MARUI GROUP CO., LTD

Overview of Performance in Six Months Ended September 30, 2020

MARUI GROUP

November 12, 2020

Highlights in Six Months Ended September 30, 2020

1. EPS decreased 35% year on year to ¥41.6

2. Consolidated operating income decreased 8% year on year to ¥20.7 billion
   for the first time in 6th consecutive year of decrease

3. Retailing segment operating income decreased 76% year on year
   FinTech segment operating income increased 7% year on year

4. For the negative impact of COVID-19 for this first half,
   Retailing segment operating income decreased ¥3.3 billion and
   FinTech segment operating income decreased ¥0.7 billion

Consolidated Performance

	Six months ended Sep.30, 2020	YOY change (%)	YOY difference
EPS (yen)	41.6	65	−22.8

	Q1	YOY change	Q2	YOY change	Six months ended Sep.30, 2020	YOY change	YOY difference
	Billions of yen	%	Billions of yen	%	Billions of yen	%	Billions of yen
Total Group transactions	615.3	90	733.0	101	1348.3	95	−65.8
Revenue	46.1	80	63.2	93	109.3	87	−16.2
Gross Profit	37.3	81	52.1	95	89.4	89	−11.2
〈Recurring gross profit〉	〈27.3〉	〈85〉	〈32.2〉	〈97〉	〈59.5〉	〈91〉	〈−5.8〉
SG&A expenses	28.4	77	40.2	98	68.7	88	−9.4
Operating income	8.9	101	11.9	86	20.7	92	−1.8
Net income	1.6	28	7.4	88	8.9	64	−5.1

Segment Income

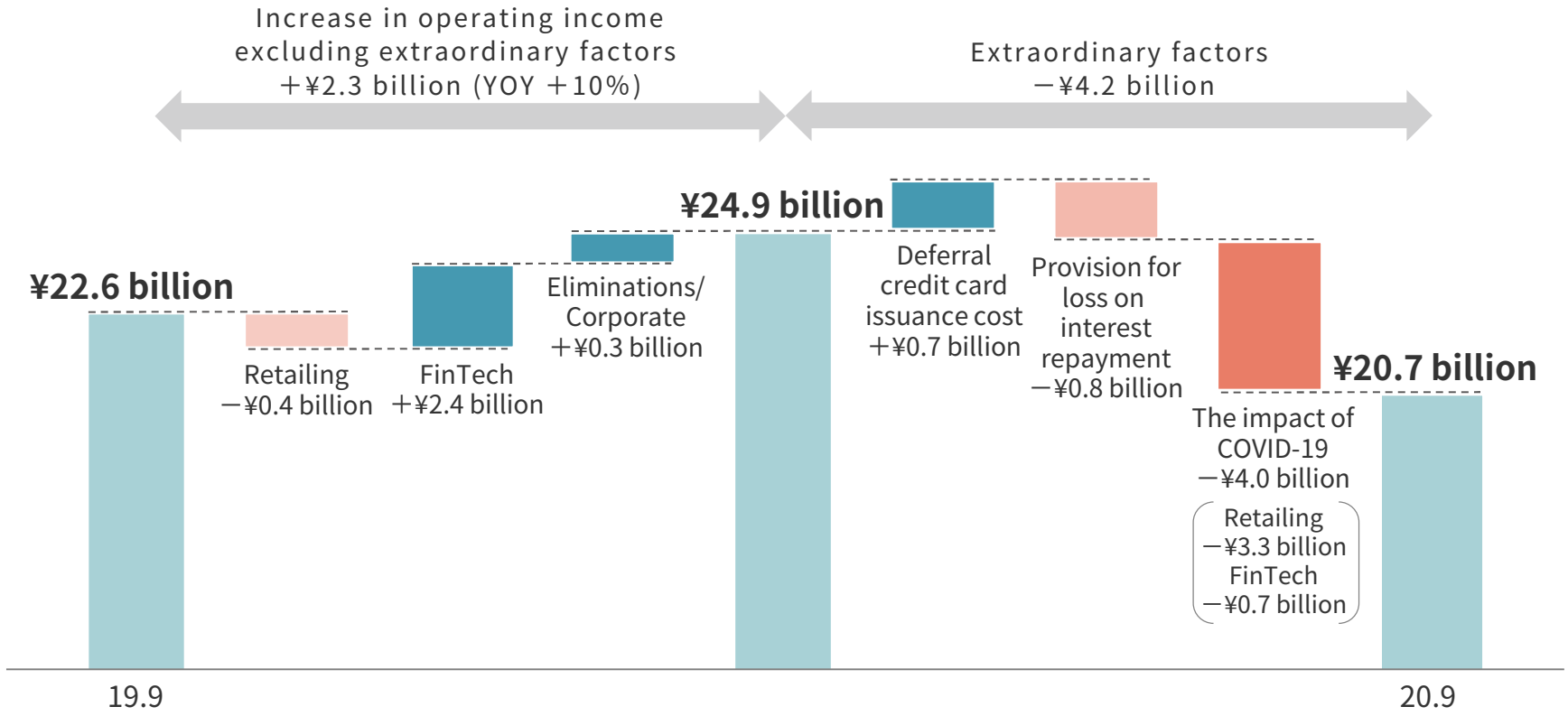
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Operating income

	Q1	YOY change	Q2	YOY change	Six months ended Sep.30, 2020	YOY change	YOY difference
	Billions of yen	%	Billions of yen	%	Billions of yen	%	Billions of yen
Retailing	0.8	36	0.3	12	1.1	24	−3.7
FinTech	9.5	117	13.2	101	22.7	107	+1.5
Eliminations /Corporate	−1.5	−	−1.6	−	−3.1	−	+0.3
Consolidated	8.9	101	11.9	86	20.7	92	−1.8

Factors Affecting Operating Income

- **Consolidated operating income excluding extraordinary factors and the impact of COVID-19 increased 10% to ¥2.3 billion**



Consolidated Balance sheets

	Mar.31, 2020	Sep.30, 2020	YOY difference
	Billions of yen	Billions of yen	Billions of yen
Operating receivables	555.6	543.8	−11.8
(Liquidated accounts receivable : Off-balance sheet)	(181.9)	(177.3)	(−4.6)
[Ratio of liquidated accounts receivable(%) *1]	[24.7]	[24.6]	[−0.1]
installment sales accounts receivable	416.3	421.8	+5.5
operating loans outstanding	139.3	122.0	−17.3
Fixed assets	259.2	273.4	+14.2
Investment securities	27.4	47.5	+20.1
Interest-bearing debt	479.8	485.6	+5.8
[Ratio of operating receivables(%) *2]	[86.4]	[89.3]	[+2.9]
Shareholder's equity	289.8	305.7	+15.9
[Equity ratio (%)]	[32.7]	[34.2]	[+1.5]
Total assets	886.0	894.6	+8.6

*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

	Six months ended Sep.30, 2019	Six months ended Sep.30, 2020	YOY difference
	Billions of yen	Billions of yen	Billions of yen
Net cash provided by (used in) operating activities	14.4	10.7	−3.7
Increase(decrease) in operating receivables	−8.6	−0.8	+7.8
Core operating cash flow*3	**23.1**	**11.6**	**−11.5**
Net cash provided by (used in) investing activities	**−10.2**	**−10.1**	**0.0**
Purchase of fixed assets	−6.0	−6.4	−0.4
Gains on sales of investment securities	−4.4	−3.2	+1.2
Gains on sales of fixed assets, etc.	0.3	−0.5	−0.7
Net cash provided by (used in) financial activities	**−14.2**	**1.0**	**+15.2**
Increase(decrease) in interest-bearing dept	−1.8	5.8	+7.6
Cash dividends paid	−5.7	−4.7	+0.9
Purchase of treasury stock, etc.	−6.7	−0.1	+6.7
Cash and cash equivalents at end of period	36.8	42.4	+5.7

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

Lifetime Value Management Indicator

Recurring Gross Profit

	Six months ended Sep.30, 2019	Six months ended Sep.30, 2020	YOY change	YOY difference
	Billions of yen	Billions of yen	%	Billions of yen
Retailing	22.2	15.8	71	−6.5
FinTech	43.1	43.8	101	+0.6
Total	65.4	59.5	91	−5.8
Composition within gross profit (%)	63.2	65.0	−	+1.8

Full-Year Forecasts for FY2021

	FY2020	FY2021	YOY change	YOY difference
EPS（yen）	117.6	72.3	61	−45.3
ROE（%）	8.8	5.3	−	−3.5
ROIC（%）	3.7	3.1	−	−0.6

〈Reference〉

	Billions of yen	Billions of yen	%	Billions of yen
Total Group transactions	2903.7	2970.0	102	+66.3
Revenue	247.6	223.0	90	−24.6
Gross Profit	195.7	179.5	92	−16.2
SG&A expenses	153.7	144.0	94	−9.7
Operating income	41.9	35.5	85	−6.4
Net income	25.4	15.5	61	−9.9

〈Reference〉 Segment income forecasts for FY2021

	FY2020	FY2021	YOY change	YOY difference
	Billions of yen	Billions of yen	%	Billions of yen
Retailing	10.0	3.0	30	−7.0
FinTech	38.4	39.0	102	+0.6
Eliminations /Corporate	−6.5	−6.5	−	0
Consolidated	41.9	35.5	85	−6.4

* Planning premise	From July to September	Second half (from October to March)
Retailing transactions trend (store・Web)	75% (scenario F)	80% (Equivalent to scenario E)
FinTech transactions trend (outside of Marui Group)	105%	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).

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