

MARUI GROUP CO., LTD

**Overview of Performance in Three Months
Ended June 30, 2021**



MARUI GROUP

August 5, 2021



Highlights in Three Months Ended June 30, 2021

- 1. Net income increased ¥1.8 billion to ¥3.3 billion, important KPI of EPS increased ¥8.3 to ¥15.6**
- 2. EPS decreased 39% from FY2019, below the level of before COVID-19**
- 3. Consolidated operating income decreased 21% to ¥7.0 billion due to impacts of extraordinary loss in previous year. Excluding extraordinary factors, which include rent exemption and fixed cost extraordinary loss transfer, it increased ¥0.3 billion to ¥9.2 billion**
- 4. In both Retailing segment and FinTech segment, sales increased and profits decreased**

* From this term new revenue recognition standard is applied.

For further details, please refer to reference material at the end for details.

Consolidated Performance

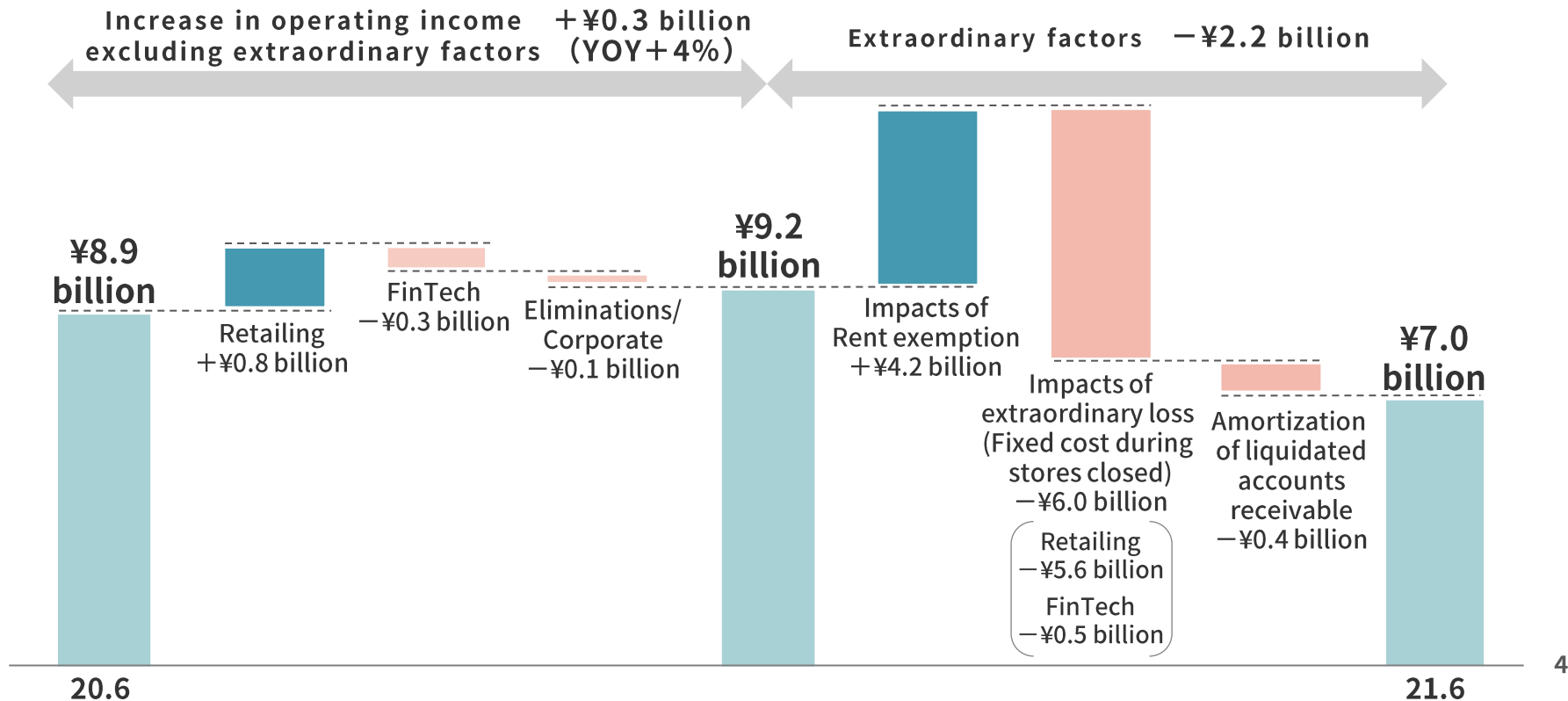
	Three months ended Jun. 30, 2020	Three months ended Jun. 30, 2021	YOY change (%)	YOY difference	Change from Q1 FY2019
EPS (yen)	7.3	15.6	214	+8.3	61
	Billions of yen	Billions of yen	%	Billions of yen	%
Total Group transactions	615.3	784.7	128	+169.3	114
Revenue	42.7	48.6	114	+5.9	91
Gross Profit	37.2	42.5	114	+5.3	93
<Recurring gross profit>	27.3	31.3	115	+4.0	98
SG&A expenses	28.3	35.5	126	+7.2	97
Operating income	8.9	7.0	79	-1.9	79
Net income	1.6	3.3	213	+1.8	60

Operating Income

	Three months ended Jun. 30, 2020	Three months ended Jun. 30, 2021	YOY change	YOY difference
	Billions of yen	Billions of yen	%	Billions of yen
Retailing	0.8	0.2	25	-0.6
FinTech	9.5	8.4	88	-1.1
Eliminations /Corporate	-1.5	-1.6	-	-0.1
Consolidated	8.9	7.0	79	-1.9

Factors Affecting Operating Income

- Consolidated operating income excluding extraordinary factors including impacts of extraordinary losses increased 4% to ¥0.3 billion



FinTech Segment

	Three months ended Jun. 30, 2020	Three months ended Jun. 30, 2021	YOY change	YOY difference	
	10 thousand	10 thousand	%	10 thousand	
New cardholders *	10	12	127	+3	*Change from Q1 FY2019 -7
(Outside of Marui Group stores)	(8)	(10)	(114)	(+1)	
Number of cardholders	715	706	99	-9	
Platinum card, Gold card	256	276	108	+20	
	Billions of yen	Billions of yen	%	Billions of yen	
FinTech transactions	591.7	746.1	126	+154.4	
Card Shopping	459.9	580.9	126	+121.0	
(Outside of Marui Group)	(449.4)	(566.6)	(126)	(+117.2)	
Service	105.6	134.0	127	+28.4	
Cash advance	24.1	29.0	120	+4.9	
Operating receivables outstanding (including liquidated accounts receivable)	717.9	735.2	102	+17.3	
Revolving Payment, Payment by installments (Card shopping)	354.3	355.2	100	+0.9	
Operating loans	142.5	130.5	92	-12.0	
Ratio of bad debt write-offs (%)	0.47	0.48	-	+0.01	

Consolidated Balance Sheets

	Mar.31, 2021	Jun.30, 2021	YOY difference
	Billions of yen	Billions of yen	Billions of yen
Operating receivables	544.7	552.0	+7.3
(Liquidated accounts receivable : Off-balance sheet)	(182.2)	(183.2)	(+1.0)
[Ratio of liquidated accounts receivable(%) *1]	[25.1]	[24.9]	[−0.2]
installment sales accounts receivable	426.7	435.6	+8.9
operating loans outstanding	118.0	116.5	−1.6
Fixed assets	277.5	279.8	+2.3
Investment securities	42.1	44.7	+2.5
Interest-bearing debt	484.6	504.5	+19.9
[Ratio of operating receivables(%) *2]	[89.0]	[91.4]	[+2.4]
Shareholder's equity	289.6	283.9	−5.7
[Equity ratio (%)]	[32.1]	[31.4]	[−0.7]
Total assets	901.2	905.5	+4.3

*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

Cash Flow

	Three months ended Jun. 30, 2020	Three months ended Jun. 30, 2021	YOY difference
	Billions of yen	Billions of yen	Billions of yen
Net cash provided by (used in) operating activities	12.1	-4.0	-16.1
Increase(decrease) in operating receivables	12.6	-11.6	-24.2
Core operating cash flow *3	-0.5	7.6	+8.1
Net cash provided by (used in) investing activities	-4.7	-4.8	-0.1
Purchase of fixed assets	-2.2	-3.5	-1.3
Gains on sales of investment securities	-1.1	-1.9	-0.8
Deposit refund, etc.	-1.5	0.6	+2.0
Net cash provided by (used in) financial activities	-11.8	6.7	+18.5
Increase(decrease) in interest-bearing dept	-7.0	19.9	+26.9
Cash dividends paid	-4.7	-5.6	-0.9
Purchase of treasury stock, etc.	0	-7.6	-7.6
Cash and cash equivalents at end of period	36.5	39.1	+2.6

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

Co-creative Investment

- Status of Co-creative investment in three months ended Jun. 30, 2021

change FY2021

Amount of Co-creative investment	Co-creative Investment amount	¥23.1 billion	(+¥0.9 billion)
	Balance of investment securities	¥44.7 billion	(+¥2.5 billion)
	Unrealized gains	¥14.3 billion	(+¥0.8 billion)
Co-creative teams	Co-creative teams	24 teams	(+4 teams)
	Team members	180	(+53)

- Launch collaboration cards and open the first flagship store from August 10, 2021

■ BULK HOMME's first flagship store 「BULK HOMME THE STAND」



* The photo is for illustrative purposes only.

■ 「BULK HOMME EPOS Card」 debut



- MARUI GROUP has been included in all four ESG Indexes, which the GPIF use to manage ESG investments, since its adoption
- Renewable energy usage rate is 52% in FY2021, and opportunities and physical risks based on the TCFD is disclosed

■ Included in four ESG Indexes utilized by the GPIF since its adoption

2021 CONSTITUENT MSCI ジャパン^{*1}
ESGセレクト・リーダーズ指数



FTSE Blossom
Japan



2021 CONSTITUENT MSCI 日本株^{*1}
女性活躍指数 (WIN)

■ Initiative to renewable energy usage rate to 100%

- Affiliation with RE100 from 2018
- Aim to renewable energy usage rate to 70% in FY2025, to 100% in FY2030

RE100

■ Initiative to Climate change

- Recommendation of the TCFD since 2018, disclosure of information for annual security report since 2019

- Experts in each field are inaugurated as directors at the general meeting of shareholders toward construction of management system that utilizes the perspective of stakeholders



Yasunori Nakagami

CEO, Misaki Capital Inc.



Peter D. Pedersen

Representative Director, Next Leaders Initiative for Sustainability (NELIS);

Professor, Graduate School of Leadership and Innovation
Shizenkan University



Reiko Kojima

Executive Officer and CWO,
General Manager, Wellbeing Promotion Department, MARUI GROUP

Full-Year Forecasts for FY2022

	FY2021	FY2022	YOY change	YOY difference	VS. FY2020 difference
EPS (yen)	10.6	79.6	752	+69.0	-38.0
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	-35.6
Gross Profit	177.3	185.0	104	+7.7	-10.7
SG&A expenses	162.1	148.5	92	-13.6	-5.2
Operating income	15.2	36.5	240	+21.3	-5.4
Net income	2.3	16.5	728	+14.2	-8.9

〈Reference〉 Segment income forecasts for FY2022

Operating Income

	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
Consolidated	15.2	36.5	240	+21.3

〈Reference〉 About Applying New Revenue Recognition Standard

- From FY2022, new revenue recognition standard is applied

1 . Amount equivalent to gross profit is recorded as revenue


1. Commissioned sales (Retailing) … Revenue is presented as a net amount
2. Card member special sale (Retailing) … Discount amount is deducted from revenue
3. Point operation revenue (FinTech) … Regarding points burdened from business partners, neither revenue nor SG&A is recorded

2 . Revenue based on long-term contract is recognized according to the period

4. Annual enrollment fees (FinTech) … Revenue is recognized by apportionment according to the period

〈 Impact amount 〉

	Three months ended Jun. 30, 2021				Annual forecasts
	Revenue	Cost of sales	SG&A expenses	Operating income	Revenue
	Billions of yen	Billions of yen	Billions of yen	Billions of yen	Billions of yen
1. Commissioned sales	-0.3	-3.0	-	-	-13.5
2. Card member special sale	-0.1	-	-0.1	-	-0.4
3. Point operation revenue	-0.1	-	-0.1	-	-0.5
4. Annual enrollment fees	0	-	-	0	-0.1
Total	-3.2	-3.0	-0.2	0	-14.5



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).