

MARUI GROUP Co., Ltd.

Financial Results Briefing for the Fiscal Year Ended March 31, 2026

<Questions and Answers>

- Q. I listened with great interest to the explanation on page 56 of the financial results presentation regarding “co-creation of creditability.” While many financial institutions tend to view this in terms of “granting” credit—as the term “credit extension” suggests—I feel that the concept of “co-creation of creditability” will truly become a key differentiator.

With that in mind, how can we make our business difficult to imitate? For example, I think the EPOS cards that support “Suki” are one example of a product that’s hard to imitate. However, considering the data in the materials—which showed that 30% of customers, comprising those who didn’t switch to a Gold Card and those who don’t use it as their primary card—either don’t have a card that supports their interests or aren’t attracted to digital communication. Could you please elaborate a bit more on the strategies for making our business difficult to imitate?

- A. I believe the first question is, “I’d like to know a little more about the co-creation of creditability,” and the second is, “How can we make our product difficult to imitate?”

It’s hard to imagine now, but back in the 1960s and 70s, there was a counter on the top floor of Marui stores where customers would come to make their monthly payments. Our employees would accept payments in person, and there were all sorts of interactions. For example, when a customer completed a 10-installment plan, we didn’t just say thank you—we also presented them with a gift as a token of our appreciation. There are still customers today who cherish those gifts from back then. From the customers’ perspective, they had limited income and worried whether they could pay off their debt in full. Yet, when they finished their payments, they were thanked and received a gift. I believe this sense

of being able to manage their own finances and build credit through their own efforts likely contributed to their self-esteem.

Our credit card business, based on the concept of “co-creation of creditability,” is built on the expertise we’ve cultivated through interactions that truly empathize with our customers’ needs. However, as in-person interactions at our branches have become less frequent and that original philosophy has begun to fade, we are now committed to reviving it.

We currently communicate with customers through a lifestyle app, and before the payment due date, we send a notification stating, “If you wish to spread out your payments, you must apply to switch to the revolving payment plan by [date].” We do not contact customers on the payment due date itself, but if a payment is even slightly late, we may follow up via phone or text message.

However, from the customer’s perspective, I believe they should ideally receive a message saying, “Thank you for your payment,” on the due date. Once the 10-installment plan is complete, I’m wondering if we could recreate that sense of connection by offering a small token of appreciation—such as a plush toy, an experience, or a digital gift—along with a message like, “Thank you. Now that your payments are complete, please accept this small gift as a token of our appreciation.”

Furthermore, regarding how we can make ourselves difficult to imitate, we believe that the source of this uniqueness lies in what we call our “core competencies”—the know-how rooted in our company’s history, which we recognize as our own distinctive capabilities that others cannot replicate. Specifically, we believe that our communication methods and interactions, which delve into the intricacies of our customers’ psychology, are the key to our distinctiveness.

To achieve this through digital transformation (DX) and user experience (UX), we need top-tier professionals. Fortunately, we have some truly exceptional individuals on board, and by having them collaborate with our existing staff, we will make this a reality. In this way, we aim to differentiate ourselves by building a “trust forged together with our customers”—something no other company can replicate.

- Q. It’s true that you’re simply fulfilling a loan agreement, but if you receive gratitude from the lender or it helps build your self-esteem, I think that would make it quite difficult for others to replicate. I’m really looking forward to this, so please let me know if there are any updates.

A. Thank you.

Q. I'd like to hear from Mr. Aoi about the results of this business initiative aimed at supporting employees' passion for "Suki." For example, if there are any positive aspects—such as more employees entering a state of flow than expected, or an improvement in the quality of their work—please let me know. Conversely, I'd also like to hear about any areas where there is room for improvement.

A. To begin with, the percentage of employees who naturally embrace the flow was already quite high—around 60%—but by using "passion" as a catalyst, that number has risen even further. In addition, I am particularly pleased with our business competition designed to support "Suki." We held our first external competition this past March and received nearly 130 entries out of a total of 170 submissions. We received some incredibly passionate proposals, and we are working diligently to bring them to market together with the winners. By soliciting ideas from outside the company and combining them with the Marui Group's core strengths—such as events, cards, and merchandise—we envision launching a series of new businesses that support "Suki." Although we've only just begun, I already feel a strong sense of momentum as we start to accomplish these ideas.

On the other hand, we still have a long way to go when it comes to the co-creation of creditability through EPOS cards that support "Suki." Although we have experts on board, we are still in the conceptual stage, so we are staying focused and determined to accomplish this initiative.

Q. Regarding how to expand the reach of EPOS cards that support "Suki." Your company's cards are designed with low operating costs, which we believe alone makes them very difficult for competitors to replicate. At the same time, however, we feel that the existence of these cards—which support "Suki"—has not yet been widely communicated. While opening a pop-up store in Umeda might help with that, how do you plan to increase awareness of these wonderful cards that boost self-esteem? What specific features will serve as key selling points?

A. I believe that EPOS cards that support "Suki" offer greater potential for raising brand awareness compared to previous card offerings. The origins of these cards lie in our anime business; we've been issuing cards featuring anime and other themes for about 10 years now. Fans of this content typically

communicate frequently on social media platforms like X. When we post within these communities, our message reaches a wide range of fans instantly, which significantly reduces customer acquisition costs. I believe this is a major advantage of this business, which is centered around “Suki”

Q. I thought that holding a business competition to support “Suki” and opening it up to the public was the very essence of co-creation. So, is my understanding correct that if you gather as many ideas as possible and build a community with your company at its core, it will naturally grow on its own?

A. Thank you. That is correct.

Q. I’d like to know a little more about the new management structure. The new external director is an outstanding individual, and the three internal directors are younger than before; I believe we’re also gaining members who are well-versed in our operations. How do you plan to evolve the Board of Directors with this new team?

A. Mr. Okajima has long contributed to enhancing our company’s value, but as he has now reached the milestone of 12 years with us, he has decided to step down. When he first took office, the stock price was around 1,000 yen; it has since tripled, and we are deeply grateful to him.

Mr. Mitarai, Mr. Okajima’s successor, was introduced to us by Mr. Okajima himself and was reportedly a junior colleague of his during their time at McKinsey. Furthermore, at the time of the Great East Japan Earthquake, he was serving as a fellow to the Prime Minister of Bhutan but returned to Japan with the desire to “do whatever he could to help.” He is now running a highly successful social enterprise at Kesenuma Knitting. We look forward to him applying this expertise to our “business model that balances social impact and profitability” and working together to enhance our corporate value.

In addition, Mr. Tsuchiya, CEO of Goodpatch, has already been assisting us on a part-time basis as Executive Officer and CDXO. However, when considering the future management structure of the Board of Directors, we have discussed on several occasions that it would be unthinkable not to have someone with expertise in digital and technology. We took this opportunity to ask him to join the board during the current transition, and he graciously accepted.

Aida, currently a Managing Executive Officer and President of Epoca Card, previously served as assistant store manager during the opening of Hakata Marui. With his expertise in retailing and credit

cards, as well as his extensive experience in corporate planning, he possesses a deep understanding of both business operations and management. He has joined the company as a key executive who will lead its future management.

Endo is the youngest member of this group. While you may have worked with him in the past when he was in charge of corporate planning or investor relations, he currently serves as the General Manager of FP&A. With his strong analytical skills and broad understanding of business management, we have high hopes that he will be able to succeed CFO Kato.

With the addition of Mr. Mitarai and Mr. Endo, the average age of the board of directors has decreased slightly. We are proposing this change with the aim of achieving our goals by rejuvenating our management structure for the next generation as we approach the final year of our medium-term plan for the fiscal year ending March 2031.

- Q. Previously, the financial results presentation materials included a slide detailing the impact of gains and losses from liquidated accounts receivables and changes to installment and revolving fees. How did the full-year result compare to the third-quarter forecast? I believe the increase in fee rates will have a positive effect in the first half of the fiscal year ending March 2027, but I had heard that the impact was originally 4.8 billion yen in the fiscal year ending March 2026, and that it would contribute to an increase in profit of approximately 7.0 billion yen year-over-year in the fiscal year ending March 2027.

That said, I believe the policy was to smooth out the impact of liquidated accounts receivables and write-offs on a quarterly basis—so what will the forecast figures be for the fiscal year ending March 2027?

- A. For the fiscal year ending March 2026, the result was that the commission rate change had an impact of 4.8 billion yen; however, since transaction volumes did not decline as much as anticipated, the actual impact was 5.0 billion yen—200 million yen higher than expected. We anticipate that the impact of the commission rate change for the fiscal year ending March 2027 will be approximately 7 billion yen, but we do not plan to recognize all of this as profit at this time. We are considering various measures, such as reviewing our expense structure, and cannot provide specific details at this point. On an annual basis,

we intend for liquidated accounts receivables revenue to decrease by about 1 billion yen compared to the previous fiscal year, but we will finalize the specific plans going forward.

Q. Aren't you going to show a slide explaining the impact of liquidated accounts receivables and raising Installment and revolving fees?

A. We released our report at the end of the first quarter last year as well, and since we expect to have a clearer picture of our plans by that time this year as well, we plan to release it then.

Q. We heard that performance through the third quarter of the fiscal year ending March 2026 exceeded expectations, giving us some breathing room, and that you plan to allocate strategic expenses to FinTech in the fourth quarter. How much did you actually spend? Also, what is your strategy for expenses in the fiscal year ending March 2027?

A. Although we incurred an unexpected provision for interest refunds, we were able to achieve our initial targets by controlling expenses. Since the positive impact of changes to Installment and revolving fees is significant this fiscal year, we plan to allocate funds toward digital initiatives, such as app development and database construction.

Q. Regarding the increase in FinTech expenses. On the slide on page 38 detailing the factors contributing to the change, expenses of 16.1 billion yen are listed as a factor reducing profits. However, compared to the previous fiscal year, it seems to me that the increase in cash reward costs tied to sales has been somewhat larger. I would like to know the background behind this—specifically, whether you plan to increase promotional expenses further.

A. The lower expenses for the fiscal year ending March 2026 were due to a reduction in the “Choose Your Points” program. This had a significant impact, resulting in little change from the previous year, but we expect expenses to return to normal levels this year and anticipate an increase in costs. Sales promotion administrative expenses have risen slightly as we are allocating funds toward the future expansion of our app and the development of a database, as I mentioned earlier.

Q. Is the 700 million yen increase in system costs also related to DX investments?

- A. You're absolutely right. That includes server renewal fees and other related costs.
- Q. Regarding the "Royal Customer" initiative: While we are promoting the Gold Card, we are also introducing EPOS cards that support "Suki." Will users be given the option to choose which one to prioritize going forward? Can the Gold Card and the EPOS cards that support 'Suki' coexist as primary cards? Additionally, how will you address the issue of the card design changing when switching from the EPOS cards that support "Suki" to the Gold Card?
- A. Until now, we've been promoting the Gold Card, but we've had lengthy discussions about whether we should instead aim to cultivate loyal customers through new EPOS cards that support "Suki," which offer a different approach from the Gold Card. While some suggested simply converting the Gold Card into a 'Suki' Gold Card, we've decided against that. Instead, by addressing the needs of customers we've overlooked or who feel uncertain, we intend to advance our efforts to build a loyal customer base using both the Gold Card and the EPOS cards that support "Suki" as complementary tools. When switching to a Gold Card, the card number must change, but with EPOS cards that support "Suki," customers can keep their original number. Through our "Suki" strategy—which differs from standard cards by combining Gold Card benefits like bonus points and airport lounge access with the perks and experiences of EPOS cards that support "Suki" and are linked to our event and merchandise businesses—we will build trust together. Furthermore, by creating original benefits tailored to our customers, we aim to develop loyal customers in a way that reduces joint costs and increases profit margins.
- Q. So, rather than making everyone a Gold Cardholder, the idea is to let those who have the EPOS cards that support "Suki" keep them as their primary cards?
- A. You're absolutely right. I've met quite a few customers who are thrilled with their Gold Card and use it as their primary card. On the other hand, there are also some who feel a bit hesitant, thinking it might be beyond their means, so I'd like to welcome both types of customers as our valued clients.
- Q. Regarding share buybacks for capital optimization: You mentioned that you plan to execute a 30 billion yen buyback starting in fiscal year 2026. Has your approach changed?

- A. Our approach remains unchanged. We anticipate that as profits accumulate through the fiscal year ending March 2031, our retail capital will become slightly excessive, and we plan to conduct share buybacks of approximately 30 billion yen to optimize our capital structure. We plan to implement this during the latter half of the medium-term plan, once capital has accumulated.
- Q. The average loan balance per person decreased by 1,000 yen last fiscal year. The average balance per person for installment and revolving credit has been declining year-over-year since the second quarter. While the transaction volume of installment and revolving payments had been growing by about 10% prior to that, growth slowed to 6.7% in the fourth quarter. Has there been a change in the business environment?
- A. We view the trends in installment payments, revolving credit, and cash advances during the fourth quarter as the result of macroeconomic factors. In addition to a significant expansion in income tax deductions starting this fiscal year, government subsidies have also begun. We understand that other companies are facing a similar situation, so we do not believe this is a problem unique to the Epoca Card. Furthermore, we are seeing some signs of recovery starting in the first quarter of this fiscal year, so we are not overly concerned.
- Q. In the plan for the fiscal year ending March 2027, rent guarantees are cited as a factor reducing profits by 1.3 billion yen. Could you explain the background behind this? Additionally, liquidated accounts receivables are listed as a factor reducing profits by 1.0 billion yen; I would like to hear your analysis, broken down into gains from securitization, gains from sales, and amortization. Furthermore, the difference between Operating profit and Ordinary profit is projected to widen from 7.6 billion yen in the fiscal year ending March 2026 to 11.0 billion yen in the fiscal year ending March 2027, resulting in an additional 3.4 billion yen drag on profits. Is this expansion solely due to interest expenses?
- A. The reason rent guarantees are a factor in the decline in profit is that variable costs increase as we expand our rent guarantee business. However, since rent guarantees account for the majority of our non-transaction-linked service revenue—which is not tied to transaction volume—we expect them to continue generating profit growth of over 1 billion yen. Regarding liquidated accounts receivables, we

will manage the impact to a loss of 1 billion yen by offsetting the ongoing amortization with gains on transfer of receivables generated to a certain extent in both the first and second halves of the fiscal year.

Since we have generated an actual operating profit of 3.5 billion yen this fiscal year, we intend to scale back securitization. We plan to provide further details in the first quarter. Additionally, regarding the 3.4 billion yen loss in ordinary profit, please understand that this is largely attributable to interest rate effects.

- Q. To what extent do you expect rising interest rates to affect your future earnings forecast? Given that the liquidated accounts receivables securitization is projected to result in a loss of 2.7 billion yen, we anticipate that the figure for the current fiscal year will be in the mid-10 billion yen range. However, if you plan to reduce the volume of securitization going forward, we would like to hear your thoughts on leverage. In light of the current interest rate environment, we have heard that some competitors have suspended the liquidated accounts receivables securitization and are reducing their portfolios of revolving credit and cash advance receivables.
- A. As for the rise in interest rates resulting from the securitization, it has not been a significant issue so far, partly due to the increase in Installment and revolving fees. The increase in these fees is expected to generate additional revenue of just under 12 billion yen annually. We estimate that the combined impact of rising interest rates over the past two years amounts to approximately 7.7 billion yen. Since we have a buffer of 3 to 4 billion yen, we plan to proceed with the securitization in a way that offsets this impact, ensuring that it does not affect our overall profit and loss.
- Q. Regarding the EPOS cards that support “Suki” and the Platinum and Gold Cards, I believe there was a previous discussion about how installment fees increase significantly around the fourth year after enrollment. When will the future increase in average revenue per user for these cardholders start to have a significant impact on our financial figures?
- A. As you mentioned, the average revenue per customer rises significantly in the second or third year after enrollment. This fiscal year, we’ve added 50,000 new cardholders, bringing our total to 870,000. Even as new enrollments decline across the industry as a whole, we believe that by increasing our new

cardholder base, the proportion of customers driving this revenue growth will continue to expand. As new enrollments grow, so too will the number of cardholders of EPOS cards that support “Suki” and our Platinum and Gold cards. EPOS cards that support “Suki” have a higher average revenue per customer than standard cards, and since they attract many younger customers, the proportion of customers using installment and revolving payment plans is also very high. Based on these factors, we expect installment and revolving balances to accumulate at an even higher rate starting next fiscal year.