

MESSAGE FROM THE CFO

Let me begin by apologizing for our failure to accomplish our targets for all of our key performance indicators (KPIs) in the fiscal year ended March 31, 2021, the final year of the previous medium-term management plan. Reasons for this failure include the heavy impact of the COVID-19 pandemic on the performance of the retailing and fintech businesses as well as a misjudgment in our interest repayment forecast for the fintech business made at the stage of formulating the plan. Regardless, we were pretty much on track when it came to our KPIs in the fourth year of the five-year plan. As this shows, the main measures of the plan progressed more or less as expected and with a certain degree of success when you don't consider the aforementioned reasons for failure. Specific successes included stable earnings generated in the retailing business following the transition to fixed-term rental contracts as well as earnings growth in the fintech business as a result of our nationwide expansion and our strategy of maximizing the share of EPOS card payments in relation to household finances. We also transitioned to an optimal capital structure in which return on invested capital (ROIC) consistently exceeds weighted average cost of capital (WACC) through our capital measures. Meanwhile, our overall excellence in terms of sustainability initiatives earned us a spot on the global Dow Jones Sustainability World Index for the third consecutive year.

Based on these outcomes of the previous medium-term management plan, as well as the changes we have seen in the social climate and in the operating environment, MARUI GROUP formulated a new medium-term management plan, which was unveiled in May 2021. This plan is meant to cover the fiscal years ending March 31, 2022 to 2026, the first five years of our longer plan for the next decade.

Over the next decade, we expect to see three major changes in the operating environment. The first is replacement of the current work-age generation with younger generations. The second is the transition from the introduction of digital technologies to their full-scale deployment. The third is a long-term shift from tangible to intangible assets.

We will furnish a swift response to these changes as we seek to ensure that the targets of the new medium-term management plan are met. I hope we can look forward to your ongoing support as we march ahead on this journey.

The previous medium-term management plan primarily employed financial KPIs, like earnings per share, return on equity, and ROIC. However, we realized that creating the value MARUI GROUP pursues would be impossible if we merely focused on financial KPIs. For this reason, the new medium-term management plan includes impact targets along with associated KPIs.

This plan thus comprises business strategies, capital measures, and impact targets. In *Co-Creation Management Report 2021*, we chose to focus on our impact targets. If you want more information on our business strategies, capital measures, and other financial matters, I invite you to refer to the following resources.



Hirotsugu Kato

Director, Managing Executive Officer,
and CFO
In charge of IR, Finance, Sustainability,
and ESG Promotion
Director, MARUI CO., LTD.
Director, tsumiki Co., Ltd.
President and Representative Director,
D2C & Co. Inc.
Director, okos Co., Ltd.

Investor Relations Information

Medium-Term Management Plan

Medium-term management plan-related materials

www.0101maruigroup.co.jp/en/ir/management/plan.html

Corporate Governance

MARUI GROUP Code of Conduct and policies

www.0101maruigroup.co.jp/en/sustainability/theme04/risk.html

MARUI GROUP Corporate Governance Guidelines

www.0101maruigroup.co.jp/pdf/cgg_20210805_en.pdf

Corporate Governance Report

www.0101maruigroup.co.jp/pdf/cgr_en.pdf

Corporate officer backgrounds and reasons for appointment

www.0101maruigroup.co.jp/en/ci/officer/

Committee members

www.0101maruigroup.co.jp/pdf/committee_members_en.pdf

Shareholder return policies

www.0101maruigroup.co.jp/en/ir/stock/dividend.html

Shareholder benefits (in Japanese only)

www.0101maruigroup.co.jp/ir/stock/benefit/

Basic internal control policy (in Japanese only)

www.0101maruigroup.co.jp/ci/pdf/statement/int_control.pdf

Mailing list registration (in Japanese only) www.0101maruigroup.co.jp/ir/infomail/reg.html

Risk management

www.0101maruigroup.co.jp/en/sustainability/theme04/risk.html

Financial and ESG Information

Financial results summaries

www.0101maruigroup.co.jp/en/ir/lib/brief.html

Annual securities reports

www.0101maruigroup.co.jp/en/ir/lib/sec.html

FACT BOOKS (supplementary financial materials)

www.0101maruigroup.co.jp/en/ir/lib/fact.html

Monthly performance forecasts

www.0101maruigroup.co.jp/en/ir/lib/monthly.html

ESG DATA BOOKS

www.0101maruigroup.co.jp/en/sustainability/lib/databook.html

GRI and ISO 26000 applicability tables

www.0101maruigroup.co.jp/en/sustainability/lib/gri.html

Investors guides

www.0101maruigroup.co.jp/en/ir/lib/guide.html

Financial results briefings and videos

www.0101maruigroup.co.jp/en/ir/lib/result.html

MARUI IR DAY materials and videos

www.0101maruigroup.co.jp/en/ir/lib/irday.html

Investor Relations website

www.0101maruigroup.co.jp/en/ir/

Sustainability website

www.0101maruigroup.co.jp/en/sustainability/

Initiatives related to the TCFD

www.0101maruigroup.co.jp/en/sustainability/vision2050/3business_02.html

Awards and Recognition

www.0101maruigroup.co.jp/en/ci/award/

Publications

Co-creation management reports

www.0101maruigroup.co.jp/en/ir/lib/i-report.html

VISION BOOK 2050 and co-creation sustainability reports

www.0101maruigroup.co.jp/en/sustainability/lib/s-report.html

Co-creation wellness reports (in Japanese only)

www.0101maruigroup.co.jp/sustainability/lib/w-report.html

Convocation notices for Ordinary General Meetings of Shareholders

www.0101maruigroup.co.jp/en/ir/stock/meeting.html

Co-creation newsletters (shareholders newsletters, in Japanese only)

www.0101maruigroup.co.jp/ir/lib/report.html