

MARUI GROUP CO., LTD

**Overview of Performance in Three Months
Ended June 30, 2020**


MARUI GROUP
August 6, 2020



Highlights in Three Months Ended June 30, 2020



- 1. EPS was ¥7.3, lower than the previous year due to COVID-19**
- 2. Consolidated operating income increased 1% year on year to ¥8.9 billion for the 6th consecutive year of increase**
- 3. Retailing segment operating income decreased 64% year on year
FinTech segment operating income increased 17% year on year**
- 4. The negative impact of COVID-19 for this first quarter was ¥1.3 billion on the Retailing segment operating income
For FinTech segment, it was the positive impact of ¥0.3 billion**

Consolidated Performance



	Three months ended Jun. 30, 2019	Three months ended Jun. 30, 2020	YOY change(%)	YOY difference
EPS (yen)	25.7	7.3	28	-18.4
	Billions of yen	Billions of yen	%	Billions of yen
Total Group transactions	685.8	615.3	90	-70.5
Revenue	57.4	46.1	80	-11.3
Gross Profit	45.8	37.3	81	-8.5
<Recurring gross profit>	<32.1>	<27.3>	<85>	<-4.7>
SG&A expenses	37.0	28.4	77	-8.6
Operating income	8.8	8.9	101	+0.1
Net income	5.6	1.6	28	-4.0

*Infectious disease related costs of ¥7.5 billion are recorded to extraordinary loss (Fixed cost during stores closed, etc) 2

Segment Income



Operating income

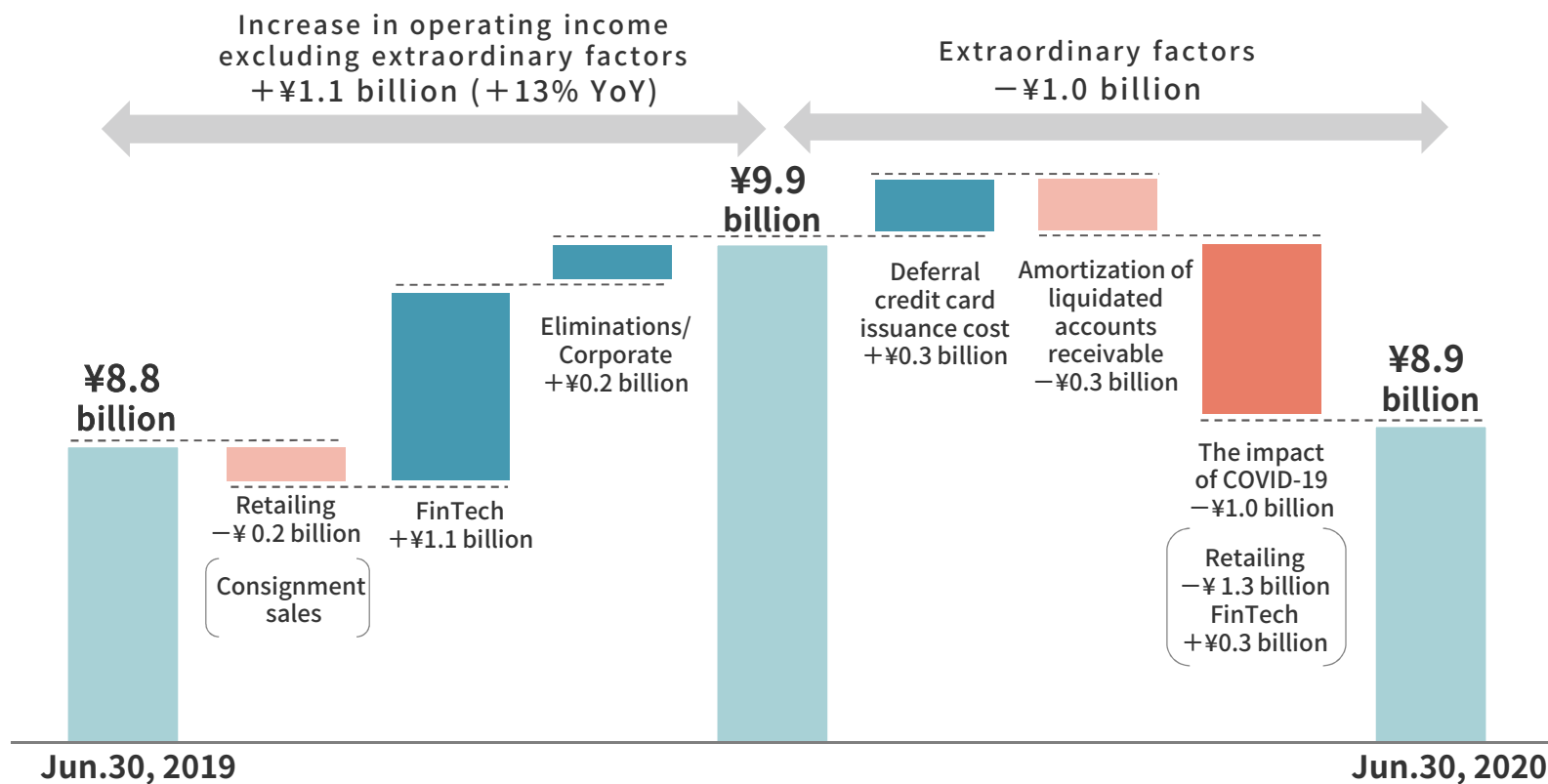
	Three months ended Jun.30, 2019	Three months ended Jun.30, 2020	YOY change	YOY difference
	Billions of yen	Billions of yen	%	Billions of yen
Retailing	2.4	0.8	36	-1.5
FinTech	8.1	9.5	117	+1.4
Eliminations /Corporate	-1.7	-1.5	-	+0.2
Consolidated	8.8	8.9	101	+0.1

ROIC

	Three months ended Jun.30, 2020	YOY change
	%	%
Retailing	0.3	-0.5
FinTech	1.2	+0.2
Eliminations /Corporate	-	-
Consolidated	0.8	+0.0

Factors Affecting Operating Income

- Consolidated operating income excluding extraordinary factors and the COVID-19 impact increased 13% to ¥1.1 billion



FinTech Segment



	Three months ended Jun.30, 2019	Three months ended Jun.30, 2020	YOY change	YOY difference
	10 thousand	10 thousand	%	10 thousand
New cardholders	20	10	49	-10
(Outside of Marui Group stores)	(11)	(8)	(75)	(-3)
Number of cardholders	697	715	103	+18
Platinum Card, Gold Card	222	256	115	+34
	Billions of yen	Billions of yen	%	Billions of yen
FinTech transactions *	630.8	591.7	94	-39.1
Card shopping	510.8	459.9	90	-50.9
(Outside of Marui Group)	(486.1)	(449.4)	(92)	(-36.7)
Service	80.7	105.6	131	+24.9
Cash advance	37.1	24.1	65	-13.0
Operating receivables outstanding (including liquidated accounts receivable)	705.1	717.9	102	+12.8
Revolving payment, Payment by installments (Card shopping)	342.1	354.3	104	+12.2
Operating loans	152.1	142.5	94	-9.6
Ratio of bad debt write-offs (%)	0.48	0.47	-	-0.01

* Transaction trends

April 86%
May 90%
June 105%

Consolidated Balance Sheets



	Mar.31, 2020	Jun. 30, 2020	YoY difference
	Billions of yen	Billions of yen	Billions of yen
Operating receivables	555.6	540.4	-15.1
(Liquidated accounts receivable :Off-balance sheet)	(181.9)	(177.5)	(-4.5)
[Ratio of liquidated accounts receivable(%) *1]	[24.7]	[24.7]	[0.0]
installment sales accounts receivable	416.3	411.5	-4.7
operating loans outstanding	139.3	128.9	-10.4
Fixed assets	259.2	265.4	+6.2
Interest-bearing debt	479.8	472.8	-7.0
[Ratio of operating receivables(%) *2]	[86.4]	[87.5]	[+1.1]
Shareholder's equity	289.8	291.4	+1.7
[Equity ratio (%)]	[32.7]	[32.9]	[+0.2]
Total assets	886.0	884.6	-1.4

*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 Flows



	Three months ended Jun.30, 2019	Three months ended Jun.30, 2020	YOY difference
	Billions of yen	Billions of yen	Billions of yen
Net cash provided by (used in) operating activities	-10.9	12.1	+23.1
Increase(decrease) in operating receivables	-11.2	13.2	+24.4
Core operating cash flow*3	0.3	-1.1	-1.3
Net cash provided by (used in) investing activities	-7.3	-4.7	+2.6
Purchase of fixed assets	-3.3	-2.2	+1.2
Gains on sales of investment securities	-4.2	-1.1	+3.2
Gains on sales of fixed assets, etc.	0.3	-1.5	-1.7
Net cash provided by (used in) financial activities	9.0	-11.8	-20.8
Increase(decrease) in interest-bearing dept	21.7	-8.2	-29.9
Cash dividends paid	-5.7	-4.7	+0.9
Purchase of treasury stock, etc.	-7.0	1.2	+8.2
Cash and cash equivalents at end of period	37.5	36.5	-1.0

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

ESG Topics

- MARUI GROUP has been included in all four ESG Indexes, which the GPIF use to manage ESG investments, since its adoption
- MARUI GROUP is expected to achieve 50% renewable energy usage rate and expand disclosure based on the recommendation of the TCFD

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

2020 CONSTITUENT MSCI日本株
女性活躍指数 (WIN)

2020 CONSTITUENT MSCIジャパン
ESGセレクト・リーダーズ指数



■ Initiative to renewable energy usage rate to 100%

- Affiliation with RE100 from 2018 (Achieve to 100% until 2030)
- Prospect renewable energy usage rate in FY2021 is 50%



RE 100

■ Initiative to Climate change

- Disclosure of information for annual security report based on the recommendation of the TCFD
- Expanding opportunities and physical risks from climate change



Impact of the COVID-19 in Three Months Ended June 30, 2020

- In the Retailing segment, the negative impact of the COVID-19 was ¥1.3 billion due to the recording of fixed costs during stores closure as extraordinary losses and others
- In the FinTech segment, the positive impact of the COVID-19 was ¥0.3 billion due to the decrease in card issuance costs and others

■ Impact on Operating Income

Segment	Operating income	Revenue	SG&A expenses
	Billions of yen	Billions of yen	Billions of yen
Retailing	-1.3	-9.4	-8.1
FinTech	+0.3	-3.5	-3.8

Amount recorded items for extraordinary loss (Fixed cost during stores closed, etc)	
	Billions of yen
Equipment costs	-2.8
Personnel costs	-1.6
Office costs, etc.	-2.5
Total	-6.9
Personnel costs	-0.4
Depreciation, etc.	-0.1
Total	-0.5

Scenario of impact of the COVID-19 for the Fiscal Year Ending March 31, 2021

- Performance in June exceeded initial forecasts, however that in July fall below in June due to re-epidemic of the COVID-19
- Forecast of FY2021 remains undetermined because it is difficult to predict when the trend will recover. The scenarios at the last financial result briefing were revised.

〈 The scenarios of the COVID-19 impact〉

◇scenario (E)


- Trend from June to July, 2020 continues to March, 2021
- Retailing transactions trend is 80%
- FinTech transactions (Outside of Marui Group stores) trend is 105%

2

◇scenario (G)

- Trend in July, 2020 continues to March, 2021 and there is store closure for 1month
- Retailing transactions trend is 75%
- FinTech transactions (Outside of Marui Group stores) trend is 105%

Segment	FY2020	YOY difference			
		Excluding the effect of the COVID-19	After reflect the effect of the COVID-19		
			Scenario (E)	~	Scenario (G)
	Billions of yen	Billions of yen	Billions of yen		
Retailing	10.0	±0	-6.0	~	-8.0
FinTech	38.4	+4.0	± 0		
Consolidated Operating income	41.9	+4.0	-6.0	~	-8.0
Net income	25.4	+2.0	-9.0	~	-13.0



Forward-looking statements contained in this presentation are based on information available at the time of preparation and on assumptions that have been deemed to be rational. Actual performance may differ greatly due to a variety of factors. Any inquiries may be directed to the IR Department (Tel: +81 3 5343 0075).

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