

MARUI GROUP Co., Ltd.
Financial Results Briefing for the Nine Months Ended December 31, 2025
<Questions and Answers>

- Q. Could you comment on the current momentum in cardholder growth shown on slide 23? The initial outlook for this fiscal year was over 8.25 million members, but the slide now shows 8.3 million. Is progress broadly in line with the original plan, or is performance somewhat stronger than expected?
- A. Our initial plan assumed membership would exceed 8.25 million. New cardholder acquisition has been slightly stronger than expected, and EPOS cards that support “Suki” show very low cancellation rates, which have helped contain overall attrition. With greater visibility into these trends, we have revised our outlook to 8.3 million.
- Q. Looking ahead to the next fiscal year, could you comment on the environment for liquidated accounts receivables? Given the significant rise in interest rates, how sustainable is the ¥8.2 billion gain from securitization this fiscal year?
- A. Immediately after raising installment and revolving fees, securitization was difficult to execute, so we did not transact in the second half. However, following the fee revision, we observed no negative impacts on second-half performance, such as increased bad debts or early repayments. Therefore, we expect to carry out securitization as usual next fiscal year. Because receivables securitization recognizes future profits upfront, the 3% fee increase should expand gains on securitization compared to previous years.
- Q. Regarding the ¥4.0 billion impact from the increase in installment and revolving fees this fiscal year, I estimate that the effect will be around ¥6.0 billion next fiscal year. There had been discussion about whether this incremental amount would be fully recognized as profit. Do you intend to continue adjusting this through liquidated accounts receivables?
- A. First, we would like to clarify the impact of the revisions to the installment and revolving fees. Initially, we estimated a ¥4.0 billion uplift in the second half, but now expect ¥4.8 billion. We had assumed some degree of usage suppression and an increase in early repayments following the fee increase, but so far these effects have been negligible. As a result, the impact for this fiscal year is approximately ¥0.8 billion higher than expected. Initially, we expected a positive impact of ¥10.0 billion for the full year. Now, we expect it to be

around ¥12.0 billion. We are still reviewing the guidance for the next fiscal year, so we cannot provide a precise figure at this point. However, out of the ¥12.0 billion impact, approximately ¥5.0 billion will be realized this fiscal year, leaving a ¥7.0 billion increase for the next fiscal year. The revision of installment and revolving fees also serves as a hedge measurement against rising funding costs. Given that interest rates are increasing more slowly than initially expected, our basic approach remains unchanged. We will continue to manage the timing of profit recognition by adjusting the amount of capital gain from liquidated accounts receivables, rather than recognizing the entire increase at once.

- Q. What is the risk of rising interest rates going forward? Last year, in the financial results briefing materials for the fourth quarter of the fiscal year ended in March 2025, on page 87, you indicated that financial costs would increase by ¥10.0 billion by FY2031 due to higher interest rates, with the rate rising from 0.5% to 1.3%. Since the Bank of Japan changed its policy rate last year, has there been any meaningful change to that outlook?
- A. We initially expected the Bank of Japan to raise its policy rate in September last year, but the increase actually occurred in December. As a result, our financial costs for this fiscal year will likely be slightly below plan. For the medium- to long-term outlook through FY2031, we still expect the policy rate to rise by about 1%. While the timing remains uncertain, we anticipate at least one rate hike next fiscal year and will reflect this in our guidance.
- Q. In the same financial results briefing materials, you also mentioned measures to mitigate the impact of rising interest rates, such as shortening the average funding term and pursuing a credit rating upgrade. Are these initiatives progressing as planned?
- A. This fiscal year, we refinanced certain borrowings with relatively shorter maturities, reducing the average funding term by roughly one year compared to last year. Regarding a credit rating upgrade, we cannot provide a definitive update yet, as it depends on discussions with the rating agencies. However, we will continue our efforts.
- Q. Looking at the increase in new customers and loan volumes at other companies in the industry, it appears that wage growth driven by inflation is having a positive impact to a certain extent. Your customer acquisition strategy differs somewhat from your peers, for example, through EPOS cards that support “Suki” and in-store membership sign-ups. Have you also seen any positive effects from these macro trends?
- A. We closely monitor the relationship between wages and prices, but wage growth has not kept pace with inflation, and real wages remain negative. In this situation, it is difficult to see a clear impact on transaction volume. Throughout last year as well, real wages were essentially not in positive territory,

and we have not observed any clear effects on transaction volume or new cardholder acquisition. However, in discretionary spending that supports “Suki,” we are seeing more selective, high-priority consumption. In fact, the unit price of events supporting “Suki” is quite high. If this segment continues to expand, it could drive transaction volume growth independently of inflation or wage trends.

Q. For the third quarter results, were the outcomes above or broadly in line with your initial expectations? Could you comment separately on Retailing and FinTech?

A. Both the Retailing and FinTech segments outperformed our internal guidance. The FinTech segment saw particularly strong upside, with increased revolving and installment fees alone contributing approximately ¥0.8 billion above plan. The Retailing segment also exceeded expectations, though to a lesser extent.

Q. In the earlier discussion on the fourth-quarter outlook, you mentioned increasing expenses. What initiatives are you planning in the Retailing and FinTech segments? Also, are these additional expenses being executed because of profit upside this fiscal year, or are they already baked into the plan to some extent?

A. We are not revising our full-year outlook despite third-quarter outperformance due to planned additional expenses. In FinTech, in addition to these expenses, we are also taking a little more conservative view of bad debt expenses, given the recent rise in personal bankruptcies. Part of the additional spending will support cardholder acquisition. This will contribute to operating revenue growth from the next fiscal year onward. Similarly, in the Retailing segment, we plan to use the upside to fund initiatives such as e-commerce point programs and coupons, with a focus on driving sales and revenue in the following fiscal year.

Q. Excluding the impact of liquidated accounts receivables, should we view the performance of the Retailing and FinTech businesses, as well as the businesses supporting “Suki,” as having progressed significantly better than initially expected based on this fiscal year’s results? Or should we still take a cautious view? How should we think about these businesses heading into the next fiscal year?

A. Both the acquisition of members for EPOS cards that support “Suki” and our new "Hajimekara Gold" initiative are progressing in line with, or ahead of, our initial plans. However, initiatives like developing original merchandise in the Retailing segment are still in early stages of building this area out. So, it is too soon to assess their success. The card business is performing very well, while the Retailing

initiatives are just beginning to show early signs of traction.

Q. I would like to ask about your view on liquidated accounts receivable for the next fiscal year. While the impact of the increase in installment and revolving fees is expected to rise by ¥0.8 billion in the third-quarter compared to the second-quarter, the securitization gains came in as planned. As a result, the impact of securitization fluctuated significantly from quarter to quarter this fiscal year. Earlier, you mentioned that for the next fiscal year, you plan to flexibly manage gains from liquidated accounts receivable, in light of the roughly ¥12.0 billion increase in profit expected from higher installment and revolving fees. This fiscal year, however, you recorded substantial gains from liquidated accounts receivable in the first half, while the second half saw virtually none. For the next fiscal year, do you intend to reduce volatility by smoothing gains from securitization across quarters?

A. While we are still finalizing quarterly allocations, our current outlook is that the impact of the higher fee rates will be offset in the first half of next fiscal year by securitization executed in the first half of this fiscal year. In the second half, although the fee-rate increase contributed to earnings this fiscal year, we did not conduct any securitizations. As a result, the timing of securitizations will naturally narrow somewhat. Although it remains to be seen whether things will unfold that neatly, at the very least, we do not intend to recognize all gains at once within the fiscal year.

Q. So should we assume that, compared with this fiscal year, the timing of securitization gains will essentially be reversed between the first and second halves of next fiscal year?

A. I think that is broadly the right way to view it.

Q. In the breakdown of the number of credit card members on page 13 of the FACTBOOK, you present the ratio of active cardholders (fiscal year) and the ratio of active cardholders (for a year). This fiscal year, the number of active cardholders (fiscal year) appears to have been flat, while the ratio of active cardholders (for a year) seems to have declined slightly. Is this due to the impact of the higher installment and revolving fees, or is it a temporary fluctuation?

A. This fiscal year, we saw a very large number of new cardholders. While new cardholders often have high utilization rates, some do not use their cards at all. We consider this within normal fluctuations. At this point, we see no cause for concern, but we will continue to monitor these indicators closely to ensure they do not trend downward.

- Q. You previously explained that SG&A expenses would be used strategically in the second half in preparation for the next fiscal year. However, looking only at the third quarter, they do not appear to have increased much. Does this mean that SG&A spending for this fiscal year came in below your initial expectations, and that you plan to utilize more of it in the fourth quarter?
- A. We use sales promotion expenses, including the strategic promotional expenses aimed at securing earnings for the next fiscal year and beyond, when we have sufficient visibility into the full-year outlook. As a result, we used very little of these expenses in the third quarter. Accordingly, most spending will likely occur in the fourth quarter.
- Q. Given that there still appears to be some room in the third and fourth quarters, is it fair to assume that while you will spend strategically, the full-year results should come in smoothly if things continue as they are?
- A. Instead of expecting full-year results to proceed smoothly, we are in a position to manage the outcome to some extent.
- Q. I would like to ask about the current situation regarding interest repayments. You previously mentioned the possibility of managing securitization gains going forward. Including that point, could you explain your approach to the provision for interest repayments?
- A. Interest repayments are estimated based on past repayments and cannot be controlled by us, which fundamentally differs from the securitization of accounts receivables. At present, actual repayments have not deviated meaningfully from our initial plan, so we have not made additional provisions this fiscal year. However, because our forecasts are based on historical patterns, even a modest uptick in recent repayment activity could prompt us to increase the provision. We will continue to closely monitor developments.
- Q. Given that profits are likely to be relatively strong this fiscal year, would it be difficult, by the nature of the provision, to allocate some of that profit strategically to the provision for interest repayment in advance?
- A. The calculation method for interest repayment provisions is predetermined, so it is not something we can increase simply because we have sufficient profit, nor reduce when profits are tight.
- Q. I would like to ask about the outlook for your content that supports “Suki.” What should we expect from the suppliers who provide this type of content?

- A. Last December, the ONE PIECE BASE SHOP opened in Shinjuku Marui Main Building, and such tenants are steadily increasing beyond our own operated sales floors. So, we are not particularly concerned about the outlook. In March this year, we will hold the “Business Contest Supporting Suki,” inviting business ideas based on “Suki” from both inside and outside the company, with the goal of commercializing selected proposals. Previously, the contest was limited to internal applicants, but from this time, we are opening it to external participants as well and will work with the selected applicants to develop their ideas into actual businesses. We have already received a large number of applications, and on that basis, we expect content that supports “Suki” to continue growing, whether or not it is tied to a specific IP.