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

Stock Exchange Code: 8252

June 11, 2020

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

MARUI GROUP CO., LTD.

Hiroshi Aoi

President and Director

Notice of Convocation of the 84th Ordinary General Meeting of Shareholders

Dear Shareholders:

You are hereby informed that the 84th Ordinary General Meeting of Shareholders of MARUI GROUP CO., LTD. (the “Company”) will be held as follows.

You can exercise your votes through either of the methods stated below. The Company respectfully requests you to view the “Reference Document Concerning the General Meeting of Shareholders” below and exercise your voting rights on or before 7:00 p.m. (JST) June 26, 2020 (Friday).

Given the recent effect of COVID-19, we request that you refrain from attending the General Meeting of Shareholders for this year, regardless of your state of health.

GUIDANCE ON THE WAY TO EXERCISE THE VOTING RIGHTS:

[For those 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 deadline stated above.

[For those exercising voting rights via the Internet]

Please scan the QR code printed on the enclosed Voting Rights Exercise Form or access the website for the exercise of voting rights (<https://evote.tr.mufg.jp/>), and indicate whether you approve or disapprove the items on the agenda by following the instructions on the screen by the deadline 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 in the Japanese language.)*

[For those attending the General Meeting of Shareholders]

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

PARTICULARS

1. **Date and Time of the Meeting:** Monday, June 29, 2020 at 10:00 a.m.
(Reception commences at 9:30 a.m.)
2. **Place of the Meeting:** 3rd Floor of the Head Office of MARUI GROUP CO., LTD.
at 3-2, Nakano 4-chome, Nakano-ku, Tokyo, Japan
3. **Matters to be Addressed 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 84th Fiscal Year (from April 1, 2019 to March 31, 2020).
2. Report on the Results of the Audits of Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board.

Matters to be Resolved:

Proposal 1: Proposed Disposal of Surplus

Proposal 2: Election of Eight (8) Directors

Proposal 3: Election of Three (3) Audit & Supervisory Board Members

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 -

- 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 (<https://www.0101maruigroup.co.jp/>).

A message to all of our shareholders

Hiroshi Aoi
President and Representative
Director, Group Representative
Executive Officer, and CEO

Let me begin by expressing my sincere appreciation for your ongoing patronage and support of the MARUI GROUP.

I also would like to extend my deepest sympathies to all those who have been affected by COVID-19.

Since its founding in 1931, the Group has continued to evolve its unique business model merging retailing and finance to reflect changes in the times and consumers, all the while being guided by the co-creation philosophy that “credibility should be built together with customers.”

Our corporate philosophy is to “continue evolving to better aid our customers” and we “equate the development of our people with the development of our company.” Based on this philosophy, we practice “Co-creation Sustainability Management” to co-create “happiness” of all of our stakeholders.

The Group’s “Co-creation Sustainability Management” aims to achieve harmony between, and expand “happiness” of, the six rings of stakeholders including customers, investors, business partners, communities and society, employees and future generations to build a sustainable society and global environment through our businesses.

The MARUI GROUP will engage in communication with shareholders while aiming to build a flourishing and inclusive society that offers happiness to everyone. We sincerely ask for continued support and encouragement from our shareholders.

June 2020

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, and will implement ongoing, long-term dividend increases.

Based on the effect of the spread of COVID-19, it is proposed that the year-end dividends for the fiscal year under review be 22 yen per share. Together with the interim dividends which have been paid, the annual payment of dividends for the fiscal year under review shall be 50 yen per share, an increase of 1 yen per share compared with the previous fiscal year, which is the increase in dividends for eight (8) consecutive fiscal years.

Matters related to the year-end dividend:

- (1) Type of assets distributed: Cash
- (2) Matter related to distribution of cash and total amount:
22 yen per share of common stock of the Company
Total amount: 4,729,057,278 yen
- (3) Effective date for distribution of surplus: June 30, 2020

Proposal 2: Election of Eight (8) Directors

The term of office of all of the eight (8) Directors will expire at the close of this General Meeting.
The Company would like to propose to elect eight (8) Directors.

The candidates for Directors are as follows:

Candidate Number	Name		Positions and Responsibilities at the Company	Attendance to the Meetings of the Board of Directors
1	Hiroshi Aoi	【Reappointment】	President and Representative Director, Group Representative Executive Officer, and CEO	9/9 100%
2	Etsuko Okajima Female	【Reappointment】 【Candidate for External Director】 【Candidate for Independent Director】	External Director	8/9 89%
3	Yoshitaka Taguchi	【Reappointment】 【Candidate for External Director】 【Candidate for Independent Director】	External Director	9/9 100%
4	Masahiro Muroi	【Reappointment】 【Candidate for External Director】 【Candidate for Independent Director】	External Director	9/9 100%
5	Masao Nakamura	【Reappointment】	Director and Senior Managing Executive Officer In charge of Retailing Business In charge of Corporate Planning and Customer Success	9/9 100%
6	Hirotsugu Kato	【Reappointment】	Director and Managing Executive Officer, CFO General Manager, IR Department In charge of Finance, Investment Research, Sustainability and ESG Promotion	9/9 100%
7	Masahisa Aoki	【Reappointment】	Director and Senior Executive Officer	*7/7 100%
8	Yuko Ito Female	【Reappointment】	Director and Executive Officer General Manager, Group Design Center and Construction Department	*7/7 100%

* Attendance to the Meetings of the Board of Directors for Mr. Masahisa Aoki and Ms. Yuko Ito indicates the status after their assumption of office as Director on June 20, 2019.

	Name (Date of Birth)	(Brief History, Positions, Responsibilities, and Important Positions at Other Organizations Concurrently Assumed, If Any)	Number of Shares Held
1	<p>Hiroshi Aoi (January 17, 1961) 【Reappointment】</p> <p>▶ Attendance to the Meetings of the Board of Directors: 9 out of 9 (100%)</p>	<p>Jul. 1986 Joined the Company</p> <p>Apr. 1991 Director, and General Manager, Sales Planning Headquarters</p> <p>Apr. 1995 Managing Director, Deputy General Manager, Sales Promotion Headquarters, and General Manager, Sales Planning Division</p> <p>Jan. 2001 Managing Director, and General Manager, Sales Promotion Headquarters</p> <p>Jun. 2004 Executive Vice President and Representative Director</p> <p>Apr. 2005 President and Representative Director</p> <p>Oct. 2006 President and Representative Director, and Group Representative Executive Officer</p> <p>Apr. 2019 President and Representative Director, Group Representative Executive Officer and CEO (Incumbent)</p> <hr/> <p>Reasons for nomination as a candidate for Director</p> <p>Mr. Hiroshi Aoi has properly operated the Board of Directors as the chairman and duly performed his supervisory functions for important management decision making and operational execution as President and Representative Director of the Company since 2005. He has ample business experience and knowledge as a corporate manager, and has controlled overall operation of the Group and performed his duties properly as Group Representative Executive Officer. Based on the above reasons, the Company believes that he can fully perform his functions for long- and medium-term improvement in corporate value of the Company. Therefore, the Company has nominated him as a candidate for a Director.</p>	1,548,700

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

	Name (Date of Birth)	(Brief History, Positions, Responsibilities, and Important Positions at Other Organizations Concurrently Assumed, If Any)	Number of Shares Held
2	<p>Etsuko Okajima (May 16, 1966)</p> <p>【Reappointment】 【Candidate for External Director】 【Candidate for Independent Director】</p> <p>▶ Term of office from the appointment as Director of the Company to the close of this Ordinary General Meeting of Shareholders: 6 years ▶ Attendance to the Meetings of the Board of Directors: 8 out of 9 (89%)</p>	<p>Apr. 1989 Joined Mitsubishi Corporation Jan. 2001 Joined McKinsey & Company Jul. 2005 Representative and CEO, GLOBIS Management Bank Jun. 2007 President and CEO, ProNova Inc. (Incumbent) Jun. 2014 External Director, the Company (Incumbent) Dec. 2018 Outside Director, euglena Co., Ltd. (Incumbent)</p> <p>Reasons for nomination as a candidate for External Director</p> <p>Ms. Etsuko Okajima has experience and extensive knowledge of corporate management and is well versed in diversity. She has currently performed her duties as External Director of the Company properly from an independent, objective position. As the Company believes that she can continue to contribute to the reinforcement of supervisory function for management of the Company, the Company has nominated her as a candidate for an External Director.</p>	0

- Notes: 1. There is no special interest between the candidate and the Company.
2. Ms. Etsuko Okajima is a candidate for External Director and the Company has submitted a notification designating her as an independent director to Tokyo Stock Exchange, Inc.
3. Ms. Etsuko Okajima's name on the family register is Ms. Etsuko Mino.
4. The Company has entered into a liability limiting agreement with Ms. Etsuko Okajima under which her liability shall be limited to the higher of a predetermined amount of 10 million yen or the amount set by the laws and regulations. In the event that Ms. Etsuko Okajima is reelected as External Director, the Company plans to continue the liability limiting agreement with her.

	Name (Date of Birth)	(Brief History, Positions, Responsibilities, and Important Positions at Other Organizations Concurrently Assumed, If Any)	Number of Shares Held
3	<p>Yoshitaka Taguchi (April 20, 1961) 【Reappointment】 【Candidate for External Director】 【Candidate for Independent Director】</p> <ul style="list-style-type: none"> ▶ Term of office from the appointment as Director of the Company to the close of this Ordinary General Meeting of Shareholders: 2 years ▶ Attendance to the Meetings of the Board of Directors: 9 out of 9 (100%) 	<p>Mar. 1985 Joined Seino Transportation Co., Ltd. (current Seino Holdings Co., Ltd.)</p> <p>Jul. 1989 Director, Seino Transportation Co., Ltd. (current Seino Holdings Co., Ltd.)</p> <p>Jul. 1991 Managing Director, Seino Transportation Co., Ltd. (current Seino Holdings Co., Ltd.)</p> <p>Jun. 1996 Senior Managing Director, Seino Transportation Co., Ltd. (current Seino Holdings Co., Ltd.)</p> <p>Oct. 1998 Representative Director and Vice President, Seino Transportation Co., Ltd. (current Seino Holdings Co., Ltd.)</p> <p>Jun. 2003 President and Chief Operating Officer, Seino Transportation Co., Ltd. (current Seino Holdings Co., Ltd.) (Incumbent)</p> <p>Jun. 2018 External Director, the Company (Incumbent)</p> <p>Reasons for nomination as a candidate for External Director</p> <p>Mr. Yoshitaka Taguchi has ample experience and extensive knowledge with many years of active participation in corporate management. As the Company believes that he can continue to contribute to the reinforcement of supervisory function for management of the Company from an independent and objective position as External Director of the Company, the Company has nominated him as a candidate for an External Director.</p>	400

- Notes: 1. Mr. Yoshitaka Taguchi is a candidate for External Director and the Company has submitted a notification designating him as an independent director to Tokyo Stock Exchange, Inc.
2. Mr. Yoshitaka Taguchi concurrently serves as Representative Director of Seino Holdings Co., Ltd. A subsidiary of the Company recorded 26 million yen of commission fee for instore delivery services, etc., received from two subsidiaries of the said company (Seino Transportation Co., Ltd. and another company) for the most recent fiscal year. The amount accounted for 0.01% of the total consolidated operating revenue of the Company, and therefore he satisfies the “Criteria for Independence for External Directors and Audit & Supervisory Board Members” of the Company. For the “Criteria for Independence for External Directors and Audit & Supervisory Board Members” of the Company, please see “Criteria for Independence for External Directors and Audit & Supervisory Board Members” set forth as follows hereafter.
3. The Company has entered into a liability limiting agreement with Mr. Yoshitaka Taguchi under which his liability shall be limited to the higher of a predetermined amount of 10 million yen or the amount set by the laws and regulations. In the event that Mr. Yoshitaka Taguchi is reelected as External Director, the Company plans to continue the liability limiting agreement with him.

	Name (Date of Birth)	(Brief History, Positions, Responsibilities, and Important Positions at Other Organizations Concurrently Assumed, If Any)	Number of Shares Held
4	<p>Masahiro Muroi (July 13, 1955) 【Reappointment】 【Candidate for External Director】 【Candidate for Independent Director】</p> <ul style="list-style-type: none"> ▶ Term of office from the appointment as Director of the Company to the close of this Ordinary General Meeting of Shareholders: 3 years ▶ Attendance to the Meetings of the Board of Directors: 9 out of 9 (100%) 	<p>Apr. 1978 Joined Nomura Computer System Co., Ltd. (current Nomura Research Institute, Ltd.)</p> <p>Jun. 2000 Member of the Board, Nomura Research Institute, Ltd.</p> <p>Apr. 2009 Representative and Senior Executive Managing Director, Member of the Board, Nomura Research Institute, Ltd.</p> <p>Apr. 2013 Representative and Vice President, Member of the Board, Nomura Research Institute, Ltd.</p> <p>Apr. 2015 Vice chairman, Member of the Board, Nomura Research Institute, Ltd.</p> <p>Jun. 2016 External Director, Ryoden Corporation (Incumbent)</p> <p>Jun. 2017 External Director, the Company (Incumbent)</p> <p>Jun. 2018 Audit & Supervisory Board Member, The Norinchukin Bank (Incumbent)</p> <hr/> <p>Reasons for nomination as a candidate for External Director</p> <p>Mr. Masahiro Muroi has experience in taking the initiative in corporate governance reforms as a corporate manager and deep knowledge of leading-edge technology and the digital field. As the Company believes that he can contribute to the reinforcement of supervisory function for management of the Company when developing a growth strategy by digital innovation which the Company will promote, the Company has nominated him as a candidate for an External Director.</p>	0

- Notes: 1. There is no special interest between the candidate and the Company.
2. Mr. Masahiro Muroi is a candidate for External Director and the Company has submitted a notification designating him as an independent director to Tokyo Stock Exchange, Inc.
3. The Company has entered into a liability limiting agreement with Mr. Masahiro Muroi under which his liability shall be limited to the higher of a predetermined amount of 10 million yen or the amount set by the laws and regulations. In the event that Mr. Masahiro Muroi is reelected as External Director, the Company plans to continue the liability limiting agreement with him.

	Name (Date of Birth)	(Brief History, Positions, Responsibilities, and Important Positions at Other Organizations Concurrently Assumed, If Any)	Number of Shares Held
5	<p>Masao Nakamura (June 11, 1960) 【Reappointment】</p> <p>▶ Attendance to the Meetings of the Board of Directors: 9 out of 9 (100%)</p>	<p>Apr. 1983 Joined the Company</p> <p>May 2003 General Manager, Store Planning Division, Sales Promotion Headquarters</p> <p>Apr. 2007 Executive Officer, and General Manager, Group Business Promotion Division</p> <p>Jun. 2008 Director and Executive Officer, and General Manager, Corporate Planning Division and Business Development Division</p> <p>Apr. 2011 Managing Director and Managing Executive Officer President and Representative Director, MARUI CO., Ltd.</p> <p>Apr. 2015 Director and Managing Executive Officer, the Company Responsible for Retailing and Store Operations Business</p> <p>May 2016 Director and Managing Executive Officer Responsible for Retailing Business</p> <p>Oct. 2017 Director and Managing Executive Officer Responsible for FinTech Business</p> <p>Apr. 2019 Director and Senior Managing Executive Officer Responsible for FinTech Business In charge of Corporate Planning, Real Estate Business and Customer Success</p> <p>Apr. 2020 Director and Senior Managing Executive Officer In charge of Retailing Business In charge of Corporate Planning and Customer Success (Incumbent)</p> <p>Reasons for nomination as a candidate for Director</p> <p>Mr. Masao Nakamura has business experience in corporate planning, business development, store planning, etc. and has performed his supervisory functions properly for important management decision making and operational execution as Director of the Company since 2008. He has controlled retailing business, corporate planning and customer success departments and performed his duties properly as Senior Managing Executive Officer of the Company. Based on the above reasons, the Company believes that he can fully perform his functions for long- and medium-term improvement in corporate value of the Company. Therefore, the Company has nominated him as a candidate for a Director.</p>	26,500

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

	Name (Date of Birth)	(Brief History, Positions, Responsibilities, and Important Positions at Other Organizations Concurrently Assumed, If Any)	Number of Shares Held
6	<p>Hirotsugu Kato (July 30, 1963) 【Reappointment】</p> <p>▶ Attendance to the Meetings of the Board of Directors: 9 out of 9 (100%)</p>	<p>Mar. 1987 Joined the Company</p> <p>Apr. 2013 General Manager, Corporate Planning Division</p> <p>Apr. 2015 Executive Officer, and General Manager, Corporate Planning Division</p> <p>Oct. 2015 Executive Officer, and General Manager, Corporate Planning Division and IR Department</p> <p>Jun. 2016 Director and Senior Executive Officer General Manager, Corporate Planning Division and IR Department</p> <p>Oct. 2016 Director and Senior Executive Officer General Manager, Corporate Planning Division and IR Department</p> <p> In charge of ESG Promotion</p> <p>Apr. 2017 Director and Senior Executive Officer General Manager, IR Department</p> <p> In charge of Corporate Planning Division and ESG Promotion</p> <p>Oct. 2017 Director and Senior Executive Officer CDO</p> <p> General Manager, IR Department</p> <p> In charge of Corporate Planning and ESG Promotion</p> <p>Apr. 2019 Director and Managing Executive Officer, CFO General Manager, IR Department</p> <p> In charge of Finance, Investment Research, Sustainability and ESG Promotion (Incumbent)</p> <p>Reasons for nomination as a candidate for Director</p> <p>Mr. Hirotsugu Kato has business experience in corporate planning, finance, and IR, etc. and has performed his supervisory functions properly for important management decision making and operational execution as Director of the Company since 2016. He also has controlled finance, investment research, sustainability and ESG promotion and performed his duties properly as Managing Executive Officer of the Company. Based on the above reasons, the Company believes that he can fully perform his functions for long- and medium-term improvement in corporate value of the Company. Therefore, the Company has nominated him as a candidate for a Director.</p>	8,800

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

	Name (Date of Birth)	(Brief History, Positions, Responsibilities, and Important Positions at Other Organizations Concurrently Assumed, If Any)	Number of Shares Held
7	<p>Masahisa Aoki (July 16, 1969) 【Reappointment】</p> <p>▶ Attendance to the Meetings of the Board of Directors: 7 out of 7 (100%)</p>	<p>Apr. 1992 Joined MOVING CO., LTD.</p> <p>Apr. 2015 Store Manager, Shinjuku Marui Annex, MARUI CO., LTD.</p> <p>Apr. 2016 General Manager, Anime Business Department, the Company</p> <p>Apr. 2017 Executive Officer, and General Manager, Anime Business Department</p> <p>Apr. 2018 Executive Officer, and General Manager, New Business Development Department</p> <p>Apr. 2019 In charge of Anime Business Senior Executive Officer President and Representative Director, MARUI CO., LTD. In charge of Anime Business</p> <p>Jun. 2019 Director and Senior Executive Officer, the Company President and Representative Director, MARUI CO., LTD. In charge of Anime Business</p> <p>Apr. 2020 Director and Senior Executive Officer, the Company President and Representative Director, MARUI CO., LTD. (Incumbent)</p> <p>Reasons for nomination as a candidate for Director</p> <p>Mr. Masahisa Aoki has business experience in the planning division for logistics, store operation, and direct marketing, and as a store manager of a Marui store, and has performed the supervisory functions properly for important management decision making and operational execution as Director of the Company since 2019. He also has controlled store operation and direct marketing, and performed his duties properly as Senior Executive Officer of the Company. Based on the above reasons, the Company believes that he can fully perform his functions for long- and medium-term improvement in corporate value of the Company. Therefore, the Company has nominated him as a candidate for a Director.</p>	6,600

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

	Name (Date of Birth)	(Brief History, Positions, Responsibilities, and Important Positions at Other Organizations Concurrently Assumed, If Any)	Number of Shares Held
8	Yuko Ito (June 2, 1962) 【Reappointment】 ▶ Attendance to the Meetings of the Board of Directors: 7 out of 7 (100%)	<p>Mar. 1986 Joined the Company</p> <p>Oct. 2007 General Manager, Construction Department</p> <p>Apr. 2012 Director, AIM CREATE CO., LTD.</p> <p>Apr. 2014 Executive Officer, and General Manager, Construction Department, the Company</p> <p>Apr. 2018 Executive Officer, and General Manager, Group Design Center and Construction Department</p> <p>Apr. 2019 Managing Director, AIM CREATE CO., LTD. (Incumbent)</p> <p>Jun. 2019 Director and Executive Officer, and General Manager, Group Design Center and Construction Department, the Company (Incumbent)</p> <hr/> <p>Reasons for nomination as a candidate for Director</p> <p>Ms. Yuko Ito has business experience in the planning and construction control division for architecture and interiors, and has performed her supervisory functions properly for important management decision making and operational execution as Director of the Company since 2019. She also has controlled groupwide design strategy and the architecture division and performed her duties properly as Executive Officer of the Company. Based on the above reasons, the Company believes that she can fully perform her functions for long- and mid-term improvement in corporate value of the Company. Therefore, the Company has nominated her as a candidate for a Director.</p>	10,300

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

Proposal 3: Election of Three (3) Audit & Supervisory Board Members

The term of office of Audit & Supervisory Board Members Mr. Tadashi Ooe and Mr. Takehiko Takagi, two (2) of current four (4) Members, will expire at the close of this General Meeting. Mr. Hideaki Fujizuka will resign as Audit & Supervisory Board Member at the close of this General Meeting.

The term of office of Mr. Takehiko Takagi as Audit & Supervisory Board Member will be 12 years, however, taking the future audit system into consideration, the Company believes that he can continue to contribute to fair audit based on his extensive knowledge and experience, and has nominated him as a candidate for an Audit & Supervisory Board Member.

Accordingly, the Company would like to propose to elect three (3) Audit & Supervisory Board Members, including one (1) new Audit & Supervisory Board Member and one (1) new External Audit & Supervisory Board Member.

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

The candidates for Audit & Supervisory Board Member are as follows:

	Name (Date of Birth)	(Brief History, Positions, and Important Positions at Other Organizations Concurrently Assumed, If Any)	Number of Shares Held
1	<p>Hitoshi Kawai (January 17, 1967) 【New appointment】</p> <ul style="list-style-type: none"> ▶ Attendance to the Meetings of the Board of Directors: - ▶ Attendance to the Meetings of the Audit & Supervisory Board: - 	<p>Apr. 1989 Joined The Mitsubishi Bank, Ltd. (current MUFG Bank, Ltd.)</p> <p>Jan. 2013 General Manager, Business Planning Division, Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.</p> <p>Oct. 2014 General Manager, Corporate Banking Group No. 2, Corporate Banking Division No. 8, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (current MUFG Bank, Ltd.)</p> <p>Jun. 2016 Executive Officer, General Manager, Corporate Banking Group No. 2, Corporate Banking Division No. 8, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (current MUFG Bank, Ltd.)</p> <p>May 2017 Executive Officer, Branch Manager, Kyoto Branch, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (current MUFG Bank, Ltd.)</p> <p>Apr. 2020 Executive Officer, MUFG Bank, Ltd. (scheduled to retire in June 2020)</p> <p>Reasons for nomination as a candidate for Audit & Supervisory Board Member</p> <p>Mr. Hitoshi Kawai has held important posts at MUFG Bank, Ltd. and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., and has excellent insights in finance, accounting, and governance, etc., obtained based on his abundant experience. As the Company believes that he can contribute to fair audit as Audit & Supervisory Board Member of the Company based on his excellent insight, the Company has nominated him as a candidate for an Audit & Supervisory Board Member.</p>	0

Notes: 1. There is no special interest between the candidate and the Company.

2. Mr. Hitoshi Kawai is not a candidate for External Audit & Supervisory Board Member of the Company.

	Name (Date of Birth)	(Brief History, Positions, and Important Positions at Other Organizations Concurrently Assumed, If Any)	Number of Shares Held
2	<p>Takehiko Takagi (January 23, 1945) 【Reappointment】 【Candidate for External Audit & Supervisory Board Member】 【Candidate for Independent Audit & Supervisory Board Member】</p> <ul style="list-style-type: none"> ▶ Term of office from the appointment as Audit & Supervisory Board Member of the Company to the close of this Ordinary General Meeting of Shareholders: 12 years ▶ Attendance to the Meetings of the Board of Directors: 9 out of 9 (100%) ▶ Attendance to the Meetings of the Audit & Supervisory Board: 15 out of 15 (100%) 	<p>Jul. 2001 Commissioner, Kanazawa Regional Taxation Bureau Jul. 2002 President, National Tax College Jul. 2003 Retired from National Tax Agency Aug. 2003 Registered as Tax Accountant Jun. 2008 External Audit & Supervisory Board Member, the Company (Incumbent) Jun. 2010 External Audit & Supervisory Board Member, KAWADA TECHNOLOGIES, inc. (Incumbent)</p> <p>Reasons for nomination as a candidate for External Audit & Supervisory Board Member</p> <p>Mr. Takehiko Takagi is a qualified tax accountant and has been currently performing his duties properly as an External Audit & Supervisory Board Member of the Company. As the Company believes that he can continue to perform his duties for the Company, the Company has nominated him as a candidate for an External Audit & Supervisory Board Member.</p>	8,600

- Notes: 1. There is no special interest between the candidate and the Company.
2. Mr. Takehiko Takagi is a candidate for External Audit & Supervisory Board Member of the Company. The Company has submitted a notification designating him as an independent audit & supervisory board member to Tokyo Stock Exchange, Inc.
3. The Company has entered into a liability limiting agreement with Mr. Takehiko Takagi under which his liability shall be limited to the higher of a predetermined amount of 10 million yen or the amount set by the laws and regulations. In the event that Mr. Takehiko Takagi is reelected as External Audit & Supervisory Board Member, the Company plans to continue the liability limiting agreement with him.

	Name (Date of Birth)	(Brief History, Positions, and Important Positions at Other Organizations Concurrently Assumed, If Any)	Number of Shares Held
3	<p>Yoko Suzuki (September 21, 1970) 【New appointment】 【Candidate for External Audit & Supervisory Board Member】 【Candidate for Independent Audit & Supervisory Board Member】</p> <ul style="list-style-type: none"> ▶ Term of office from the appointment as Audit & Supervisory Board Member of the Company to the close of this Ordinary General Meeting of Shareholders: - ▶ Attendance to the Meetings of the Board of Directors: - ▶ Attendance to the Meetings of the Audit & Supervisory Board: - 	<p>Apr. 1998 Registered as Attorney Joined Takagi Godo Law Office</p> <p>Nov. 2002 Partner, Suzuki Sogo Law Office (Incumbent)</p> <p>Apr. 2015 Auditor, The Research Institute of Economy, Trade and Industry (Incumbent)</p> <p>Mar. 2018 Outside Director, Member of the Audit Committee, Bridgestone Corporation (Incumbent)</p> <p>Jun. 2018 Outside Director, Audit & Supervisory Committee Member, Nippon Pigment Company Limited (Incumbent) Auditor, Hitotsubashi University Collaboration Center (Incumbent)</p> <p>Reasons for nomination as a candidate for External Audit & Supervisory Board Member</p> <p>In addition to advanced expertise as a lawyer, Ms. Yoko Suzuki has ample experience and extensive knowledge as an external director, audit committee member, etc., at other companies, and is well-versed in corporate laws and legality audit. As the Company believes that she can contribute to fair audit as External Audit & Supervisory Board Member of the Company, the Company has nominated her as a candidate for an External Audit & Supervisory Board Member.</p>	0

Notes: 1. There is no special interest between the candidate and the Company.

2. Ms. Yoko Suzuki is a candidate for External Audit & Supervisory Board Member of the Company. The Company plans to submit a notification designating her as an independent audit & supervisory board member to Tokyo Stock Exchange, Inc., subject to approval of her appointment.
3. In the event that Ms. Yoko Suzuki is elected as External Audit & Supervisory Board Member, the Company plans to enter into a liability limiting agreement with her under which her liability shall be limited to the higher of a predetermined amount of 10 million yen or the amount set by the laws and regulations.

(Reference)

If this Proposal is approved, the structure of Audit & Supervisory Board Members will be as follows.

	Name		Position at the Company	Term of office as Audit & Supervisory Board Member
【New appointment】	Hitoshi Kawai		Audit & Supervisory Board Member (Full time)	—
【Incumbent】	Nariaki Fuse		Audit & Supervisory Board Member (Full time)	2 years
【Reappointment】	Takehiko Takagi	【External Audit & Supervisory Board Member】 【Independent Audit & Supervisory Board Member】	External Audit & Supervisory Board Member	12 years
【New appointment】	Yoko Suzuk Female	【External Audit & Supervisory Board Member】 【Independent Audit & Supervisory Board Member】	External Audit & Supervisory Board Member	—

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

The resolution of electing Mr. Akira Nozaki as a Substitute Audit & Supervisory Board Member made at the 83rd Ordinary General Meeting of Shareholders of the Company held on June 20, 2019 will be in effect until the start of this General Meeting.

For the purpose of preparing for the case in which the number of Audit & Supervisory Board Member falls below the minimum number stipulated in the laws and regulations, 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.

The candidate for Substitute Audit & Supervisory Board Member is as follows:

Name (Date of Birth)	(Brief History and Important Positions at Other Organizations Concurrently Assumed, If Any)	Number of Shares Held
Akira Nozaki (November 20, 1957) 【Candidate for Substitute External Audit & Supervisory Board Member】 【Candidate for Independent Audit & Supervisory Board Member】	Apr. 1988 Registered as Attorney Jun. 2015 External Director, ICHIKAWA CO., LTD. (Incumbent) Jun. 2017 Audit & Supervisory Board Member, J-OIL MILLS, Inc. (Incumbent) Reasons for nomination as a candidate for Substitute External Audit & Supervisory Board Member The Company believes that he can carry out audit of the Company based on his legal knowledge and experience obtained through his long-term practice as a lawyer. Therefore, the Company has nominated him as a candidate for a Substitute External Audit & Supervisory Board Member.	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 of the Company. In the event that his election is approved and he assumes the post of External Audit & Supervisory Board Member, the Company plans to submit an Independent Officer Registration Statement to the Tokyo Stock Exchange, Inc. that designates him as an independent audit & supervisory board member.

3. In the event that Mr. Akira Nozaki is elected and assumes the post of External Audit & Supervisory Board Member, the Company plans to enter into a liability limiting agreement with Mr. Akira Nozaki under which his liability shall be limited to the higher of a predetermined amount of 10 million yen or the amount set by the laws and regulations.

Criteria for Independence for External Directors and Audit & Supervisory Board Members

MARUI GROUP aims to ensure the appropriate levels of objectivity and transparency necessary for effective corporate governance. For this reason, it has established the following criteria for determining the independence of External Directors, External Audit & Supervisory Board Members, and candidates for these two positions. Individuals that meet all of these criteria are judged to be sufficiently independent from the Company.

1. The individual must not be a person involved in operation*1 of the Company, its subsidiaries, or its affiliates and must not have been a person involved in operation during the past ten (10) years.
2. The individual must not be a major supplier*2 of the Company, its subsidiaries, or its affiliates or a person involved in operation of a major supplier.
3. The individual must not be a major customer*3 of the Company, its subsidiaries, or its affiliates or a person involved in operation of a major customer.
4. The individual must not be a major shareholder of the Company possessing direct or indirect holdings equating to 10% or more of voting rights, or a person involved in operation of a major shareholder.
5. The individual must not be a person involved in operation of an entity in which the Company, its subsidiaries, or its affiliates possesses direct or indirect holdings equating to 10% or more of the total voting rights of such entity.
6. The individual must not be a consultant, a certified public accountant or other accounting specialist, or a lawyer or other legal specialist receiving large amounts of monetary payments or other financial assets*4 from the Company, its subsidiaries, or its affiliates that are separate from the compensation paid for services as a Director or Audit & Supervisory Board Member. The individual also must not belong to a company or other organization that receives such payments or assets.
7. The individual must not receive large amounts of monetary payments or other financial assets*4 as donations from the Company, its subsidiaries, or its affiliates and must not belong to a company or other organization that receives such donations.
8. The individual must not be the accounting auditor of the Company. The individual also must not belong to a company or other organization that serves as the accounting auditor of the Company.
9. The individual must not have been applicable under items 2. to 8. during the past five (5) years.
10. The individual must not be a relative*5 of an individual that qualifies under Items 2. to 8. (only applicable to relatives of important persons involved in operation*6 for all items except Items 6. and 8.).
11. The individual must not be a person involved in operation of another company with which the Company is in interrelationship of external officers*7.

*1 A “person involved in operation” is defined as an executive director, executive officer, or employee with operational execution responsibilities of a stock company; a director of a non-company legal entity or organization; or individuals serving persons in similar positions or at similar companies, non-company legal entities, or organizations.

*2 A “major supplier” is defined as an entity that fulfills one of the following conditions:

- a. A supplier group (the corporate group to which the supplier that serves as the direct transaction counterparty belongs) that provides products or services to the Company, its subsidiaries, or its affiliates and for which transactions with the Company, its subsidiaries, and its affiliates equated to 10 million yen or more and represented more than 2% of the total consolidated net sales (the total consolidated operating revenue) or transaction revenues of the supplier group in the most recently completed fiscal year.
- b. A supplier group with which liabilities of the Company, its subsidiaries, or its affiliates are associated and for which the applicable liabilities equated to 10 million yen or more and represented more than 2% of the consolidated total assets of the supplier group as of the end of the most recently completed fiscal year.

*3 A “major customer” is defined as an entity that fulfills one of the following conditions:

- a. A customer group (the corporate group to which the customer that serves as the direct transaction counterparty belongs) to which the Company, its subsidiaries, or its affiliates provide products or services and for which the total amount of transactions with the customer group equated to 10 million yen or more and represented more than 2% of the total consolidated operating revenue of the Company in the most recently completed fiscal year.
 - b. A customer group possessing liabilities that are associated with the Company, its subsidiaries, or its affiliates and that equated to 10 million yen or more and represented more than 2% of the consolidated total assets of the Company as of the end of the most recently completed fiscal year.
 - c. A financial group (the financial group to which the customer that serves as the direct transaction counterparty belongs) from which the Company, its subsidiaries, or its affiliates procure funds through borrowings and from which the total amount of funds borrowed represented more than 2% of the consolidated total assets of the Company as of the end of the most recently completed fiscal year.
- *4 A “large amount of monetary payments or other financial assets” means monetary payments or other financial assets, the total amount of which is 10 million yen or more within the most recent fiscal year.
- *5 A “relative” means a spouse of, and any family member who has relation within the second degree with, the individual.
- *6 “Important persons involved in operation” refers to directors, executive officers, and employees with operational execution responsibilities ranked as division manager or higher, or individuals with similar operational execution authority.
- *7 “Interrelationship of external officers” refers to a relationship whereby a person involved in operation of the Company, its subsidiaries and its affiliates serves as an external officer of another company, and a person involved in operation of the said company serves as an external officer of the Company.

End

(Attached Materials)

Business Report

(For the fiscal year from April 1, 2019 to March 31, 2020)

1. Information on the Status of Marui Corporate Group

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

Total group transactions for the fiscal year under review increased by 14% and 364.1 billion yen from the previous fiscal year to 2,903.7 billion yen, thanks to the strong growth of card shopping transactions in the FinTech segment. Operating income increased by 2% from the previous fiscal year to 41.9 billion yen, which is an increase in operating income for eleven (11) consecutive fiscal years.

In addition, net income attributable to owners of parent increased by 0% from the previous fiscal year to 25.4 billion yen, which is an increase in net income attributable to owners of parent for nine (9) consecutive fiscal years.

With regard to KPI, which the Group emphasized, EPS (earnings per share) for the fiscal year under review increased by 1% and 1.6 yen from the previous fiscal year to 117.6 yen, hitting a record high for two (2) consecutive fiscal years backed by income growth and capital policy; ROE (return on equity) decreased by 0.3% from the previous fiscal year to 8.8%, surpassing the cost of shareholders' equity (6.9%) for two (2) consecutive fiscal years; and ROIC (return on invested capital) increased by 0.0% from the previous fiscal year to 3.7%, surpassing WACC (weighted average cost of capital: 3.0%) for four (4) consecutive fiscal years.

(Consolidated financial results for the fiscal year ended March 31, 2020)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Year on Year	Increase (Decrease) from the previous fiscal year
EPS (Yen)	116.0	117.6	101%	1.6
ROE (%)	9.1	8.8	-	(0.3)
ROIC (%)	3.7	3.7	-	0.0
	(Billions of yen)	(Billions of yen)	(%)	(Billions of yen)
Total Group Transactions	2,539.6	2,903.7	114	364.1
Revenue	251.4	247.6	98	(3.8)
Gross Profit	190.5	195.7	103	5.2
Selling, General and Administrative Expenses	149.3	153.7	103	4.4
Operating Income	41.2	41.9	102	0.8
Ordinary Income	39.8	40.4	102	0.6
Net Income Attributable to Owners of Parent	25.3	25.4	100	0.1

With a transformation in the existing business model, the Group's earning structure showed an increase in "recurring revenue" such as revenue on real estate of stores and credit card processing fees, which accounted for a larger portion of sales and profits.

As this recurring revenue is generated on an ongoing basis in accordance with contracts with customers and business partners, future earnings to be generated in future fiscal years can be recognized as "contracted future recurring revenue," and the recurring revenue can be used as an index to measure revenue stability. It is a crucial element of the Group's management that focuses on LTV (lifetime value) from a long-term perspective.

In the fiscal year under review, recurring gross profit amounted to 131.1 billion yen (an increase by 7% from the previous fiscal year), and the ratio of recurring gross profit to total gross profit increased to 65.3% (an increase by 2.4 percentage points from the previous fiscal year).

Contracted future recurring revenue concluded in prior fiscal years was 350.0 billion yen (an increase by 7% from the previous fiscal year), and future earnings can be expected to generate by roughly 2.7 times higher than recurring gross profit posted in the fiscal year under review alone.

Retailing segment

The transition to shopping centers (SC) over the last five fiscal years brought improved revenue and stable profits.

In addition, aiming at realizing a new store strategy with “digital native stores” from the fiscal year under review, the Group will work to introduce brands such as direct-to-consumer (D2C) and sharing services so that stores can provide the type of experiences and communications that are not available online.

Revenue from fixed term rental units became stable, however, there were some impacts from increase in consumption tax, unseasonable weather and spread of COVID-19 infection in the second half of the fiscal year, in addition to completion of profit improvement. As a result, operating income in the retailing segment decreased by 12% from the previous fiscal year to 10 billion yen.

FinTech segment

In the FinTech segment, in order to increase EPOS card membership, the Company has been holding promotional activities at Marui stores and in the area of online services, rolling out collaboration with commercial facilities, resulting in collaboration with 30 facilities (an increase by 5 facilities from the previous fiscal year).

In order for further growth of usage rates and the amount of usage, the Company seeks to maximize the share in household finances through rent guarantee services, recurring payments, and alliances and collaboration with companies in the areas of subscription-type services.

The number of card memberships totaled 7,200 thousand members, a 5% increase from the previous fiscal year. Especially, the number of Platinum/Gold card memberships grew significantly to 2,500 thousand members, a 16% increase from the previous fiscal year, due to tireless efforts to increase regular customers.

Although a pace of growth became slow, affected by COVID-19, transaction volume in card shopping continued to grow to 2,171.0 billion yen, a 16% increase from the previous fiscal year, and service transaction volume such as rent guarantee steadily increased to 353.9 billion yen, a 26% increase from the previous fiscal year.

As a result, operating income in the FinTech segment for the fiscal year under review increased by 10% to 38.4 billion yen, an increase both in revenue and income for eight (8) consecutive fiscal years.

(Information on the status of the FinTech segment for the fiscal year ended March 31, 2020)

	Fiscal year ended March 31, 2019 (10 Thousands of persons)	Fiscal year ended March 31, 2020 (10 Thousands of persons)	Year on Year (%)	Increase (Decrease) from the previous fiscal year (10 Thousands of persons)
Number of New Card Memberships	81	81	100	0
[Of which, from outside the Group]	[41]	[48]	[116]	[6]
Number of Card Memberships	688	720	105	32
Platinum / Gold	215	250	116	35
	(Billions of yen)	(Billions of yen)	Year on Year (%)	(Billions of yen)
FinTech Transactions	2,310.6	2,678.8	116	368.2
Card Shopping	1,877.0	2,171.0	116	294.1
[Outside the Group]	[1,768.9]	[2,075.8]	[117]	[306.8]
Financial Services	281.2	353.9	126	72.7
Card Advance	143.3	145.2	101	1.9

(Segment Information)

(Millions of yen)

Category	Retailing Segment	FinTech Segment	Total	Adjustments	Consolidated
Revenue					
To Outside Customers	110,960	136,622	247,582	—	247,582
Inter-Segment Revenue or Transferred Revenue	5,311	2,923	8,235	(8,235)	—
Total	116,271	139,546	255,817	(8,235)	247,582
[Year on Year (%)]	[88.3]	[108.8]	[98.4]	[—]	[98.5]
Segment Profit	10,027	38,399	48,426	(6,482)	41,944
[Year on Year (%)]	[87.8]	[109.7]	[104.3]	[—]	[101.8]
Operating Margin (%)	8.6	27.5	—	—	16.9

(Details of Total Group Transactions)

Category	Total Transactions (Millions of yen)	Composition Ratio (%)	Year on Year (%)
Rent revenues and others	218,600	7.5	104.8
Product sales	36,195	1.2	72.9
Consignment sales	40,411	1.4	74.7
Retailing-related services	24,912	0.9	101.3
Retailing segment	320,119	11.0	95.0
Card shopping	2,171,018	74.8	115.7
Financial services	353,863	12.2	125.9
Cash advances	145,234	5.0	101.3
IT and others	8,723	0.3	94.8
FinTech segment	2,678,839	92.3	115.9
Eliminations	(95,245)	(3.3)	-
Total	2,903,713	100.0	114.3

Note: Total transactions for retailing-related services include interior design and furnishing for retail stores, publicity and advertising, distribution/logistics for fashion goods, while IT and others includes IT systems services, and 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 investment in system infrastructure. The total expenditures on capital investments during the fiscal year under review amounted to 10,468 million yen.

(3) Fund Procurement

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 46.2 billion yen in loans from financial institutions and 20.0 billion yen from the issuance of bonds in response to an increase in operating receivables of the FinTech segment and the repayment of loans. Additionally, the Group increased the amount of funds raised through the securitization of receivables by 68.0 billion yen.

(4) Issues to be Addressed

The future outlook is uncertain with the increased risk of economic recession due to the effect of COVID-19, and global economic fluctuations are expected to continue for the time being. The Company is also facing a severe condition as all stores were forced to close with the exception of floors for foods and some tenants in April and May.

In the future consumption environment, a shift in consumption from “goods” to “experiences” has further progressed and there is continued growth seen in the EC (e-commerce) market in the retail sector. However, there is a potential risk of a decline in business models that rely on real stores focused on merchandise sales.

In the credit market, while infrastructure development has progressed in preparation of the 2021 Olympics and Paralympic Games and markets are expected to grow, there will be a possibility that markets will drastically change due to innovation in financial services driven by new technology.

Under these circumstances, in order to respond to these business environment changes, the Group has been evolving its unique business models where retailing and FinTech are integrated to enhance corporate value.

Our corporate philosophy is to “continue evolving to better aid our customers” and we “equate the development of our people with the development of our company.” Based on this philosophy, our mission is to contribute to co-creation of a flourishing and inclusive society with stakeholders that offers happiness to everyone.

The Group aims to increase profit for all stakeholders including customers, investors, communities and society, business partners, employees and future generations. In order to achieve this aim, we endeavor to create value that we can share with stakeholders by thinking and taking an action on all matters from stakeholders’ perspectives. As a result, we are promoting “Co-creation Sustainability Management” to improve corporate value.

The Group aims to further improve corporate value generated as its outcome, and is working on the following specific initiatives.

■ Specific initiatives

(Retailing segment)

With regard to store business, we will improve capital productivity by completing transition of its business structure from a department store-type business by pursuing the conversion to SC-type stores under fixed-term lease contracts, and deploying next-generation lifestyle-oriented shopping centers.

With regard to omni-channel retailing, we will develop businesses focused on Internet sales while expanding the scope of business that combine Group expertise and other unique business models.

With regard to facility management and distribution, we will utilize store renovation, distribution, building management, and other retailing expertise in an integrated manner and advance business-to-business operations.

(FinTech segment)

With regard to credit card business, we will increase number of EPOS card fans across Japan and reinforce collaboration with commercial facilities and companies while maintaining high profit margins and simultaneously expanding business scale.

With regard to financial services business, we will expand revenues from rent guarantee, insurance, and other services utilizing credit know-how to improve ROIC through business requiring minimal invested capital.

With regard to IT business, we will support expansion of Group business scope by utilizing new technologies to improve customer convenience.

(Optimal capital structure/Growth investments/Productivity improvement)

We create structure in which ROIC consistently exceeds capital costs by improving ROIC through income growth and establishing optimal capital structure suited to Group business structure.

We develop commercial facilities utilizing shopping center and fixed-term rental know-how, invest in venture companies to acquire new technologies, and execute other growth investments for improving corporate value.

We utilize human resources as necessitated by business portfolio as a united MARUI GROUP to further improve Group productivity.

Although the effects of COVID-19 are expected to be seen during the fiscal year ending March 31, 2021, the Group will continue to strive for the mid- and long-term enhancement of corporate value through the above initiatives.

We sincerely ask for continued support and encouragement from our shareholders.

(5) Assets and Profits and Losses

Category	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Total Group transactions (Millions of yen)	1,933,685	2,189,374	2,539,631	2,903,713
Revenue *1 (Millions of yen)	237,022	240,469	251,415	247,582
Ordinary income (Millions of yen)	31,139	35,145	39,786	40,415
Profit attributable to owners of parent (Millions of yen)	18,724	20,907	25,341	25,396
Earnings per share (Yen)	80.24	93.18	115.99	117.58
ROE (%)	6.7	7.6	9.1	8.8
Total assets *2 (Millions of yen)	806,575	865,887	890,196	885,969
Net assets (Millions of yen)	274,339	274,900	284,752	290,330

* From the fiscal year ended March 31, 2019, gain on bad debts recovered, which has previously been recorded under “non-operating income”, is recorded under “revenue” (*1). Also, “Partial Amendments to Accounting Standard for Tax Effect Accounting” (Accounting Standards Board of Japan (ASBJ), Guidance No. 28, February 16, 2018), etc. has been applied (*2). In line with this change, the figures for the fiscal year ended March 31, 2018 are those retroactively reflected the change of such accounting policy.

(6) Major Subsidiaries of the Group

i. Major Subsidiaries of the Group

Company Name	Capital Stock (Millions of yen)	Percentage of Ownership (%)	Principal Business
MARUI CO., LTD.	100	100.0	Operation of Marui/Modi Stores, Original Sales and Private Brand Operation and Development, Online Shopping and Mail-order, Outside Specialty Store Business
Epos Card Co., Ltd.	500	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	60.0	Proposal of Commercial Facilities Category, Design and Interior Decoration, Operation and Management, Planning and Making of Advertisement
MOVING CO., LTD.	100	100.0	Trucking Business, Forwarding Business
M&C SYSTEMS CO., LTD.	234	100.0	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 square brackets “[]” in the Percentage of Ownership column indicates the share of indirect ownership as an included number.
2. Percentage of Ownership to AIM CREATE CO., LTD. became 60.0% (100.0% at the end of the previous fiscal year) as a result of transfer of shares to Sumitomo Forestry Co., Ltd. on July 1, 2019. The Modi business division of AIM CREATE CO., LTD. has been succeeded by MARUI CO., LTD. through the company split on April 1, 2019.

ii. Status of Specified Wholly Owned Subsidiaries as of the End of the Fiscal Year under Review

Company Name	Address	Total Amount of Book Value (Millions of yen)	Total Assets of the Company (Millions of yen)
MARUI CO., LTD.	3-2, Nakano 4-chome, Nakano-ku, Tokyo	222,619	754,167

(7) Lines of Business of the Group

The Group’s lines of business are Retailing (rental and operational management of commercial facilities, etc. and over-the-counter and online sales of apparel, luxury and accessory goods, etc.), and FinTech (credit card services, consumer loans, and rent guarantees, etc.).

(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 Marui and Modi, Kinshicho, Ueno Marui, Kitasenju Marui, Yurakucho Marui, Nakano Marui, Kichijoji, Machida Marui and Modi, Kokubunji Marui
Kanagawa	Marui City Yokohama, Marui Family Mizonokuchi, Marui Family Ebina, Totsuka Modi
Saitama	Omiya Marui, Soka Marui, Marui Family Shiki, Kawagoe Modi
Chiba	Kashiwa Marui and Modi
Shizuoka	Shizuoka Marui and Modi
Osaka	Namba Marui
Kyoto	Kyoto Marui
Hyogo	Kobe Marui
Fukuoka	Hakata Marui

* Kawagoe Modi and Kyoto Marui were closed on March 31, 2020 and May 12, 2020 respectively.

(9) Matters concerning Employees

Business Category	Number of Employees	Comparison with the Previous Fiscal Year End
	(Number of Person)	(Number of Person)
Retailing segment	3,167	312 (decrease)
FinTech segment	1,596	71 (increase)
Corporate (Common functions)	367	45 (increase)
Total	5,130	196 (decrease)

Notes: 1. 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 1,453.
 2. Corporate (Common functions) refers to corporate management departments and others that cannot be included in any specific segment.

(10) Main Loan Lenders

Lenders	Outstanding Balance
	(Millions of yen)
Syndicated loan	135,000
MUFG Bank, Ltd.	105,000
Sumitomo Mitsui Banking Corporation	50,000
Development Bank of Japan Inc.	23,000
Mizuho Bank, Ltd.	11,300
Sumitomo Mitsui Trust Bank, Limited	8,000

Note: Syndicated loan is co-financing whose manager is MUFG Bank, Ltd., and The Norinchukin Bank.

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: 223,660,417 shares (including 8,703,268 shares of treasury stock)

(3) Number of Shareholders: 28,771 shareholders

(4) Principal Shareholders (Top 10)

Registered Name	Number of Shares Held	Percentage of Shareholding
	(thousand shares)	%
The Master Trust Bank of Japan, Ltd. (Trust Account)	33,401	15.5
Japan Trustee Services Bank, Ltd. (Trust Account)	17,545	8.2
Aoi Real Estate Company	6,019	2.8
MUFG Bank, Ltd.	5,808	2.7
Japan Trustee Services Bank, Ltd. (Trust Account 7)	5,001	2.3
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	3,886	1.8
Toho Co., Ltd.	3,779	1.8
Japan Trustee Services Bank, Ltd. (Trust Account 5)	3,675	1.7
JPMorgan Chase Bank 385151	3,628	1.7
Aoi Scholarship Foundation	3,242	1.5

Notes: 1. The Company holds 8,703 thousand shares of treasury stock which is excluded from the above principal shareholders.

2. Percentage of shareholding is calculated based on the total number of shares issued and outstanding, excluding the treasury stock of 8,703 thousand shares.

3. The calculation for the percentage of shareholding includes 545 thousand shares held by the Officer Compensation BIP Trust and Stock Benefit ESOP Trust.

(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 May 14, 2019:

Type and total number of shares acquired: 2,990,000 shares of common stock

Total cost of acquisition: 6,999,899,700 yen

Period of acquisition: From May 24, 2019 to March 18, 2020

3. Matters concerning Officers of the Group

(1) Names of Directors and Audit & Supervisory Board Members of the Group (As of March 31, 2020)

Name	Position	Position in Charge and Important Position of Other Organizations Concurrently Assumed
Hiroshi Aoi	President and Representative Director, Group Representative Executive Officer, and CEO	
Etsuko Okajima	Director	President and CEO, ProNova Inc. Outside Director, euglena Co., Ltd.
Yoshitaka Taguchi	Director	President and Chief Operating Officer, Seino Holdings Co., Ltd.
Masahiro Muroi	Director	External Director, Ryoden Corporation Audit & Supervisory Board Member, The Norinchukin Bank
Masao Nakamura	Director and Senior Managing Executive Officer	Responsible for FinTech Business In charge of Corporate Planning, Real Estate Business and Customer Success
Hirotsugu Kato	Director and Managing Executive Officer	CFO, General Manager, IR Department In charge of Finance, Investment Research, Sustainability and ESG Promotion
Masahisa Aoki	Director and Senior Executive Officer	President and Representative Director, MARUI CO., LTD. In charge of Anime Business
Yuko Ito	Director and Executive Officer	General Manager, Group Design Center and Construction Department Managing Director, AIM CREATE CO., LTD.
Hideaki Fujizuka	Audit & Supervisory Board Member (Full time)	
Nariaki Fuse	Audit & Supervisory Board Member (Full time)	
Tadashi Ooe	Audit & Supervisory Board Member	Attorney External Director, Jeco Co., Ltd. Outside Director, Nissan Chemical Corporation
Takehiko Takagi	Audit & Supervisory Board Member	Tax Accountant External Audit & Supervisory Board Member, KAWADA TECHNOLOGIES, Inc.

- Notes:
1. Director, Mr. Tomoo Ishii retired from his post at the expiration of his term of office at the close of the 83rd Ordinary General Meeting of Shareholders held in June 2019.
 2. Directors, Ms. Etsuko Okajima, Mr. Yoshitaka Taguchi and Mr. Masahiro Muroi are External Directors. The Group has submitted a notification to Tokyo Stock Exchange, Inc. designating them as independent directors.
 3. Audit & Supervisory Board Members, Mr. Tadashi Ooe and Mr. Takehiko Takagi are External Audit & Supervisory Board Members. The Group has submitted a notification to Tokyo Stock Exchange, Inc. designating them as independent audit & supervisory board members.
 4. The Group has no special relations with entities in which Directors Ms. Etsuko Okajima and Mr. Masahiro Muroi, and Audit & Supervisory Board Members Mr. Tadashi Ooe and Mr. Takehiko Takagi concurrently assume office.

5. Mr. Yoshitaka Taguchi concurrently serves as Representative Director of Seino Holdings Co., Ltd. A subsidiary of the Company recorded 26 million yen of commission fee for instore delivery services, etc., received from two subsidiaries of the said company (Seino Transportation Co., Ltd. and another company) for the most recent fiscal year. The amount accounted for 0.01% of the total consolidated operating revenue of the Company, and therefore he satisfies the “Criteria for Independence for External Directors and Audit & Supervisory Board Members” of the Company.
6. Director, Ms. Etsuko Okajima’s name on the family register is Ms. Etsuko Mino.
7. Audit & Supervisory Board Member, Mr. Tadashi Ooe is a qualified attorney and well-versed 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. Director, Ms. Etsuko Okajima retired from her post as External Director of Link and Motivation Inc. as of March 27, 2020.
10. There were changes in Directors’ positions, duties and important concurrent offices as of April 1, 2020.

Name	Previous	Present
Masao Nakamura	Director and Senior Managing Executive Officer Responsible for FinTech Business In charge of Corporate Planning, Real Estate Business and Customer Success	Director and Senior Managing Executive Officer In charge of Retailing Business In charge of Corporate Planning and Customer Success
Masahisa Aoki	President and Representative Director, MARUI CO., LTD. In charge of Anime Business	President and Representative Director, MARUI CO., LTD.

(Reference)

Executive Officers (excluding those who concurrently serve as Director) are as follows. (As of April 1, 2020)

Name	Position	Position in Charge
Motohiko Sato	Vice-President, Executive Officer	CSO
Tomoo Ishii	Senior Managing Executive Officer	CHO In charge of Audit, Real Estate Business, General Affairs, Personnel and Wellness Promotion
Toshikazu Takimoto	Managing Executive Officer	CIO President and Representative Director, M&C SYSTEMS CO., LTD. In charge of Anime Business of the Company
Yoshinori Saito	Managing Executive Officer	In charge of FinTech Business President and Representative Director, Epos Card Co., Ltd.
Hajime Sasaki	Senior Executive Officer	President and Representative Director, AIM CREATE Co., Ltd. In charge of Architecture Division of the Company
Masahiro Aono	Senior Executive Officer	Senior Managing Director, MARUI CO., LTD.
Yoshiaki Kogure	Executive Officer	President and Representative Director, MARUI FACILITIES Co., Ltd.
Mayuki Igayama	Executive Officer	President and Representative Director, MOVING CO., LTD.
Junko Tsuda	Executive Officer	Director, Epos Card Co., Ltd. General Manager, Members Services Division
Miyuki Kawara	Executive Officer	Director and Store Manager, Marui Family Mizonokuchi, MARUI CO., LTD.
Tatsuo Niitsu	Executive Officer	Director and General Manager, Business Planning Division, MARUI CO., LTD.
Takeshi Ebihara	Executive Officer	CDO Director and General Manager, Digital Transformation Promotion Department, M&C SYSTEMS CO., LTD.,
Reiko Kojima	Executive Officer	General Manager, Wellness Promotion Division
Akikazu Aida	Executive Officer	General Manager, Corporate Planning Division and Customer Success Department

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

Category	Number of Persons subject to Payment (People)	Total Amount of Compensation by Type			Total Amount of Compensation (Millions of yen)
		Basic Compensation (Millions of yen)	Performance-linked Bonus (Millions of yen)	Performance-linked stock compensation (Millions of yen)	
Director (External Director)	8 (3)	179 (29)	21 (-)	- (-)	201 (29)
Audit & Supervisory Board Member (External Audit & Supervisory Board Member)	4 (2)	50 (15)	- (-)	- (-)	50 (15)
Total	12	230	21	-	251

- Notes:
1. The number of Directors and Audit & Supervisory Board Members at the end of the fiscal year under review is eight (8) Directors and four (4) Audit & Supervisory Board Members. However, the above amount of compensation includes the amount for one (1) Director who retired due to the expiration of term of office at the conclusion of the 83rd Ordinary General Meeting of Shareholders held in June 2019. One (1) Director who is not included in the number of persons subject to payment received 16 million yen of compensation from a subsidiary.
 2. Basic compensation for Directors with the resolution at the General Meeting of Shareholders has a maximum limit of 300 million yen per year (compensation for Directors does not include salary portion payable to Directors who concurrently serve as employees of the Company.) (Resolution Date of the General Meeting of Shareholders: June 27, 2012) Of those amount, basic compensation for Outside Directors has a maximum limit of 50 million yen per year (Resolution Date of the General Meeting of Shareholders: June 29, 2016.) In addition, separate from the aforementioned maximum limit, compensation for Directors (other than External Directors) from the performance-linked bonus has a maximum limit of 100 million yen per year (compensation for Directors does not include bonus portions payable to Directors who concurrently serve as employees of the Company), and the maximum amount of compensation for Directors (other than External Directors) by performance-linked stock compensation (the maximum amount of money to be contributed to a trust) is the amount of 200 million yen per fiscal year multiplied by the number of applicable years, which is 400 million yen for the two fiscal years: the fiscal year ended March 31, 2020 and the fiscal year ending March 31, 2021. (Resolution Date of the General Meeting of Shareholders: June 20, 2019)
 3. Basic compensation 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)
 4. The amount of performance-linked bonus is the estimated amount to be paid for the fiscal year under review.
 5. No expense is recognized for performance-linked stock compensation for the fiscal year under review.

(3) Policy Regarding Decision on Compensation of Directors and Audit & Supervisory Board

Members

- The amount of compensation paid to individual Directors is decided by the Nomination and Compensation Committee and set within the limit approved at general meeting of shareholders.
- The Nomination and Compensation Committee consists of three (3) or more members, two (2) of which are, in principle, External Directors, and has been set to improve the transparency and objectivity of deliberation process related to compensation plans for Directors.
- Compensation for Directors has been set at a level that will serve as an adequate motivation for Directors to properly perform their duties of making management decisions and providing supervisory functions.
- Compensation for Directors includes fixed compensation as well as performance-linked compensation. The portion of compensation linked to performance is meant to provide incentive for pursuing sustainable growth for the Company. However, external directors will only receive fixed compensation based on their position to ensure that they maintain an independent standpoint.
- Compensation for Audit & Supervisory Board Members consists only of fixed compensation and is decided through discussion among the Audit & Supervisory Board and set within the limit approved at a general meeting of shareholders.

(4) Information on External Officers

i. Principal Activities of External Officers

Position	Name	Principal Activities of External Officers
Directors	Etsuko Okajima	Attended 8 of the 9 meetings of the Board of Directors held during the fiscal year under review. Raised questions and made comments, mainly from the perspective of an experienced manager, and, as necessary, expressed her opinions in a timely and appropriate manner.
	Yoshitaka Taguchi	Attended all 9 meetings of the Board of Directors held during the fiscal year under review. Raised questions and made comments, mainly from the perspective of an experienced manager, and, as necessary, expressed his opinions in a timely and appropriate manner.
	Masahiro Muroi	Attended all 9 meetings of the Board of Directors held during the fiscal year under review. Raised questions and made comments, mainly from the perspective of an experienced manager, and, as necessary, expressed his opinions in a timely and appropriate manner.
Audit & Supervisory Board Members	Tadashi Ooe	Attended all 9 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 9 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, Paragraph 1 of the Companies Act. Based on these contracts, his/her liability shall be limited to the higher of a predetermined amount of higher of a predetermined amount of 10 million yen or the amount set by the laws and regulations.

4. Matters concerning Accounting Auditor

PricewaterhouseCoopers Aarata LLC was elected as the Company's Accounting Auditor at the 83rd Ordinary General Meeting of Shareholders of the Company held on June 20, 2019, and conducted the accounting audit for the fiscal year under review (84th fiscal year). KPMG AZSA LLC, for which the term of office expired at the conclusion of the 83rd Ordinary General Meeting of Shareholders, conducted the accounting audit for the previous fiscal year (83rd fiscal year) only.

(1) Name of Accounting Auditor of the Company PricewaterhouseCoopers Aarata LLC

(2) Compensation, etc. to the Accounting Auditor

1. Compensation paid for services rendered as accounting auditor for the fiscal year under review: 76 million yen
2. Total cash and other Compensation to be paid by the Company and its subsidiaries to the accounting auditor: 123 million yen

Note: In the audit contract between the Company and its accounting auditor, compensation 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 compensation, etc. paid to the accounting auditor is stated in 1 and 2 as the amount of compensation, etc. for the fiscal year under review.

3. Reason for the Audit & Supervisory Board's consent of the compensation, etc. to the accounting auditor:

In addition to obtaining necessary documents and receiving reports from Directors, related departments of the Company and the accounting auditor, based on the status of implementation of audit of the previous fiscal year, the Audit & Supervisory Board has considered that the compensation is appropriate to maintain and improve the quality of audit and gave consent to the compensation as a result of confirmation of time required for audit and the unit rate of the compensation specified in the audit plan submitted by the accounting auditor.

(3) Content of Non-Auditing Activities

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

(4) Policy Regarding the Dismissal or Non-Reappointment of the Accounting Auditor

If the Audit & Supervisory Board deems that the accounting auditor falls under any item of Article 340, Paragraph 1 of the Companies Act, it will dismiss the accounting auditor with unanimous consent of Audit & Supervisory Board Members, as necessary. In such case, an Audit & Supervisory Board Member who is delegated by the Audit & Supervisory Board will report the fact that the Audit & Supervisory Board dismissed the accounting auditor and the reason therefor at an ordinary general meeting of shareholders to be held for the first time after the dismissal of the accounting auditor.

In addition to the above case, if the Audit & Supervisory Board deems that the accounting auditor is unable to conduct proper audit due to an event that impairs qualification or independence of the accounting auditor, it will decide on details of a proposal regarding dismissal or non-reappointment of the accounting auditor.

5. Company's Systems and Status of Operation

System to Ensure That the Execution of Duties by Directors Complies with Laws and Ordinances and the Articles of Incorporation, and 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, and Status of Operation of Those Systems.

○ Systems

The Group will proceed with arrangement for the internal control system from the viewpoint of carrying out the 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 regulations 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 Code of Conduct of the Group.
 - b. The Board of Directors shall hold meetings in principle ten (10) 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 enhanced.
 - e. The Nomination and Compensation Committee which consists of three (3) or more members, at least two (2) of which are, in principle, External Directors, shall be established to enhance the transparency and objectivity in appointing Directors and Executive Officers with titles and determining compensation for Directors and Executive Officers.
 - f. The Sustainability Committee shall be established as an advisory body to the Board of Directors for the purpose of promoting Co-creation Sustainability Management.
- ii. System for maintaining and managing 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. Through the Environmental CSR Promotion Subcommittee as well as the Public Relations IR Committee, Internal Control Committee, Information Security Committee, Safety Control Committee and Insider Trading Prevention Committee, the Company shall strive for improvement of the management level of high-risk areas in business operations, and through the Sustainability Committee (supervision of the Environment CSR Promotion Subcommittee) and the Compliance Promotion Board (supervision of 5 Committees), with the Representative Director as the chairperson, the Group's overall risk management shall be implemented.
 - 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 to ensure that Directors can 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 to ensure that financial reports are made properly
 - a. The corporate-wide policy and procedures to ensure appropriate financial reporting shall be presented and the proper arrangement and operation shall be secured.
 - b. A system for evaluating risks arising from inappropriate statements with respect to important items of financial report and for reducing risks shall be established.
 - c. A system for monitoring the internal control system with respect to financial reports shall be properly arranged to confirm the conditions and status of operation.
- vi. System to ensure that subsidiaries' Directors and the Group's employees execute business in compliance with laws and regulations 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 Reporting 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, regulations and company rules.
- vii. Other systems to ensure the appropriateness of business operations of the Group
 - a. The documentation of the internal control system of each group company shall be continuously reviewed.
 - b. Through the Sustainability Committee, the Compliance Promotion Board, the 1 Subcommittee and the 5 Committees, the Group shall confirm the latest control status of each Group company, and maintain an appropriate system.
 - c. Reporting system for the important decisions of subsidiaries to the Company shall be determined in accordance with the authorization rules of the Group.
 - d. The cooperation of Audit & Supervisory Board Members from each group company and the Internal Control Department shall be strengthened to further promote the establishment of an audit system for ensuring proper transactions and accounting treatments.
 - e. The Group shall 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, audit staff with sufficient skills and knowledge shall be assigned 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, regulations or the Articles of Incorporation.
 - c. It shall be confirmed 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 during the execution of duties, such expenses shall be reimbursed, unless they are deemed unnecessary.
- xi. Other system to ensure that efficient audit is 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 same of its principal subsidiaries, information sharing and accurate confirmation of status can be realized.
- **Status of Operation of the Systems**
 - i. Overall internal control system
 - a. The Group recognizes and improves the status of the Group's overall internal control system through internal audit jointly made by Audit & Supervisory Board Members and internal audit departments of each group company.
 - b. The Group documents business content and anticipated risks of, and measures therefor to be taken by, each group company. Also, by monitoring the status of operation of such measures through self-assessment and internal audit, the Group promotes highly effective internal control.
 - c. At each of the Group companies, various rules have been developed to clarify operation and rules from internal control perspective, and the rules are reviewed and revised as necessary.
 - d. As for internal control related to financial reporting pursuant to the Financial Instruments and Exchange Act, the Internal Control Committee develops, operates and evaluates such internal control by commission from the Board of Directors.
 - ii. Compliance system
 - a. The Group seeks to fully disseminate its Code of Conduct to its personnel and promote sound corporate activities based on high ethical standards.
 - b. In order to ensure compliance with laws and regulations and the Group's internal regulations, the Group develops various manuals and promotes operation of those manuals as well as provides education for its personnel. In the fiscal year under review, the Group provided training to its personnel regarding "information security", "harassment", etc., as focused subjects, in addition to practical trainings tailored to each business area.
 - c. For the purpose of prevention and correction of violation of laws and regulations and misconduct, the Group has set up the Marui Group Hot Line (an internal reporting system) to allow its personnel to directly report to outside lawyers, and confirmed that the system has properly operated.
 - iii. Risk management system
 - a. The Group has the Subcommittee and Committees for each area to manage high-risk areas for business operation. During the fiscal year under review, the Sustainability Committee was newly established to promote Co-creation Sustainability, and the Environment CSR Promotion Committee has been renamed as the Environment CSR Promotion Subcommittee to become subordinate to the Sustainability Committee. As a result, the Group promotes efficient control of risks through the 1 Subcommittee (the Environment CSR Promotion Subcommittee) and the 5 Committees (Public Relations IR Committee, Internal Control Committee, Information Security Committee, Safety Control Committee and Insider Trading Prevention Committee).

- b. The Group holds meetings of the Sustainability Committee which supervises activities of the Environment CSR Promotion Subcommittee and the Compliance Promotion Board which supervises activities of the 5 Committees, and recognizes the status of risk control of each group company. In the fiscal year under review, the Group held meetings of the Sustainability Committee and the Compliance Promotion Board twice respectively.

- iv. Directors' execution of their duties
 - a. The Group ensures that Directors execute their duties lawfully and properly in accordance with the Group's internal regulations such as the Code of Conduct of the Group and Regulations for Officers.
 - b. The Group appoints three (3) External Directors who have extensive experience and expertise outside the Group and have satisfied the Group's Criteria for Independence of External Directors and Audit & Supervisory Board Members to reinforce the supervisory functions of the Board of Directors and improve the transparency of management.
 - c. The Board of Directors conducts proper deliberations pursuant to the Group's authorization rules and engages in fulfilling discussions on individual subjects such as the Group's strategies. In the fiscal year under review, it reviewed the matters for discussion, improved operation issues, and worked on fruitful discussions on individual subjects for enhancement of corporate value. The Board of Directors held its meetings nine (9) times due to schedule constraints.
 - d. The Group has set up the Management Committee that is comprised of Executive Officers appointed by the Board of Directors and seeks to accelerate operational decision-making by commissioning such committee to make important management decisions regarding execution of duties within the scope of the Group's authorization rules. In the fiscal year under review, the meetings of the Management Committee were held 20 times.

- v. Audit & Supervisory Board Members' execution of their duties
 - a. Audit & Supervisory Board Members exchange information at any time by holding regular meetings with Representative Director and confirm the status of operational execution. In the fiscal year under review, the regular meetings were held four (4) times.
 - b. Audit & Supervisory Board Members attend meetings of the Board of Directors, the Management Committee, etc. and understand decision making process and the status of operational execution.
 - c. Audit & Supervisory Board Members exchange information and opinions with External Directors, accounting auditors and internal audit departments on a regular basis.
 - d. Audit & Supervisory Board Members concurrently assume office of auditors at eight (8) subsidiaries and confirm the status of operational execution of each of such subsidiaries by attending meetings of the Board of Directors of such subsidiaries and holding meeting of the Group's Audit & Supervisory Board Members Liaison Committee each month.
 - e. The Group has established a system where Audit & Supervisory Board Members can execute their duties smoothly by ways such as assigning two (2) employees who work for Audit & Supervisory Board Members.

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 \* With regard to treatment of rounding numbers displayed in this report, listed amounts are rounded down to the nearest million yen unit, the number of shares are rounded down, and other is rounded to the nearest unit.

**Consolidated Balance Sheet**  
(As of March 31, 2020)

(Millions of yen)

| Item                                 | Amount         | Item                                                              | Amount          |
|--------------------------------------|----------------|-------------------------------------------------------------------|-----------------|
| <b><u>Assets</u></b>                 |                | <b><u>Liabilities</u></b>                                         |                 |
| <b>Current assets</b>                | <b>626,766</b> | <b>Current liabilities</b>                                        | <b>214,425</b>  |
| Cash and deposits                    | 40,839         | Accounts payable-trade                                            | 7,145           |
| Notes and accounts receivable-trade  | 5,153          | Short-term loans payable                                          | 102,335         |
| Accounts receivable-installment      | 416,250        | Current portion of bonds                                          | 15,000          |
| Operating loans                      | 139,313        | Income taxes payable                                              | 10,724          |
| Merchandise                          | 4,766          | Provision for bonuses                                             | 3,482           |
| Other                                | 36,550         | Provision for point card certificates                             | 20,583          |
| Allowance for doubtful accounts      | (16,106)       | Reserve for loss from redemption<br>of gift certificates          | 160             |
|                                      |                | Other                                                             | 54,996          |
| <b>Noncurrent assets</b>             | <b>259,202</b> | <b>Noncurrent liabilities</b>                                     | <b>381,212</b>  |
| <b>Property, plant and equipment</b> | <b>174,765</b> | Bonds payable                                                     | 90,000          |
| Buildings and structures             | 61,751         | Long-term loans payable                                           | 272,500         |
| Land                                 | 103,542        | Deferred tax liabilities                                          | 1,884           |
| Construction in progress             | 1,190          | Provision for loss on interest<br>repayment                       | 4,663           |
| Other                                | 8,281          | Provision for loss on guarantees                                  | 166             |
|                                      |                | Asset retirement obligations                                      | 953             |
| <b>Intangible assets</b>             | <b>8,113</b>   | Other                                                             | 11,045          |
| Software                             | 5,458          |                                                                   |                 |
| Other                                | 2,654          | <b>Total liabilities</b>                                          | <b>595,638</b>  |
|                                      |                | <b><u>Net Assets</u></b>                                          |                 |
| <b>Investments and other assets</b>  | <b>76,323</b>  | <b>Shareholders' equity</b>                                       | <b>288,606</b>  |
| Investment securities                | 27,388         | <b>Capital stock</b>                                              | <b>35,920</b>   |
| Guarantee deposits                   | 30,912         | <b>Capital surplus</b>                                            | <b>91,824</b>   |
| Deferred tax assets                  | 13,868         | <b>Retained earnings</b>                                          | <b>180,522</b>  |
| Other                                | 4,153          | <b>Treasury stock</b>                                             | <b>(19,661)</b> |
|                                      |                | <b>Accumulated other comprehensive<br/>income</b>                 | <b>1,185</b>    |
|                                      |                | <b>Valuation difference on available-<br/>for-sale securities</b> | <b>1,185</b>    |
|                                      |                | <b>Deferred gains or losses on hedges</b>                         | <b>(0)</b>      |
|                                      |                | <b>Non-controlling interests</b>                                  | <b>538</b>      |
|                                      |                | <b>Total net assets</b>                                           | <b>290,330</b>  |
| <b>Total assets</b>                  | <b>885,969</b> | <b>Total liabilities and net assets</b>                           | <b>885,969</b>  |

**Consolidated Statement of Income**  
(From April 1, 2019 to March 31, 2020)

(Millions of yen)

| Item                                                       | Amount  |                |
|------------------------------------------------------------|---------|----------------|
| <b>Revenue</b>                                             |         | <b>247,582</b> |
| Cost of sales                                              |         | 51,916         |
| Gross profit                                               |         | 195,666        |
| Selling, general and administrative expenses               |         | 153,721        |
| <b>Operating income</b>                                    |         | <b>41,944</b>  |
| <b>Non-operating income</b>                                |         |                |
| Dividends income                                           | 225     |                |
| Gain on donation of non-current assets                     | 36      |                |
| Other                                                      | 245     | 507            |
| <b>Non-operating expenses</b>                              |         |                |
| Interest expenses                                          | 1,330   |                |
| Financing expenses                                         | 80      |                |
| Other                                                      | 625     | 2,036          |
| <b>Ordinary income</b>                                     |         | <b>40,415</b>  |
| <b>Extraordinary income</b>                                |         |                |
| Gain on sales of investment securities                     | 211     |                |
| Other                                                      | 44      | 256            |
| <b>Extraordinary loss</b>                                  |         |                |
| Loss on retirement of non-current assets                   | 1,299   |                |
| Loss on valuation of investment securities                 | 126     |                |
| Loss on valuation of shares of subsidiaries and associates | 1,010   |                |
| Infection-related expenses                                 | 410     |                |
| Other                                                      | 416     | 3,263          |
| <b>Income before income taxes</b>                          |         | <b>37,408</b>  |
| Income taxes-current                                       | 16,048  |                |
| Income taxes-deferred                                      | (4,077) | 11,971         |
| <b>Net income</b>                                          |         | <b>25,437</b>  |
| Net income attributable to non-controlling interests       |         | 40             |
| <b>Net income attributable to owners of parent</b>         |         | <b>25,396</b>  |

**Consolidated Statement of Changes in Net Assets**  
(From April 1, 2019 to March 31, 2020)

(Millions of yen)

|                                                                                           | Shareholders' equity |                 |                   |                |                            |
|-------------------------------------------------------------------------------------------|----------------------|-----------------|-------------------|----------------|----------------------------|
|                                                                                           | Capital stock        | Capital surplus | Retained earnings | Treasury stock | Total shareholders' equity |
| <b>Balance as of April 1, 2019</b>                                                        | 35,920               | 91,323          | 166,858           | (12,327)       | 281,774                    |
| <b>Changes in the fiscal year:</b>                                                        |                      |                 |                   |                |                            |
| Dividends                                                                                 |                      |                 | (11,731)          |                | (11,731)                   |
| Net income attributable to owners of parent                                               |                      |                 | 25,396            |                | 25,396                     |
| Acquisition of treasury stock                                                             |                      |                 |                   | (7,886)        | (7,886)                    |
| Disposition of treasury stock                                                             |                      | 0               |                   | 552            | 552                        |
| Transfer to capital surplus from retained earnings                                        |                      | (0)             | 0                 |                | —                          |
| Change in ownership interest of parent due to transactions with non-controlling interests |                      | 501             |                   |                | 501                        |
| Changes in items other than shareholders' equity-net                                      |                      |                 |                   |                |                            |
| <b>Total changes in the fiscal year</b>                                                   | —                    | 501             | 13,664            | (7,334)        | 6,831                      |
| <b>Balance as of March 31, 2020</b>                                                       | 35,920               | 91,824          | 180,522           | (19,661)       | 288,606                    |

(Millions of yen)

|                                                                                           | Accumulated other comprehensive income                |                                    |                                              | Subscription rights to shares | Non-controlling interests | Total net assets |
|-------------------------------------------------------------------------------------------|-------------------------------------------------------|------------------------------------|----------------------------------------------|-------------------------------|---------------------------|------------------|
|                                                                                           | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Total accumulated other comprehensive income |                               |                           |                  |
| <b>Balance as of April 1, 2019</b>                                                        | 2,977                                                 | 0                                  | 2,977                                        | —                             | —                         | 284,752          |
| <b>Changes in the fiscal year:</b>                                                        |                                                       |                                    |                                              |                               |                           |                  |
| Dividends                                                                                 |                                                       |                                    |                                              |                               |                           | (11,731)         |
| Net income attributable to owners of parent                                               |                                                       |                                    |                                              |                               |                           | 25,396           |
| Acquisition of treasury stock                                                             |                                                       |                                    |                                              |                               |                           | (7,886)          |
| Disposition of treasury stock                                                             |                                                       |                                    |                                              |                               |                           | 552              |
| Transfer to capital surplus from retained earnings                                        |                                                       |                                    |                                              |                               |                           | —                |
| Change in ownership interest of parent due to transactions with non-controlling interests |                                                       |                                    |                                              |                               |                           | 501              |
| Changes in items other than shareholders' equity-net                                      | (1,792)                                               | (0)                                | (1,792)                                      | —                             | 538                       | (1,254)          |
| <b>Total changes in the fiscal year</b>                                                   | (1,792)                                               | (0)                                | (1,792)                                      | —                             | 538                       | 5,577            |
| <b>Balance as of March 31, 2020</b>                                                       | 1,185                                                 | (0)                                | 1,185                                        | —                             | 538                       | 290,330          |

## Notes to Consolidated Financial Statements

### 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 SYSTEMS CO., LTD., MARUI FACILITIES Co., Ltd., MARUI HOME SERVICE Co., Ltd., MARUI HOME SERVICE MANAGEMENT Co., Ltd.

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

Epos Small Amount and Short Term Insurance Co., Ltd., tsumiki Co., Ltd, D2C & Co. Inc., MARUI KIT CENTER CO., LTD., etc.

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

The eight non-consolidated subsidiaries above are excluded from the scope of consolidation because each of the sums of their total assets, revenue, 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 eight non-consolidated subsidiaries and the following six affiliates: MIZONOKUCHISHINTOSHI Co., Ltd., etc., because their respective net income (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 mainly stated at cost using the moving-average method.

Investments in investment limited partnerships are stated at the net value of equities based on the most recent financial statement available prepared according to the financial reporting date specified in the respective partnership agreement.

##### 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 a 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 passage of a certain length of time 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.
  - (g) Provision for stock benefits  
To prepare for provision of the Company's stock benefits to officers and employees pursuant to the stock allotment regulations, provisions are recorded based on the estimated amount of stock benefit obligations as of the end of the fiscal year under review.
- 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.

#### (4) Additional information

##### (Accounting treatment of expenses for credit card issuance)

The Group's credit card, issued by Epos Card Co., Ltd., improved security functions with an update to a new type of IC chip, thereby further developing an environment for encouraging customers to use the credit cards that offer further enhanced safety and security as their main card. Furthermore, with the potential to provide optimal approaches based on card utilization for each individual customer with the introduction of a new system, it became clear that promoting continuous utilization will provide future revenue acquisition, and an increase in asset value for credit cards was recognized in the fourth quarter of the fiscal year under review. As a result, although the Company previously recognized expenses for card issuance as expenses at the time of issuance, expenses for card issuance arising from January 2020 onward are recognized as assets which are depreciated over the effective period of the cards.

As a result, operating income, ordinary income and income before income taxes of the Company for the consolidated fiscal year under review increased by 489 million yen compared to when the previous method is used.

##### (Accounting estimates for effects of COVID-19)

The impact of COVID-19 on the Group can primarily be witnessed in the temporary closure and shortening of business hours of Marui and Modi stores to prevent the spread of infection, sluggish store revenue due to customers restraining from going out and decline in consumer sentiment, and delayed recovery in credit card transactions. Throughout the affected period, the Group shortened business hours for about one month in addition to closing stores for two to three months in the following consolidated fiscal year. After that, assuming that the situation will gradually recover to conventional performance levels over the period from October 2020 at the earliest and October 2021 at the latest, the impact on each segment's profit for the following consolidated fiscal year is estimated to be a decrease of 3.0 billion yen to 9.0 billion yen for the retailing segment and a decrease of 3.5 billion yen to 4.5 billion yen for the FinTech segment. The Group has made accounting estimates that are based on a scenario that assumes a conservative median in consideration of these figures.

From this estimate of impact on profit and the calculation of future cash flows based on certain assumptions,



it was determined that there was no significant impact of COVID-19 on impairment of noncurrent assets and the recoverability of deferred tax assets. In addition, as a result of examining the risk of doubtful accounts in operating receivables (installment sales accounts receivable and consumer loans outstanding operating loans), allowance for doubtful accounts increased by 430 million yen in the current consolidated fiscal year. If the assumptions used in the above estimates and future cash flow calculations change drastically, there is a possibility that the Company's financial condition and operating results for the following consolidated fiscal year may be significantly affected.

**(Officer Compensation BIP Trust)**

The Company has an incentive plan using the "Officer Compensation Board Incentive Plan Trust ("BIP Trust")" to provide an incentive to (i) Directors and Executive Officers (excluding External Directors and non-residents in Japan) of the Company and (ii) Directors of 11 subsidiaries of the Group, such as MARUI CO., LTD. and Epos Card Co., Ltd. (excluding External Directors and non-residents in Japan; collectively, with the Directors and Executive Officers of the Company, the "Executives").

**(1) Overview of the plan**

The Company sets up a trust with the Executives who fulfill certain requirements as beneficiaries, by contributing funds to acquire the Company's stock. The trust acquires the Company's own stock from the stock market for the number of shares required for delivering to the Executives based on the prescribed internal rule for stock delivery. Then, in accordance with the internal rule, the Company makes a delivery or payment of its shares and cash equivalents to the amount obtained by converting a part of the shares into cash based on the rank of each Executive and degree of achievement of the performance target.

The Company applies the "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees, etc. through Trusts" (PITF No. 30, March 26, 2015) for the accounting treatment of the plan.

**(2) The Company's shares held at the trust**

The Company's shares held at the trust are carried at their book value at the trust (excluding incidental expenses) and accounted for as treasury stock under net assets. The book value of applicable treasury stock is 683 million yen and the number of shares is 347,750 shares as of March 31, 2020.

**(Stock Benefit ESOP Trust)**

The Company has an incentive plan using the "Stock Benefit Employee Stock Ownership Plan Trust ("ESOP Trust")" to provide an incentive to the Group's employees holding senior management positions (hereinafter the "Senior Managers"), aiming to enhance their commitment to further improve the business performance and corporate value over the medium-to-long term.

**(1) Overview of the plan**

The Company sets up a trust with the Senior Managers who fulfill certain requirements as beneficiaries, by contributing funds to acquire the Company's stock. The trust acquires the Company's own stock from the stock market for the number of shares required for delivering to the Senior Managers based on the prescribed internal rule for stock delivery. Then, in accordance with the internal rule, the Company makes a delivery or payment of its shares and cash equivalents to the amount obtained by converting a part of the shares into cash based on the rank of each Senior Manager and degree of achievement of the performance target.

The Company applies the "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees, etc. through Trusts" (PITF No. 30, March 26, 2015) for the accounting treatment of the plan.

**(2) The Company's shares held at the trust**

The Company's shares held at the trust are carried at their book value at the trust (excluding incidental expenses) and accounted for as treasury stock under net assets. The book value of applicable treasury stock is 345 million yen, and the number of shares is 197,434 shares as of March 31, 2020.

**2. Notes to Consolidated Balance Sheet**

|                                                                                                                   |                     |
|-------------------------------------------------------------------------------------------------------------------|---------------------|
| (1) Accumulated depreciation of property, plant and equipment                                                     | 211,905 million yen |
| (2) Guarantee liabilities                                                                                         |                     |
| Loan guarantees for personal loans offered by financial institutions                                              | 19,829 million yen  |
| (3) Balance of securitized receivables                                                                            | 181,941 million yen |
| (4) Accumulated reduction entry excluded national subsidy from acquisition costs of property, plant and equipment | 66 million yen      |

### 3. Notes to Consolidated Statement of Income

#### (1) Impairment loss

The Group recognized the amount of impairment loss on the following asset groups and included it as other under extraordinary loss.

(Unit: Millions of yen)

| Purpose                 | Location                 | Type     | Amount |
|-------------------------|--------------------------|----------|--------|
| Rental properties, etc. | Shinjuku-ku, Tokyo, etc. | Building | 128    |
| Total                   |                          |          | 128    |

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) Infection-related expenses

Infection-related expenses include fixed costs such as rent as well as depreciation and amortization during store closures reclassified from selling, general and administrative expenses to extraordinary loss.

### 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, 2019 | Increase in Shares in the Fiscal Year | Decrease in Shares in the Fiscal Year | Number of Shares as of March 31, 2020 |
|--------------|--------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Common stock | 223,660,417 shares                   | -                                     | -                                     | 223,660,417 shares                    |

#### (2) Dividend

##### i) Cash dividend 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 20, 2019 | Common stock | 5,666                                      | 26                       | March 31, 2019     | June 21, 2019    |
| Board of Directors Meeting on November 7, 2019            | Common stock | 6,065                                      | 28                       | September 30, 2019 | December 4, 2019 |

Notes: 1. Total amount of dividend resolved by the Ordinary General Meeting of Shareholders on June 20, 2019 includes 13 million yen of dividends from the Company's shares owned by Officer Compensation BIP Trust and Stock Benefit ESOP Trust.

2. Total amount of dividend resolved by the Board of Directors Meeting on November 7, 2019 includes 15 million yen of dividends from the Company's shares owned by Officer Compensation BIP Trust and Stock Benefit ESOP Trust.

- ii) Dividends for which the record date falls in the current consolidated fiscal year, but the effective date falls 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 29, 2020 | Common stock | 4,729                                      | Retained earnings     | 22                       | March 31, 2020 | June 30, 2020  |

Note: Total amount of dividend to be resolved by the Ordinary General Meeting of Shareholders on June 29, 2020 includes 11 million yen of dividends from the Company's shares owned by Officer Compensation BIP Trust and Stock Benefit ESOP Trust.

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

Not applicable

## 5. Notes to Financial Instruments

### (1) Matters concerning the status of financial instruments

The Group raises funds primarily through loans from financial institutions, bond and commercial paper issuance and the liquidation of receivables. 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. The investment securities are mainly stocks, the fair values of listed stocks are checked on a quarterly basis, and guarantee money deposited is mainly in connection with lease agreements for stores. In addition, loans are used as working capital.

### (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, 2020 are shown in the table below.

(Millions of yen)

|                                         | Consolidated Balance Sheets<br>Carrying Amount | Fair Value     | Unrealized Gain/Loss |
|-----------------------------------------|------------------------------------------------|----------------|----------------------|
| (1) Cash and deposits                   | 40,839                                         | 40,839         | —                    |
| (2) Notes and accounts receivable-trade | 5,153                                          | 5,153          | —                    |
| (3) Accounts receivable-installment     | 416,250                                        |                |                      |
| Allowance for doubtful accounts         | (11,145)                                       |                |                      |
|                                         | 405,104                                        | 450,830        | 45,725               |
| (4) Operating loans                     | 139,313                                        |                |                      |
| Allowance for doubtful accounts         | (3,407)                                        |                |                      |
|                                         | 135,906                                        | 153,450        | 17,544               |
| (5) Investment securities               |                                                |                |                      |
| Other securities                        | 13,513                                         | 13,513         | —                    |
| (6) Guarantee deposits                  | 4,833                                          | 4,848          | 15                   |
| <b>Total assets</b>                     | <b>605,350</b>                                 | <b>668,635</b> | <b>63,284</b>        |
| (1) Accounts payable-trade              | 7,145                                          | 7,145          | —                    |
| (2) Short-term loans payable            | 102,335                                        | 102,335        | —                    |
| (3) Current portion of bonds            | 15,000                                         | 15,000         | —                    |
| (4) Income taxes payable                | 10,724                                         | 10,724         | —                    |
| (5) Bonds payable                       | 90,000                                         | 89,491         | (508)                |
| (6) Long-term loans payable             | 272,500                                        | 272,279        | (220)                |
| <b>Total liabilities</b>                | <b>497,704</b>                                 | <b>496,975</b> | <b>(729)</b>         |

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

#### 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, and (4) 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 approximate their carrying amounts.

(5) 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.

(6) 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.

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.

2. As it is extremely difficult to determine the fair value of non-publicly traded stocks (in the amount of 8,492 million yen on the consolidated balance sheets), investments in capital of limited liability companies (in the amount of 2,429 million yen on the consolidated balance sheets), investments in capital of investment limited partners (in the amount of 2,452 million yen on the consolidated balance sheet) and non-publicly traded bonds (in the amount of 499 million yen on 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 (in the amount of 26,797 million yen on the consolidated balance sheets) for which no market prices are available and the future cash flows cannot be estimated, they are not included in item (6) Guarantee deposits.

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

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

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

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

(Millions of yen)

| Consolidated Balance Sheets Carrying Amount | Fair Value |
|---------------------------------------------|------------|
| 116,426                                     | 239,656    |

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 assets per share 1,351.57 yen

(2) Net income per share 117.58 yen

## 8. Notes to Significant Subsequent Events

Not applicable.

Amounts in these consolidated financial statements have been rounded down to the nearest unit. Ratio etc. are rounded off to the nearest digit.

**Non-Consolidated Balance Sheet**  
(As of March 31, 2020)

(Millions of yen)

| Item                                                         | Amount         | Item                                                         | Amount          |
|--------------------------------------------------------------|----------------|--------------------------------------------------------------|-----------------|
| <b><u>Assets</u></b>                                         |                | <b><u>Liabilities</u></b>                                    |                 |
| <b>Current assets</b>                                        | <b>341,469</b> | <b>Current liabilities</b>                                   | <b>194,200</b>  |
| Cash and deposits                                            | 25,667         | Short-term loans payable                                     | 102,200         |
| Short-term loans receivable from subsidiaries and affiliates | 311,328        | Current portion of bonds                                     | 15,000          |
| Other                                                        | 4,505          | Short-term loans payable to subsidiaries and affiliates      | 74,567          |
| Allowance for doubtful accounts                              | (33)           | Accounts payable-other                                       | 695             |
|                                                              |                | Accrued expenses                                             | 465             |
| <b>Noncurrent assets</b>                                     | <b>412,698</b> | Income taxes payable                                         | 218             |
| <b>Property, plant and equipment</b>                         | <b>1,465</b>   | Deposits received                                            | 197             |
| Buildings                                                    | 15             | Provision for bonuses                                        | 326             |
| Structures                                                   | 1              | Other                                                        | 531             |
| Vehicles                                                     | 20             | <b>Noncurrent liabilities</b>                                | <b>362,567</b>  |
| Furniture and fixtures                                       | 1,343          | Bonds payable                                                | 90,000          |
| Construction in progress                                     | 84             | Long-term loans payable                                      | 272,500         |
|                                                              |                | Other                                                        | 67              |
| <b>Intangible assets</b>                                     | <b>77</b>      | <b>Total liabilities</b>                                     | <b>556,767</b>  |
| <b>Investments and other assets</b>                          | <b>411,155</b> | <b><u>Net Assets</u></b>                                     |                 |
| Investment securities                                        | 21,418         | <b>Shareholders' equity</b>                                  | <b>196,451</b>  |
| Stocks of subsidiaries and affiliates                        | 382,414        | <b>Capital stock</b>                                         | <b>35,920</b>   |
| Investments in capital of subsidiaries and affiliates        | 132            | <b>Capital surplus</b>                                       | <b>91,307</b>   |
| Deferred tax assets                                          | 6,963          | Legal capital surplus                                        | 91,307          |
| Other                                                        | 227            | <b>Retained earnings</b>                                     | <b>88,883</b>   |
|                                                              |                | Legal retained earnings                                      | 8,980           |
|                                                              |                | Other retained earnings                                      | 79,903          |
|                                                              |                | Retained earnings brought forward                            | 79,903          |
|                                                              |                | <b>Treasury stock</b>                                        | <b>(19,661)</b> |
|                                                              |                | <b>Valuation and translation adjustments</b>                 | <b>948</b>      |
|                                                              |                | <b>Valuation difference on available-for-sale securities</b> | <b>948</b>      |
|                                                              |                | <b>Total net assets</b>                                      | <b>197,399</b>  |
| <b>Total assets</b>                                          | <b>754,167</b> | <b>Total liabilities and net assets</b>                      | <b>754,167</b>  |

**Non-Consolidated Statement of Income**  
(From April 1, 2019 to March 31, 2020)

(Millions of yen)

| Item                                                       | Amount |               |
|------------------------------------------------------------|--------|---------------|
| <b>Operating revenue</b>                                   |        | <b>23,507</b> |
| Operating expenses                                         |        | 7,471         |
| <b>Operating income</b>                                    |        | <b>16,036</b> |
| <b>Non-operating income</b>                                |        |               |
| Interest income                                            | 2,318  |               |
| Other                                                      | 252    | 2,570         |
| <b>Non-operating expenses</b>                              |        |               |
| Interest expenses                                          | 1,271  |               |
| Other                                                      | 402    | 1,673         |
| <b>Ordinary income</b>                                     |        | <b>16,933</b> |
| <b>Extraordinary income</b>                                |        |               |
| Gain on sales of investment securities                     | 211    |               |
| Gain on sales of shares of subsidiaries and associates     | 1,231  | 1,442         |
| <b>Extraordinary loss</b>                                  |        |               |
| Loss on valuation of shares of subsidiaries and associates | 1,010  |               |
| Retirement benefit                                         | 267    |               |
| Other                                                      | 126    | 1,404         |
| <b>Income before income taxes</b>                          |        | <b>16,971</b> |
| Income taxes-current                                       | 681    |               |
| Income taxes-deferred                                      | 44     | 725           |
| <b>Net income</b>                                          |        | <b>16,246</b> |



## Non-Consolidated Statement of Changes in Net Assets

(From April 1, 2019 to March 31, 2020)

(Millions of yen)

|                                                     | Shareholders' equity |                       |                       |                       |                                   |                         |                         |
|-----------------------------------------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------------------|-------------------------|-------------------------|
|                                                     | Capital stock        | Capital surplus       |                       |                       | Retained earnings                 |                         |                         |
|                                                     |                      | Legal capital surplus | Other capital surplus | Total capital surplus | Legal retained earnings           | Other retained earnings | Total retained earnings |
|                                                     |                      |                       |                       |                       | Retained earnings brought forward |                         |                         |
| <b>Balance as of April 1, 2019</b>                  | 35,920               | 91,307                | —                     | 91,307                | 8,980                             | 75,388                  | 84,368                  |
| <b>Changes in the fiscal year:</b>                  |                      |                       |                       |                       |                                   |                         |                         |
| Dividends                                           |                      |                       |                       |                       |                                   | (11,731)                | (11,731)                |
| Net income                                          |                      |                       |                       |                       |                                   | 16,246                  | 16,246                  |
| Acquisition of treasury stock                       |                      |                       |                       |                       |                                   |                         |                         |
| Disposition of treasury stock                       |                      |                       | 0                     | 0                     |                                   |                         |                         |
| Transfer to capital surplus from retained earnings  |                      |                       | (0)                   | (0)                   |                                   | 0                       | 0                       |
| Change in items other than shareholders' equity-net |                      |                       |                       |                       |                                   |                         |                         |
| <b>Total changes in the fiscal year</b>             | —                    | —                     | —                     | —                     | —                                 | 4,514                   | 4,514                   |
| <b>Balance as of March 31, 2020</b>                 | 35,920               | 91,307                | —                     | 91,307                | 8,980                             | 79,903                  | 88,883                  |

(Millions of yen)

|                                                     | Shareholders' equity |                            | Valuation and translation adjustments                 |                                             | Total net assets |
|-----------------------------------------------------|----------------------|----------------------------|-------------------------------------------------------|---------------------------------------------|------------------|
|                                                     | Treasury stock       | Total shareholders' equity | Valuation difference on available-for-sale securities | Total valuation and translation adjustments |                  |
| <b>Balance as of April 1, 2019</b>                  | (12,327)             | 199,270                    | 2,728                                                 | 2,728                                       | 201,998          |
| <b>Changes in the fiscal year:</b>                  |                      |                            |                                                       |                                             |                  |
| Dividends                                           |                      | (11,731)                   |                                                       |                                             | (11,731)         |
| Net income                                          |                      | 16,246                     |                                                       |                                             | 16,246           |
| Acquisition of treasury stock                       | (7,886)              | (7,886)                    |                                                       |                                             | (7,886)          |
| Disposition of treasury stock                       | 552                  | 552                        |                                                       |                                             | 552              |
| Transfer to capital surplus from retained earnings  |                      | —                          |                                                       |                                             | —                |
| Change in items other than shareholders' equity-net |                      |                            | (1,779)                                               | (1,779)                                     | (1,779)          |
| <b>Total changes in the fiscal year</b>             | (7,334)              | (2,819)                    | (1,779)                                               | (1,779)                                     | (4,598)          |
| <b>Balance as of March 31, 2020</b>                 | (19,661)             | 196,451                    | 948                                                   | 948                                         | 197,399          |

## 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 affiliates 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 mainly stated at cost using the moving-average method. Investments in investment limited partnerships are stated at the net value of equities based on the most recent financial statement available prepared according to the financial reporting date specified in the respective partnership agreement.

#### (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 allowances and 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.

##### (c) Provision for stock benefits

To prepare for provision of the Company's stock benefits to officers and employees pursuant to the stock allotment regulations, provisions are recorded based on the estimated amount of stock benefit obligations as of the end of the fiscal year under review.

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

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

#### (5) Additional information

##### (Officer Compensation BIP Trust)

As the details of the Officer Compensation BIP Trust are explained in item (4) Additional information of the Notes to Consolidated Financial Statements, the note is omitted.

##### (Stock Benefit ESOP Trust)

As the details of the Stock Benefit ESOP Trust are explained in item (4) Additional information of the Notes to Consolidated Financial Statements, the note is omitted.

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

|                                                                                                                                          |                     |
|------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| (1) Accumulated depreciation of property, plant and equipment                                                                            | 856 million yen     |
| (2) Guarantee liabilities                                                                                                                |                     |
| Guarantee liabilities in respect to the amount of payables of the consolidated subsidiary, Epos Card Co., Ltd. to their business partner | 22,540 million yen  |
| (3) Receivables and payables to subsidiaries and affiliates                                                                              |                     |
| Short-term receivables                                                                                                                   | 312,760 million yen |
| Short-term payables                                                                                                                      | 74,749 million yen  |

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

#### Transaction with subsidiaries and affiliates

|                            |                    |
|----------------------------|--------------------|
| Operating transactions     |                    |
| Operating revenues         | 23,505 million yen |
| Operating expenses         | 1,330 million yen  |
| Non-operating transactions | 2,357 million yen  |

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

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

| Share Class  | Number of Shares as of April 1, 2019 | Increase in Shares in the Fiscal Year | Decrease in Shares in the Fiscal Year | Number of Shares as of March 31, 2020 |
|--------------|--------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Common stock | 6,214,767 shares                     | 3,432,674 shares                      | 398,989 shares                        | 9,248,452 shares                      |

- Notes:
- Shares of common stock held as treasury stock increased by 3,432,674 shares due to the purchase of treasury stock (2,990,000 shares), the acquisition of treasury stock in relation to the Officer Compensation BIP Trust and Stock Benefit ESOP Trust (441,800 shares), and the purchase of shares in response to purchase demands for less than one unit (874 shares).
  - Shares of common stock held as treasury stock decreased by 398,989 shares due to the provision of treasury stock in relation to the Officer Compensation BIP Trust and Stock Benefit ESOP Trust (398,916 shares) and the sale of fractional shares (73 shares).
  - The number of shares of common stock as of March 31, 2020 includes 545,184 shares of the Company's shares owned by Officer Compensation BIP Trust and Stock Benefit ESOP Trust.

### 5. Notes to Tax Effect Accounting

#### Principal components of deferred tax assets and deferred tax liabilities

##### (Deferred tax assets)

|                                                                                           |                     |
|-------------------------------------------------------------------------------------------|---------------------|
| Impairment loss of investment securities in subsidiaries and affiliates for restructuring | 7,238 million yen   |
| Other                                                                                     | 3,107 million yen   |
| Sub-total                                                                                 | 10,345 million yen  |
| Valuation allowance                                                                       | (2,963) million yen |
| Total                                                                                     | 7,382 million yen   |

##### (Deferred tax liabilities)

|                                                       |                 |
|-------------------------------------------------------|-----------------|
| Valuation difference on available-for-sale securities | 419 million yen |
| Total                                                 | 419 million yen |

|                         |                   |
|-------------------------|-------------------|
| Net deferred tax assets | 6,963 million yen |
|-------------------------|-------------------|

## 6. Notes to Transactions with Related Parties

Subsidiaries, affiliates and other related parties

| Type         | Name                | Business Contents                                                                                                              | Voting Rights held by the Company (%) | Relationship                                                        |                       |
|--------------|---------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|---------------------------------------------------------------------|-----------------------|
|              |                     |                                                                                                                                |                                       | Concurrent Posts of Directors and Audit & Supervisory Board Members | Business Relationship |
| Subsidiaries | MARUI CO., LTD.     | Marui Store Business, Private Brand Management and Development, Mail-order Business, Outlet Business, Operation of Modi Stores | (Ownership)<br>Direct<br>100.0        | 3 persons                                                           | Business management   |
|              | Epos Card Co., Ltd. | Credit Card Business, Credit Loan Business                                                                                     | (Ownership)<br>Direct<br>100.0        | 1 person                                                            | Business management   |

| Type         | Name                | Transactions                       | Amount of Transactions (Millions of yen) | Account Item                                                 | Balance as of March 31, 2020 (Millions of yen) |
|--------------|---------------------|------------------------------------|------------------------------------------|--------------------------------------------------------------|------------------------------------------------|
| Subsidiaries | MARUI CO., LTD.     | Borrowing of funds<br>*Note 1      | 65,865                                   | Short-term loans payable to subsidiaries and affiliates      | 62,267                                         |
|              |                     | Business management fee<br>*Note 2 | 1,815                                    | -                                                            | -                                              |
|              | Epos Card Co., Ltd. | Lending of funds<br>*Note 1        | 382,878                                  | Short-term loans receivable from subsidiaries and affiliates | 307,726                                        |
|              |                     | Business management fee<br>*Note 2 | 3,931                                    | -                                                            | -                                              |
|              |                     | Receipt of interest                | 2,297                                    | -                                                            | -                                              |

Terms of transactions and policy for deciding transaction terms

- Notes: 1. These loans are intended to centralize control of the intra-Group funds by the cash management system. The interest rate is reasonably determined based on the market interest rate. The transaction amounts shown in the table above are average outstanding balances.
2. These represent fees for accounting and personnel management related services provided and are determined on a reasonable basis.

## 7. Notes to Per-Share Information


- |                          |            |
|--------------------------|------------|
| (1) Net assets per share | 920.66 yen |
| (2) Net income per share | 75.22 yen  |

## 8. Notes to Significant Subsequent Events

Not applicable.

Amounts in these non-consolidated financial statements have been rounded down to the nearest unit. Ratio etc. are rounded off to the nearest digit.

Major external evaluation related to ESG (From April 1, 2019 to March 31, 2020)



MEMBER OF  
**Dow Jones  
Sustainability Indices**  
In Collaboration with RobecoSAM

The MARUI GROUP was selected for inclusion in World Index for the second consecutive year  
The MARUI GROUP was selected for inclusion in Asia Pacific Index for the third consecutive year




**FTSE Blossom  
Japan**  
2019 Constituent  
MSCI 日本株  
女性活躍指数 (WFI)  
MSCI  
2019 Constituent  
MSCI ジャパン ESG  
セレクト・リーダーズ指数

The MARUI GROUP was selected for inclusion in Three ESG Indexes utilized by the GPIF for the third consecutive year



**SAM**  
Sustainability Award  
Silver Class 2020

The MARUI GROUP was awarded Silver Class of The Sustainability Yearbook 2020




**S&P/JPX  
Carbon  
Efficient  
Index**

The MARUI GROUP was selected for inclusion in the “S&P/JPX Carbon Efficient Index”



**CDP**  
DISCLOSE ORIENT ACTION  
**A LIST  
2019**  
CLIMATE

The MARUI GROUP was awarded CDP’s “Climate Change A List” for the second consecutive year



**2020**  
健康経営銘柄  
Health and Productivity

The MARUI GROUP was included in the Health & Productivity Stock Selection for the third consecutive year



**NADESHI BRAND  
2020**

The MARUI GROUP was selected for inclusion in the Nadeshiko Brands for the third consecutive year

For details, please see the following website.  
[www.0101maruigroup.co.jp/ci/award.html](http://www.0101maruigroup.co.jp/ci/award.html)