

## **MARUI GROUP Co., Ltd.**

### **Financial Results Briefing for the Nine Months Ended December 31, 2025**

#### **<Questions and Answers>**

- Q. Regarding the card membership figures on slide 23, I'd like to ask about the forecast. The original forecast for this fiscal year was over 8.25 million members, but this time it's stated as 8.3 million. Is progress generally in line with initial expectations, or is it somewhat better than anticipated?
- A. Initial projections estimated over 8.25 million members. However, the number of new cardholders has been slightly stronger than anticipated, and the number of cardholders of EPOS cards that support “Suki” has an exceptionally low churn rate, effectively suppressing member cancellations. Given these factors, the accuracy of our projections has significantly improved. Therefore, we have revised our estimate upward to 8.3 million members.
- Q. I would like to ask about the environment for liquidated accounts receivables, which will also affect the next fiscal year. Amid significantly rising interest rates, how do you currently view the sustainability of this fiscal year's ¥8.2 billion gain on liquidated accounts receivables sales?
- A. Immediately after changing the installment and revolving fees, liquidated accounts receivables become difficult to execute, so we have not conducted any during the latter half of this fiscal year. However, looking at the situation in the latter half following the fee rate change, we see no impact from increased bad debts or early repayments. Therefore, we believe that if we choose to do so next fiscal year, we should be able to conduct liquidated accounts receivables as usual. Furthermore, since liquidated accounts receivables involve recognizing future profits in advance, in that sense, we expect that the 3% increase in Installment and revolving fees will lead to larger gains on transfer of receivables compared to previous periods.

- Q. The effect of raising the installment and revolving fees, which generated ¥4 billion this fiscal year, is expected to yield approximately ¥6 billion next fiscal year. While there was previous discussion about whether to recognize this amount entirely as profit, the approach appears to be continuing to adjust it through liquidated accounts receivables.
- A. First, regarding the impact of the change in the Installment and revolving fees, we initially projected a positive effect of ¥4 billion in the second half. However, we now expect it to be ¥4.8 billion. This revision stems from the fact that the anticipated decline in usage and early payments due to the fee increase has largely failed to materialize. This change has already contributed approximately ¥800 million to this fiscal period's results. Consequently, while we previously communicated an expected full-year positive impact of ¥10 billion, we now anticipate it to be around ¥12 billion. While next fiscal period's plans are still under review and exact figures cannot be provided, approximately ¥5 billion of the ¥12 billion will be accomplished this period, leaving an increase of ¥7 billion for next period. The change in Installment and revolving fees also serves as a hedge against rising funding costs. Considering that interest rate increases are occurring later than initially anticipated, our approach remains unchanged: we will carefully evaluate the amount of securitization gains to avoid realizing this entire revenue expansion at once.
- Q. I would like to ask about the risk of future interest rate increases. Last year, on page 87 of the financial results briefing materials for the fourth quarter of the fiscal year ended March 2025, the forecast for the fiscal year ending March 2031 showed that financial expenses would increase by ¥10 billion due to rising interest rates, with rates rising from 0.5% to 1.3%. Last year, the Bank of Japan changed its policy interest rate. Has the level remained largely unchanged?
- A. In the short term, we had anticipated a policy rate hike in September last year, but as this was delayed until December, financial expenses for the current period are expected to be slightly below plan. For the medium to long term through the fiscal year ending March 2031, our forecast remains unchanged that the policy rate will likely be raised by about 1%. While the timing is still uncertain, we expect at least one hike during the next fiscal year and will formulate plans incorporating this forecast.

- Q. The same materials also mentioned shortening the average funding term and improving credit ratings as countermeasures to interest rate hikes. Are these measures progressing smoothly?
- A. The funding period for interest rates has been set relatively short for new refinancing this term, likely shortening it by about one year compared to the previous term. Regarding credit ratings, however, this depends on discussions with the rating agencies, so it remains uncertain at this point. We intend to continue our efforts in this regard.
- Q. Looking at the increase in new customers and lending at other companies in the industry, it seems that inflation-driven wage increases are having a positive effect to some extent. While I believe there are aspects where our acquisition strategies differ from competitors—such as EPOS cards that support “Suki” and new in-store sign-ups—are you also seeing positive effects?
- A. We have long monitored the relationship between wages and prices. In reality, wages have not kept pace with price increases, resulting in negative real wages. We believe this has not significantly impacted transactions. Last year, real wages remained largely flat throughout the year, so we do not see a clear impact on transactions or new membership sign-ups. However, we do see discernible spending patterns emerging for purchases driven by “passion” or “supporting ‘Suki.’” Indeed, the average transaction value for events supporting “Suki” has become very high. Therefore, if this trend expands, we believe it could lead to increased transactions, largely unaffected by inflation or wage growth.
- Q. Please tell us whether the actual results for the third quarter were above or in line with initial projections for both Retailing and FinTech.
- A. Both Retailing and FinTech have exceeded their original internal projections. The FinTech sector, in particular, saw a significant upward deviation, with the increase in Installment and revolving fees alone contributing approximately ¥800 million to the surplus. While Retailing also exceeded expectations, the increase was modest compared to FinTech.

- Q. Earlier in the Q4 forecast, you mentioned plans to increase expenses. What specific measures are being considered for Retailing and FinTech, respectively? Also, is this increase being implemented because of surplus profits this period, or was it already factored in to some extent from the outset?
- A. The reason we are not changing our full-year forecast despite higher-than-expected earnings in the third quarter is this expense execution. In FinTech, we are also estimating the provision for bad debts slightly more conservatively, reflecting the recent increase in personal bankruptcies. Additionally, we intend to allocate funds toward card acquisition costs for the future. These are expenses that will contribute to sales and revenue in the next fiscal year and beyond. Similarly, in Retailing, we aim to utilize the excess funds from initiatives like e-commerce point programs and coupons in ways that maximize their contribution to sales and revenue in the following period.
- Q. Regarding the Retailing and FinTech businesses excluding liquidated accounts receivables, and the business of supporting “Suki” itself—based on this fiscal year's results, should we view their transition as occurring much more smoothly than initially anticipated, or should we still take a cautious approach? How should we interpret the outlook for the next fiscal year?
- A. We believe that the number of cardholders of EPOS cards that support “Suki” and our new “Gold from the Start” initiative are progressing smoothly, either according to our initial plan or even exceeding it. On the other hand, areas like our own retail merchandise are just getting started, and we're in a phase of planning to expand them going forward, so we can't yet say they're successful. The card is progressing very well, while the retail side is just starting to show signs of growth.
- Q. I'd like to ask about the approach for liquidated accounts receivables for the next fiscal year. While the impact of the increase in the Installment and revolving fees increased by ¥800 million in the third-quarter forecast compared to the second-quarter point, the gains from liquidated accounts receivables were as planned. Consequently, this fiscal year saw significant volatility in the impact of liquidated accounts receivables on a quarterly basis. Earlier, you mentioned that next fiscal year, while anticipating increased profits of around ¥12 billion annually from fee rate hikes, you plan to manage securitization gains flexibly. However, this fiscal year saw significant transfer gains in the first half and

none in the second half. Does the intention to achieve somewhat leveled-out profits next fiscal year mean that by distributing the transfer gains themselves across quarters, the fluctuations will become less pronounced?

A. While the quarterly breakdown is still under consideration, the forecast indicates that the impact of the fee rate increase will be offset in the first half of next fiscal year due to the securitization implemented in the first half of this fiscal year. Regarding the second half, although the fee rate increase impacted this fiscal year, conversely, no securitization was implemented. Considering this, the timing for implementing securitization becomes somewhat limited. It's unclear if it will actually work out so neatly, but at the very least, we do not want to recognize all the profit at once for the full year.

Q. So the idea is to keep in mind that the pattern of capital gains this period and the pattern in the first half of the year will be reversed.

A. I think that's how it would look.

Q. On page 13 of the Factbook, the breakdown of card membership numbers includes figures for the utilization rate of customer numbers and the utilization rate of active customer numbers. This period's results show customer numbers remaining flat, while the utilization rate appears to have declined slightly. Is this due to the impact of the fee rate increase, or is it a temporary phenomenon?

A. This period saw a significant influx of new cardholders. While new cardholders generally have high usage rates, a certain percentage do not use the service. This variation likely accounts for the observed fluctuation within the margin of error. Currently, there is little cause for concern, but we will continue to monitor the situation closely to ensure usage rates do not decline steadily going forward.

Q. Originally, it was explained that Selling, general and administrative expenses would be used starting in the second half as strategic expenditures for the next fiscal year. However, looking solely at the third quarter, the increase doesn't seem significant. While less was spent than anticipated this quarter, will the funds be utilized in the fourth quarter?

- A. Promotional and policy expenses aimed at securing revenue for the next fiscal year and beyond are difficult to utilize until we have a clearer annual forecast, so we have spent almost none of them in the third quarter. Consequently, most of these expenses will likely be executed in the fourth quarter.
- Q. Given that we seem to have some breathing room in the third and fourth quarters, is it accurate to say that while we'll strategically allocate expenses, things should land smoothly if we continue on this path?
- A. Rather than whether the landing will go smoothly, I believe it's a situation where a certain degree of control is possible.
- Q. I would like to inquire about the status of interest repayments. Regarding future considerations, there was also mention of controlling liquidated accounts receivables gains. Please explain the approach to the interest repayment reserve, including this aspect.
- A. Interest repayment is estimated based on past repayment results, making it beyond our control and fundamentally different from liquidated accounts receivables. Currently, since actual results have not deviated significantly from initial projections, we have not made additional provisions this period. However, when planning based on historical trends, even a slight increase in recent repayment results can necessitate additional accruals. We will continue to closely monitor the situation.
- Q. I expect we'll see a significant profit this period, but given the circumstances, is it inherently difficult to strategically set aside that amount as a reserve in advance?
- A. Interest repayment is not determined by whether there is sufficient profit to set aside funds; it is based on a fixed calculation method.
- Q. I'd like to hear your forecast for content that supports "Suki." What should we expect from content suppliers?
- A. Last December, ONE PIECE BASE SHOP opened in the Shinjuku Marui Main Building. Beyond our own retail spaces, such tenant shops are steadily increasing, so I'm not overly concerned. Furthermore,

this March, we plan to hold the “Business Contest Supporting ‘Suki,’” where we'll solicit business ideas based on passion from both inside and outside the company, aiming to turn them into actual ventures. While we've held this contest internally until now, this time we're opening it to external applicants. We will then work with the selected individuals to actually develop their businesses. We've heard there are many applications, and considering this, we believe content supporting “Suki” will continue to grow rapidly, regardless of IP.