

MARUI GROUP CO., LTD

Overview of Performance in Nine Months Ended December 31, 2021



MARUI GROUP

February 3, 2022



Overview of Performance and Segment Income in Nine Months Ended December 31, 2021

- Consolidated
 - FinTech
 - Retailing
 - Co-creative investment
 - Balance sheet and cash flow
 - ESG

Full-year forecast

- 1) Total Group transactions were a record ¥2.5084 trillion, up ¥344.7 billion year on year.
- 2) Net income was up ¥2.4 billion (+17%) year on year to ¥16.2 billion. EPS, a primary KPI, increased ¥13 year on year to ¥78.
- 3) Consolidated operating income was up ¥1.1 billion (+4%) year on year to ¥29.7 billion. Adjusted to exclude one-time factors such as “fixed costs transferred to extraordinary loss” and “rent reduction/relief”, consolidated operating income was up ¥2.6 billion.
- 4) FinTech segment operating income increased by ¥1.5 billion to ¥33.1 billion. Retailing segment operating income declined ¥600 million to ¥1.2 billion.

*The Group began applying the new revenue recognition standard in the current fiscal year.

Consolidated Performance

Revenue up for the first time in three years and operating income up for the first time in two years on growth of total Group transactions

	3Q FY2022	YOY Change (%)	Change from 3Q FY2020 (%)	YOY difference (yen)
EPS (yen)	77.5	120	85	+12.8

	3Q FY2020	3Q FY2021	3Q FY2022	YOY change	Change from 3Q FY2020	YOY difference
	Billions of yen	Billions of yen	Billions of yen	%	%	Billions of yen
Total Group transactions	2174.3	2163.7	2508.4	116	115	+344.7
Revenue	174.4	153.6	156.5	102	90	+2.9
Gross Profit	148.0	134.0	136.9	102	92	+2.9
SG&A expenses	115.3	105.4	107.2	102	93	+1.8
Operating income	32.8	28.6	29.7	104	91	+1.1
Ordinary income	31.8	28.4	28.9	102	91	+0.5
Net income	19.8	13.9	16.2	117	82	+2.4

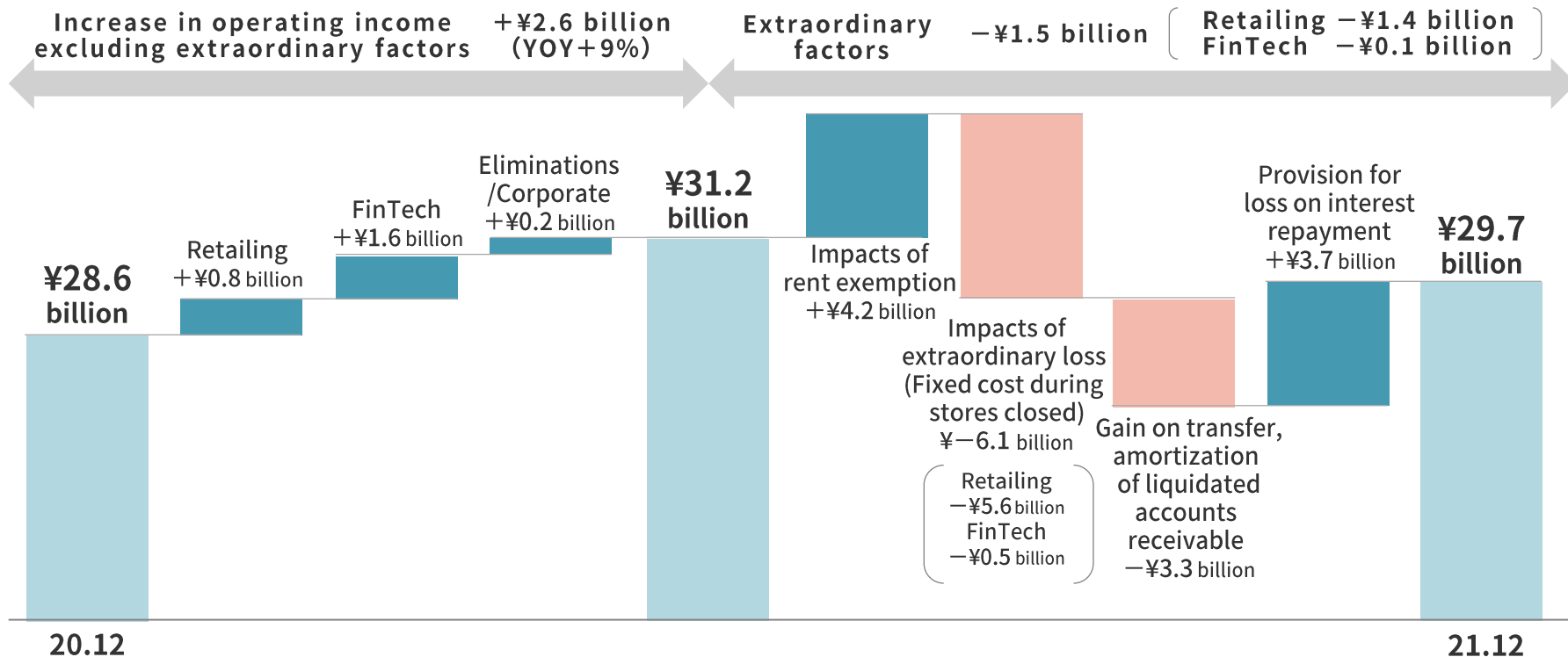
Segment Income (Revenue and Operating Income)

FinTech segment recorded higher revenue and operating income; revenue up for Retailing segment, but operating income down due to “fixed costs transferred to extraordinary loss” in previous year

	3Q FY2020	3Q FY2021	3Q FY2022	YOY change	Change from 3Q FY2020	YOY difference
	Billions of yen	Billions of yen	Billions of yen	%	%	Billions of yen
Revenue	174.4	153.6	156.5	102	90	+2.9
Retailing	76.0	53.6	56.4	105	74	+2.9
FinTech	104.7	103.9	104.8	101	100	+0.9
Eliminations /Corporate	-6.3	-3.9	-4.8	-	-	-0.9
Operating income	32.8	28.6	29.7	104	91	+1.1
Retailing	7.7	1.8	1.2	68	16	-0.6
FinTech	30.2	31.6	33.1	105	109	+1.5
Eliminations /Corporate	-5.1	-4.8	-4.6	-	-	+0.2

Factors Affecting Operating Income

Consolidated operating income was up 9% (¥2.6 billion) year on year when adjusted to exclude one-time factors such as “fixed costs transferred to extraordinary loss”



Overview of Performance and Segment Income in Nine Months Ended December 31, 2021

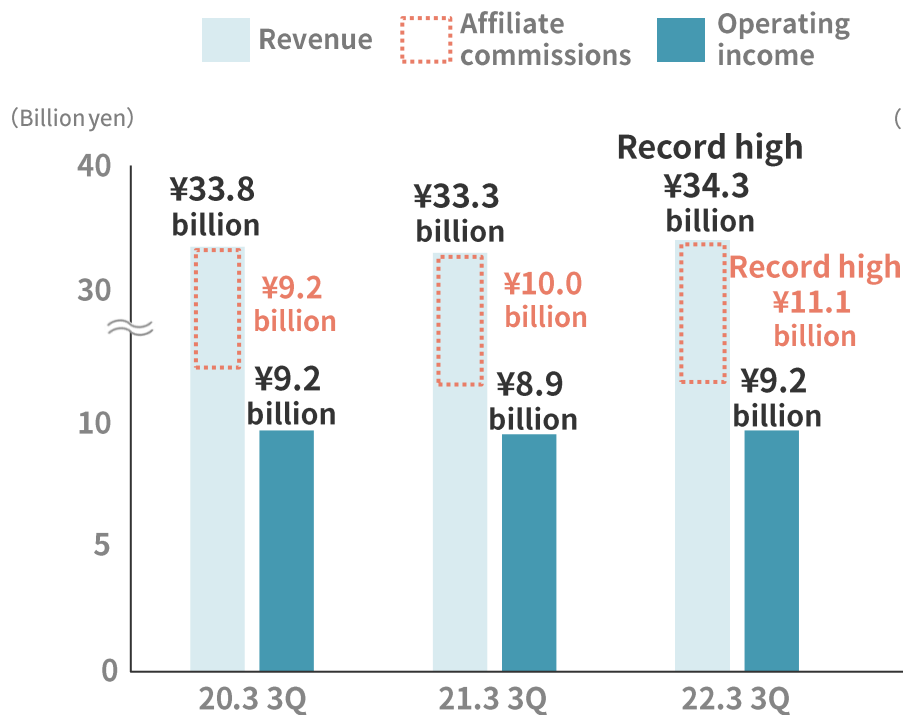
- Consolidated
- FinTech
- Retailing
- Co-creative investment
- Balance sheet and cash flow
- ESG

Full-year forecast

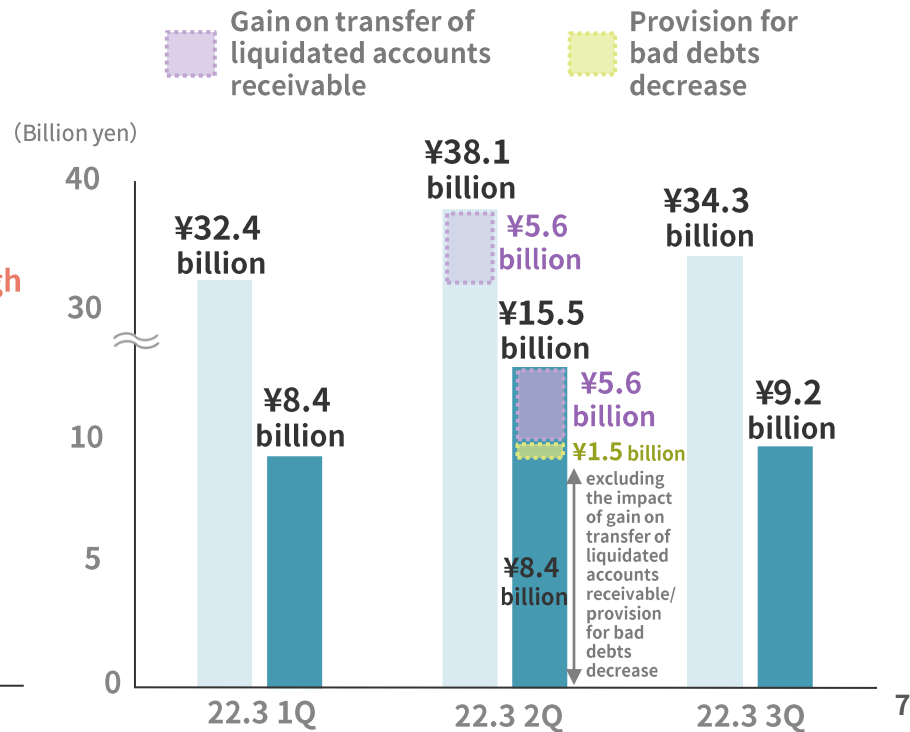
FinTech Segment: Revenue and Operating Income

Record-high third-quarter revenue

■ Last 3 years 3Q changes in achievement

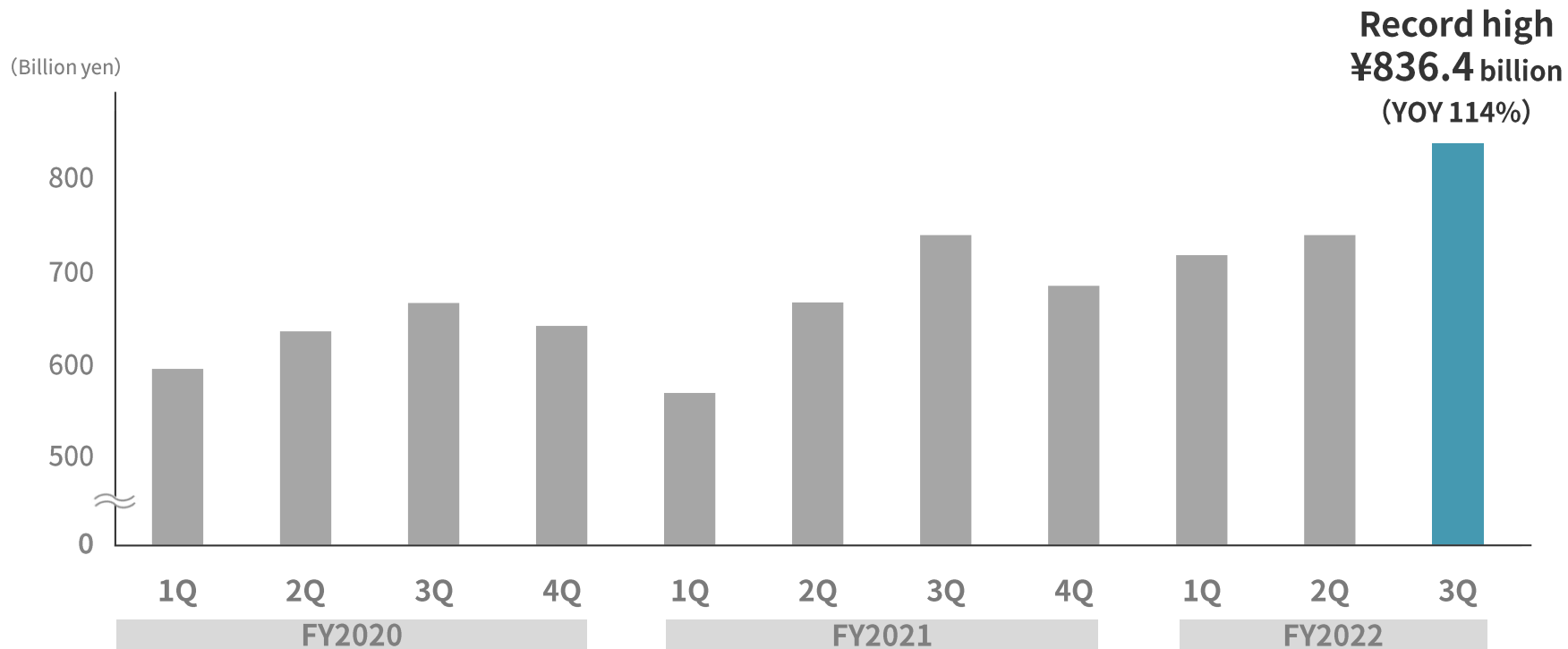


■ FY2022 Quarterly changes in achievement



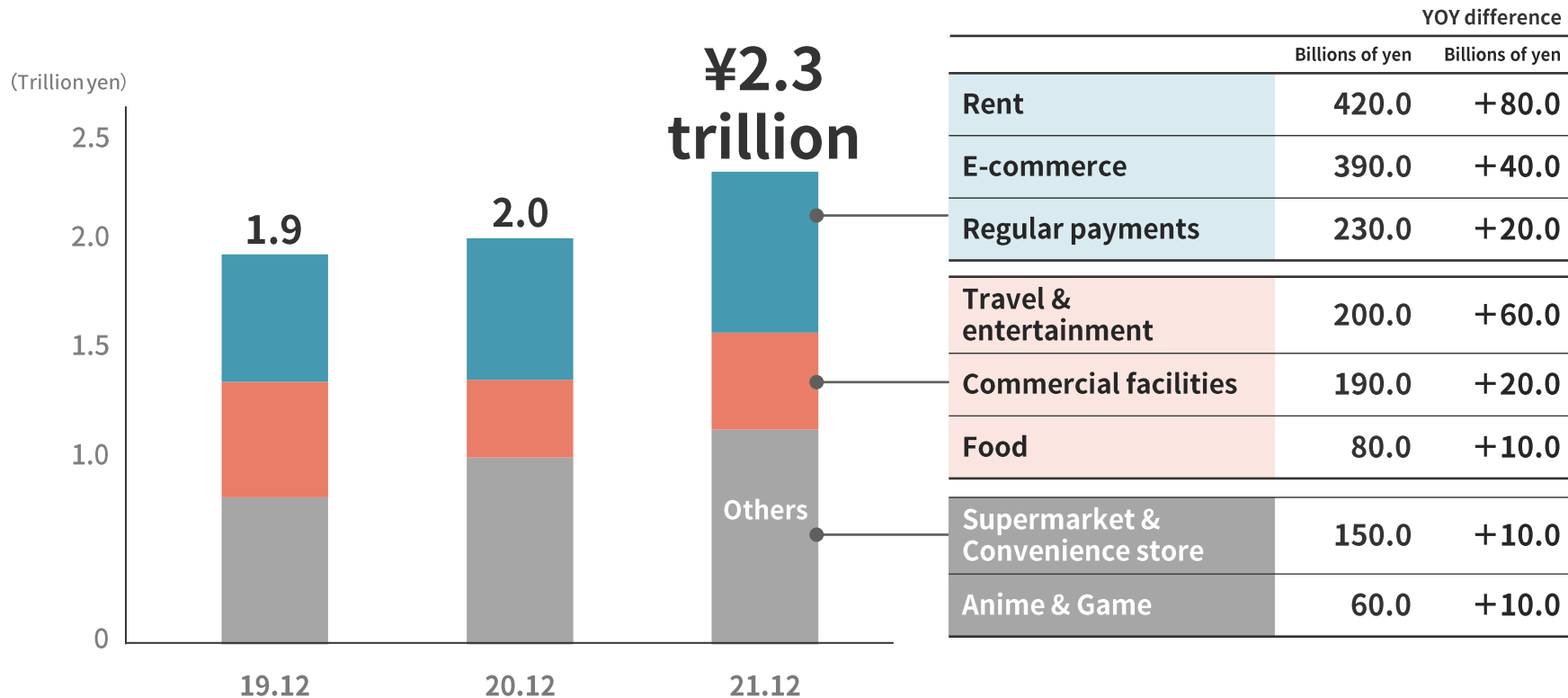
Card Credit Transaction Volume

Record-high quarterly (three-month) transaction volume in the third quarter of fiscal year ending March 31, 2022



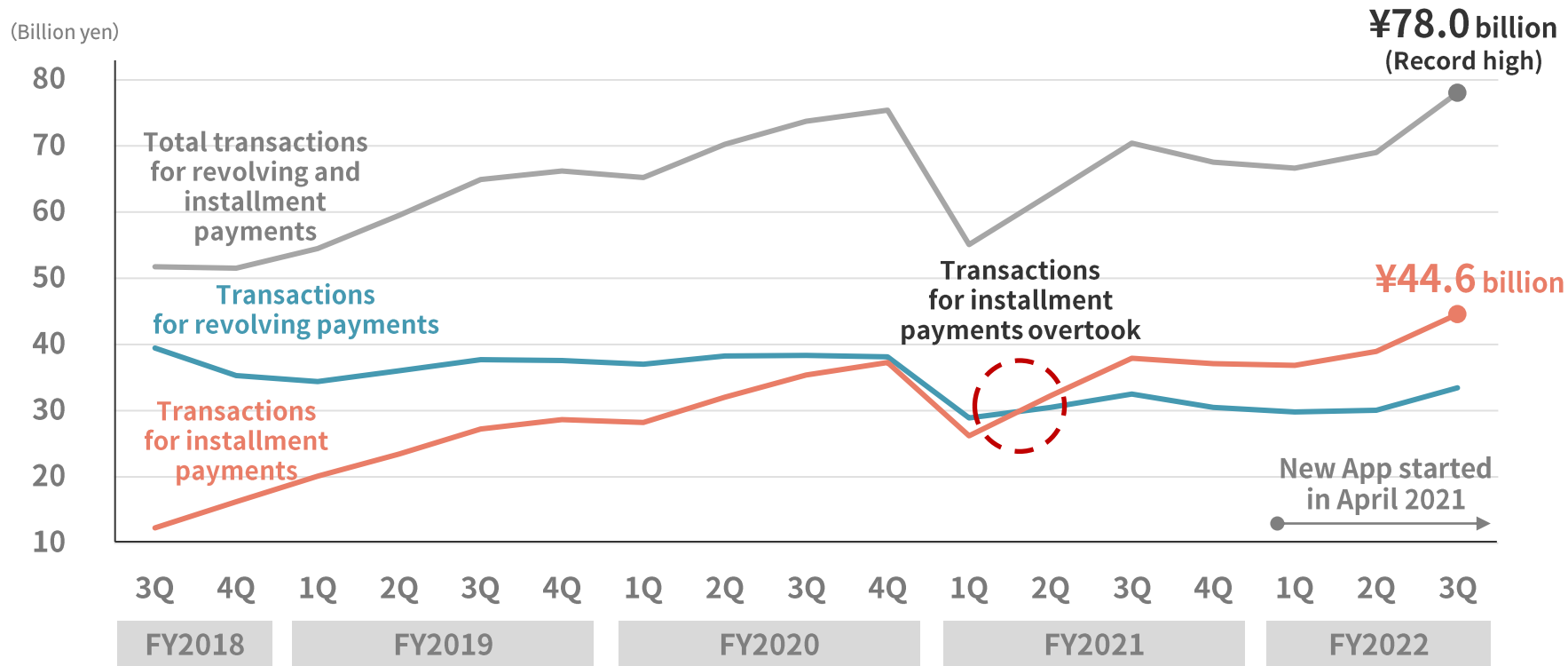
Card Credit Transaction Volume

Achieved record transaction volume of ¥2.3 trillion in third quarter due to progress with maximizing share of household finances



Revolving and Installment Payments

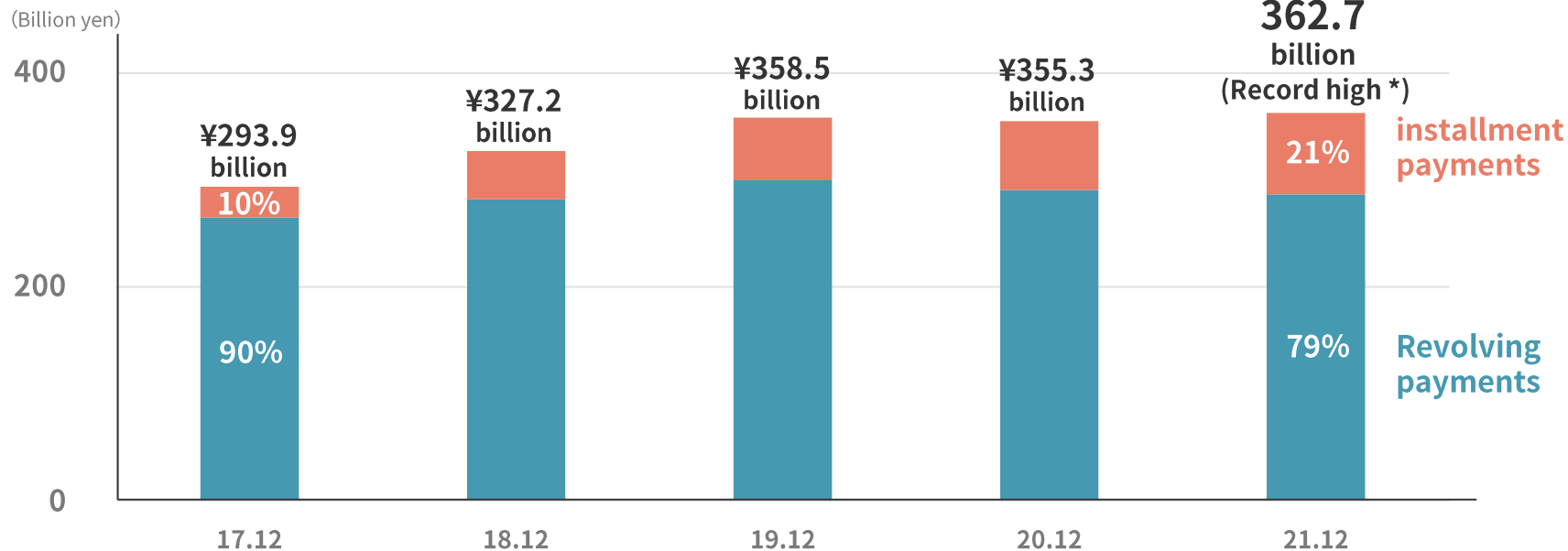
Transaction volume of installment payments, which overtook revolving payments in previous fiscal year, continued to trend upward. Transaction volume of revolving and installment payments reached a record high in the third quarter of the fiscal year ending March 31, 2022.



Balance of Revolving and Installment Payments

The weighting of the balance of installment payments increased to 21% of the total.
The balance of revolving and installment payments reached a record high*

■ Transition of balance of revolving and installment payments (Including liquidated accounts receivable)

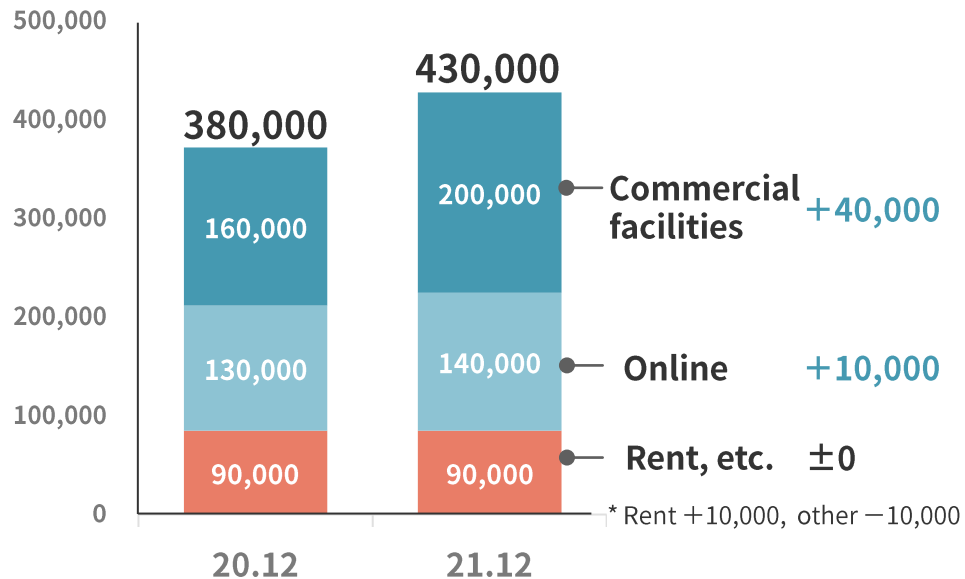


* Since launch of EPOS Card

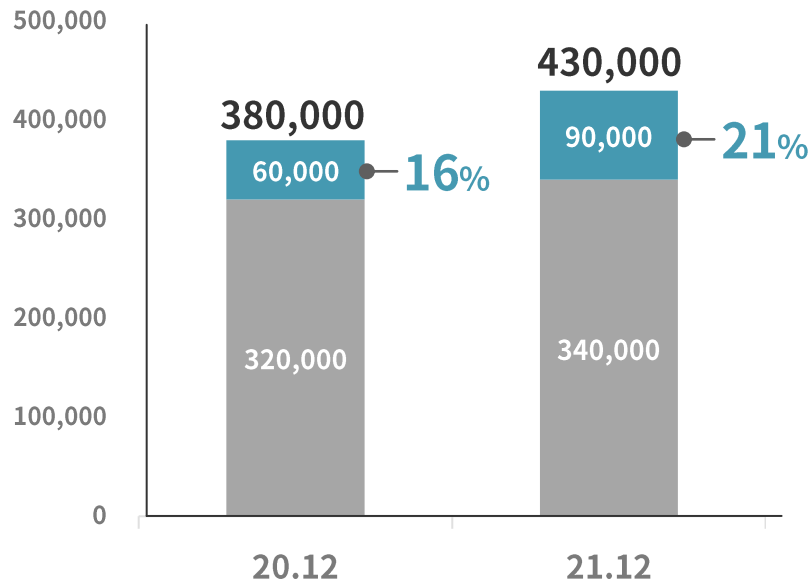
New Cardholders

Number of credit card applications at commercial facilities recovered. New card applications up 50,000 year on year. Share of “Cards tailored to individual’s interests” increased.

■ Composition by enrollment route

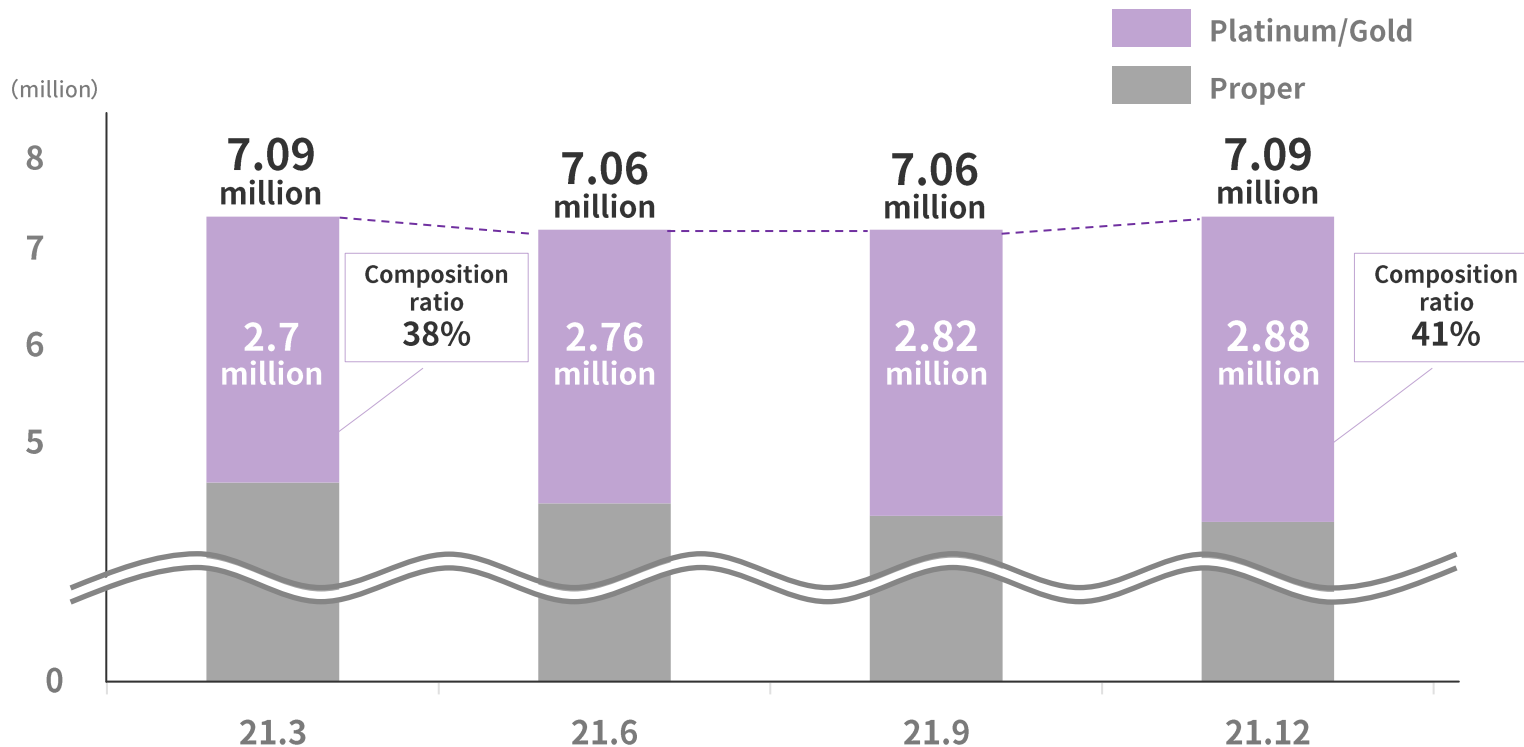


■ Composition by “Cards tailored to each individual’s interests”



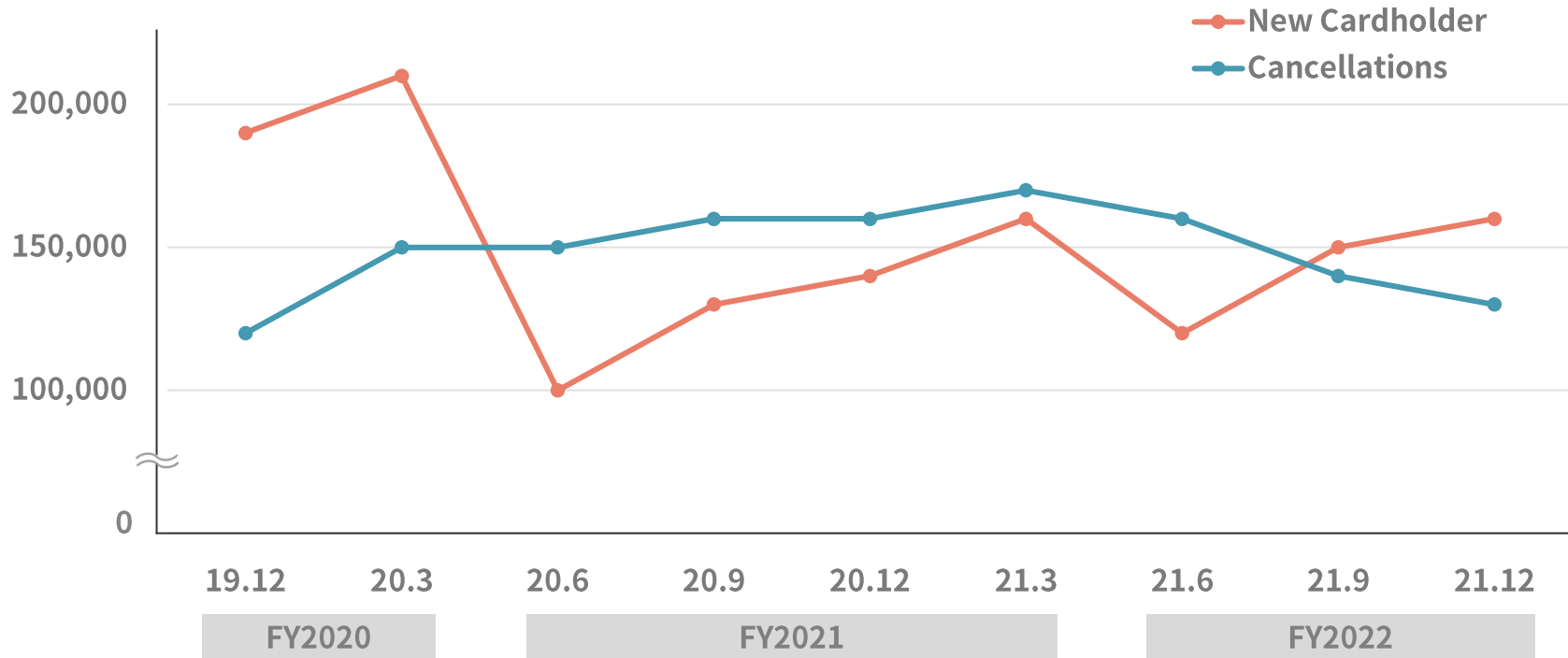
Cardholder Numbers

Cardholders totaled 7.09 million, with the share of Platinum and Gold cardholders increasing to 41% of total



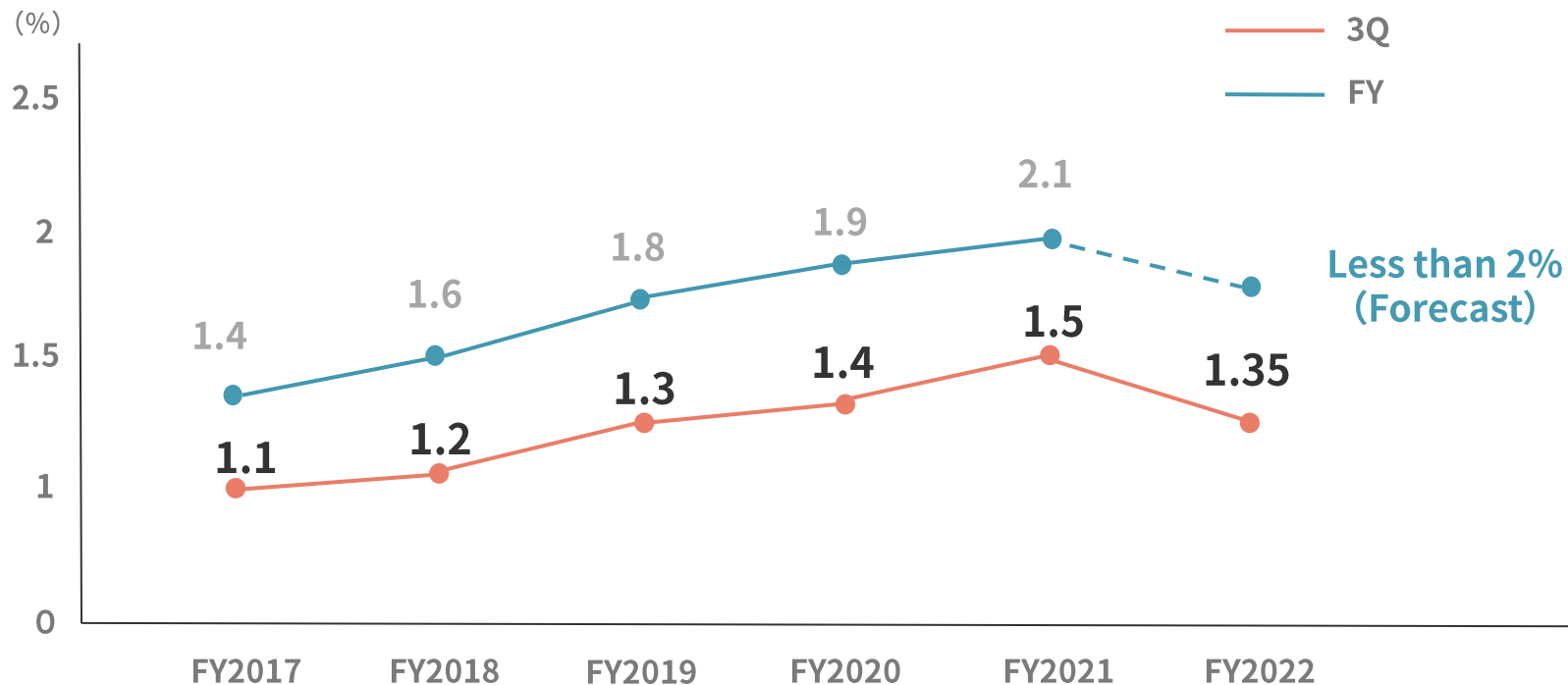
New Credit Card Applications and Credit Card Cancellations

New card applications exceeded card cancellations in the second quarter; more new card applications than card cancellations so far in fiscal year ending March 31, 2022



Ratio of Bad Debt Write-Offs

The ratio of bad debt write-offs trended upward through the fiscal year ended March 31, 2021, but is forecast to decrease this fiscal year.



* Ratio of bad debt write-offs = Bad debt write-offs / Operating receivables at the end of period (including liquidated accounts receivable)

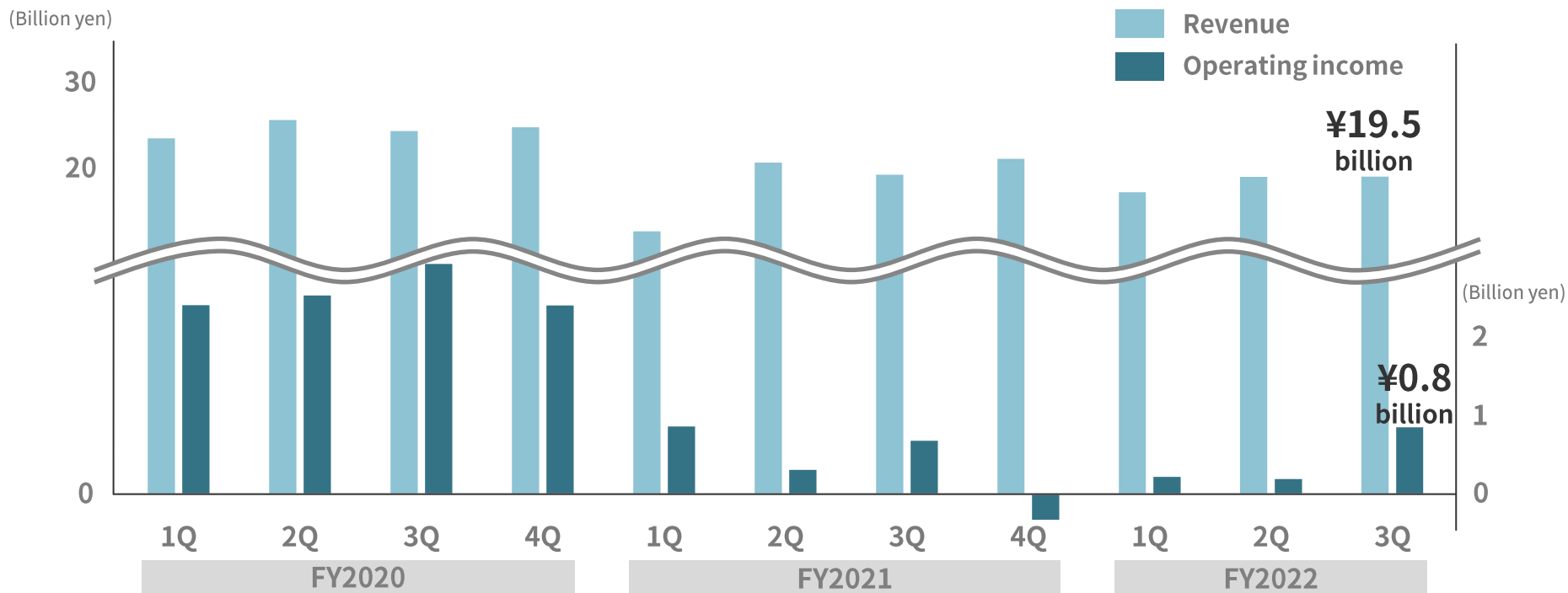
Overview of Performance and Segment Income in Nine Months Ended December 31, 2021

- Consolidated
- FinTech
- Retailing
- Co-creative investment
- Balance sheet and cash flow
- ESG

Full-year forecast

Retailing Segment: Revenue and Operating Income

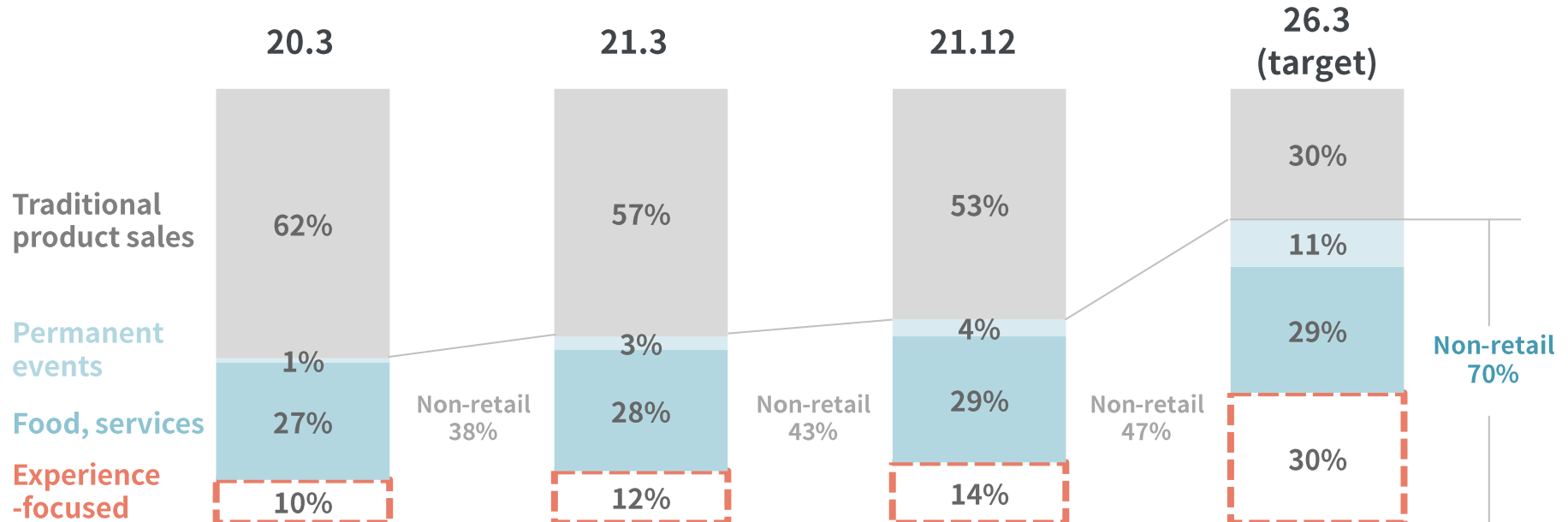
Revenue was ¥19.5 billion and operating income was ¥800 million in the third quarter (three months)



Progress with “Stores that Don’t Sell” Strategy

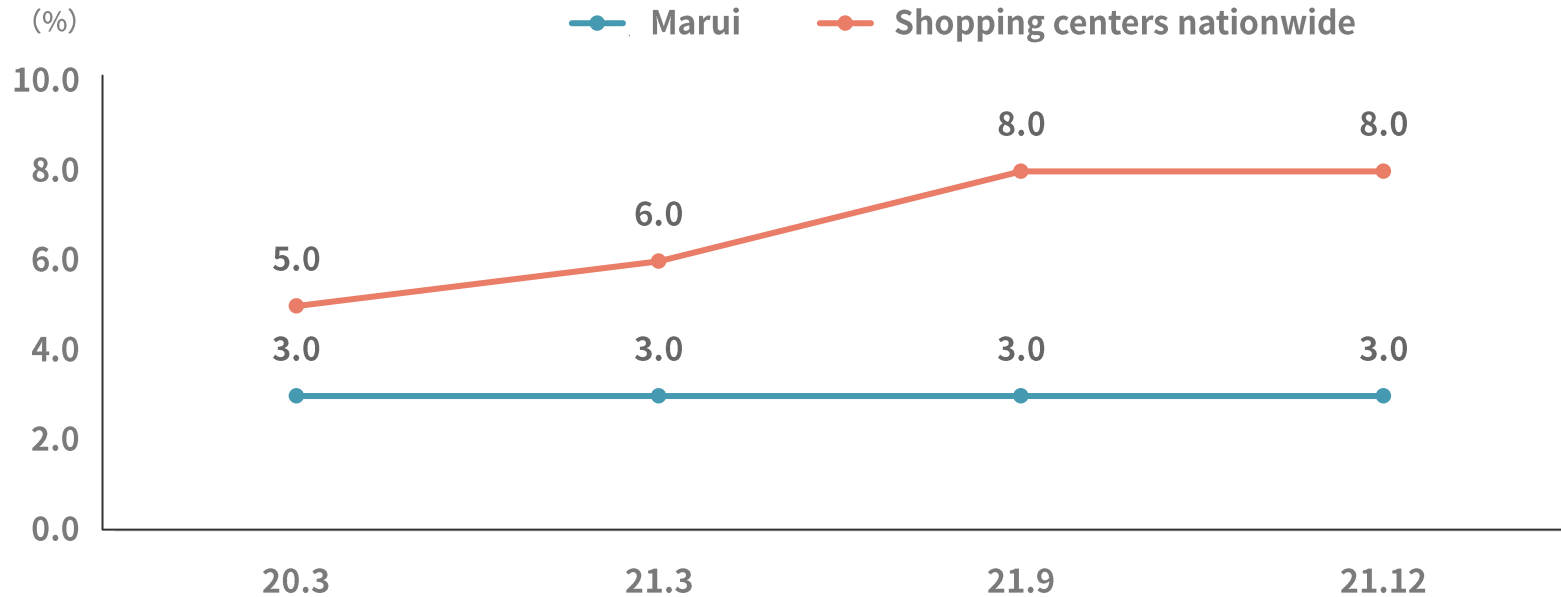
Progress made with changes to tenant category weightings, with non-retail tenants accounting for 47% of sales floor area (+4% year on year) as of December 31, 2021, of which experience-focused tenants accounted for 14%

Transition of category transformation



Vacancy Rate

Vacancy rate remained at 3.0% level despite the impact of the pandemic



* Vacancy rate: Ratio of area of closed sections to total sales floor area

* Calculated by Marui based on Japan Council of Shopping Centers database

Overview of Performance and Segment Income in Nine Months Ended December 31, 2021

- Consolidated
- FinTech
- Retailing
- Co-creative investment
- Balance sheet and cash flow
- ESG

Full-year forecast

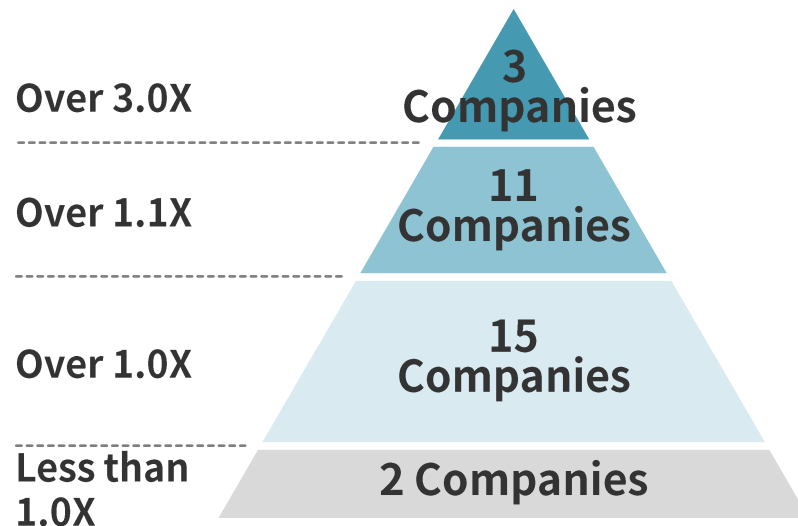
■ Investment in startups

	Companies	Amount
Status at the end of December 2021	4	¥0.7 billion (¥1.9 billion)*
Total	31	¥13.4 billion (¥20.7 billion)*

*Amount including fund investment

■ Share price performance of the 31 companies

*Share price difference between time of investment and most recent procurement



Hurdle rate: IRR 10% < IRR 26%

*IRR : Calculated using most recent procurement price for unlisted shares held and share price on December 31, 2021 for listed securities held, assuming that listed shares were sold at the end of each company's fiscal year.

Overview of Performance and Segment Income in Nine Months Ended December 31, 2021

- Consolidated
- FinTech
- Retailing
- Co-creative investment
- Balance sheet and cash flow
- ESG

Full-year forecast

Balance Sheet

Total assets were ¥933.6 billion (+¥32.3 billion) and operating receivables were ¥586.3 billion (+¥41.6 billion)

	Mar.31, 2021	Dec.31, 2021	YOY difference
	Billions of yen	Billions of yen	Billions of yen
Operating receivable	544.7	586.3	+41.6
(Liquidated accounts receivable : Off-balance sheet)	(182.2)	(202.0)	(+19.8)
[Ratio of liquidated accounts receivable(%) *1]	[25.1]	[25.6]	[+0.5]
installment sales accounts receivable	426.7	472.7	+46.0
operating loans outstanding	118.0	113.7	-4.4
Fixed assets	277.5	274.5	-3.1
Investment securities	42.1	38.9	-3.2
Interest-bearing debt	484.6	527.2	+42.7
[Ratio of operating receivables(%) *2]	[89.0]	[89.9]	[+0.9]
Shareholder's equity	289.6	269.0	-20.6
[Equity ratio (%)]	[32.1]	[28.8]	[-3.3]
Total assets	901.2	933.6	+32.3

*1 Ratio of liquidated accounts receivable = Liquidated accounts receivable / (Operating receivables + Liquidated accounts receivable)

*2 Ratio of interest-bearing debt to operating receivables = Interest-bearing debt / Operating receivables

Core operating cash flow increased ¥14.6 billion year on year

	3Q FY2021	3Q FY2022	YOY change
	Billions of yen	Billions of yen	Billions of yen
Net cash provided by (used in) operating activities	19.8	4.8	-15.0
Increase(decrease) in operating receivables	4.9	-24.7	-29.6
Core operating cash flow *3	14.9	29.5	+14.6
Net cash provided by (used in) investing activities	-15.0	-10.9	+4.1
Purchase of fixed assets (tangible, intangible)	-8.8	-7.1	+1.7
Gains on sales of investment securities	-4.5	-2.9	+1.6
Deposit refund, etc.	-1.7	-0.9	+0.8
Net cash provided by (used in) financial activities	-5.9	5.9	+11.8
Increase(decrease) in interest-bearing dept	4.3	42.7	+38.4
Cash dividends paid	-10.1	-11.0	-0.9
Purchase of treasury stock, etc.	-0.1	-25.7	-25.6
Cash and cash equivalents at end of period	39.7	41.0	+1.2

*3 Core operating cash flow = Net cash provided by (used in) operating activities - Change in operating receivables

Overview of Performance and Segment Income in Nine Months Ended December 31, 2021

- Consolidated
- FinTech
- Retailing
- Co-creative investment
- Balance sheet and cash flow
- ESG

Full-year forecast

Inclusion in DJSI World Index for fourth consecutive year

■ Major third-party assessment results

- November 2021: Included in DJSI World Index for fourth consecutive year
- November 2021: Included in DJSI Asia Pacific Index for fifth consecutive year

※Other awards and assessment results are listed on our website:

<https://www.0101maruigroup.co.jp/ci/award/index.html>

Member of
**Dow Jones
Sustainability Indices**
Powered by the S&P Global CSA

Overview of Performance and Segment Income in Nine Months Ended December 31, 2021

- Consolidated
- FinTech
- Retailing
- Co-creative investment
- Balance sheet and cash flow
- ESG

Full-year forecast

Full-Year Forecast for FY2022

On track to achieve initial targets of ¥36.5 billion in operating income and ¥16.5 billion in net income

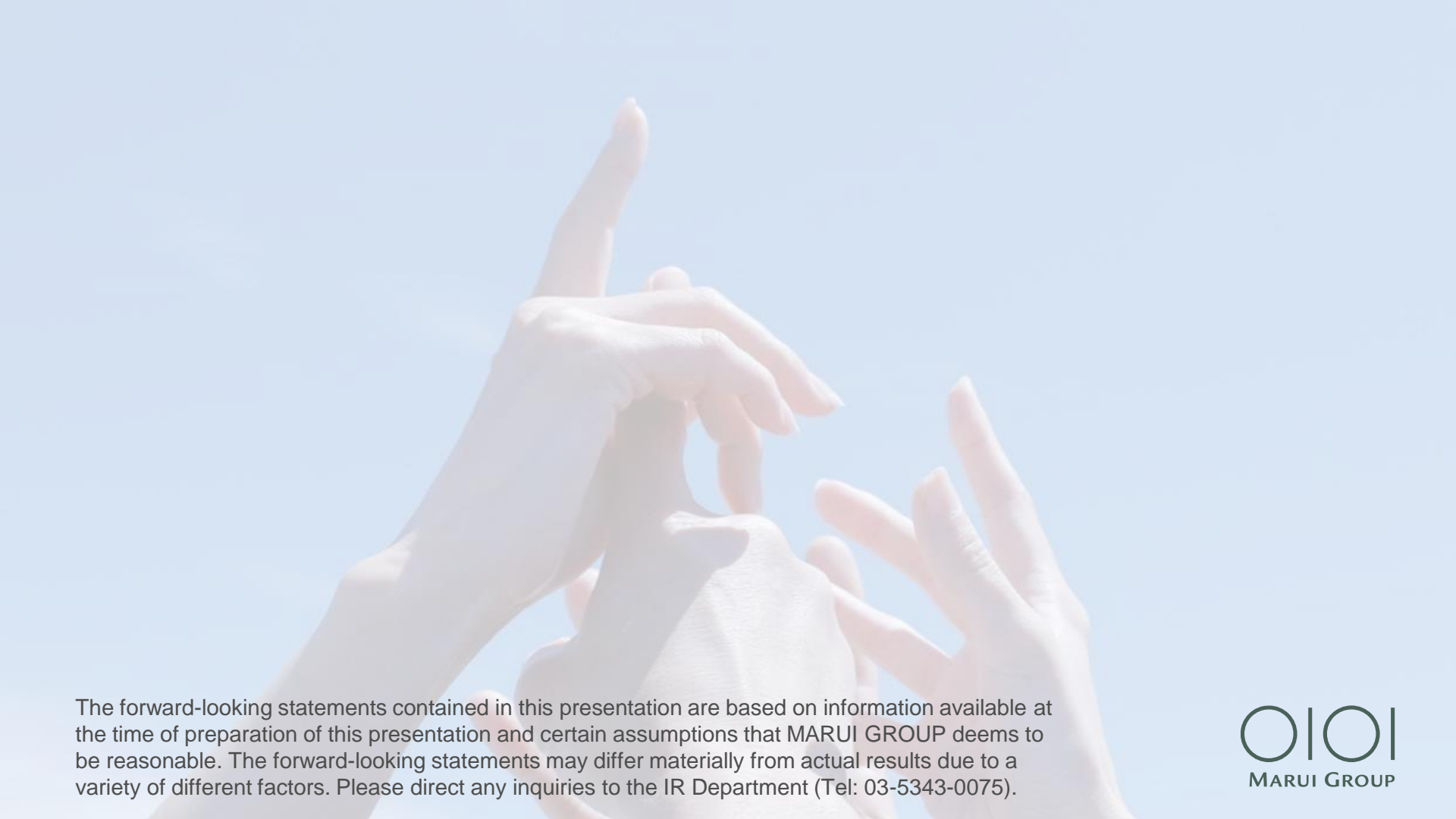
	FY2021	FY2022	YOY change	YOY difference	VS. FY2020 difference
EPS (yen)	10.6	79.6	752	+69.0	-37.4
ROE (%)	0.8	5.9	-	+5.1	-2.9
ROIC (%)	1.4	3.2	-	+1.8	-0.5
〈Reference〉					
	Billions of yen	Billions of yen	%	Billions of yen	Billions of yen
Total Group transactions	2919.2	3410.0	117	+490.8	+506.3
Revenue	206.2	212.0	103	+5.8	-19.7
Gross Profit	177.3	185.0	104	+7.7	-9.4
SG&A expenses	162.1	148.5	92	-13.6	-4.2
Operating income	15.2	36.5	240	+21.3	-5.3
Net income	2.3	16.5	728	+14.2	-8.8

* The figures above have been determined in accordance with the Accounting Standard for Revenue Recognition (ASBJ Statement No.29, March 31, 2020).

〈 Reference 〉 Segment income forecasts for FY2022

	FY2021	FY2022	YOY change	YOY difference
	Billions of yen	Billions of yen	%	Billions of yen
Retailing	1.5	2.0	135	+0.5
FinTech	20.2	41.0	203	+20.8
Eliminations/Corporate	-6.5	-6.5	-	0.0
Consolidated operating income	15.2	36.5	240	+21.3

* Planning premise	3Q FY2022 (Actual)		FY2022	
	Change from FY2021	Change from FY2020	Change from FY2021	Change from FY2020
Retailing transactions	109%	73%	109%	78%
FinTech transactions	116%	119%	117%	121%

The background of the slide features three hands reaching upwards against a clear, light blue sky. The hands are positioned in the center-left and center-right areas, with fingers slightly spread, creating a sense of aspiration or reaching for goals. The lighting is soft and natural, highlighting the skin tones.

The forward-looking statements contained in this presentation are based on information available at the time of preparation of this presentation and certain assumptions that MARUI GROUP deems to be reasonable. The forward-looking statements may differ materially from actual results due to a variety of different factors. Please direct any inquiries to the IR Department (Tel: 03-5343-0075).