 2014)

(Millions of yen)

Item	Amount	
<b>Operating revenues</b>		<b>9,072</b>
Operating expenses		4,248
<b>Operating income</b>		<b>4,824</b>
<b>Non-operating income</b>		
Interest income	1,798	
Dividends income	410	
Other	20	2,229
<b>Non-operating expenses</b>		
Interest expenses	1,875	
Other	218	2,093
<b>Ordinary income</b>		<b>4,959</b>
<b>Extraordinary loss</b>		
Loss on valuation of investments in capital of subsidiaries and affiliates	76	
Other	0	77
<b>Income before income taxes</b>		<b>4,882</b>
Income taxes-current	13	
Income taxes-deferred	9	22
<b>Net income</b>		<b>4,860</b>

## Non-Consolidated Statement of Changes in Net Assets

(From April 1, 2013 to March 31, 2014)

(Millions of yen)

	Shareholders' Equity							
	Capital Stock	Capital Surplus			Legal Retained Earnings	Other Retained Earnings		Total Retained Earnings
		Legal Capital Surplus	Other Capital Surplus	Total Capital Surplus		Other Reserve	Retained Earnings Brought Forward	
<b>Balance as of April 1, 2013</b>	35,920	91,307	-	91,307	8,980	135,600	51,733	196,313
<b>Changes in the Fiscal Year:</b>								
Dividends							(2,189)	(2,189)
Dividends (interim)							(2,463)	(2,463)
Net Income							4,860	4,860
Acquisition of Treasury Stock								
Disposition of Treasury Stock			(35)	(35)				
Transfer of Gain on Disposition of Treasury Stock			35	35			(35)	(35)
Change in Items Other than Shareholders' Equity-Net								
<b>Total Changes in the Fiscal Year</b>	-	-	-	-	-	-	171	171
<b>Balance as of March 31, 2014</b>	35,920	91,307	-	91,307	8,980	135,600	51,905	196,485

(Millions of yen)

	Shareholders' Equity		Valuation and Translation Adjustments		Subscription Rights to Shares	Total Net Assets
	Treasury Stock	Total Shareholders' Equity	Valuation Difference on Available-for-Sale Securities	Total Valuation and Translation Adjustments		
<b>Balance as of April 1, 2013</b>	(53,889)	269,652	4,254	4,254	25	273,932
<b>Changes in the Fiscal Year:</b>						
Dividends		(2,189)				(2,189)
Dividends (interim)		(2,463)				(2,463)
Net Income		4,860				4,860
Acquisition of Treasury Stock	(2)	(2)				(2)
Disposition of Treasury Stock	59	24				24
Transfer of Gain on Disposition of Treasury Stock		-				-
Change in Items Other than Shareholders' Equity-Net			865	865	14	880
<b>Total Changes in the Fiscal Year</b>	<b>56</b>	<b>228</b>	<b>865</b>	<b>865</b>	<b>14</b>	<b>1,109</b>
<b>Balance as of March 31, 2014</b>	<b>(53,832)</b>	<b>269,881</b>	<b>5,120</b>	<b>5,120</b>	<b>39</b>	<b>275,041</b>

## Notes to Non-Consolidated Financial Statements

### 1. Notes on Matters concerning Significant Accounting Policies

#### (1) Basis and method for valuation of assets

##### Securities

Stocks in subsidiaries and affiliated companies are stated at cost using the moving average method. Available-for-sale securities for which fair values are available are valued at the quoted market price prevailing at the end of each fiscal year (with any unrealized gains or losses reported as a separate component of net assets at a net-of-tax amount and cost of sales determined by the moving-average method). Available-for-sale securities for which fair values are not available are stated at cost using the moving-average method.

#### (2) Method of depreciation and amortization of noncurrent assets

##### (a) Property, plant and equipment

Property, plant and equipment are depreciated using the straight-line method

##### (b) Intangible assets

Intangible assets are amortized using the straight-line method. Software for internal use, however, is amortized using the straight-line method over the useful life estimated by the Company (not exceeding five years).

#### (3) Basis for recognizing provisions

##### Provision for bonuses

The portion of estimated bonus payments that is incurred during the current fiscal year is recognized.

#### (4) Other significant matters for the preparation of financial statements

National and local consumption taxes are accounted for by the tax-excluded method.

### 2. Notes to Non-Consolidated Balance Sheets

(1) Accumulated depreciation of property, plant and equipment	794 million yen
(2) Guarantee liabilities	
Guarantee liabilities in respect to the amount of payables of the consolidated subsidiaries, EPOS Card Co., Ltd. to their business partner	10,716 million yen
(3) Receivables and payables to subsidiaries and affiliates	
Short-term receivables	149,203 million yen
Short-term payables	39,279 million yen

### 3. Notes to Non-Consolidated Statement of Income

#### Transaction with subsidiaries and affiliates

##### Operating transactions

Operating revenues 9,072 million yen

Operating expenses 929 million yen

Non-operating transactions 1,897 million yen

### 4. Notes to Non-Consolidated Statement of Changes in Net Assets

#### Class and number of shares of treasury stock

Share Class	Number of Shares as of April 1, 2013	Increase in Shares in the Fiscal Year	Decrease in Shares in the Fiscal Year	Number of Shares as of March 31, 2014
Common Stock	44,948,289 shares	2,591 shares	49,527 shares	44,901,353 shares

#### Notes:

- Shares of common stock held as treasury stock increased due to the purchase of 2,591 shares in response to purchase demands for less than one unit.
- Out of decreased shares of common stock held as treasury stock, a decrease of 49,400 shares was due to the exercise of stock options and 127 shares due to the sale of fractional shares.



## 5. Notes to Tax Effect Accounting

### (1) Principal components of deferred tax assets and deferred tax liabilities

#### (Deferred tax assets)

Loss on impairment of investment securities in subsidiaries and affiliates for restructuring	8,421 million yen
Net loss carried forward	682 million yen
Other	4,178 million yen
Sub-total	13,281 million yen
Valuation allowance	(4,065) million yen
Total	9,216 million yen

#### (Deferred tax liabilities)

Valuation difference on available-for-sale securities	1,925 million yen
Total	1,925 million yen

Net amount of deferred tax assets	7,291 million yen
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### (2) Revision to amounts of deferred tax assets and deferred tax liability due to changes in taxation rate of corporate tax and others

With the promulgation of “Act on Partial Revision of the Income Tax Act” on March 31, 2014, special corporate tax for reconstruction will not be imposed from the fiscal year starting on or after April 1, 2014.

Accordingly, the effective tax rate used in calculating deferred tax assets and deferred tax liability for the fiscal year under review is changed from 38.0% of the previous fiscal year to 35.6% for the temporary differences that are expected to be eliminated during the fiscal year starting on April 1, 2014.

As a result, the amount of deferred tax assets (the amount after deducting the amount of deferred tax liability) decreased by 11 million yen, and the amount of income taxes-deferred posted in the fiscal year under review increased by the same amount.

## 6. Notes to Transactions with Related Parties

### Subsidiaries, affiliates and other related parties

Type	Name	Business Contents	Voting Rights held by the Company (%)	Relationship	
				Concurrent Posts of Directors and Audit & Supervisory Board Member	Business Relationship
Subsidiaries	Marui Co., Ltd.	Marui Store Business, Private Brand Management and Development, Mail-order Business, Outlet Business	Direct 100.0	2 persons	Business management
	EPOS Card Co., Ltd.	Credit Card Business, Credit Loan Business	Direct 100.0	2 persons	Business management
	M & C Systems Co., Ltd.	Software Development, Computer Operation	Direct 95.0	2 persons	Business management

Type	Name	Transactions	Amount of Transactions (Millions of yen)	Account Item	Balance as of March 31, 2014 (Millions of yen)
Subsidiaries	Marui Co., Ltd.	Borrowing of funds *Note <sup>1</sup>	18,608	Short-term loans payable to subsidiaries and affiliates	23,561
		Business management fee *Note <sup>2</sup>	1,354	-	-
	EPOS Card Co., Ltd.	Lending of funds *Note <sup>1</sup>	148,204	Short-term loans receivable from subsidiaries and affiliates	148,106
		Business management fee *Note <sup>2</sup>	1,744	-	-
		Receipt of interests	1,785	-	-
	M & C Systems Co., Ltd.	Payment for commission of computer system management	449	-	-

Terms of transactions and policy for deciding transaction terms

Notes: 1. These loans are intended to centralize control of the intra-Group funds by the cash management system. The interest rate is reasonably determined based on the market interest rate. The transaction amounts shown in the table above are average outstanding balances.

2. These represent fees for accounting and personnel management related services provided and are determined on a reasonable basis.

## 7. Notes to Per-Share Information

(1) Net assets per share 1,004.54 yen

(2) Net income per share 17.76 yen

**8. Notes to Significant Subsequent Events**

None applicable

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The amounts shown in these non-consolidated financial statements were rounded down to the unit used for presentation. Fractional percentages are rounded off to the nearest unit used for presentation.

## Reference Document Concerning the General Meeting of Shareholders

### Proposals and Reference Materials

#### Proposal 1: Proposed Disposal of Surplus

The Company considers that returning the profit to the shareholders is one of the important management priorities. The Company has a basic policy of continuing to return profits to the shareholders in proportion to the operating results with a view to retaining the consolidated payout ratio at least 30%. The Company will carry out return of profit to the shareholders taking into consideration results of operation and financial conditions and other relevant factors.

It is proposed that the year-end dividends for the fiscal year under review be Yen 9 per share in accordance with the basic policy. Together with the interim dividends of Yen 9 per share which have been paid, the annual payment of dividends for the fiscal year under review shall be Yen 18 per share, an increase of Yen 3 per share compared with the previous fiscal year.

Matters related to the year-end dividend:

- (1) Kind of assets distributed: Cash
- (2) Matter related to distribution of cash and total amount:  
Yen 9 per share of common stock of the Company  
The total amount: Yen 2,463,831,576
- (3) Effective date for distribution of surplus: June 27, 2014

## Proposal 2: Election of Ten (10) Directors

The term of office of all of the eight (8) Directors will expire at the close of this General Meeting. With a view to enforcing further the transparency and audit function of the Board of Directors, and in response to the expansion of the Company group's business, the Company would like to ask shareholders to elect two (2) new candidates for Directors including one (1) candidate for External Director. Accordingly, it is proposed to elect ten (10) Directors.

By virtue of above, the Company will have a two (2) External Directors system.

The candidates for Directors are as follows:

	Name (Date of Birth)	Profile (Brief History, Position, Responsibility, and Important Position of Other Organizations Concurrently Assumed, if any)	Number of Shares Held
1	Hiroshi Aoi (January 17, 1961) <u>Reappointment</u>	<p>Jul. 1986    Joined the Company</p> <p>Apr. 1991    Director and General Manager, Sales Planning Headquarters</p> <p>Apr. 1995    Managing Director and Deputy General Manager, Sales Promotion Headquarters and General Manager, Sales Planning Division</p> <p>Jan. 2001    Managing Director and General Manager, Sales Promotion Headquarters</p> <p>Jun. 2004    Executive Vice President and Representative Director</p> <p>Apr. 2005    President and Representative Director</p> <p>Oct. 2006    President and Representative Director, Group Representative Executive Officer (Incumbent)</p>	2,007,500
2	Motohiko Sato (December 17, 1953) <u>Reappointment</u>	<p>Mar. 1977    Joined the Company</p> <p>Jan. 2000    General Manager, Supply Chain and Logistics Management Division, Sales Promotion Headquarters</p> <p>Jun. 2005    Director and General Manager, Group Corporate Planning Division</p> <p>Jun. 2008    Managing Director and Managing Executive Officer</p> <p>Apr. 2012    Senior Managing Director and Senior Managing Executive Officer</p> <p>Apr. 2013    Senior Managing Director and Senior Managing Executive Officer, in charge of Corporate Planning, Finance, Credit Card Business and Information system (Incumbent)</p>	41,500

	Name (Date of Birth)	Profile (Brief History, Position, Responsibility, and Important Position of Other Organizations Concurrently Assumed, if any)	Number of Shares Held
3	Masao Nakamura (June 11, 1960)  <u>Reappointment</u>	<p>Apr. 1983    Joined the Company</p> <p>May. 2003    General Manager, Store Planning Division, Sales Promotion Headquarters</p> <p>Apr. 2007    Executive Officer and General Manager, Group Business Promotion Division</p> <p>Jun. 2008    Director, Executive Officer, General Manager, Corporate Planning Division and General Manager, Business Development Division</p> <p>Apr. 2011    Managing Director and Managing Executive Officer President and Representative Director, Marui Co., Ltd. (Incumbent)</p> <p>June. 2011    Managing Director and Managing Executive Officer, in charge of Retailing and Store Operations Business (Incumbent)</p>	18,900
4	Koichiro Horiuchi (September 17, 1960)  <u>External Director</u>  <u>Reappointment</u>	<p>Apr. 1983    Joined Long-Term Credit Bank of Japan</p> <p>Mar. 1988    Joined Fuji Kyuko Co., Ltd., General Manager, Corporate Planning Division, Fuji Kyuko Co., Ltd.</p> <p>Jun. 1988    Director, Fuji Kyuko Co., Ltd.</p> <p>Feb. 1989    Senior Managing Director, Fuji Kyuko Co., Ltd.</p> <p>Jun. 1989    Representative Director and Senior Managing Director, Fuji Kyuko Co., Ltd.</p> <p>Sep. 1989    President and Representative Director, Fuji Kyuko Co., Ltd. (Incumbent)</p> <p>Jun. 2008    External Director of the Company (Incumbent)</p> <p>Jun. 2012    External Audit &amp; Supervisory Board Member, Yamanashi Chuo Bank, Ltd. (Incumbent)</p>	0
5	Etsuko Okajima (May 16, 1966)  <u>External Director</u>  <u>New Candidate</u>	<p>Apr. 1989    Joined Mitsubishi Corporation</p> <p>Jan. 2001    Joined McKinsey &amp; Company</p> <p>Jul. 2005    Representative and CEO, GLOBIS Management Bank</p> <p>Jun. 2007    Representative and CEO, ProNova Inc. (Incumbent)</p>	0

	Name (Date of Birth)	Profile (Brief History, Position, Responsibility, and Important Position of Other Organizations Concurrently Assumed, if any)	Number of Shares Held
6	Takashi Wakashima (November 19, 1956)  <u>Reappointment</u>	Mar. 1981    Joined the Company Jan. 2001    General Manager, Product Planning Division, Sales Promotion Headquarters Jun. 2006    Director, Deputy General Manager, Sales Promotion Headquarters and General Manager, Sales Planning Division Apr. 2011    Director and Executive Officer President and Representative Director, Moving Co., Ltd. (Incumbent) Apr. 2013    Director and Executive Officer, in charge of CSR Promotion, Real Estate Business & Architecture (Incumbent) President and Representative Director, Totsuka Commercial Buildings Management Co., Ltd. (Incumbent) Jun. 2013    President and Representative Director, Nakano Suncoore Co., Ltd. (Incumbent)	31,400
7	Tomoo Ishii (July 16, 1960)  <u>Reappointment</u>	Apr. 1983    Joined the Company Oct. 2005    General Manager, Group Compliance Division Apr. 2007    Executive Officer and General Manager, Group Compliance Division Jun. 2009    Director, Executive Officer and General Manager, General Affairs Division, in charge of CSR Promotion Apr. 2013    Director, Executive Officer and General Manager of Personnel Division, in charge of Audit and General Affairs Apr. 2014    Director, Executive Officer and General Manager, Personnel Division, in charge of Audit, General Affairs, Healthcare Promotion (Incumbent)	13,400

	Name (Date of Birth)	Profile (Brief History, Position, Responsibility, and Important Position of Other Organizations Concurrently Assumed, if any)	Number of Shares Held
8	Toshikazu Takimoto (November 5, 1959)  <u>Reappointment</u>	<p>Mar. 1982    Joined the Company</p> <p>Oct. 2003    General Manager, Credit Card Planning Division, Zero First Co., Ltd.</p> <p>Mar. 2009    Executive Officer and General Manager, Group Profit Improvement Division</p> <p>Oct. 2009    Director, EPOS Card Co., Ltd.</p> <p>Apr. 2011    Managing Director, EPOS Card Co., Ltd.</p> <p>Apr. 2012    President and Representative Director, EPOS Card Co., Ltd. (Incumbent), President and Representative Director, Zero First Co., Ltd. (Incumbent)</p> <p>Jun. 2012    Director and Executive Officer (Incumbent)</p>	3,200
9	Nariaki Fuse (June 3, 1959)  <u>Reappointment</u>	<p>Mar. 1982    Joined the Company</p> <p>Feb. 2005    General Manager, Client System Development Division, M &amp; C Systems Co., Ltd.</p> <p>Apr. 2007    Director, M &amp; C Systems Co., Ltd.</p> <p>Apr. 2011    Executive Officer Managing Director, M &amp; C Systems Co., Ltd.</p> <p>Apr. 2013    President and Representative Director, M &amp; C Systems Co., Ltd. (Incumbent)</p> <p>Jun. 2013    Director and Executive Officer (Incumbent)</p>	6,000
10	Hajime Sasaki (November 24, 1963)  <u>New Candidate</u>	<p>Apr. 1986    Joined the Company</p> <p>Mar. 2006    General Manager, Card Planning Division, EPOS Card Co., Ltd.</p> <p>Oct. 2007    Director, Card Planning Dpt., EPOS Card Co., Ltd.</p> <p>Oct. 2009    General Manager, Product and Sales Planning Dept., Marui Co., Ltd.</p> <p>Apr. 2012    Director, General Manager, Original Merchandise Dept., Marui Co., Ltd.</p> <p>Apr. 2013    Executive Officer (Incumbent), Director, General Manager, Sales Dept. 3, Marui Co., Ltd.</p> <p>Apr. 2014    Managing Director, General Manager, Store Business Division, Marui Co., Ltd. (Incumbent)</p>	4,000

Notes:

1. The Company outsources operating a system to M & C Systems Co., Ltd. and M & C Systems Co., Ltd. outsources advising guidance, etc. related to management of M & C Systems Co., Ltd. to the



Company. The Company group has transactions with Totsuka Commercial Buildings Management Co., Ltd. for leasing and outsourced management of buildings.

2. Mr. Koichiro Horiuchi is a candidate for External Director and the Company has submitted a notification designating him as an independent director/ audit & supervisory board member to Tokyo Stock Exchange, Inc.
3. Reason for election of Mr. Koichiro Horiuchi as a candidate for External Director is that he has experienced management of companies and is acquainted with profound knowledge and information and presently has discharged duly duties as External Director of the Company. The Company made judgment that he could continuously discharge his duties. He will have been in office of External Director of the Company for six (6) years at the close of this General Meeting.
4. Ms. Etsuko Okajima's name on the family register is Ms. Etsuko Mino.
5. Ms. Etsuko Okajima is a candidate for External Director. The Company is scheduled to submit a notification designating her as an independent director/ audit & supervisory board member to Tokyo Stock Exchange Incorporated on condition that she is approved to be elected.
6. Reason for election of Ms. Etsuko Okajima as a candidate for External Director is that she has affluent experience and a wide range of knowledge and she will be able to discharge duties of External Director from a standpoint of independent objective position in the Company's judgment.
7. The Company has entered into damage compensation limit agreement with Mr. Koichiro Horiuchi under which his liability shall be limited to the minimum amount provided for in the laws. In the event that he is re-elected as External Director, the Company is scheduled to enter into the same agreement with him. Moreover, in the event that Ms. Etsuko Okajima is elected as External Director, the Company is scheduled to enter into the same damage compensation limit agreement with her.

### Proposal 3: Election of One (1) Audit & Supervisory Board Member

Mr. Yoshihide Kikuchi will resign as Audit & Supervisory Board Member at the close of this General Meeting.

Accordingly, the Company asks shareholders to elect newly one (1) Audit & Supervisory Board Member. The Audit & Supervisory Board has consented to this proposal.

A candidate for Audit & Supervisory Board Member is as follows:

Name (Date of Birth)	Profile (Position and Duties in charge, and Important Position of Other Organizations Concurrently Assumed, if any)	Number of Shares Held
Tetsuji Sunami (August 13, 1958) <u>New Candidate</u>	Mar. 1981    Joined the Company Jan. 2002    General Manager, Store Planning Division, Sales Promotion Headquarters Oct. 2004    General Manager, DM Business Division, Sales Promotion Headquarters Apr. 2006    Representative & CEO of Marui Voi, Co., Ltd. Oct. 2007    Managing Director of M & C Systems Co., Ltd. Apr. 2011    Representative & CEO, MRI Co., Ltd. Apr. 2014    Advisor (Incumbent)	2,400

Note:

There is no special interest between the candidate and the Company.

### Proposal 4: Election of One (1) Substitute Audit & Supervisory Board Member

A resolution that Mr. Akira Nozaki was elected as a Substitute Audit & Supervisory Board Member at the 77th Ordinary General Meeting of Shareholders of the Company held on June 26, 2013 will be in effect until the start of this General Meeting.

For the purpose of preparing the case in which the number of Audit & Supervisory Board Member lacks the minimum number stipulated in the laws and ordinances, the Company proposes to elect one (1) Substitute Audit & Supervisory Board Member.

Furthermore, the Audit & Supervisory Board has consented to this proposal.

A candidate for Substitute Audit & Supervisory Board Member is as follows

Name (Date of Birth)	Profile (Position and Duties in charge, and Important Position of Other Organizations Concurrently Assumed, if any)	Number of Shares Held
Akira Nozaki (November 20, 1957)	Apr. 1988    Registered as Attorney Jun. 2005    External Audit & Supervisory Board Member, Ichikawa Co., Ltd.(Incumbent) Jun. 2011    External Audit & Supervisory Board Member, NEC Fielding, Ltd. (Incumbent)	0

Notes:

1. There is no special interest between the candidate and the Company.
2. Mr. Akira Nozaki is a candidate for Substitute External Audit & Supervisory Board Member.
3. Reason for electing Mr. Akira Nozaki as a candidate for External Audit & Supervisory Board Member is that although he has not experienced managing companies, the Company made judgment that he would carry out audit of the Company based on legal professional and experience

cultivated for a long period as a lawyer.

4. In the event that Mr. Akira Nozaki is elected, the Company plans to enter into a responsibility limiting agreement with Mr. Akira Nozaki, under which his responsibility would be limited to the extent of the minimum amount provided for in the laws at the time he assumes office of Audit & Supervisory Board Member.

**Proposal 5: Renewal of Countermeasures (Takeover Defense) in Response to Large-Scale Purchase of Shares of the Company**

1. Reason for Proposal

The Company resolved upon the adoption of countermeasures (takeover defense) in response to a large-scale purchase of shares of the Company (the “Old Plan”) at the meeting of the Board of Directors of the Company held on May 12, 2008, which was approved by shareholders at the 72nd Ordinary General Meeting of Shareholders of the Company held on June 27, 2008. Then, the Old Plan was resolved and approved to renew at the 75th Ordinary General Meeting of Shareholders of the Company held on June 29, 2011 after formal amendments, etc. in response to evolved electronic treatment of share certificates by shareholders (hereinafter the Old Plan so renewed being called the “Plan”). Since the effective period of the Plan terminates at the close of the Ordinary General Meeting of Shareholders to be held in June 2014, the Plan will terminate at the close of this General Meeting.

In connection with the termination of the effective period of the Plan, the Company has examined the renewal of the Plan. As a result, having grasped various trends toward recent takeover defense, the meeting of the Board of Directors of the Company held on May 13, 2014 resolved upon the renewal (hereinafter called this “Renewal”) of the Plan (in the light of the principle policy as to who (the “Principal Policy” as defined in Article 118, Item 3 of the Enforcement Regulations of the Companies Act) should decide the policy of finance and business of the Company, countermeasures prevent an inappropriate person from controlling for deciding the policy of finance and business of the Company) subject to approval of the shareholders at this General Meeting. Furthermore, at the aforesaid meeting of the Board of Directors all the Directors including External Directors unanimously resolved upon and approved this Renewal, and all the Audit & Supervisory Board Member including two External Audit & Supervisory Board Members approved this Renewal.

In connection with this Renewal, the content of the Plan is not substantially changed in any respect.

With respect to this Renewal, we intend to ask a majority of the shareholders present at this Ordinary General Meeting of Shareholders to approve this Renewal. Furthermore, in the event that such shareholders do not approve this proposal; this Renewal will not come in effect.

- (1) Principal Policy for who should control over deciding the policy of finance and business of the Company

The Company considers that the person controlling over deciding the policy of finance and business of the Company should preferably be the person who secures and enhances the corporate value of the Company and common interests of the shareholders.

Moreover, in order to enhance the corporate value of the Company and common interests of the shareholders, it is indispensable to operate the Company with understanding fully the corporate philosophy and management resources of the Company on the medium- and long-term basis.

At present, the Company has exerted the best efforts to secure and enhance the corporate value and common interests of the shareholders amid the fierce competition in retail industry. However, notwithstanding the legal system has been arranged to a certain extent in the capital market in Japan,

the Company considers that a large-scale purchase of shares might unanimously be carried out without following process for conference in depth and agreement with the targeted company.

As far as the Company is a listed company, the Company believes that a sale and purchase of shares of the Company are in principal conducted in the discretion of the shareholder and investor. Even if a large-scale purchase of the Company's shares is conducted, the Company deems that the final judgment of shareholders whether or not they would accept the same should be left to the shareholders. Accordingly, if it should benefit to the corporate value and common interests of shareholders the Company would not reject the large-scale purchase of shares.

However, among large-scale share purchases there exists a case in which sincere management is not intended but unrecoverable damages are imposed on the Company judging from the purpose; a case in which shareholders might be coerced to sell shares as a matter of fact; a case in which sufficient time and information have not been provided to the shareholders and the board of directors of a targeted company necessary for them to examine the terms and conditions or for the board of directors to present an alternative proposal. As stated above cases, we can not deny a possibility that such large-scale share purchase as will not benefit the corporate value and common interests of the targeted company would be conducted.

The Company deems it inappropriate that such purchaser will be the person controlling for deciding the policy for finance and business of the Company.

(2) Measures to facilitate the materialization of the Principal Policy

(a) Measures to secure and enhance the corporate value of the Company and common interests of shareholders

The Company group is a corporate group supporting “all people’s life style having young mind” through three (3) segments, namely retailing and store operations, credit card services and retailing-related services based on the corporate philosophies that are “keeping developing for the purpose of being useful to customers” and “people’s growth equals to the corporate growth”. Through business operation, emphasizing on being useful to the shareholders, customers, business partners and people in the local communities, the Company will target to be a corporate group to be trusted furthermore by these parties.

Furthermore, the Company group has drawn up a mid-term management plan for the three-year period through to fiscal year 2016 and will strive to realize long-term profit through effective use of the management resources of the Group in order to achieve consolidated operating income of 36,000 million yen or more and ROE of 6% or higher.

In 2007, in the light of promoting the group strategy flexibly and defining the assignment, the Company moved to adopt a holding company system so that it started the Company group management on a full-fledged basis. Activating the management resources, the Company group has been promoting its peculiar Trinity business model, which integrates “stores, credit cards and the Web” and generates synergy effects.

First of all, with respect to the retail and store operations business, the Company engaged in “Retail renovation” in that in response to needs and feeling of the value on products common to customers over the generations, a wide variety of services are being provided on the basis of the fundamental concept “Being fashionable × Sharing common values × Being reasonably priced”. With respect to “Renovation of products” engaged prior thereto, in compliance with changes in the feeling of value and lifestyle, the Company group engaged in expansion of new private brand products added by comfortableness and functionality in addition to fashionable sense. Next, with respect to “Renovation of sales floor”, based on the characteristic and function of products, the presentation and display were reviewed and replaced so that many customers over the generations

now find it easier to understand products. Furthermore, with respect to “renovation of store opening”, the Company group proceeded to open a store together with customers so as to expand sundries and drinks and foods, invite shops selling at reasonable prices, reorganize and expand own sales floor. The Company group intends to open a store with respect to which a number of visiting customers and profits would be balanced. From now on, the Company group proceeds to convert to increase the number of tenants based on real estate lease agreements from the current purchase and sales operation so that sales and net income will be improved and become stable by virtue of heightened attraction of stores through the expansion of product categories and enrichment of products mixture. Moreover, management resources will be collectively invested in highly independent shops and brands in Marui’s sales floor, Marui stores are intended to be converted to more profitable and competitive specialty shops and furthermore, the Company group will open specialty shops outside Marui stores.

Moreover, while the Company group has developed to open large-scale stores mainly in prime locations in the Tokyo metropolitan area for many years, it is taking a “scrap and build” approach toward stores that are to be closed for not living up to customers’ expectations with regard to their scale or facilities so as to make the network of stores more efficient. The Company group steadily continued to open new stores in large-scale locations in nation-wide Japan, changed from the area previously centered in Kanto district, such as in Kobe in 2003 and in Namba, Osaka in 2006 and in Kyoto in 2011. In spring 2016, opening of a store was determined at Hakata-Ekimae, Fukuoka, the first store in Kyushu region, further evolving various measures in the past to develop stores with the cooperation with customers. The Company group will examine actively to open new stores in large-scale cities and locations hereafter.

Furthermore, with respect to the Web online shopping which is expected to grow fast, the Company group proceeds mainly with “Marui web channel” and “Voi”, an online shopping magazine.

In addition, the Company group has developed the convenient services through integration of stores, credit cards and the Web. Such services include the integrated management of inventories at physical stores and for online shops, the establishment of the Marui Web Channel Park services that a customer may fit on or receive a product purchased through the Web sales at stores, and standardized IDs of EPOS cards and that of online services.

Moreover, following shoes specialty site, bag specialty site was open. “*Rakuchinbin*” was introduced for the convenience of customers to try on at home by which shoes are delivered to and returned by a customer free of charge and research function was introduced to select coordination with cloth. Services are so enriched in response to customers’ requests so that enhanced and convenient services are available.

Next, with respect to card business, in 1960 the Company group issued the first credit card in Japan, using the word “credit” to replace the traditional word “Geppu” (monthly installation payment).. Thereafter, the Company group evolved to handle renovating measures such as the on-the-spot issuance of credit cards at stores and materialization of an online system over all of its stores, thus engaged in innovative operations in the retail industry in Japan. Since 2006, the Company group has issued EPOS cards retaining the conventional good aspects adherent to house cards added by the versatility of the Visa brand, which are now held by 5,420 thousand customers. In addition to Gold Cards and Design Cards which have been issued since 2008, the Company group issued Platinum Cards in 2011. Points gained in Gold Cards and Platinum Cards have become able to be changed with no time limit and Gold Cards have been issued immediately at the front desk of Marui stores since 2012. The Company group pursues to expand the number of cardholders, the number of customers using the said credit cards as main credit cards and the

amount used through issues of credit cards utilizing tablet terminals in each of Marui stores, and through promotion of issue of Marui's own affiliated "collaboration cards" at stores other than Marui stores. Hereafter the Company group will increase the issue of credit cards other than at Marui stores so as to extend across the nation.

The Company actively proceeded to acquire shares of the Company with a view to returning profits to shareholders and enhance the capital efficiency for many years. In fact, the Company commenced to purchase its shares in 2002 and acquired a total of 96 million shares until March 31, 2009. The Company cancelled 50 million treasury stock (representing approximately 14% of the total issued shares) in the fiscal year ended March 31, 2008. The Company hereafter aims to enhance the corporate value through increasing operating revenues and earnings and carrying out flexible capital policy. With regard to dividend, the Company considers that returning profit to shareholders as an important management issue and will endeavor to return profits to shareholders under the fundamental dividend policy; that is, to continue to allocate appropriate profits to shareholders. Specifically, the Company uses the consolidated payout ratio of 30% or higher as a guide and will return profit to shareholders taking into consideration business result trends and financial conditions, etc.

(b) Measures toward corporate social responsibility

The Company intends to continue to be a corporate group to be trusted by shareholders, customers, business partners, people in the local communities and the employees. The Company group has promoted carrying out various social contribution activities such as the establishment of safe and secure sales system and compliance with laws and ordinances including protection of personal information and preservation of environment so as to discharge actively corporate social responsibilities. The Company will further enhance the corporate value of the Company by virtue of responding to increasingly defined demands for social responsibilities.

(c) Measures toward enforcing corporate governance

The Company considers that healthy and fair management is placed in the first priority; the corporate governance in principle facilitates stably to enhance the corporate value and common interests of shareholders on a long-term basis. In the light of enforcing the supervisory functions and proceeding highly transparent management, the Company adopted to increase the number of External Directors by one (1) to total of two (2) External Director at this General Meeting of Shareholders. Thus, the Company will hereafter further strengthen the corporate governance.

(3) Purpose of the Plan

By virtue of the aforesaid measures, the Company will pursue the maximization of the corporate value and common interests of shareholders. However, in the light of current situation in which a large-scale purchase of shares might be conducted without benefitting the corporate value and common interests of the Company. In the event that a large-scale purchase of shares of the Company is conducted, it is needed to secure necessary and sufficient time and information so that shareholders may make appropriate judgment or the management of the Company or the Independent Committee and others may negotiate and confer with the large-scale purchaser, by virtue of which the corporate value of the Company and common interests of shareholders would be secured and enhanced. This is the purpose of the Plan.

With a view to excluding arbitrary judgment of Directors, objective recommendations of the Independent Committee consisting of External Directors, External Audit & Supervisory Board Members or external knowledgeable persons (the requirements for election of committee member, requirement for resolution and matters required for resolution and others are per Exhibit 1 "Outline of Rules of Independent Committee" and members of the Independent Committee after this Renewal are



per Exhibit 2 “Resume of Candidates for Members of Independent Committee”) is required for judgment of whether or not the Company will issue gratis subscription rights to shares or whether or not the shareholders will acquire shares in exchange for the subscription rights to shares. The Plan provides that the Company may issue gratis subscription rights to shares with the terms and conditions under which the large-scale purchaser shall not exercise subscription rights to shares and the Company may acquire all subscription rights to shares in exchange for shares of the Company from the shareholders other than the large-scale purchaser (the main contents are stated in 2.(3) “Outline of Gratis Allotment of Subscription Rights to Shares” below and hereinafter referred to as the “Subscription Rights to Shares”).

In addition, in the event that the Independent Committee decides upon recommendations that the Company should make the gratis allotment of subscription rights to shares and the Board of Directors of the Company resolves upon implementation of the gratis allotment of subscription rights to shares, the Company will convene an extraordinary general meeting of shareholders and confirm the intention of shareholders with respect to the gratis allotment of subscription rights to shares (excluding a case that the large-scale purchaser has not complied with the procedures provided for in the Plan). Moreover, during the process of the above procedures the transparency shall be secured through disclosure of information to shareholders. However, at present there has not been a large-scale purchase of shares of the Company occurred.

## 2. Content of the Plan

### (1) Procedures required by the Plan

#### (a) A large-scale share purchase, etc. falling under the Plan

Any conduct falling under ① or ② below (hereinafter referred to as the “Large-scale Purchase”) shall be regulated by the Plan. Accordingly, person contemplating to conduct the Large-scale Purchase (hereinafter referred to as the “Large-scale Purchaser”) shall be required in advance to comply with the procedures provided for in the Plan.

① A Large-scale Purchase<sup>4</sup> of share certificates, etc.<sup>1</sup> of the Company, resulting in the holding ratio<sup>3</sup> of the holder<sup>2</sup> of the Company’s share certificates, etc. being 20% or more.

② A takeover bid<sup>6</sup> resulting in a total of the holding ratio<sup>7</sup> of the Company’s share certificates, etc.<sup>5</sup> acquired through a takeover bid and holding ratio of share certificates, etc. of specially related person(s)<sup>8</sup> being 20% or more.

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<sup>1</sup> As defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act; hereinafter the same unless otherwise provided for.

<sup>2</sup> This include a person who is included as a holder pursuant to Article 27-23, Paragraph 3 of the Financial Instruments and Exchange Act (including a person the Board of Directors deems to fall under the aforementioned clause), the same applicable hereinafter.

<sup>3</sup> As defined in Article 27-23, Paragraph 4 of the Financial Instruments and Exchange Act, the same applicable hereinafter.

<sup>4</sup> It refers to holding a right to receive the delivery of share certificates, etc. pursuant to a purchase or another agreement and includes each transaction specified in Article 14-6 of the Enforcement Ordinance of the Financial Instruments and Exchange Act.

<sup>5</sup> It refers to “share certificates, etc.” as defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act; the same applicable in (ii) below.

<sup>6</sup> As defined in Article 27-2, Paragraph 6 of the Financial Instruments and Exchange Act, the same applicable hereinafter.

<sup>7</sup> As defined in Article 27-2, Paragraph 8 of the Financial Instruments and Exchange Act, the same applicable hereinafter.

<sup>8</sup> As defined in Article 27-2, Paragraph 7 of the Financial Instruments and Exchange Act (including a person the Board of Directors of the Company deems falling under the said clause). Provided, however, that the party(ies) specified in Item 1 of the same Paragraph excludes person(s) defined in Article 3, Paragraph 2 of the Cabinet Order relating to Disclosure of Takeover Bid of Shares, etc. by person(s) other than the Issuer, the same applicable hereinafter.

(b) Demand for provision of information to Large-Scale Purchase, etc.

The Large-scale Purchaser contemplating to conduct a large-scale purchase, etc. provided for in (a) above shall provide prior to the share purchase, excluding the case when the Board of Directors of the Company determines unnecessary, the Board of Directors of the Company with information necessary for examining the matters listed in ① to ⑧ below and submit a statement of intent (hereinafter referred to as the “Statement of Purchase”) consisting of covenants to comply with the procedures of the Plan in connection with the Large-scale Purchase in the specified Company’s format.

In the event that the Board of Directors of the Company receives the Statement of Purchase it shall immediately deliver the same to the Independent Committee. When the Independent Committee made a judgment that information in the Statement of Purchase is insufficient it may ask directly or indirectly the Large-scale Purchaser to provide additional information with fixing the time limit for response (a maximum 60 day period). The Large-scale Purchaser shall, in such case, be required to provide such additional information within the specified time limit.

The Statement of Purchase and any additional information shall be accompanied with the translation into Japanese regardless of whatever language is used in the original documents for the purpose of disclosing appropriately information to shareholders. Furthermore, by the same token the Japanese documents shall be deemed the original.

- ① Details (including actual name, capital structure, and financial contents and others) of the Large-scale Purchaser and its group (joint holder(s)<sup>9</sup>, a specially related party, including in case of a fund each member of the fund and other constituents).
- ② Purpose, method and specific contents of the Large-scale Purchase (including an amount and kind of the consideration for the Large-scale Purchase, the timing of the Large-scale Purchase, a scheme of transactions related to the Large-scale Purchase, legality of the method for the Large-scale Purchase and information enabling the Large-scale Purchase to be materialized).
- ③ The calculation basis of the price of the Large-scale Purchase (facts and assumptions on which the price is calculated, calculation method, numerical information used for the calculation and context of the synergy effect expected to arise from a series of transactions related to the Large-scale Purchase (including details of the synergy effect to be distributed to shareholders), including the basis of the calculation.
- ④ Proof of the availability of the purchase fund (including the actual name of fund provider (including the substantial fund provider), the financing method, the details of the related transactions, etc.)
- ⑤ Management policy, business plan, capital policy and dividend policy of the Company group following the implementation of the Large-scale Purchase.
- ⑥ Treatment plan of the employees, business partners, customers and other stakeholders of the Company following the implementation of the Large-scale Purchase.
- ⑦ Actual and specified plan to avoid conflicts of interests with the other shareholders of the Company.
- ⑧ In addition, information required by the Independent Committee in its reasonable judgment.

Furthermore, in the event that the Large-scale Purchaser is deemed to have commenced the Large-scale Purchase without complying with the procedures provided for in the Plan, the Independent Committee shall, in principle, recommend the Board of Directors of the Company to carry out the

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<sup>9</sup> As defined in Article 27-23, Paragraph 5 of the Financial Instruments and Exchange Act, and includes a person who is included as a joint holder pursuant to Paragraph 6 of the same Article (including such a person as the Board of Directors of the Company deems him/her falling under the said clause), the same hereinafter applicable.



gratis allotment of subscription rights to shares as stated in (d)① below unless there exists a special situation that conference and negotiation, etc. should be conducted with the Large-scale Purchaser upon continued demand for the delivery of the Statement of Purchase.

(c) Examination of the details of the Large-scale Purchase and negotiation with the Large-scale Purchaser and examination of alternative plan

① Demand for provision of information to the Board of Directors of the Company

In the event that the Large-scale Purchaser has provided the Independent Committee with the Statement of Purchase and information additionally demanded to be provided, for the purpose of examining information in the Statement of Purchase and comparing it with the management plan of the Company from the viewpoint of securing and enhancing the corporate value of the Company and common interests of the shareholders, the Independent Committee may demand the Board of Directors of the Company as necessary to provide the Independent Committee with opinion relating to the context of the Large-scale Purchase by the Large-scale Purchaser (including opinion withholding the issue of opinion, the same applicable hereinafter), supporting materials, alternative plan and other information deemed necessary, from time to time, by the Independent Committee, setting forth the delivery date (in principle the maximum 60 days).

② Content and Period of Examination by the Independent Committee

The Independent Committee shall examine the content of the Large-scale Purchase by the Large-scale Purchaser, collect information relating to the management plan and business plan, etc. of the Company, examine them and compare them with the Large-scale Purchaser's proposal and examine the alternative plan presented by the Board of Directors of the Company. The period for examining information, etc. shall be, in principle, a lapse of 60 days (in case of the purchase of all shares of the Company by cash only through a takeover bid) or a lapse of 90 days (in case of purchase of shares of the Company other than the aforementioned) (the "Independent Committee Examination Period") following the receipt of the Statement of Purchase, etc. or the receipt of additional information deemed sufficient by the Independent Committee (in the case of the Independent Committee having demanded the Large-scale Purchaser to provide additional information by the fixed date). In the case stated in (d)③, the Independent Committee may extend the period by the maximum 30 days. Moreover, if necessary, the Independent Committee may directly or indirectly confer and negotiate with the Large-scale Purchaser so as to improve the content of the Large-scale Purchase from the viewpoint of securing and enhancing the corporate value of the Company and common interests of shareholders and shall carry out the disclosure, etc. of the alternative plan presented by the Company. In the event that the Independent Committee asks directly or indirectly the Large-scale Purchaser to provide materials required for examination, other information and to confer and negotiate, the Large-scale Purchaser shall promptly comply with these. The Large-scale Purchaser shall not commence the Large-scale Purchase, before the Board of Directors of the Company resolves upon not carrying out the gratis allotment of subscription rights to shares or proposal for carrying out the gratis allotment of subscription rights to shares is disapproved by shareholders at the general meeting of shareholders of the Company. The Independent Committee may consult with independent third parties (including financial advisers, certified public accountants, lawyers and consultants and knowledgeable persons) at the Company's account for the purpose of securing the judgment of the Independent Committee to be formulated in benefitting the corporate value of the Company and common interests of

shareholders.

③ Disclosure of Information

The Board of Directors of the Company shall disclose immediately and timely information relating to the Large-scale Purchaser when appeared and the Statement of Purchase when provided. In addition, the Board of Directors of the Company shall disclose information about the fact that the Independent Committee commenced the examination, the content of the Statement of Purchase, and the fact and the content of an alternative plan if it was presented to the Independent Committee by the Board of Directors of the Company, and any other information deemed necessary to be disclosed by the Independent Committee in the judgment of the Independent Committee to be made with a view to respecting the timely disclosure rules.

(d) Recommendations of the Independent Committee

In the event that Large-scale Purchaser appeared, the Independent Committee shall make recommendations, etc. to the Board of Directors of the Company as follows: In the event that the Independent Committee made recommendations, etc. to the Board of Directors of the Company in accordance with each of ① to ③ below, the Independent Committee shall disclose immediately information through the Board of Director of the Company relating to the outline of the recommendations, etc., an extended period and reason for the extension of the Independent Committee Examination Period and any other matters deemed appropriate by the Independent Committee.

① Recommendation to Implement Gratis Allotment of Subscription Rights

In the event that the Large-scale Purchaser did not comply with the procedures provided for in the Plan or having examined the content of the Large-scale Purchase, and conferred and negotiated with the Large-scale Purchaser, the Large-scale Purchase by the Large-scale Purchaser falls under any of the requirements of “Requirements for Gratis Allotment of Subscription rights to shares” stated in (2) below and it is appropriate to implement the gratis allotment of subscription rights to shares in the reasonable judgment of the Independent Committee, the Independent Committee shall make recommendations to the Board of Directors of the Company to carry out the gratis allotment of subscription rights to shares, regardless of whether or not the Independent Committee Examination Period commenced or came to the end. Furthermore, even if after the Independent Committee once made a recommendation to implement the gratis allotment of subscription rights to shares, in the event that the Independent Committee made judgment that the situation falls under (i) or (ii) below, it may make a newly recommendation to cancel the gratis allotment of subscription rights to shares or to acquire all the subscription rights to shares free of charge.

- (i) After the recommendation, the Large-scale Purchaser withheld the Large-scale Purchase or the Large-scale Purchase otherwise did not exist.
- (ii) Due to changes in the factual situation based on which judgment for the recommendations were made, the Large-scale Purchase by the Large-scale Purchaser does not fall under any of the “Requirements for Allotment of Subscription rights to shares” or even if it falls under the requirements it is not appropriate to implement or allow to exercise the gratis allotment of the subscription rights to shares.

② Recommendation Not to Implement Gratis Allotment of Subscription Rights

In the event that the Independent Committee having examined the content of the Large-scale Purchase, and conferred and negotiated with the Large-scale Purchaser, it made judgment that

the Large-scale Purchase by the Large-scale Purchaser does not fall under any of the requirements for the implementation of “Gratis Allotment of Subscription Rights to Shares” stated in (2) below, or if it falls under the requirements, it is inappropriate to implement the gratis allotment of subscription rights to shares in the reasonable judgment of the Independent Committee, the Independent Committee shall make recommendations to the Board of Directors of the Company not to carry out the gratis allotment of subscription rights to shares, regardless of whether or not the Independent Committee Examination Period came to the end.

However, even if after the Independent Committee once made recommendations not to implement the gratis allotment of subscription rights to shares, in the event that the Independent Committee made judgment that the situation falls under the requirements for implementation of gratis allotment of subscription rights to shares stated in (2) below, it may make a new judgment, including recommendations to implement the gratis allotment of subscription rights to shares.

③ Extension of Independent Committee Examination Period

In the event that the Independent Committee has not finalized the recommendation whether or not the gratis allotment of subscription rights to shares should be implemented until the close of the Independent Committee Examination Period, the Independent Committee shall make a resolution to extend the Independent Committee Examination Period by the reasonable period (maximum 30 days) necessary for examining the content of the Large-scale Purchase by the Large-scale Purchaser and negotiating with the Large-scale Purchaser and examining the alternative plan.

According to the above resolution, when the Independent Committee Examination Period is extended, the Independent Committee shall continuously collect and examine information and shall make recommendations of whether or not to implement the gratis allotment of subscription rights to shares within the extended period.

(e) Resolution of the Board of Directors and Holding the General Meeting of Shareholders

The Board of Directors of the Company shall adopt resolution of whether or not to implement the gratis allotment of subscription rights to shares as an organization under the Companies Act, paying respect to the fullest extent to the aforesaid recommendations of the Independent Committee. In connection therewith, in the event that the Independent Committee made recommendations not to implement the gratis allotment of subscription rights to shares, the Company shall not implement the gratis allotment of subscription rights to shares.

Moreover, in the event that the Board of Directors of the Company pays fully respect to the Independent Committee’s recommendations to implement the gratis allotment of subscription rights to shares and resolves upon the implementation of the gratis allotment of subscription rights to shares, it will convene the general meeting of shareholders at which intention of shareholders for the gratis allotment of subscription rights to shares will be confirmed (provided, however, that when the Large-scale Purchaser did not comply with the procedures of the Plan, the foregoing shall not be applicable). In the event that the Board of Directors of the Company resolved upon convening the general meeting of shareholders, it will convene the general meeting of shareholders as soon as practicable. Resolution at this general meeting of shareholders will be adopted by a majority of the voting rights of the shareholders present at such meeting. However, in the event that the Independent Committee makes a judgment that the situation falls under any of aforesaid (d)①(i) or (ii) and makes recommendations that the gratis allotment of subscription rights to shares should not be implemented, the Board of Directors shall cancel to convene the general meeting of

shareholders or withdraw the proposal at the general meeting of shareholders to the extent of legal feasibility.

The Large-scale Purchaser shall not conduct the Large-scale Purchase before the Board of Directors of the Company adopts the resolution not to implement the gratis allotment of subscription rights to shares or a proposal to implement the gratis allotment of subscription rights to shares is disapproved at the general meeting of shareholders.

Further, in the event that the Board of Directors of the Company adopts resolutions relating to whether or not the gratis allotment of subscription rights to shares should be implemented or the convocation of the general meeting of shareholders, it shall disclose immediately information relating to the outline of resolutions and other matters deemed appropriate by the Board of Directors of the Company.

(2) Requirements for Implementation of the Gratis Allotment of Subscription Rights to Shares

In the event that the Large-scale Purchase by the Large-scale Purchaser falls under any of the following and it is reasonable to implement the gratis allotment of the subscription rights to shares, the Company is scheduled to implement the gratis allotment of subscription rights to shares in accordance with the resolution of the Board of Directors or the general meeting of shareholders of the Company as stated in (1) “Procedures of the Plan” (e) above. Furthermore, as stated in (1) “Procedures of the Plan” (d), in the event of the situation falling under the requirements below, decision of whether or not the gratis allotment of stock acquisition right should be implemented shall be made always based on the recommendations of the Independent Committee.

Particular

- (a) The Large-scale Purchaser did not comply with the procedures of the Plan such as provision of information provided for in “Procedures of the Plan” (b) stated in (1) above and securing the examination period by the Independent Committee provided for in (c)②.
- (b) The Large-scale Purchase would result in apparent infringement against the corporate value of the Company and common interests of the shareholders attributable to the conducts or equivalents stated below.
  - ① After Large-scale purchases of shares, etc., the purchaser demands the Company to purchase at a higher price.
  - ② Upon temporarily controlling the management of the Company, the purchaser will operate to account for profits through purchases of the Company group’s important assets, etc. at lower prices at the sacrifice of the Company.
  - ③ The purchaser will divert assets of the Company to security or resources of repayment of debts of the purchaser and its group.
  - ④ Upon temporarily controlling the management of the Company, the purchaser forces to sell highly value-added unused assets, temporarily distribute higher dividend from the gains of such sales and sells its shares at an inflated price caused by such temporarily higher dividends.
- (c) Coercive purchase of shares, etc. through two stages (the manner of the purchase proposed by the purchaser may essentially force the shareholders to sell the Company shares by conducting a tender offer, etc. and not offering to acquire all of the shares in the initial acquisition, and setting unfavorable acquisition conditions or not setting clear conditions for the second stage).

(d) The conditions of the Large-scale Share Purchase (including the price/type of consideration, time of purchase, appropriateness of the purchase method, possibility of the actual execution of the purchase, as well as the treatment policies, etc. regarding the Company's management policy and business policy, etc.) are, in light of the essence of the Company group's corporate value, decided to be materially insufficient or inappropriate by objective and reasonable grounds.

(3) Outline of Gratis Allotment of Subscription Rights to Shares

The outline of gratis allotment of subscription rights to shares scheduled to be implemented under the Plan is as follows:

(a) Number of subscription rights to shares

Such number of shares as separately determined by the resolution for the gratis allotment of subscription rights to shares at the Board of Directors of the Company (the "Allotment Resolution") within the number equivalent to the maximum total issued shares as at the date (the "Allotment Date") separately determined by the Board of Directors of the Company (excluding treasury stock).

(b) Shareholders to be allotted

The shareholders entered or recorded in the last register of shareholders of the Company (other than the Company) on the Allotment Date at the rate of one stock acquisition right per share free of charge.

(c) Effective Date for Gratis Allotment of Subscription Rights to shares

It will be separately determined by the Allotment Resolution by the Board of Directors of the Company.

(d) Class and Number of Shares issued upon Exercise of Subscription Rights to shares

Class of shares issued upon exercise of subscription rights to shares shall be shares of common stock of the Company and the number of shares<sup>10</sup> so issued (the "Specified Number of Shares Issued") shall be in principle one share per one stock acquisition right unless the exercise price is adjusted.

(e) Amount of Assets contributed upon Exercise of Subscription Rights to shares

Assets contributed upon exercise of subscription rights to shares shall be cash and an amount to be contributed upon exercise of subscription rights to shares shall be such a price separately as determined by the Allotment Resolution not less than one (1) yen per share of the Company.

(f) Exercise Period of subscription rights to shares

The Exercise Period shall commence from the date (the "Commencement Day of the Exercise Period") separately fixed by the Allotment Resolution and end such date within one month to three months following the Commencement Day of the Exercise Period as fixed by the Allotment Resolution. Provided, however, that in the event that the Company acquires subscription rights to

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<sup>10</sup> Even if the Company becomes a company with class shares (Article 2, item 13 of the Companies Act) in future, shares of the Company issued upon exercise of the subscription rights to shares and shares delivered in exchange for the subscription rights to shares are in each case the same shares of common stock as issued at the time this general meeting was held.

shares pursuant to (i)② below, the exercise period for the subscription rights to shares so acquired is the business day prior to the day on which so acquired. Further, in the event that the final date of the exercise period falls under non-business date in the payment handling place, the final date shall be the date prior to the final date.

(g) Conditions on Exercise of subscription rights to shares

Specified large holder<sup>11</sup>, (II) joint holders of specified large holder, (III) specified large-scale purchaser<sup>12</sup>, (IV) person specially related to a specified large-scale purchaser, (V) person who acquires or succeeds to the subscription rights to shares from a person falling under any of items (I) through (IV) without the approval of the Board of Directors of the Company, or (VI) an affiliate<sup>13</sup> of any person falling under any of items (I) through (V) (those mentioned in items (I) through (VI) are collectively referred to as the “Ineligible Person”) may not, in principle, exercise any subscription rights to shares. Any non-resident person shall not, in principle, exercise any subscription rights to shares in the event that the exercise of the subscription rights to shares is subject to procedures required to be followed under the applicable laws of the relevant jurisdiction. (Provided, however, that such specified non-resident person, etc. as are entitled to use an exception under the applicable laws of the relevant jurisdiction, may exercise the subscription rights to shares, and in addition, the subscription rights to shares held by non-resident persons may be acquired by the Company in exchange for shares of the Company as stated in (i)② below.

(h) Transfer of subscription rights to shares

Any transfer of the subscription rights to shares shall be subject to approval of the Board of Directors of the Company.

(i) Acquisition of subscription rights to shares by the Company

① At any time on or before the day immediately preceding the Commencement Date of the exercise period of subscription rights to shares, the Company may acquire all of subscription rights to shares without contribution on a date specified separately by the Board of Directors of the Company if the Board of Directors of the Company deems it appropriate for the Company to acquire subscription rights to shares.

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<sup>11</sup> In principle, a holder of share certificates, etc. issued by the Company and whose holding ratio of share certificates, etc. in respect of such share certificates, etc. is 20% or more (including a person who is determined to be a specified large holder by the Board of Directors). However, the specified large holder shall not include (x) any person whose acquisition and holding of the share certificates, etc. of the Company is determined by the Board of Directors to not be in conflict with the Company group’s corporate value and common interests of the shareholders; and (y) any other person as separately specified by the Board of Directors in the resolution. The same applicable hereafter.

<sup>12</sup> In principle, a person who makes a public notice of purchase, etc. of share certificates, etc. (as set forth in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act; the same applies in this footnote 12) issued by the Company through a tender offer and whose holding ratio of share certificates, etc. in respect of the holding (as similar acts, including acts set forth in Article 7, Paragraph 1 of the Enforcement Order of the Financial Instruments and Exchange Act) of such share certificates, etc. after such purchase, etc. is 20% or more together with those of a person having a special relationship with such person or a person who is determined to be a specified large-scale purchaser by the Board of Directors. However, the specified large-scale purchaser shall not include any person whose acquisition and holding of the share certificates, etc. of the Company is determined by the Board of Directors to not be in conflict with the Company’s corporate value and common interests of the shareholders and (y) any other person as separately specified by the Board of Directors in the resolution. The same applicable hereafter.

<sup>13</sup> An “affiliate” of any person means a person deemed by the Board of Directors to substantially control, be controlled by, or be under such common control with such person (including any person who is assumed by the Board of Directors to be an affiliate) or a person deemed by the Board of Directors to act with such person. The term “control” means to “control the determination of the financial and business policies” (as set forth in Article 3, Paragraph 3 of the Enforcement Order of the Companies Act) of other company or entity.



② On a day specified separately by the Board of Directors, the Company may acquire all of the subscription rights to shares that are held by a person other than an Ineligible Person and that have not been exercised on or before the business day immediately preceding such date as specified by the Board of Directors, and deliver the Company's shares equivalent to the Specified Number of Shares Issued per stock acquisition right.

Furthermore, on and after the date on which such acquisition was carried out, when the Company deems to exist a person holding the subscription rights to shares other than the Ineligible Person, the Board of Directors of the Company may acquire all of unexercised subscription rights to shares on the business day immediately preceding the date after the aforementioned acquisition specified by the Board of Directors of the Company, and deliver the Company's shares equivalent to the Specified Number of Shares Issued per stock acquisition right. The same applicable hereafter.

(j) Delivery of subscription rights to shares in case of Merger, Absorption Split, Incorporation Split, the Board of Directors of the Company shall separately determine the details in the Allotment Resolution.

(k) Stock Acquisition Right Certificates

Stock acquisition right certificates shall not be printed or delivered.

(l) Others

In addition to the above, details of the subscription rights to shares shall be separately determined by the Allotment Resolution.

(4) Renewal of the Plan

The renewal of the Plan is subject to approval of a majority of the voting rights of the shareholders present at this General Meeting of Shareholders.

(5) Effective Period, Abolishment and Renewal of the Plan

The effective period of the Plan shall be from the close of this General Meeting of Shareholders to the close of the Ordinary General Meeting of Shareholders to be held in June, 2017.

However, even if during the effective period ① a majority of the voting rights of the shareholders present having voting rights adopt the resolution to abolish the Plan at the general meeting of shareholders of the Company or ② the Board of Directors of the Company which is constituted by Directors elected at the general meeting of shareholders of the Company adopts the resolution to abolish the Plan, the Plan shall be abolished at that time.

If during the effective period of the Plan it becomes necessary to amend the clauses or the meaning of the terms of the Plan due to the enactment, revision or repeal of the laws and ordinances or regulations of the Financial Instruments Exchange, etc. or due to such typographic errors or others as the Board of Directors deems it appropriate to amend, the Plan may be amended following approval of the Independent Committee.

In the event that the Plan is abolished, amended or changed, the proposed abolishment, amendment or change, and the details (in the cases of amendment and change) and any other matters deemed appropriate by the Board of Directors of the Company or the Independent Committee shall be disclosed immediately.

(6) Amendment due to Revision of Laws and Ordinances

The provisions of the laws and ordinances cited in the Plan are based on the provisions which are in effect as of May 13, 2014. If it becomes necessary to amend the clauses or the meaning of the terms in each of the above paragraphs due to the enactment, revision or repeal of the laws and regulations thereafter, the Board of Directors may take into consideration the purpose of such enactment, revision or repeal, and deem the clauses or the meaning of the terms in each of the above paragraphs to be replaced as is appropriate to a reasonable extent.

3. Reasonableness of the Plan

(1) Fulfillment of Conditions, etc. of Guideline for the Plan

The Plan is in accordance with three (3) principles prescribed in the “Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders’ Common Interests” published by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005. Three principles are, namely, the “principles of securing and enhancing of corporate value and shareholders’ common interests”, the “principles of prior disclosure and principles of upholding the shareholders’ intention” and “the principles of necessity and suitability”. In addition, the Company believes that it is reasonable since the Plan satisfies the content of the “Takeover Defense Measures in Light of Recent Environmental Changes” published by the Corporate Value Study Group of the Ministry of Economy, Trade and Industry on June 30, 2008, and other practice and discussions relating to takeover defense.

(2) Securing and Enhancing Common Interests of the Shareholders

As mentioned in 1. (3) “Purpose of the Plan” above, in the event that the Large-scale Purchase is conducted the Plan enables shareholders and the management and the Independent Committee to secure sufficient information and time necessary for the shareholders to make judgment of whether or not they should accept or for the management and the Independent Committee to confer and negotiate with the Large-scale Purchaser so that the corporate value of the Company and common interests of the shareholders are aimed to be secured and enhanced.

(3) Emphasis Placed on Intention of Shareholders

As mentioned in 2.(4) “Procedures for this Renewal”, the Plan is subject to approval at this General Meeting. Further, as mentioned in 2.(1)(e) “Procedures for this Plan”, the Board of Directors of the Company shall ask the shareholders to confirm their intention with respect to whether or not to implement the gratis allotment of subscription rights to shares at the general meeting of shareholders. Moreover, since the term of office of Directors of the Company is one year, it is possible to reflect the intention of shareholders with respect to the Plan through annual election of Directors.



(4) Emphasis Placed on Judgment Made by Independent External Persons and Disclosure of Information

With respect to operation of implementation of the gratis allotment of subscription rights to shares, the Independent Committee composed by members selected from External Directors, External Audit & Supervisory Board Members or external knowledgeable persons who are highly independent from the management in charge of the Company's business, shall make substantially a judgment. Accordingly, it severely administrates the Board of Directors so as to prevent it from arbitrarily implement the gratis allotment of subscription rights to shares.

Furthermore, the outline of the judgment shall be disclosed to shareholders so that the Plan will be operated transparently in benefitting the corporate value of the Company and common interests of the shareholders.

(5) Setting forth Reasonable and Objective "Requirements for Implementation of Gratis Allotment of Subscription Rights to Shares"

As mentioned in 2.(1)(d) "Procedures for the Plan" above and 2.(2) "Requirements for Implementation of the Gratis Allotment of Subscription Rights to Shares" above, the gratis allotment of subscription rights to shares shall not be implemented unless the reasonable and objective requirements are satisfied so that it is secured to prevent the Board of Directors from rendering any arbitrary judgment.

(6) Opinion of Third Party Expert

As mentioned in 2.(1)(c)② "Procedures of this Plan", in the event that the Large-scale Purchaser conducts the Large-scale Purchase, the Independent Committee may consult with independent third parties (including a financial adviser, certified public accountant, lawyer, consultant and other expert) so that it is highly secured that the Independent Committee shall render a judgment fairly and objectively.

(7) The Plan being not "dead-hand" takeover defense measure or "slow-hand" takeover defense measure

As described in 2.(5) "Effective Period, Abolishment and Renewal of the Plan" above, the Plan is intended to be able to be abolished by the Board of Directors constituted by Directors who are nominated by any person who has purchased share certificates, etc. of the Company in large amounts, and are elected at the general meeting of shareholders. Therefore, the Plan is not a so-called "dead-hand" takeover defense measure (a takeover defense measure that cannot prevent the triggering of the measure even if a majority of the members of the Board of Directors are replaced). In addition, the term of office of the Directors of the Company is one (1) year, the Plan is not a "slow-hand" takeover defense measure (a takeover defense measure which takes more time to prevent the measure from being triggered because the members of the Board of Directors cannot be replaced at once).

4. Impact of the Plan upon Shareholders and Investors

(1) Impact of this Renewal upon Shareholders and Investors

Since this Renewal does not actually involve with the gratis allotment of subscription rights to shares, it will not affect directly any rights and interests of shareholders and investors of the Company.

(2) Impact of consummating the gratis allotment of subscription rights to shares upon shareholders and investors

(a) Procedures for the gratis allotment of subscription rights to shares

In the event that the gratis allotment of subscription rights to shares is approved at the General Meeting of Shareholders of the Company, the Board of Directors of the Company shall make public notice relating to the allotment date (in case that the Large-scale Purchaser does not comply with the procedures of the Plan, the Company shall implement the gratis allotment of subscription rights to shares and make public notice thereof immediately). In this case, shareholders who entered or recorded in the last register of shareholders of the Company on the allotment date (“Allotted Shareholders”) shall be allotted gratis in principle one (1) stock acquisition right per one (1) share held. Since Allotted Shareholders become holders of subscription rights to shares as a matter of course on the effective date of the gratis allotment of subscription rights to shares, they will not be required to follow the application procedures.

(b) Exercise procedures of subscription rights to shares

The Company shall in principle send Allotted Shareholders exercise notice (in the Company’s specified form in which indispensable items shall be filled in such as the contents and the number of subscription rights to shares exercised and the exercise date of the subscription rights to shares; shareholders are required to represent and warrant for satisfying the exercise conditions and indemnify the Company and covenant certain items in connection therewith) and other documents required for the exercise of subscription rights to shares. After the implementation of the gratis allotment of subscription rights to shares, shareholders will be required to present these necessary documents within the exercise period and pay such price per stock acquisition right (minimum one (1) yen per subscription rights to shares) as determined in the Allotment Resolution at the payment handling place and one (1) share of the Company shall be allotted upon exercise of one (1) stock acquisition right. If any shareholder does not exercise subscription rights to shares and pay cash equivalent to the exercise price, shares held by such shareholder will be diluted by virtue of the exercise of subscription rights to shares by other shareholders.

However, as stated in (c) below, the Company may acquire subscription rights to shares from shareholders other than the Ineligible Person in exchange for shares of the Company. In the event that the Company takes such acquisition procedures, shareholders other than the Ineligible Person will receive shares of the Company without exercising the subscription rights to shares or paying the exercise price so that shares held by the shareholders will not in principle be diluted.

Furthermore, even if the gratis allotment of subscription rights to shares was once approved to be implemented (including the case that the Board of Directors of the Company resolved upon implementation of the gratis allotment of subscription rights to shares due to non-compliance with the procedures of the Plan by the Large-scale Purchaser), in the event that the Independent Committee rendered recommendations to cancel the gratis allotment of subscription rights to shares or acquire gratis all the subscription rights to shares (due to any of the requirements (d)①(i) or (ii) of 2.(1) “Procedures required by the Plan”) and the Board of Directors of the Company adopted the resolution to that effect, the gratis allotment of subscription rights to shares may be canceled by the date immediately preceding the commencement date of the effective period of the gratis allotment of subscription rights to shares (prior to taking effect of the gratis allotment) or subscription rights to shares may be acquired gratis (after taking effect of the gratis allotment). In these cases, the value of each share of the Company is not diluted so that shareholders and investors who conducted sale and purchase of shares on the assumption that the value of each share of the Company would be diluted, may incur damages resulting from fluctuation of share price of the Company.

(c) Procedures for Acquisition of Subscription Rights to Shares by the Company

When the Board of Directors of the Company determined to acquire subscription rights to shares,

the Company may acquire subscription rights to shares from shareholders other than the Ineligible Person in exchange for shares. In this case, shareholders will receive in principle one (1) share of the Company (as consideration for the Company's acquisition of stock acquisition right) per one (1) stock acquisition right without paying any cash equivalent to the exercise price. Furthermore, in this case, shareholders may be required to separately deliver a letter of pledge in the Company's specified form, including representation and warranty relating to the relevant shareholder being not the Ineligible Person, indemnification clause, other covenants.

In addition to the above, since information relating to details of a manner of allotment, a manner of exercise and a manner of acquiring subscription rights to shares shall be disclosed or notified to shareholders upon determination in the resolution relating to the gratis allotment of subscription rights to shares, shareholders are required to confirm the content.

End

Outline of Rules for Independent Committee

- The Independent Committee is established by resolution of the Board of Directors of the Company.
- The number of members of the Independent Committee is three (3) or more, and shall be elected by the Board of Directors from among (i) External Directors of the Company, (ii) and External Audit & Supervisory Board Members of the Company and external knowledgeable persons who are independent from the management which executes business of the Company. However, knowledgeable persons must be a manager of proven worth, a person specialized in investment banking business and well acquainted with the Company's business area, a lawyer, a certified public accountant or a researcher majoring in mainly the Companies Act, etc. or a person equivalent thereto, who will be required to enter into an agreement with the Company providing for obligations and others to discharge with good faith and care separately specified by the Company.
- The term of office of the members of the Independent Committee shall expire upon the close of the Ordinary General Meeting of Shareholders to be held in June 2017 like the effective period of this Plan. Provided, however, that the foregoing shall not be applicable when the Board of Directors of the Company determines otherwise through its resolution. The members who are External Director or External Audit & Supervisory Board Member shall terminate the term of members of the Independent Committee when they resign as External Director or External Audit & Supervisory Board Member, as the case may be. Provided, however, that the foregoing shall not be applicable when reelected.
- The Independent Committee shall make determination with respect to each of the following items and notify the Board of Directors of the Company of each of the contents of the determination together with the reasons. The Board of Directors of the Company as an organization under the Companies Act shall adopt resolution of whether or not the gratis allotment of subscription rights to shares should be implemented upon paying respect to the full extent to the recommendations of the Independent Committee. Furthermore, each member of the Independent Committee and each Director shall be required to act from the viewpoint of whether or not it benefits solely the corporate value of the Company and common interests of shareholders but not for the purpose of gaining own or personal interests of the people in the management.
  - ① Whether or not the gratis allotment of subscription rights to shares should be implemented.
  - ② Whether the gratis allotment of subscription rights to shares should be cancelled or the subscription rights to shares should be acquired gratis by the Company.
  - ③ Any other matters to be decided by the Board of Directors and consulted by the Board of Directors to the Independent Committee.
- In addition to the above, the Independent Committee shall be required to discharge each of the following matters:
  - ① Judgment that the Plan shall apply to the Large-scale Purchase.
  - ② Determination of information to be provided to the Independent Committee by the Large-scale Purchaser and the Board of Directors of the Company, and the time limit thereof.
  - ③ Scrutiny and examination of the Large-scale Purchase by the Large-scale Purchaser.
  - ④ Negotiation and conference with the Large-scale Purchaser.
  - ⑤ Demand to the Board of Directors of the Company to provide an alternative plan and examination of the alternative plan.
  - ⑥ Determination of extension of the Independent Committee Examination Period.
  - ⑦ Approval of amendment or change of the Plan.
  - ⑧ Any other matters the Independent Committee may conduct in the Plan.

- ⑨ Matters the Independent Committee may conduct in accordance with the decision separately made by the Board of Directors of the Company.
- When the Independent Committee deems the content of the Statement of Purchase insufficient, it will ask the Large-scale Purchaser to provide additional information. Furthermore, In the event that the Large-scale Purchaser has provided the Independent Committee with the Statement of Purchase and information additionally demanded by the Independent Committee to be provided,, the Independent Committee may demand the Board of Directors of the Company as necessary to provide the Independent Committee with opinion relating to the content of the Large-scale Purchase by the Large-scale Purchaser, supporting materials, an alternative plan and other information deemed necessary by the Independent Committee, within the specified time limit set forth.
  - As necessity arises, the Independent Committee may directly or indirectly confer and negotiate with the Large-scale Purchaser so as to improve the content of the Large-scale Purchase from the viewpoint of securing and enhancing the corporate value of the Company and common interests of shareholders and shall present an alternative plan of the Board of Directors of the Company to shareholders.
  - The Independent Committee may request Directors, Audit & Supervisory Board Members, employees and other persons deemed necessary by the Independent Committee to attend a meeting for the purpose of collecting necessary information and ask explanation of the matters specified by the Independent Committee from them.
  - The Independent Committee may consult with independent third parties (including financial advisers, certified public accountants, lawyers, consultants and other specialists) at the Company's account.
  - Whenever the Large-scale Purchase is conducted or otherwise, any member of the Independent Committee may convene the Independent Committee.
  - The quorum of the Independent Committee shall be three or more members and resolution shall be adopted in principle by a majority of the member present. Provided, however, that in the case of inevitable reason, the quorum is a majority of the members and resolution shall be adopted by a majority of the members present.

End

Members of the Independent Committee at the time of this Renewal shall be the following four persons.

Name (Date of Birth)	Profile (Brief History, Position, Responsibility, and Important Position of Other Organizations Concurrently Assumed, if any)	
Koichiro Horiuchi (September 17, 1960)	Apr. 1983 Mar. 1988 Jun. 1988 Feb. 1989 Jun. 1989 Sep. 1989 Jun. 2008	Joined Long-Term Credit Bank of Japan Joined Fuji Kyuko Co., Ltd., General Manager, Corporate Planning Division, Fuji Kyuko Co., Ltd. Director, Fuji Kyuko Co., Ltd. Senior Managing Director, Fuji Kyuko Co., Ltd. Representative Director and Senior Managing Director, Fuji Kyuko Co., Ltd. President and Representative Director, Fuji Kyuko Co., Ltd.(Incumbent) External Director of the Company (Incumbent)
Etsuko Okajima (May 16, 1966)	Apr. 1989 Jan. 2001 Jul. 2005 Jun. 2007 June.2014	Joined Mitsubishi Corporation Joined McKinsey & Company Representative and CEO, GLOBIS Management Bank Representative and CEO, ProNova Inc. (Incumbent) External Director of the Company (scheduled)
Tadashi Ooe (May 20, 1944)	Apr. 1969 Apr. 1989 Jun. 2004	Registered as Attorney Practicing-Attorney-Professor for Civil Advocacy, Legal Training and Research Institute of the Supreme Court of Japan External Audit & Supervisory Board Member of the Company (Incumbent)
Takehiko Takagi (Jan. 23, 1945)	Jul. 2001 Jul. 2002 Jul. 2003 Aug. 2003 Jun. 2008	Chief, Kanazawa Regional Taxation Bureau President, National Tax College External Director of the Company Retired from National Tax Administration Agency Registered as Certified Public Tax Accountant External Audit & Supervisory Board Member of the Company (Incumbent)

Notes:

1. The Company submitted an independent director/ audit & supervisory board member notification designating Mr. Koichiro Horiuchi, Mr. Tadashi Ooe and Mr. Takehiko Takagi as independent director/ audit & supervisory board member to Tokyo Stock Exchange Inc.
2. Ms. Etsuko Okajima is a candidate for External Director and the Company is scheduled to submit an independent director/ audit & supervisory board member notification designating her as an independent director/ audit & supervisory board member on condition that she will be elected as such.
3. The Company has no special relationship with each of the members.

End

< Reference > Outline of the Procedures in the Plan

Appearance of Large-scale Purchaser					
Board of Directors	Receipt of Statement of Purchase	Responses to demand from Independent Committee (“I/C”) (Within time limit fixed by I/C (Maximum 60 days))			
	Provision	Request B/D to provide information		Provision	
Independent Committee	I/C evaluation & examination (countermeasures to be consummated) (within 60 days or 90 days after receipt of information) If necessary, adopt resolution to extend 30 days.				In case of non-compliance with Plan
	Recommendation (“Rcdtin”)				Rcdtin
B/D	Pay respect to the full extent to Rcdtin of I/C				
	B/D resolution not to consummate countermeasures		B/D resolution to consummate countermeasures		
			Holding shareholders meeting		Procedures of Plan not to be complied with
			Resolution on gratis allotment of SRSs		
			Disapproval	Approval	
	Not consummated gratis allotment of subscription rights to shares (“SRSs”)		Consummated gratis allotment of SRSs		

\* This is only an outline summarizing the Plan. Please refer to the main text for the details of the Plan.