MARUI GROUP CO., LTD

Overview of Performance in Nine Months Ended December 31, 2019

MARUI GROUP

February 6, 2020

Highlights in the Nine Months Ended December 31, 2019

MARUI GROUP

1. EPS increased 4% year on year to reach record high for the third quarter of ¥92.0

2. Consolidated operating income increased to ¥32.9 billion (up 8% YoY) for 4th consecutive year

3. Retailing segment operating income decreased 8% year on year
   FinTech segment operating income increased 16% year on year

4. Full-Year operating income forecast revised downward to ¥44.0 billion (up 7% YoY)

Consolidated Performance

MARUI GROUP

	Nine months ended Dec. 31, 2018	Nine months ended Dec. 31, 2019	YOY change	YOY difference
EPS (yen)	88.3	92.0	104	+3.7
	Billions of yen	Billions of yen	%	Billions of yen
Total Group transactions	1,881.0	2,174.3	116	+293.3
Revenue	186.5	186.4	100	−0.1
Gross Profit	141.6	149.0	105	+7.4
〈Recurring gross profit〉	〈90.9〉	〈98.4〉	〈108〉	〈+7.5〉
SG&A expenses	111.1	116.1	104	+5.0
Operating income	30.5	32.9	108	+2.4
(Progress toward Full-Year Result・Initial Forecasts)	(74%)	(72%)		
Net income	19.3	19.9	103	+0.6

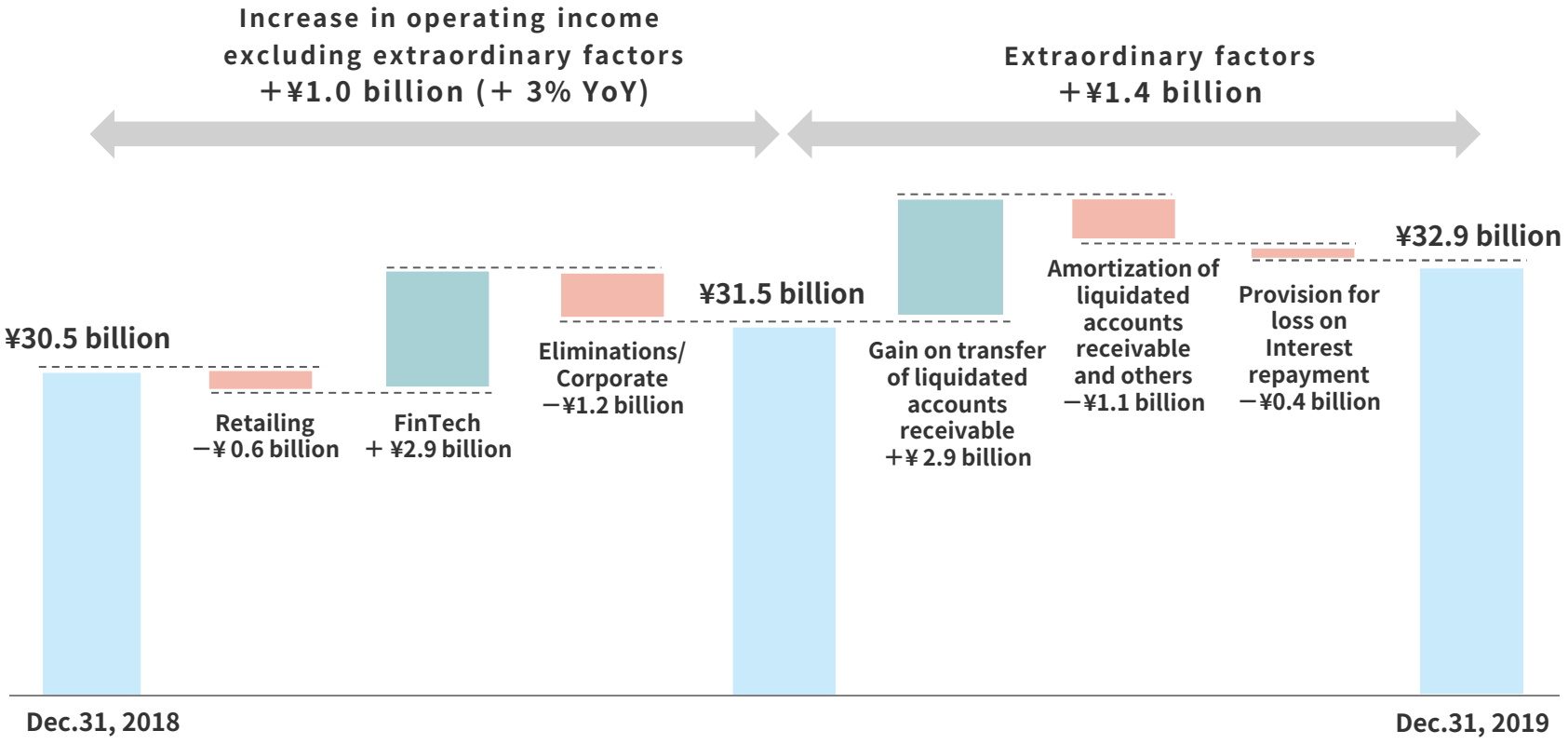
Segment Income

MARUI GROUP

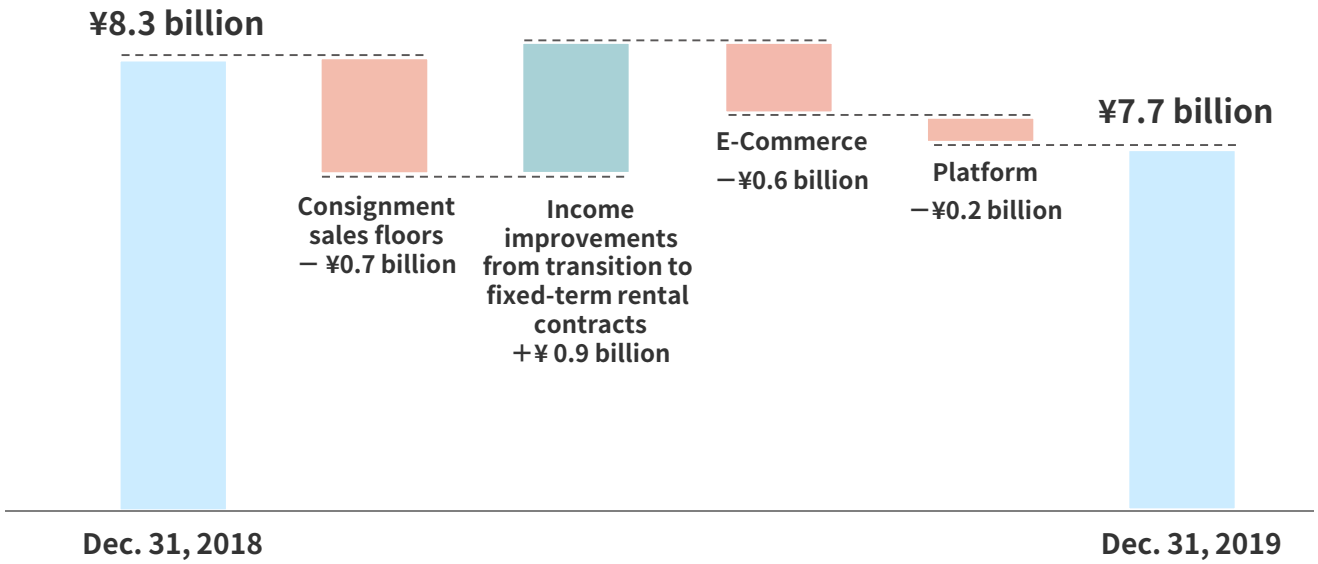
Operating income

	Nine months ended Dec. 31, 2018	Nine months ended Dec. 31, 2019	YoY change	YoY difference
	Billions of yen	Billions of yen	%	Billions of yen
Retailing	8.3	7.7	92	−0.6
FinTech	26.1	30.3	116	+4.2
Eliminations/Corporate	−3.9	−5.1	−	−1.2
Consolidated	30.5	32.9	108	+2.4

Factors Affecting Operating Income



Factors Affecting Retailing Segment Income



FinTech segment

	Nine months ended Dec.31, 2018	Nine months ended Dec.31, 2019	YOY change	YOY difference
	10 thousand	10 thousand	%	10 thousand
New cardholders	59	60	103	+2
(Outside of Marui Group stores)	(29)	(34)	(116)	(+5)
Number of cardholders	676	714	106	+38
Platinum Card, Gold Card	208	240	115	+32
	Billions of yen	Billions of yen	%	Billions of yen
FinTech transactions	1,710.5	2,002.9	117	+292.4
Card shopping	1,390.9	1,629.7	117	+238.8
(Outside of Marui Group)	(1,310.2)	(1,553.8)	(119)	(+243.6)
Service	204.7	257.0	125	+52.2
Cash advance	108.0	109.8	102	+1.8
Operating receivables outstanding (including liquidated accounts receivable)	688.6	759.2	110	+70.6
Revolving payment, Payment by installments (Card shopping)	327.2	358.5	110	+31.3
Operating loans	148.9	151.7	102	+2.8
Ratio of bad debt write-offs (%)	1.33	1.36	—	+0.03

Consolidated Balance Sheets

	Mar. 31, 2019	Dec. 31, 2019	YoY difference
	Billions of yen	Billions of yen	Billions of yen
Operating receivables	565.7	590.9	+25.2
(Liquidated accounts receivable :Off-balance sheet)	(119.3)	(168.4)	(+49.1)
[Ratio of liquidated accounts receivable(%) *1]	[17.4]	[22.2]	[+4.8]
installment sales accounts receivable	428.2	452.6	+24.4
operating loans outstanding	137.5	138.3	+0.8
Fixed assets	249.8	255.6	+5.7
Interest-bearing debt	486.6	500.3	+13.7
[Ratio of operating receivables(%) * 2]	[86.0]	[84.7]	[−1.3]
Shareholder's equity	284.8	289.8	+5.0
[Equity ratio (%)]	[32.0]	[31.3]	[−0.7]
Total assets	890.2	924.9	+34.7

*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

	Nine months ended Dec. 31, 2018	Nine months ended Dec. 31, 2019	YoY difference
	Billions of yen	Billions of yen	Billions of yen
Net cash provided by (used in) operating activities	−14.1	11.4	+25.5
Increase in operating receivables	−39.2	−13.7	+25.4
Core operating cash flow *3	25.0	25.1	+0.1
Net cash provided by (used in) investing activities	−7.4	−15.1	−7.7
Purchase of fixed assets	−6.1	−9.0	−3.0
Gains on sales of investment securities	−4.8	−6.3	−1.5
Gains on sales of fixed assets, etc.	3.4	0.2	−3.2
Net cash provided by (used in) financing activities	18.0	−4.9	−22.9
Increase in interest-bearing debt	34.6	13.6	−21.0
Cash dividends paid	−9.5	−11.7	−2.3
Purchase of treasury stock, etc.	−7.2	−6.8	+0.4
Net increase / decrease in cash and cash equivalents	−3.6	−8.6	−5.0
Cash and Cash equivalents at end of period	41.8	38.1	−3.7

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

ESG Topics

- MARUI GROUP included in CDP's Climate A-List, which represents the highest evaluation, for second consecutive year in January 2020.
- Our Japanese financial results summaries contained information disclosed based on the recommendations of the Task Force on Climate-related Financial Disclosures.

CDP DISCLOSURE INSIGHT ACTION A LIST 2019 CLIMATE

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

■Main external evaluations (FY2020)

- Included in DJSI World Index in 2nd consecutive year

MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM

- Included in the Bronze Class and recognized as Industry Mover

SAM Sustainability Award Bronze Class 2019

- Included in four ESG Indexes utilized by the GPIF

FTSE Blossom Japan

3rd consecutive year

MSCI 2019 Constituent MSCI日本株 女性活躍指数 (WIN)

MSCI 2019 Constituent MSCI ジャパンESG セレクト・リーダーズ指数

3rd consecutive year

S&P/JPX カーボン エフィシェント 指数

Included in the first time

Full-Year Forecasts for FY2020

	FY2019	Previous forecasts FY2020	Revised forecasts FY2020	Vs. Previous forecasts	YoY change
EPS (yen)	116.0	127.3	122.7	−4.6	106
ROE (%)	9.1	9.5	9.2	−0.3	−
ROIC (%)	3.7	3.9	3.8	−0.1	−
Cash dividends per share (yen)	49.0	57.0	57.0	−	116
Payout ratio (%)	42.2	44.8	46.5	+1.7	−
Total return ratio (%)	69.9	70.2	72.8	+2.6	−

＜Reference＞	Billions of yen	Billions of yen	Billions of yen	Billions of yen	%
Total Group transactions	2,539.6	2,990.0	2,980.0	−10.0	117
Revenue	251.4	262.0	256.0	−6.0	102
Gross profit	190.5	204.0	201.5	−2.5	106
SG&A expenses	149.3	158.5	157.5	−1.0	105
Operating income	41.2	45.5	44.0	−1.5	107
Net income	25.3	27.5	26.5	−1.0	105

＜Reference＞Segment income forecasts for FY2020

MARUI GROUP

Operating income

	FY2019	Previous forecasts FY2020	Revised forecasts FY2020	Vs. Previous forecasts	YoY change
	Billions of yen	Billions of yen	Billions of yen	Billions of yen	%
Retailing	11.4	13.0	11.5	−1.5	101
FinTech	35.0	39.0	39.0	−	111
Eliminations/Corporate	−5.3	−6.5	−6.5	−	−
Consolidated	41.2	45.5	44.0	−1.5	107



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).

MARUI GROUP