

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 4, 2015

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

MARUI GROUP CO., LTD.

Hiroshi Aoi

President and Representative Director

Notice of Convocation of the 79th Ordinary General Meeting of Shareholders

Dear Shareholders:

You are cordially invited to attend the 79th 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 24, 2015 (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 25, 2015 at 10:00 a.m.
(Reception commences at 9:00 a.m.)

2. Place of the Meeting: Main Hall of NakanoZERO
at 9-7, Nakano 2-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 79th Fiscal Year (from April 1, 2014 to March 31, 2015).

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 Six (6) Directors

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

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

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, 2014 to March 31, 2015)

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 a continuing gradual recovery trend, with improvements in corporate earnings and the job market brought on by the government's economic measures and the Bank of Japan's monetary policies. On the other hand, in addition to the consumption tax rate hike, increases in prices and a decrease in actual wages associated with the depreciated yen delayed the recovery of consumer confidence, and the coming trend of consumer spending remained uncertain.

Under such an environment, the Marui Corporate Group launched a three-year mid-term management plan, with a target of over 36 billion yen in consolidated operating income and over 6% in ROE for the fiscal year 2016, and has promoted measures to improve profitability and corporate value.

As a result, total consolidated operating revenue for the fiscal year under review decreased by 2.8% from the preceding fiscal year to 404,947 million yen, while the gross profit increased by 1.6% to 158,144 million yen due to strong credit card business, and the operating income and ordinary income increased by 3.3% to 28,042 million yen and by 1.1% to 28,002 million yen, respectively, resulting in increased profit for six consecutive years. The effect of the provision for loss on interest repayment in the amount of 12,652 million yen, as an extraordinary loss, was offset largely by the gain on sales of investment securities of 12,094 million yen, resulting in the net income of 16,036 million yen, which increased by 4.1% from the previous fiscal year. This is the fourth consecutive profit increase and the earnings per share for this fiscal year increased by 4.6% from the preceding fiscal year to 58.87 yen.

Retailing and Store Operations

In an environment of an aging population and low birth rate and a drastic change in consumer needs shifting from goods to things and services, the retailing and store operations segment has reconsidered the conventional business focused on youth and apparel, and aims for increasing the number of customers by satisfying the diverse lifestyle needs of customers of all ages.

To meet the changes in consumption trends, the Group has adopted tenants under fixed-term lease contracts; a shift from conventional department store-type stores based on purchasing inventory. This shift was embodied in shopping center (SC)-type stores, originated by Marui, which provide lifestyle in general. Machida Marui, renovated and reopened as the first SC-type store, increased the customer base by taking in the comments from local customers and enhancing sundries and restaurants categories. Its customer traffic since the opening has increased 1.3 fold, and the number of purchasing customers has grown 2.6 fold, exceeding the previous year significantly. The shift to SC-type stores will continue to be deployed in the future at the timing of overhaul or renovation of store lots, as appropriate for the condition of each individual store.

As for the Hakata new store, which is the Group's first store in Kyushu, through repeated planning meetings and questionnaires with local customers, new Marui shop creation and goods creation are firmly on the way to opening in the coming spring.

For merchandise, the Group has worked to enhance new PB products, which were developed together with customers. Women's shoes, in particular, had many repeated planning meetings with customers and also received many comments and requests from "Shoes LABO Plus," a general community site for shoes. All contributed greatly to the development of new products. By coordinating with TV ads, promoting try-on at store fronts to feel the comfortableness and the availability of various designs and sizes has made "Rakuchin Kirei Pumps" into a product with cumulative sales exceeding 1.8 million pairs since the start of sales in 2010.

As sales promotion measures for increasing foreign visitors to Japan, the Group attempted to increase the number of shop visitors by mutually referencing card members with overseas alliances and enhancing preferential services.

Due to the fact that revenue from SC-style stores changed from revenue from merchandise sales to rent income, in addition to the effects of the consumption tax rate hike, total operating revenue declined by 6.2% from the preceding fiscal year to 307,611 million yen. Despite the effort to reduce fixed costs, operating income decreased by 23.6% from the preceding fiscal year to 8,074 million yen.

Credit Card Services

In the credit card services segment, the Group worked towards increasing the number of card members as well as the volume of transactions, to strengthen the business base.

In terms of increasing the number of card members, in addition to soliciting new card members at Marui stores, soliciting on the internet was enhanced. In addition, the use of “collaboration cards,” which is unique to EPOS card, such as affiliated cards with companies and commercial facilities and fan-club cards, has contributed to the development of various channels and a steady nation-wide expansion.

As for “collaboration cards,” the Group has a new alliance with the Fukuoka Softbank Hawks and Kyushu Railway Company, in the Kyushu area where the Group has been working intensively toward the opening of the Hakata new store next spring, which made the total number of alliance companies 5. As a result, membership in the Kyushu area has expanded to approximately 80 thousands. As for alliances with commercial facilities, such as with “MONA Shin-Urayasu” (Chiba Prefecture) and “SASEBO Fifth Avenue” (Nagasaki Prefecture), providing exclusive sales and bonus points for card members, using the know-how of Marui stores, has contributed to attracting visitors and higher sales at the facilities, which marked a smooth start.

Application on the internet expanded smoothly with the help of nation-wide TV ads, providing specific apps for credit card application and allowing applicants to receive cards at Marui stores.

Through these measures, new card membership outside the Marui Group expanded by 1.6 fold compared to the preceding year, which amounted to nearly 20% of all new membership. Card members increased by 9.0% from the preceding fiscal year to 5.91 million members.

As for customer relations, the Group has worked for service improvement; “EPOS Card Official Application” was launched, where payment records and sales promotions can be easily accessed, and special deals were enhanced for Gold Card members for popular entertainment performances and accommodations.

As a result, the total volume of credit card shopping transactions continued to rise by 15.9% from the preceding fiscal year. In addition, the total volume of credit card cash advances increased steadily by 7.5% from the preceding fiscal year. Consequently, the transaction volume of EPOS card exceeded one trillion yen for the first time since its start in 2006 and the annual transaction volume rose by 14.8% from the preceding fiscal year to 1,113.8 billion yen.

Claims for interest repayments were increasing, but reached the highest in the second quarter and turned to a decrease after that point. As the interest repayment expected in the future can be reasonably estimated, the provision for loss on interest repayment was recalculated, and the provision in the amount of 12,652 million yen was included as an extraordinary loss.

Furthermore, as related businesses, such as rent guarantees and bank loan guarantees, also steadily expanded, operating revenue for the credit card services segment increased by 14.3% from the preceding fiscal year to 70,623 million yen, and operating income increased by 28.7% from the preceding fiscal year to 20,126 million yen, resulting in an increase in both revenue and profit for three consecutive years.

Retailing-Related Services

In the retailing-related services segment, continuous transactions with customers have been reinforced through the use of know-how and expertise in the development and operation of commercial facilities cultivated in the Marui Group. However, due to a large order of interior works recorded in the preceding fiscal year, operating revenue comparatively fell by 5.6% from the preceding fiscal year to 56,149 million yen, and operating income decreased by 26.3% to 3,333 million yen.

(Segment Information)

(Millions of yen)

Category	Retailing and Store Operations	Credit Card Services	Retailing-Related Services	Total	Adjustments	Consolidated
Operating Revenue						
Outside to Customers	302,693	68,436	33,816	404,947	-	404,947
Inter-Segment Sales	4,918	2,186	22,332	29,437	(29,437)	-
Total	307,611	70,623	56,149	434,384	(29,437)	404,947
(Year on Year (%))	(93.8)	(114.3)	(94.4)	(96.7)	(90.1)	(97.2)
Segment Profit	8,074	20,126	3,333	31,535	(3,492)	28,042
(Year on Year (%))	(76.4)	(128.7)	(73.7)	(102.7)	(97.7)	(103.3)
Operating Margin (%)	2.6	28.5	5.9	-	-	6.9

(Detail of Operating Revenue by Business Categories)

Category	Operating Revenue (Millions of yen)	Composition Ratio (%)	Year on Year (%)
Sale of goods	296,564	73.2	93.5
Rent	6,129	1.5	122.4
Retailing and store operations	302,693	74.7	93.9
Interest income on consumer loans	25,820	6.4	124.7
Financial charges earned on installment sales	21,712	5.3	103.0
Affiliated merchants	14,925	3.7	117.2
Others	5,978	1.5	122.1
Credit card services	68,436	16.9	115.2
Retailing-related services	33,816	8.4	97.5
Total	404,947	100.0	97.2

Note: Operating Revenue of the retailing-related services include the interior design and furnishing of retail stores, publicity and advertising, distribution/logistics for fashion goods, IT systems services, the management and maintenance of buildings and rent on real estate, etc.

(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 9.7 billion 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 53.0 billion yen in loans from financial institutions and 20.0 billion yen from the issuance of bonds in response to the repayment of loans. Additionally, the Group increased the amount of funds raised through the securitization of receivables by 22.0 billion yen.

(4) Issues to be Addressed

For the next fiscal year, while improvements in employment and household income are anticipated, individual consumer values and purchasing behaviors are expected to become increasingly diversified. Thus it is expected that the management environment will continue to require a prompt response to changes.

Under these circumstances, the Group is continuing on the mid-term management plan, and will strive for the improvement of corporate value through the effective use of the management resources of the Group.

In the retailing and store operations segment, for expanding categories matched to overall lifestyles including sundries and restaurants, which are in high demand, the Group will further facilitate a shift from the business model focused on product purchasing and sales to Marui-original SC-type store creation. Under the SC-type store model, by raising the standard of performance management from conventional space cost per store to rent at the market set for each selling lot, the Group plans to improve revenue and establish a new growth base. As a specific example, a major renovation will be implemented for the first time in almost 10 years in the Shibuya district. In April, “Marui JAM Shibuya” was fully renovated and reopened as “Shibuya Marui.” A major shift from a selection of goods focused on women’s fashion to more a diversified selection of goods to accommodate the needs of a wide range of customers regardless of gender, generation and nationality, has been well received, and the number of customers is also increasing. In the fall, “Marui City Shibuya” will be reopened as “Shibuya Modi,” a flagship store of “Modi” operated by Group company, Aim Create, Co., Ltd., and many popular tenants are scheduled to open shops. Going forward, the two brands of the new “Marui” and “Modi” SC-type store network will be extended nationwide. By expanding categories that meet the needs of customer lifestyles with a large selection of goods, the Group will make its stores more attractive.

As for Marui-original sales floors, the Group will concentrate its management resources on highly original categories with an aim to shift toward specialty stores with high earning potential and market competitiveness. Specifically for women’s shoes, which are popular among customers, the Group intends to turn specialty stores into a business that steadily earns more than the rent at the market at the earliest time, and locate stores in commercial facilities where increased sales can be expected.

Regarding the Hakata new store scheduled to open next spring, the Group will continue its efforts, together with customers, to create a store that will be supported by customers across Kyushu, as well as to make fans.

In the credit card services segment, the Group will make an effort to increase the number of credit card members and improve the rate of credit card shopping and the amount of transactions for a more robust

business base.

In an effort to increase card membership, in addition to promotion activities at Marui stores, the Group will exert its best efforts to develop affiliations with new companies and commercial facilities toward the nationwide deployment of a card issuing site. Furthermore, through promotions by nationwide TV ads, the Group intends to raise recognition with customers and thereby increase applications from the website.

The Group will further enrich services for credit card members so that Marui card is used as their main credit card. In anticipation of the expansion of the cashless settlement market, “EPOS Visa Prepaid Card” will be launched, which can be used at Visa affiliated stores all across Japan. The Group intends to enhance convenience to card members more than ever, including transfers of EPOS points. As for special member-only services, with the participation of 32 affiliated partners, “EPOS Card Weeks” will be held, during which, special offers will be available all at once for a limited time. At around 3,500 preferred facilities and services around the country, discounts higher than the normal membership preferred rate, bonus points and presents will be offered. In addition to improving customer satisfaction, by bringing more customers to the affiliated partners who participate in the Company’s events, EPOS card’s distinctive affiliation scheme will continue to evolve.

Lastly, the Group sets out to improve corporate value by promoting growth and financial strategies as set forth in its 3-year mid-term management plan that started this fiscal year. For financial strategy, the Group intends to effectively utilize the cash flow generated over 3 years, and enforce growth investments and shareholder returns. As a part of this policy, it will promote the acquisition of treasury stock of about 50 billion yen in total within the term of the mid-term management plan, and cancel treasury stock for the early attainment of a targeted ROE exceeding 6% and aim for further improvement, and increase in shareholders’ profit. Under this policy, the Group has acquired 10.72 million shares of treasury stock for approximately 15.0 billion yen, and cancelled 40 million shares, which amounted to 13% of issued shares.

The Group is committed to strengthening its management base and improving its performance by implementing group strategies based on the mid-term plan as described above. Management, therefore, looks forward to the continuing support and encouragement of its shareholders.

(5) Assets and Profits and Losses

Category	76th Fiscal year ended March 31, 2012	77th Fiscal year ended March 31, 2013	78th Fiscal year ended March 31, 2014	79th Fiscal year ended March 31, 2015
Total operating revenue (Millions of yen)	412,408	407,366	416,460	404,947
Ordinary income (Millions of yen)	17,621	24,443	27,698	28,002
Net income (Millions of yen)	5,251	13,255	15,409	16,036
Net income per share (yen)	19.19	48.43	56.29	58.87
Total assets (Millions of yen)	615,130	624,173	664,019	675,627
Net assets (Millions of yen)	290,349	304,051	315,889	307,255

(6) Major Subsidiaries of the Group

Company Name	Capital Stock (Millions of yen)	Percentage of Ownership (%)	Principal Business
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
AIM Create Co., Ltd.	100	100.0	Proposal of Commercial Facilities Category, Design and Interior Decoration, Operation and Management, Planning and Making of Advertisement, Other
Moving Co., Ltd.	100	100.0	Trucking Business, Forwarding Business, Other
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
Marui Home Service Co., Ltd.	100	100.0	Real-Estate Rental Business

Notes:

1. The figure in parentheses () in the Percentage of Ownership column indicates the share of indirect ownership as an included number.
2. As of October 1, 2014, ZERO FIRST Co., Ltd. was absorbed by EPOS Card Co., Ltd., the Group's wholly-owned subsidiary.

(7) Lines of Business of the Group

The Group's lines of Business are Retailing (retailing of apparel, luxury and accessory goods, etc.) and Store Operations (rental and operational management of commercial facilities), 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. 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, Ikebukuro Marui, Shibuya, Kinshicho, Ueno Marui, Kitasenju Marui, Yurakucho Marui, Nakano Marui, Kichijoji, Machida Marui and Modi, Kokubunji Marui
Kanagawa	Marui City Yokohama, Kawasaki, Marui Family Mizonokuchi, Marui Family Ebina, Totsuka Modi
Saitama	Omiya, Soka Marui, Marui Family Shiki, Kawagoe Modi
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	3,967	286 (decrease)
Credit Card Services	808	160 (increase)
Retailing-Related Services	960	78 (increase)
Corporate (Common functions)	183	0
Total	5,918	48 (decrease)

Notes:

- The number of employees shown above does not include part-time employees. Average number of part-time employees during the fiscal year (calculated based on monthly work hours) is 2,053.

2. Corporate (Common functions) refers to corporate management departments that cannot be included in any specific segment.

(10) Main Loan Lenders

Lenders	Outstanding Balance
	(Millions of yen)
Bank of Tokyo-Mitsubishi UFJ, Ltd.	60,900
Sumitomo Mitsui Banking Corporation	24,500
Mitsubishi UFJ Trust and Banking Corporation	18,100
Mizuho Bank, Ltd.	16,300
Bank of Yokohama, Ltd.	4,900

Note: The above amounts do not include syndicated loans (Total of 30 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: 278,660,417 shares (including 15,588,364 shares of treasury stock)

(3) Number of Shareholders: 22,979 shareholders

(4) Principal Shareholders (Top 10)

Registered Name	Number of Shares Held	Percentage of Shareholding
	(thousand shares)	%
Master Trust Bank of Japan, Ltd. (Trust Account)	22,808	8.7
Japan Trustee Services Bank, Ltd. (Trust Account)	19,965	7.6
Aoi Real Estate Company	6,019	2.3
Bank of Tokyo-Mitsubishi UFJ, Ltd.	5,808	2.2
Juniper	4,661	1.8
Northern Trust Co. (AVFC) Account Non-Treaty RE U.S. TAX EXEMPTED PENSION FUND	4,194	1.6
Trust & Custody Services Bank, Ltd.(Securities Investment Trust Account)	4,100	1.6
Toho Co., Ltd.	3,779	1.4
BNP Paribas Japan	3,680	1.4
Aoi Scholarship Foundation	3,234	1.2

Notes:

- The Company holds 15,588 thousand shares of treasury stock but is excluded from the above principal shareholders.
- Percentage of shareholding is calculated based on the total number of shares issued and outstanding, excluding the treasury stock.

(5) Other Significant Matters concerning Equity

- Acquisition of treasury stock (purchased through Tokyo Stock Exchange)

Treasury stock acquired as authorized at the Board of Directors' Meeting held on February 10, 2015:

Type and total number of shares acquired: 10,720,900 shares of common stock

Total cost of acquisition: 14,999,889,800 yen

Period of acquisition: From February 13, 2015 to March 13, 2015

2. Cancellation of treasury stock

Treasury stock cancelled as authorized at the Board of Directors' Meeting held on February 10, 2015:

Type and total number of shares cancelled: 40,000,000 shares of common stock

Date of cancellation: March 20, 2015

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, 2014 (July 11, 2014)	From April 1, 2015 to March 31, 2025	324 rights	Common Stock of the Company 32,400 shares	8 persons (0 persons)	844 yen per share	1 yen per share

Notes: Conditions for exercising 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 of 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 expiration of a term or for any other reasons, the holder may exercise the rights within 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, 2014 (July 11, 2014)	From April 1, 2015 to March 31, 2025	111 rights	Common Stock of the Company 11,100 shares	5 persons	844 yen per share	1 yen per share

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

4. Matters concerning Officers of the Group

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

Name	Position	Position in Charge and Important Position of Other Organizations Concurrently Assumed
Hiroshi Aoi	President and Representative Director Group Representative Executive Officer	
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 Business 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.
Etsuko Okajima	Director	Representative and CEO, ProNova Inc. External Director, Astellas Pharma Inc.
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, General Affairs and Healthcare Promotion
Toshikazu Takimoto	Director, Executive Officer	President and Representative Director, EPOS Card Co., Ltd.
Nariaki Fuse	Director, Executive Officer	President and Representative Director, M & C Systems Co., Ltd.
Hajime Sasaki	Director, Executive Officer	Managing Director and General Manager, Specialty Store Department and Shoes Business Department, Marui Co., Ltd.
Michitaka Mukohara	Audit & Supervisory Board Member (Full time)	
Tetsuji Sunami	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. Audit & Supervisory Board Member, Mr. Yoshihide Kikuchi retired from the office of Audit & Supervisory Board Member as of Jun. 26, 2014.
2. Directors, Mr. Koichiro Horiuchi and Ms. Etsuko Okajima are External Directors. The Group has submitted a notification to the Tokyo Stock Exchange, Inc. designating them as an independent director/audit & supervisory board member.
3. Audit & Supervisory Board Members, Mr. Tadashi Ooe and Mr. Takehiko Takagi are both External Audit & Supervisory Board Members. The Group has submitted a notification to the Tokyo Stock Exchange, Inc., designating them as an independent director/audit & supervisory board member.
4. The Group has no special relations with entities in which Director Mr. Koichiro Horiuchi and Audit & Supervisory Board Members Mr. Tadashi Ooe and Mr. Takehiko Takagi concurrently assume office.
5. Director, Ms. Etsuko Okajima's name on the family register is Ms. Etsuko Mino
6. Director, Ms. Etsuko Okajima is President and Representative Director of ProNova Inc., a company with deep knowledge on diversity. ProNova Inc. is providing training support for the Company in promoting women at work place. The training support was provided a total of 8 times, and the payment amount is 2 million yen. The Group has no special relations with Astellas Pharma Inc.
7. Audit & Supervisory Board Member, Mr. Tadashi Ooe is a qualified attorney and well-versed to in corporate law.
8. Audit & Supervisory Board Member, Mr. Takehiko Takagi is a certified public tax accountant and has an appreciable extent of knowledge in finance and accounting.
9. As of October 1, 2014, an absorption-type merger was executed with EPOS Card, Co., Ltd. as the surviving company and ZERO FIRST, Co., Ltd. as the absorbed company. As of the same date, Director Mr. Toshikazu Takimoto resigned from the post of President and Representative Director of ZERO FIRST, Co., Ltd.
10. There were significant changes in directors' positions, duties and occupations as of April 1, 2015.

Name	Previous	Present
Motohiko Sato	Senior Managing Director and Senior Managing Executive Officer In charge of Corporate Planning, Finance, Card Business and Information System	Director and Senior Managing Executive Officer, and CFO In charge of Corporate Planning and Finance Responsible for Credit Card Business and Information System
Masao Nakamura	Managing Director and Managing Executive Officer In charge of Retailing and Store Operations Business President and Representative Director, Marui Co., Ltd.	Director and Managing Executive Officer Responsible for Retailing and Store Operations Business President and Representative Director, Marui Co., Ltd.
Takashi Wakashima	Director and 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.	Director and Managing 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.
Toshikazu Takimoto	Director and Executive Officer President and Representative Director, EPOS Card Co., Ltd.	Director and Managing Executive Officer In charge of Credit Card Business President and Representative Director, EPOS Card Co., Ltd.

Tomoo Ishii	Director and Executive Officer, and General Manager, Personnel Division In charge of Audit, General Affairs and Healthcare Promotion	Director and Managing Executive Officer, Chief Operating Officer, Healthcare Promotion and General Manager, Personnel Division In charge of General Affairs and Healthcare Promotion
Nariaki Fuse	Director and Executive Officer President and Representative Director, M & C Systems Co., Ltd.	Director and Senior Executive Officer In charge of Audit and Information System President and Representative Director, M & C Systems Co., Ltd.
Hajime Sasaki	Director and Executive Officer Managing Director and General Manager, Specialty Store Department and Shoes Business Department, Marui Co., Ltd.	Director and Senior Executive Officer In charge of Retailing and Store Operations Business Senior Managing Director and General Manager, Shoes Business Department, Marui Co., Ltd.

(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)	10 (2)	218 (18)
Audit & Supervisory Board Member (External Audit & Supervisory Board Member)	5 (2)	50 (15)
Total	15	269

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 27 million yen of Subscription Rights to Shares granted to eight (8) Directors (Other than External Directors) as Stock Compensation-Type Stock Options.
4. In addition to above payments, 54 million yen was paid to three (3) directors from subsidiary of the Company.

(3) Information on External Officers

i. Principal Activities of External Officers

Position	Name	Principal Activities of External Officers
Directors	Koichiro Horiuchi	Attended all 10 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.
	Etsuko Okajima	Attended all 8 meetings of the Board of Directors held after being elected as Director at the 78 th Ordinary General Meeting of Shareholders. Raised questions and made comments, from the perspective of an experienced manager, and, as necessary, expressed her opinions in a timely and appropriate manner.
Audit & Supervisory Board Members	Tadashi Ooe	Attended all 10 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 audit of the Company, and other matters; and is working to deepen mutual understanding and trust.
	Takehiko Takagi	Attended all 10 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 Liability Limitation Contracts

The Company concludes contracts with each of External Directors and External Audit & Supervisory Board Members to limit their liability for damages, as provided 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 Company 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: 101 million yen
2. Total cash and other remuneration to be paid by the Company and its subsidiaries to the accounting auditors: 141 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 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 be decided the Board of Directors to submit a "Proposal for Dismissal or Refusal to Reappoint the Accounting Auditor" to the General Meeting of Shareholders. (Note) The Policy above was amended by the resolution of Audit & Supervisory Board held on May 11, 2015.

6. Company's Systems and Policies

(1) Establishment of a System to Ensure That the Execution of Duties by Directors Complies with Laws and Ordinances and the Articles of Incorporation, and a System to Ensure That the Business Operations of the Company, as well as of the Corporate Group Consisting of the Company and Its Subsidiaries (the Group), 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. By 6 committees established to control high-risk areas in business operations (Public Relations IR Committee, Environment CSR Promotion Committee, Internal Control Committee, Personal Information Protection Promotion Committee, Safety Control Committee and Insider Trading Prevention Committee), speedy operational improvement and the prevention of risk shall be expected. As a coordinating function of all committees, the Compliance Promotion Board, with the Representative Director as the chairperson, is set up for the Group's risk management.
 - b. The General Affairs Department and Audit Department shall cooperate in promoting internal control. Through documentation and the monitoring of the operation of each Group company, in terms of predictable risks and countermeasures, they shall work to minimize operational risks.
- iv. System which ensures that Directors execute their duties efficiently
 - a. In accordance with the Group's authorization rules, the duties of Directors and Executive Officers shall be explicitly defined, and the Group's Directors and Executive Officers shall perform their duties in an efficient and swift manner.
- 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 to ensure that subsidiaries' Directors and the Group's employees shall execute business in compliance with laws and ordinances and the Articles of Incorporation
 - a. The Group's Code of Conduct shall be fully understood, to promote sound corporate activities grounded on high ethical standards for the Group.
 - b. In order to ensure full compliance with laws and ordinances and company rules across the entire Group, operational manuals in every category shall be prepared and internal training is encouraged.
 - c. The Marui Group Hot Line (Internal Notification System) shall be set up, which allows direct contact with outside lawyers, to prevent problems from occurring and for the early detection of problems.
 - d. The Group shall conduct internal audits to grasp the internal control status, and improve compliance with laws, ordinances and company rules.
- vii. Other systems to duly ensure the business operations of the Group
 - a. Continuously review documentation of the internal control system of each Group company.
 - b. Through the Compliance Promotion Board and the 6 Committees, confirm the latest control status of each Group company, and maintain an appropriate system.
 - c. Set up a system of reporting the important decisions of subsidiaries to the Company, per the authorization rules of the Group.

- d. Strengthen the cooperation of auditors from each Group company and the Internal Control Department in establishing an audit system for ensuring proper transactions and accounting treatments.
 - e. Refuse any unwarranted demands and disassociate from anti-social bodies, which threaten social order and safety, and strengthen the ties with external specialists, such as the police and lawyers, to establish system to eradicate anti-social bodies.
- viii. Matters relating to employees if Audit & Supervisory Board Members request their appointment as assistants, issues of independence of such employees from Directors and how to ensure the effectiveness of instructions to such employees.
- a. Based on the request of Audit & Supervisory Board Members, assign audit staff with sufficient skills and knowledge to conduct requested duties.
 - b. Audit & Supervisory Board Members shall be allowed to instruct audit staff to assist with their audit work, and no Directors shall interfere with such instruction.
- ix. System to report to Audit & Supervisory Board Members from Directors or employees, system to ensure the fair treatment of reporters.
- a. The internal audit system shall be reinforced and supporting function for Audit & Supervisory Board Members shall be strengthened.
 - b. The directors and employees of each Group company 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.
 - c. Confirm that no unfair treatment has been applied on the grounds of reporting to Audit & Supervisory Board Members.
- x. Matters relating to the prepayment of expenses incurred through the execution of duties by Audit & Supervisory Board Members and reimbursement procedures and policies on processing expenses and liabilities incurred through the execution of duties by Audit & Supervisory Board Members
- a. When Audit & Supervisory Board Members claim for expenses incurred through the execution of duties, such expenses shall be reimbursed, unless they are deemed unnecessary.
- 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.
 - e. By appointing the Company's Audit & Supervisory Board Members as the auditors of its principal subsidiaries, information sharing and accurate confirmation of status can be realized.

(Note) The above listed items reflect partial amendments made by resolutions of the Board of Directors' Meeting held on April 24, 2015.

(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 detailed approach by the Company is shown in above-mentioned (1) Development of the Businesses of the Corporate Group and Financial Results (page 4-6) and (4) Issues to be Addressed (page 7-8) in 1. Information on the Status of Marui Corporate Group

(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 as well as appointment of plural External Directors. 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, 2014 resolved upon the renewal of the “measures against conduct for acquisition of a large scale of shares of the Company (anti-takeover measures)” without substantial amendments (amended plan to be called the “Plan”), which was further approved by shareholders at the 78th Ordinary General Meeting of Shareholders of the Company held on June 26, 2014.

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 78th Ordinary General Meeting of Shareholders held on June 26, 2014 to the close of the General Meeting of Shareholders to be held in June 2017. 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, 2014. (http://www.0101maruigroup.co.jp/pdf/settlement/14_0513/14_0513_2.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 Sheet

(As of March 31, 2015)

(Millions of yen)

Item	Amount	Item	Amount
<u>Assets</u>		<u>Liabilities</u>	
Current assets	426,753	Current liabilities	151,281
Cash and deposits	31,240	Accounts payable-trade	27,002
Notes and accounts receivable-trade	6,453	Short-term loans payable	56,839
Accounts receivable-installment	227,121	Current portion of bonds	17,000
Operating loans	128,030	Commercial papers	10,000
Merchandise	16,834	Income taxes payable	3,340
Deferred tax assets	6,444	Provision for bonuses	3,763
Other	18,738	Provision for point card certificates	4,590
Allowance for doubtful accounts	(8,110)	Reserve for loss from redemption of gift certificates	153
		Other	28,593
Noncurrent assets	248,873	Noncurrent liabilities	217,090
Property, plant and equipment	172,694	Bonds payable	85,000
Buildings and structures	63,631	Long-term loans payable	109,000
Land	99,665	Deferred tax liability	1,516
Construction in progress	488	Provision for loss on interest repayment	12,652
Other	8,909	Provision for loss on guarantees	140
		Asset retirement obligations	548
Intangible assets	6,237	Other	8,232
Software	4,988		
Other	1,248		
		Total liabilities	368,371
Investments and other assets	69,941	<u>Net Assets</u>	
Investment securities	25,030	Shareholders' equity	305,813
Guarantee deposits	35,824	Capital stock	35,920
Deferred tax assets	6,348	Capital surplus	91,307
Other	2,738	Retained earnings	197,875
		Treasury stock	(19,290)
		Accumulated other comprehensive income	982
		Valuation difference on available-for-sale securities	982
		Subscription rights to shares	39
		Minority interests	420
		Total net assets	307,255
Total assets	675,627	Total liabilities and net assets	675,627

Consolidated Statement of Income

(From April 1, 2014 to March 31, 2015)

(Millions of yen)

Item	Amount	
Total operating revenue		404,947
Cost of sales		246,802
Gross profit		158,144
Selling, general and administrative expenses		130,102
Operating income		28,042
Non-operating income		
Interest income	110	
Dividends income	446	
Gain on bad debts recovered	1,275	
Gain on donation of noncurrent assets	194	
Other	196	2,222
Non-operating expenses		
Interest expenses	1,870	
Other	392	2,262
Ordinary income		28,002
Extraordinary income		
Gain on sales of investment securities	12,094	12,094
Extraordinary loss		
Loss on retirement of noncurrent assets	1,097	
Impairment loss	1,859	
Loss on interest repayment	390	
Provision for loss on interest repayment	12,652	
Other	95	16,095
Income before income taxes and minority interests		24,001
Income taxes-current	6,193	
Income taxes-deferred	1,745	7,938
Income before minority interests		16,062
Minority interests in income		25
Net income		16,036

Consolidated Statement of Changes in Net Assets

(From April 1, 2014 to March 31, 2015)

(Millions of yen)

	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance as of April 1, 2014	35,920	91,307	236,274	(53,832)	309,669
Changes in the Fiscal Year:					
Dividends			(4,927)		(4,927)
Net Income			16,036		16,036
Acquisition of Treasury Stock				(15,002)	(15,002)
Disposition of Treasury Stock		(6)		43	36
Retirement of Treasury Shares		(49,500)		49,500	—
Transfer to Capital Surplus from Retained Earnings		49,507	(49,507)		—
Changes in Items Other than Shareholders' Equity-Net					
Total Changes in the Fiscal Year	—	—	(38,398)	34,541	(3,856)
Balance as of March 31, 2015	35,920	91,307	197,875	(19,290)	305,813

(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			
Balance as of April 1, 2014	5,776	5,776	39	402	315,889
Changes in the Fiscal Year:					
Dividends					(4,927)
Net Income					16,036
Acquisition of Treasury Stock					(15,002)
Disposition of Treasury Stock					36
Retirement of Treasury Shares					—
Transfer to Capital Surplus from Retained Earnings					—
Changes in Items Other than Shareholders' Equity-Net	(4,794)	(4,794)	0	17	(4,776)
Total Changes in the Fiscal Year	(4,794)	(4,794)	0	17	(8,633)
Balance as of March 31, 2015	982	982	39	420	307,255

(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: 9

Names of principal consolidated subsidiaries:

Marui Co., Ltd., EPOS Card Co., Ltd., MRI Co., Ltd., AIM Create Co., Ltd., Moving Co., Ltd., M & C System Co., Ltd., Marui Facilities Co., Ltd., Marui Home Service Co., Ltd.
As ZERO FIRST Co., Ltd. was acquired by and merged with EPOS Card Co., Ltd. on October 1, 2014, it is excluded from the scope of consolidation.

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.

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
With regard to 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 recognized.
 - (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
With regard to the guaranteed obligations relating to consumer loans extended by financial institutions, the amount of loss estimated to have been incurred 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 the “Act on Partial Revision of the Income Tax Act, etc.” (2015, Law No. 9) and “Act on Partial Revision of the Local Tax Law, etc.” (2015, Law No. 2) on March 31, 2015, the income tax rates, etc. will be reduced from the consolidated fiscal year starting on or after April 1, 2015.

Accordingly, the effective tax rate used in calculating deferred tax assets and deferred tax liability will be changed from 35.6% of the previous consolidated fiscal year to 33.1% during the consolidated fiscal year starting on April 1, 2015 and to 32.3% from the consolidated fiscal year starting on or after April 1, 2016, for the temporary differences that are expected to be eliminated.

Due to the change of tax rate, the amount of deferred tax assets (the amount after deducting the amount of deferred tax liability) decreased by 423 million yen, and the amount of income taxes-deferred and valuation difference on available-for-sale securities increased by 463 million yen and by 40 million yen respectively.

2. Notes to Consolidated Balance Sheets

(1) Accumulated depreciation of property, plant and equipment	219,313 million yen
(2) Guarantee liabilities	
Loan guarantees for personal loans offered by financial institutions	19,327 million yen
(3) Balance of securitized receivables	66,526 million yen
(4) Accumulated reduction entry excluded national subsidy from acquisition costs of tangible fixed assets	62 million yen

3. Notes to Consolidated Statement of Income

(1) Impairment loss

The Group of the Company recognized the amount of impairment loss on the following asset groups.

(Unit: Millions of yen)

Purpose	Location	Type	Amount
Stores, etc.	Kyoto Marui	Buildings and structures	1,787
	Kyoto-shi, Kyoto, etc.	Other	71
Total			1,859

Assets are grouped with stores in the Group as the basic unit representing the minimum unit responsible for generating cash flows and rental properties are grouped on the basis of properties. These carrying amounts of the asset groups above have been written down to the recoverable amount and the amount of the write-down has been reported as impairment loss under extraordinary losses.

Furthermore, the recoverable amount by asset group has been evaluated by its net sale value or value in use. For stores that continue to have a negative amount of income produced through operating activities, the value in use has been evaluated as zero because cash flow cannot be expected. For stores, etc., subject to closure or the disposal of equipment, the net sale value has been evaluated as zero.

(2) Provision for loss on interest repayment

Claims for interest repayments were increasing, but turned to a decrease in the third quarter of the current consolidated fiscal year. As the interest repayment expected in the future can be reasonably estimated, the provision for the current consolidated fiscal year was recalculated and the necessary amount was recognized.

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, 2014	Increase in Shares in the Fiscal Year	Decrease in Shares in the Fiscal Year	Number of Shares as of March 31, 2015
Common Stock	318,660,417 shares	-	40,000,000 shares	278,660,417 shares

(Note) The amount of common stock included in the treasury stock decreased by retirement.

(2) Dividends

i.) Cash dividends paid

Resolution	Share Class	Total Amount of Dividend (Millions of yen)	Dividend per Share (Yen)	Record Date	Effective Date
Ordinary General Meeting of Shareholders on June 26, 2014	Common stock	2,463	9	March 31, 2014	June 27, 2014
Board of Directors Meeting on November 6, 2014	Common stock	2,464	9	September 30, 2014	December 4, 2014

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 (Millions of yen)	Resource for Dividend	Dividend per Share (Yen)	Record Date	Effective Date
Ordinary General Meeting of Shareholders on June 25, 2015	Common stock	2,630	Retained earnings	10	March 31, 2015	June 26, 2015

(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 4,600 shares

5. Notes to Financial Instruments

(1) Matters concerning the status of financial instruments

The Group of the Company 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, 2015 are shown in the table below.

(Unit: Millions of yen)

	Consolidated Balance Sheets Carrying Amount	Fair Value	Unrealized Gain/Loss
(1) Cash and deposits	31,240	31,240	-
(2) Notes and accounts receivable-trade	6,453	6,453	-
(3) Accounts receivable-installment Allowance for doubtful accounts	227,121 (5,198)		
	221,923	249,151	27,227
(4) Operating loans Allowance for doubtful accounts	128,030 (2,231)		
	125,798	142,766	16,968
(5) Investment securities Other securities	24,152	24,152	-
(6) Guarantee deposits	9,493	9,312	(180)
Total assets	419,062	463,077	44,015
(1) Accounts payable-trade	27,002	27,002	-
(2) Short-term loans payable	56,839	56,839	-
(3) Current portion of bonds	17,000	17,000	-
(4) Commercial papers	10,000	10,000	-
(5) Income taxes payable	3,340	3,340	-
(6) Bonds payable	85,000	85,860	860
(7) Long-term loans payable	109,000	109,046	46
(8) Derivative instruments	-	-	-
Total liabilities	308,181	309,089	907

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 877 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 27,915 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

(Unit: Millions of yen)

Consolidated Balance Sheets Carrying Amount	Fair Value
32,367	66,959

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 1,166.20 yen
 (2) Net income per share 58.87 yen

8. Notes to Significant Subsequent Events

None applicable

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 Sheet

(As of March 31, 2015)

(Millions of yen)

Item	Amount	Item	Amount
<u>Assets</u>		<u>Liabilities</u>	
Current assets	179,172	Current liabilities	129,418
Cash and deposits	20,281	Short-term loans payable	56,700
Deferred tax assets	241	Current portion of bonds	17,000
Short-term loans receivable from subsidiaries and affiliates	157,990	Short-term loans payable to subsidiaries and affiliates	43,467
Other	683	Commercial papers	10,000
Allowance for doubtful accounts	(24)	Accounts payable-other	280
		Accrued expenses	389
Noncurrent assets	410,968	Income taxes payable	793
Property, plant and equipment	1,399	Deposits received	216
Buildings	17	Provision for bonuses	198
Structures	2	Other	373
Vehicles	3	Noncurrent liabilities	194,067
Furniture and fixtures	1,376	Bonds payable	85,000
		Long-term loans payable	109,000
Intangible assets	9	Other	67
		Total liabilities	323,485
Investments and other assets	409,559	<u>Net Assets</u>	
Investment securities	24,075	Shareholders' equity	265,619
Stocks of subsidiaries and affiliates	377,746	Capital stock	35,920
Investments in capital of subsidiaries and affiliates	132	Capital surplus	91,307
Deferred tax assets	7,266	Legal capital surplus	91,307
Other	339	Retained earnings	157,681
		Legal retained earnings	8,980
		Other retained earnings	148,701
		General reserve	135,600
		Retained earnings brought forward	13,101
		Treasury stock	(19,290)
		Valuation and translation adjustments	996
		Valuation difference on available-for-sale securities	996
		Subscription rights to shares	39
		Total net assets	266,655
Total assets	590,140	Total liabilities and net assets	590,140

Non-Consolidated Statement of Income

(From April 1, 2014 to March 31, 2015)

(Millions of yen)

Item	Amount	
Operating revenue		12,834
Operating expenses		4,437
Operating income		8,397
Non-operating income		
Interest income	1,753	
Dividends income	440	
Other	23	2,217
Non-operating expenses		
Interest expenses	1,890	
Other	346	2,237
Ordinary income		8,377
Extraordinary income		
Gain on sales of investment securities	10,816	10,816
Extraordinary loss		3
Income before income taxes		19,190
Income taxes-current	2,235	
Income taxes-deferred	1,324	3,559
Net income		15,631

Non-Consolidated Statement of Changes in Net Assets

(From April 1, 2014 to March 31, 2015)

(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	
Balance as of April 1, 2014	35,920	91,307	-	91,307	8,980	135,600	51,905	196,485
Changes in the Fiscal Year:								
Dividends							(2,463)	(2,463)
Dividends (interim)							(2,464)	(2,464)
Net Income							15,631	15,631
Acquisition of Treasury Stock								
Disposition of Treasury Stock			(6)	(6)				
Retirement of Treasury Shares			(49,500)	(49,500)				
Transfer to Capital Surplus from Retained Earnings			49,507	49,507			(49,507)	(49,507)
Change in Items Other than Shareholders' Equity-Net								
Total Changes in the Fiscal Year	-	-	-	-	-	-	(38,803)	(38,803)
Balance as of March 31, 2015	35,920	91,307	-	91,307	8,980	135,600	13,101	157,681

(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		
Balance as of April 1, 2014	(53,832)	269,881	5,120	5,120	39	275,041
Changes in the Fiscal Year:						
Dividends		(2,463)				(2,463)
Dividends (interim)		(2,464)				(2,464)
Net Income		15,631				15,631
Acquisition of Treasury Stock	(15,002)	(15,002)				(15,002)
Disposition of Treasury Stock	43	36				36
Retirement of Treasury Shares	49,500	-				-
Transfer to Capital Surplus from Retained Earnings		-				-
Change in Items Other than Shareholders' Equity-Net			(4,123)	(4,123)	0	(4,123)
Total Changes in the Fiscal Year	34,541	(4,261)	(4,123)	(4,123)	0	(8,385)
Balance as of March 31, 2015	(19,290)	265,619	996	996	39	266,655

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

(a) Allowance for doubtful accounts

The estimated uncollectible amounts are determined 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 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 changes in presentation method

(Non-Consolidated Balance Sheets)

"Income taxes payable," which was included in "Other" under current liabilities in the previous consolidated fiscal year, is presented independently as a result of the increase in the significance of the amount.

3. Notes to Non-Consolidated Balance Sheets

(1) Accumulated depreciation of property, plant and equipment	796 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	12,538 million yen
(3) Receivables and payables to subsidiaries and affiliates	
Short-term receivables	158,083 million yen
Short-term payables	43,696 million yen

4. Notes to Non-Consolidated Statement of Income

Transaction with subsidiaries and affiliates

Operating transactions

 Operating revenues 12,833 million yen

 Operating expenses 767 million yen

Non-operating transactions 1,873 million yen

5. 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, 2014	Increase in Shares in the Fiscal Year	Decrease in Shares in the Fiscal Year	Number of Shares as of March 31, 2015
Common Stock	44,901,353 shares	10,723,457 shares	40,036,446 shares	15,588,364 shares

Notes:

- Shares of common stock held as treasury stock increased by 10,723,457 shares due to the purchase of treasury stock (10,720,900 shares) and the purchase of shares in response to purchase demands for less than one unit (2,557 shares).
- Shares of common stock held as treasury stock decreased by 40,036,446 shares due to the retirement of treasury stocks held (40,000,000 shares), the exercise of stock options (36,400 shares) and the sale of fractional shares (46 shares).

6. 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	7,640 million yen
Other	3,009 million yen
Sub-total	10,649 million yen
Valuation allowance	(2,757) million yen
Total	7,892 million yen

(Deferred tax liabilities)

Valuation difference on available-for-sale securities	385 million yen
Total	385 million yen
Net amount of deferred tax assets	7,507 million yen

(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 the “Act on Partial Revision of the Income Tax Act, etc.” (2015, Law No. 9) and “Act on Partial Revision of the Local Tax Law, etc.” (2015, Law No. 2) on March 31, 2015, the income tax rates, etc. will be reduced from the consolidated fiscal year starting on or after April 1, 2015.

Accordingly, the effective tax rate used in calculating deferred tax assets and deferred tax liability will be changed from 35.6% of the previous consolidated fiscal year to 33.1% during the consolidated fiscal year starting on April 1, 2015 and to 32.3% from the consolidated fiscal year starting on or after April 1, 2016, for the temporary differences that are expected to be eliminated.

Due to the change of tax rate, the amount of deferred tax assets (the amount after deducting the amount of deferred tax liability) decreased by 760 million yen, and the amount of income taxes-deferred and valuation difference on available-for-sale securities increased by 800 million yen and by 40 million yen respectively.

7. 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	(Ownership) Direct 100.0	3 persons	Business management
	EPOS Card Co., Ltd.	Credit Card Business, Credit Loan Business	(Ownership) Direct 100.0	2 persons	Business management

Type	Name	Transactions	Amount of Transactions (Millions of yen)	Account Item	Balance as of March 31, 2015 (Millions of yen)
Subsidiaries	Marui Co., Ltd.	Borrowing of funds *Note ¹	25,368	Short-term loans payable to subsidiaries and affiliates	30,437
		Business management fee *Note ²	1,369	-	-
	EPOS Card Co., Ltd.	Lending of funds *Note ¹	173,997	Short-term loans receivable from subsidiaries and affiliates	156,711
		Business management fee *Note ²	1,968	-	-
		Receipt of interests	1,740	-	-

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.

8. Notes to Per-Share Information

(1) Net assets per share	1,013.47 yen
(2) Net income per share	57.38 yen

9. Notes to Significant Subsequent Events

None applicable

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 10 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 19 per share, an increase of Yen 1 per share compared with the previous fiscal year.

Furthermore, the Company will withdraw the entire amount in general reserve to enable a flexible capital policy to be carried out.

1. Matters related to the year-end dividend:

- (1) Kind of assets distributed: Cash
- (2) Matter related to distribution of cash and total amount:
Yen 10 per share of common stock of the Company
The total amount: Yen 2,630,720,530
- (3) Effective date for distribution of surplus: June 26, 2015

2. Matters related to disposal of other surplus

- (1) Item to be reduced and reduction amount
General reserve: Yen 135,600,000,000
- (2) Item to be increased and increase amount
Retained earnings brought forward: Yen 135,600,000,000

Proposal 2: Election of Six (6) Directors

The term of office of all of the ten (10) Directors will expire at the close of this General Meeting.

The Company has intention to strengthen supervisory function by the Board of Directors, enhance mobility in the area of execution of operation through further exploiting Executive Officer system and reduce the number of Directors with a view to making it easier for opinions of External Directors who are independent from management to be reflected to the Board of Directors..

In line with above, the Company would like to propose to elect six (6) Directors, including two (2) External Directors.

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) 【Reappointment】	Jul. 1986 Joined the Company Apr. 1991 Director and General Manager, Sales Planning Headquarters Apr. 1995 Managing Director, Deputy General Manager, Sales Promotion Headquarters and General Manager, Sales Planning Division Jan. 2001 Managing Director and General Manager, Sales Promotion Headquarters Jun. 2004 Executive Vice President and Representative Director Apr. 2005 President and Representative Director Oct. 2006 President and Representative Director, and Group Representative Executive Officer (Incumbent)	2,010,500
2	Koichiro Horiuchi (September 17, 1960) 【Reappointment】 【Candidate for External Director】	Apr. 1983 Joined Long-Term Credit Bank of Japan Mar. 1988 Joined Fuji Kyuko Co., Ltd., General Manager, Corporate Planning Division, Fuji Kyuko Co., Ltd. Jun. 1988 Director, Fuji Kyuko Co., Ltd. Feb. 1989 Senior Managing Director, Fuji Kyuko Co., Ltd. Jun. 1989 Representative Director and Senior Managing Director, Fuji Kyuko Co., Ltd. Sep. 1989 President and Representative Director, Fuji Kyuko Co., Ltd. (Incumbent) Jun. 2008 External Director (Incumbent) Jun. 2012 External Audit & Supervisory Board Member, Yamanashi Chuo Bank, Ltd. (Incumbent) (Term of office from the appointment as Director of the Company to the close of this General Meeting of shareholders) 7 years (Attendance of the Meetings of the Board of Directors) 10 out of 10	0

	Name (Date of Birth)	Profile (Brief History, Position, Responsibility, and Important Position of Other Organizations Concurrently Assumed, If Any)	Number of Shares Held
3	Etsuko Okajima (May 16, 1966) 【Reappointment】 【Candidate for External Director】	Apr. 1989 Joined Mitsubishi Corporation Jan. 2001 Joined McKinsey & Company Jul. 2005 Representative and CEO, GLOBIS Management Bank Jun. 2007 Representative and CEO, ProNova Inc. (Incumbent) Jun. 2014 External Director, Astellas Pharma Inc. (Incumbent) External Director (Incumbent) (Term of office from the appointment as Director of the Company to the close of this General Meeting of shareholders) 1 year (Attendance of the Meetings of the Board of Directors) 8 out of 8	0
4	Motohiko Sato (December 17, 1953) 【Reappointment】	Mar. 1977 Joined the Company Jan. 2000 General Manager, Supply Chain and Logistics Management Division, Sales Promotion Headquarters Jun. 2005 Director and General Manager, Group Corporate Planning Division Jun. 2008 Managing Director and Managing Executive Officer Apr. 2012 Senior Managing Director and Senior Managing Executive Officer Apr. 2015 Director and Senior Managing Executive Officer, and CFO In charge of Corporate Planning and Finance Responsible for Credit Card Business and Information System (Incumbent)	44,600
5	Masao Nakamura (June 11, 1960) 【Reappointment】	Apr. 1983 Joined the Company May. 2003 General Manager, Store Planning Division, Sales Promotion Headquarters Apr. 2007 Executive Officer and General Manager, Group Business Promotion Division Jun. 2008 Director and Executive Officer, General Manager, Corporate Planning Division and General Manager, Business Development Division Apr. 2011 Managing Director and Managing Executive Officer President and Representative Director, Marui Co., Ltd. (Incumbent) Apr. 2015 Director and Managing Executive Officer Responsible for Retailing and Store Operations Business (Incumbent)	20,600

	Name (Date of Birth)	Profile (Brief History, Position, Responsibility, and Important Position of Other Organizations Concurrently Assumed, If Any)	Number of Shares Held
6	Tomoo Ishii (July 16, 1960) 【Reappointment】	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 and Executive Officer, and General Manager, General Affairs Division Apr. 2013 Director and Executive Officer, and General Manager, Personnel Division Apr. 2015 Director and Executive Officer, Chief Operating Officer, Healthcare Promotion and General Manager, Personnel Division In charge of General Affairs and Healthcare Promotion (Incumbent)	16,100

Notes:

1. 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.
2. 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 seven (7) years at the close of this General Meeting.
3. Ms. Etsuko Okajima's name on the family register is Ms. Etsuko Mino.
4. Ms. Etsuko Okajima is Representative and CEO of ProNova Inc., a company with deep knowledge on diversity. ProNova Inc. is providing training support for the Company in promoting women at work place. The training support was provided a total of 8 times, and the payment amount is 2 million yen She is satisfied with "Criteria for Independence for External Directors" of the Company and the relationship with the Company and ProNova has substantially no negative effect on her independence. Please refer to "Criteria for Independence for External Directors" of the Company on our web site (<http://www.0101maruigroup.co.jp/outside.html>)
5. Ms. Etsuko Okajima is a candidate for External Director and the Company has submitted a notification designating her as an independent director/audit & supervisory board member to Tokyo Stock Exchange, Inc.
6. Reason for election of Ms. Etsuko Okajima as a candidate for External Director is that she 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 she could continuously discharge her duties. She will have been in office of External Director of the Company for one (1) year at the close of this General Meeting.
7. The Company has entered into damage compensation limit agreement with each of Mr. Koichiro Horiuchi and Ms. Etsuko Okajima under which his/her liability shall be limited to the minimum amount provided for in the laws. In the event that they are re-elected as External Director, the Company is scheduled to enter into the same agreement with each of them.

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

The term of Audit & Supervisory Board Member, Mr. Michitaka Mukohara, among the four (4) Audit & Supervisory Board Members currently in office will expire as Audit & Supervisory Board Member at the close of this Meeting.

Accordingly, the Company would like to propose to elect 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 (Brief History, Position, Responsibility, and Important Position of Other Organizations Concurrently Assumed, If Any)	Number of Shares Held
Hideaki Fujizuka (September 1, 1955) 【New】	Apr. 1980 Joined Mitsubishi Bank Ltd. (current Bank of Tokyo Mitsubishi UFJ, Ltd.) Jun. 2007 Executive Officer and General Manager, General Affair Dept., Bank of Tokyo Mitsubishi UFJ, Ltd. Jun. 2010 President and Director, Chitose Kosan, Co., Ltd. Apr. 2012 Director, Senior Executive Managing Officer and Group President of Corporate Center, Olympus Corp. Apr. 2015 Director, Olympus Corp. (to be retired in Jun. 2015)	0

Notes:

1. There is no special interest between the candidate and the Company.
2. Mr. Fujizuka is not a candidate for External Audit & Supervisory Board Member

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 78th Ordinary General Meeting of Shareholders of the Company held on June 26, 2014 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 would like to propose 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 (Brief History, Position, Responsibility, 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. (to be retired in Jun. 2015) Jun. 2011 External Audit & Supervisory Board Member, NEC Fielding, Ltd. (to be retired in Jun. 2015)	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 and ordinances at the time he assumes office of Audit & Supervisory Board Member.

End

Reference

Notice with respect to the determination of matters related to acquisition of shares of the Company

(acquisition of shares of the Company pursuant to the provisions of the Articles of Incorporation of the Company under Article 165, Paragraph 2 of the Companies Act.)

The Company made a resolution with respect to matters related to acquisition of shares of the Company pursuant to Article 156 of the Companies Act mutatis mutandis by virtue of Article 165, Paragraph 3 thereof at the Board of Directors held on May 14, 2015. In this connection, we would like to make a notice with respect to this resolution as follows:

1. Reason for acquisition of shares of the Company:
The Company group intends to enhance the corporate value through promoting a growing strategy and a financial strategy in the medium three year management plan ending the financial year ending March 31, 2017. In the financial strategy utilizing actively cash flow derived for the three years, the Company will reinforce investment for growing areas and return of profit to shareholders. As a part thereof, the Company will consummate acquisition of shares of the Company to the extent of total yen 50 billion within the medium management plan, achieve 6% or higher ROE at the early stage and strive to increase benefit of shareholders. Based on the above idea, the Company resolved upon the below following the acquisition of shares of the Company in the total amount of yen 15 billion carried out during the financial year ended March 31, 2015.
2. Type of shares to be acquired:
Common stock of the Company
3. Total number of shares to be acquired:
Up to 17 million shares
(6.5% of the total number of outstanding shares (excluding treasury stock))
4. Total amount of shares to be acquired:
Yen 20 billion
5. Period of acquisition:
From May 15, 2015 to August 31, 2015