Note: This document is a translation of a part of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.

May 13, 2025

Consolidated Financial Results For the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

Company name: MARUI GROUP CO.,LTD.
Stock exchange listing: Tokyo Stock Exchange
Code number: 8252
URL:https://www.0101maruigroup.co.jp/en/
Representative: Hiroshi Aoi President and Representative Director
Contact: Masakazu Iizuka General Manager, Financial Department
Phone: +81-3-3384-0101
Scheduled date of ordinary general shareholders' meeting: June 25, 2025
Scheduled date of commencing dividend payments : June 26, 2025
Scheduled date of filing annual securities report: : June 23, 2025
Availability of supplementary briefing material on annual financial results: Yes
Schedule of annual financial results briefing session: Yes (For institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Operating revenue		Operating profit		Ordinary profit		Net income attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	254,392	8.1	44,515	8.5	39,916	2.9	26,588	7.8
March 31, 2024	235,227	8.0	41,025	5.8	38,776	6.6	24,667	14.9

(Note) Comprehensive income: Fiscal year ended March 31, 2025: ¥ 30,605 million [18.9 %]
Fiscal year ended March 31, 2024: ¥ 25,736 million [15.4 %]

	Earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to revenue ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	143.24	—	10.6	3.9	17.5
March 31, 2024	130.70	—	9.9	3.9	17.4

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Book value per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	1,053,352	246,636	23.4	1,362.18
March 31, 2024	1,003,501	253,628	25.2	1,348.13

(Reference) Equity: As of March 31, 2025: ¥ 246,140 million
As of March 31, 2024: ¥ 253,250 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	(4,482)	(13,665)	2,838	49,250
March 31, 2024	38,003	(18,266)	(7,879)	64,560

2. Dividends

	Annual dividends per share					Total dividend paid	Payout ratio (consolidated)	Ratio of total amount of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	—	50.00	—	51.00	101.00	19,124	77.3	7.6
March 31, 2025	—	53.00	—	53.00	106.00	19,523	74.0	7.8
Fiscal year ending March 31, 2026 (Forecast)	—	65.00	—	66.00	131.00		84.5	

Dividend on equity ratio (DOE)
Fiscal year ended March 31, 2024 7.9%
Fiscal year ended March 31, 2025 8.1%
Fiscal year ending March 31, 2026 (forecast) 10.0%

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(% indicates changes from the previous corresponding period.)

	Operating revenue		Operating profit		Ordinary profit		Net income attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	272,500	7.1	50,000	12.3	42,000	5.2	28,000	5.3	155.00

Forecast of the return on equity ratio (ROE) Fiscal year ending March 31, 2026 (full year): 11.2%

*** Notes:**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in the scope of consolidation): No

New: －

Exclusion: －

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards:No
2) Changes in accounting policies other than 1) above:No
3) Changes in accounting estimates: No
4)Retrospective restatement:No

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of period (including treasury shares):

As of March 31, 2025:	208,660,417	shares
As of March 31, 2024:	208,660,417	shares

2) Number of treasury shares at the end of period:

As of March 31, 2025:	27,965,135	shares
As of March 31, 2024:	20,806,798	shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2025:	185,618,703	shares
Fiscal Year ended March 31, 2024:	188,736,513	shares

(Note) The number of treasury shares at the end of the period includes shares of the Company held in the BIP Trust and the ESOP Trust.

As of March 31, 2025: 482,435 shares

As of March 31, 2024: 766,567 shares

The shares of the Company held in the BIP Trust and the ESOP Trust are included in the number of treasury shares to be deducted from the total number of issued shares for the calculation of the average number of shares outstanding during the period.

Fiscal Year ended March 31, 2025: 428,215 shares

Fiscal Year ended March 31, 2024: 766,567 shares

* Financial Results report are not subject to audit by certified public accountants or an audit corporation.

* Proper use of earnings forecasts and other special matters

The earnings forecasts and other forward-looking statements contained in this document are based on information currently available to the Company and certain assumptions that the Company deems to be reasonable. Actual results may significantly differ due to various factors. Please see “(4) Outlook for the next fiscal year” on page 7 of the attached document for the assumptions underlying the earnings forecasts and notes on the use of them.

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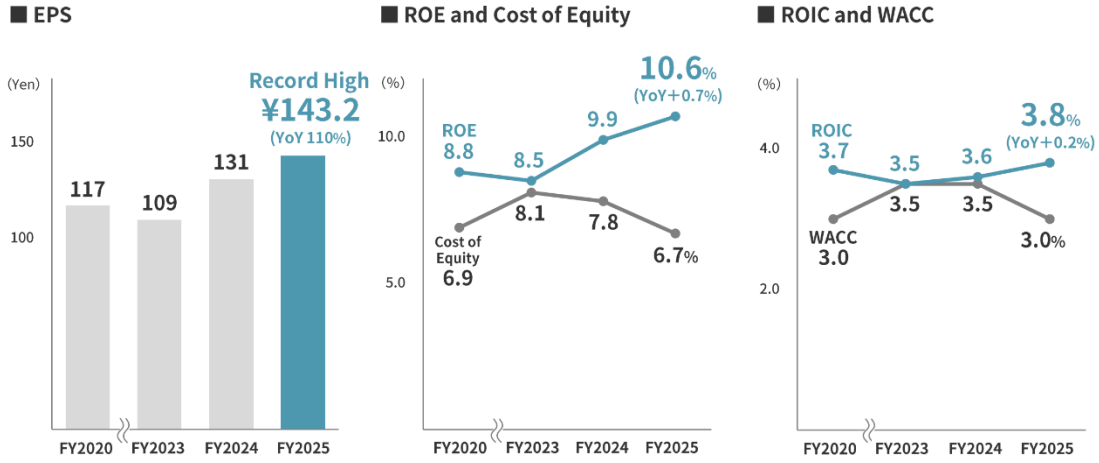
1. Overview of Operating Results, etc. for the Period under Review

(1) Overview of Operating Results

(Consolidated business results)

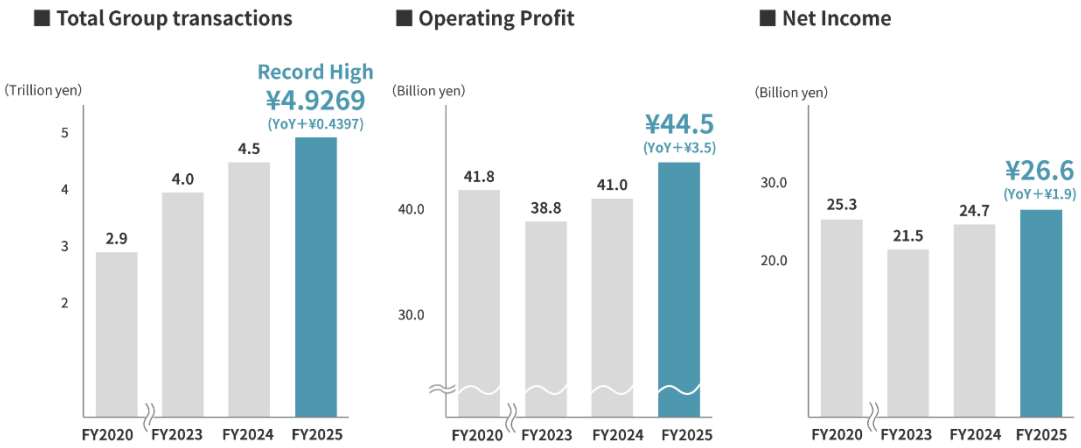
- EPS was ¥143.2 (+10% or +¥12.5 year on year), exceeding the previous fiscal year's level and reaching a record high due to increased profits. ROE was 10.6% (+0.7% year on year), exceeding cost of equity (6.7%) and exceeding 10% for the first time in 34 years. ROIC was 3.8% (+0.2% year on year), higher than cost of capital (WACC 3.0%).



* ASBJ Statement No. 29 (Accounting Standard for Revenue Recognition), etc. have been applied to the figures shown above

- Total Group transactions were ¥4,926.9 billion(+10% or +¥439.7 billion year on year), reaching the highest ever, driven by the growth in credit card transaction volume in the FinTech business.
- Operating revenue was ¥254.4 billion (+8% year on year), operating profit was ¥44.5 billion (+9% year on year), ordinary profit was ¥39.9 billion (+3% year on year), and net income was ¥26.6 billion (+8% year on year), marking the fourth consecutive quarter of increases in sales and profit.

* In "1. Overview of Operating Results," amounts expressed in billions of yen have been rounded off to the first decimal place.

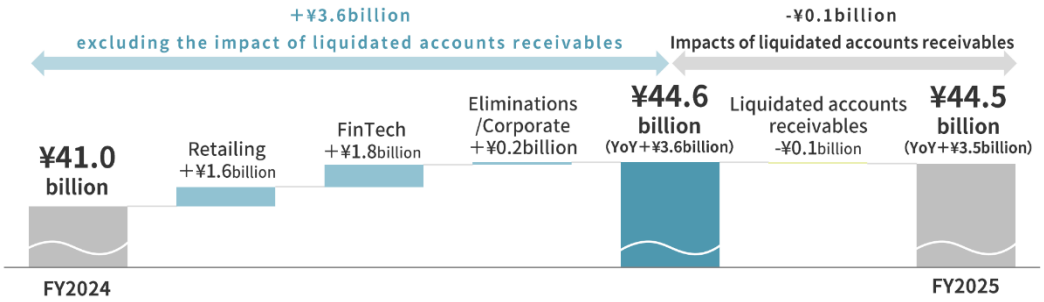


* ASBJ Statement No. 29 (Accounting Standard for Revenue Recognition), etc. have been applied to the figures shown above

Breakdown of changes in operating profit

- Operating profit decreased by 0.1 billion yen due to a 0.6 billion yen increase in gain on transfer of receivables (8 billion yen) from liquidated accounts receivables compared to the previous year and a 0.7 billion yen increase in amortisation and expenses (8 billion yen).
- Excluding the impact of the above liquidated accounts receivables, operating profit increased by 3.6 billion yen (retailing +1.6 billion yen, FinTech +1.8 billion yen).

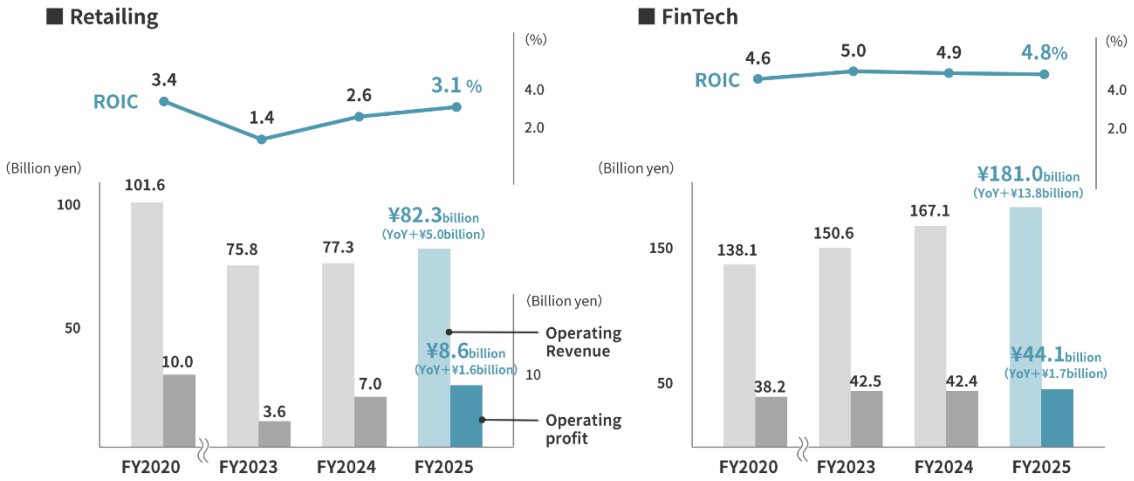
□ Breakdown of changes in operating profit



(Business results by segment)

- In the Retailing segment, operating profit was ¥8.6 billion (+24% year on year), a year-on-year increase of ¥1.6 billion, and ROIC was 3.1% (+0.5% year on year).
- In the FinTech segment, operating profit was ¥44.1 billion (+4% year on year), a year-on-year increase of ¥1.7 billion, and ROIC was 4.8% (-0.1% year on year).

□ Operating revenue and operating profit by segment

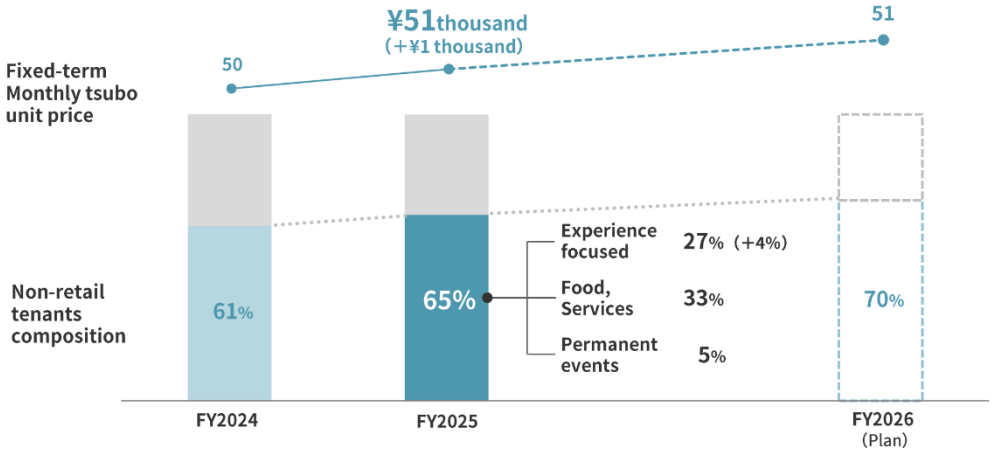


* ASBJ Statement No. 29 (Accounting Standard for Revenue Recognition), etc. have been applied to the figures shown above

<Retailing segment>

- In Marui and Modi stores, aiming to create value that only real stores can offer, we introduced experience-oriented stores, schools, restaurants, and services that do not aim to "sell," and the area occupied by Non-retail tenants accounted for 65% of the total (+4% year on year). Category conversions have made steady progress. The introduction of new tenants resulted in a decrease in unoccupied section. Furthermore, operating profit increased for the fourth consecutive fiscal year due to the progress of value-up of facilities.

□ Change in composition of tenants in non-product sales category

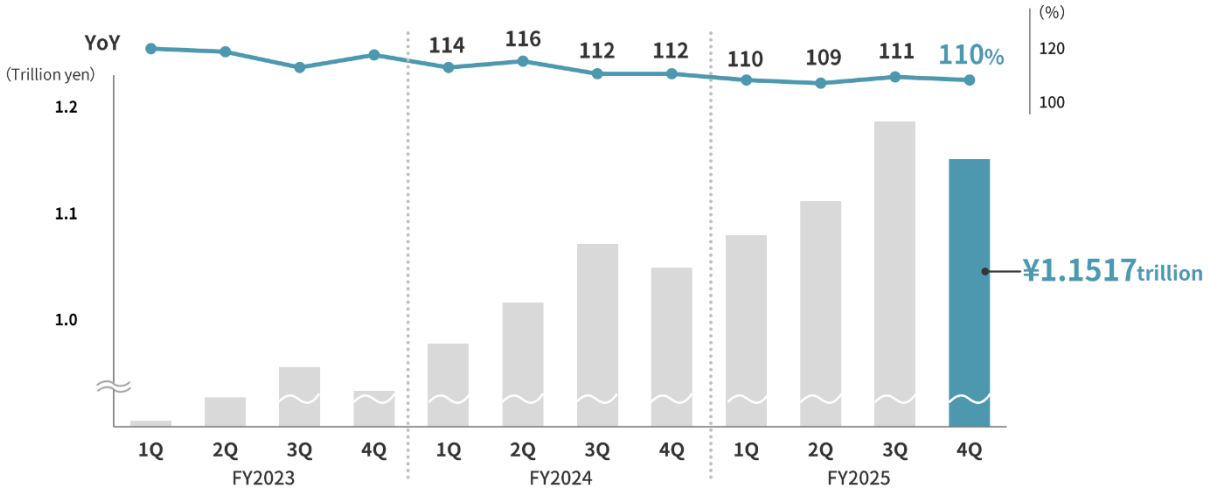


• We have been putting efforts into creating “eventful stores” so that customers can always enjoy themselves whenever they visit our stores. Among such efforts, Marui’s store opening support service “OMEMIE,” which started in 2022, allows businesses to complete online the whole process from searching for spaces to set up stores at nationwide Marui and Modi stores to signing contracts. The service is widely used by businesses such as direct-to-consumer (D2C) brands and sole proprietors, and has been successful in bringing in new tenants who have never opened stores at Marui before. As a result, the variety of events has expanded, including trial sessions and workshops for services provided by new tenants.

<FinTech segment>

• The strategic "Maximization of household share" led to growth in rent payments, e-commerce use, and regular payments for utility bills, etc. As a result, credit card transaction volume for the fourth quarter was ¥1.1517 trillion (+10% year on year) and the cumulative total was ¥4.5305 trillion (+10% year on year), each a record high.

□ Changes in card credit transaction volume



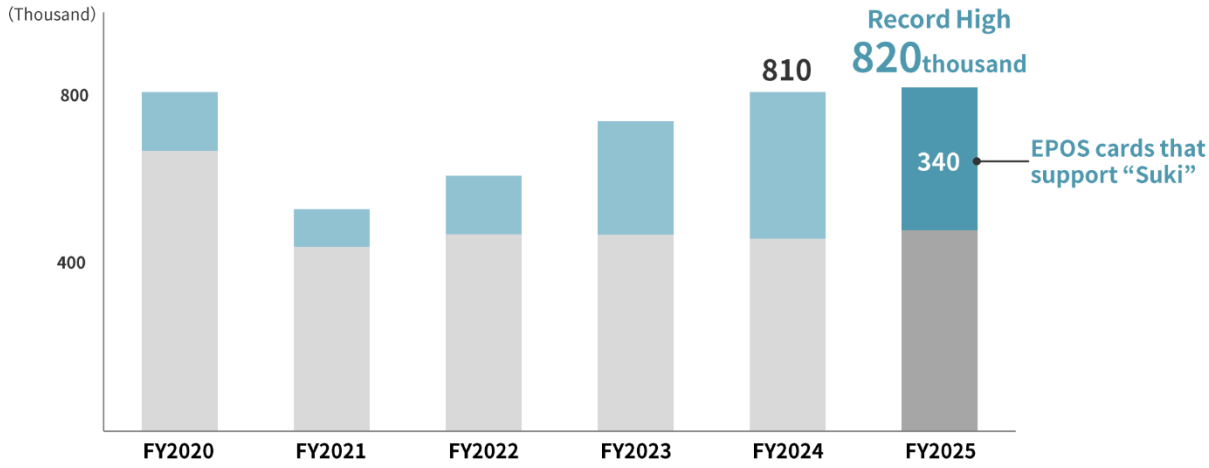
• Transaction volume of installment and revolving payments increased to ¥432.1 billion (+10% year on year), and balance of installment and revolving payment including liquidated receivables reached ¥469.3 billion (+8% year on year).

• The number of new EPOS cardholders reached 820 thousand (+10 thousand cardholders year on year). The number of cardholders as of the end of period reached a record high of 7,900 thousand (+310 thousand cardholders year on year).

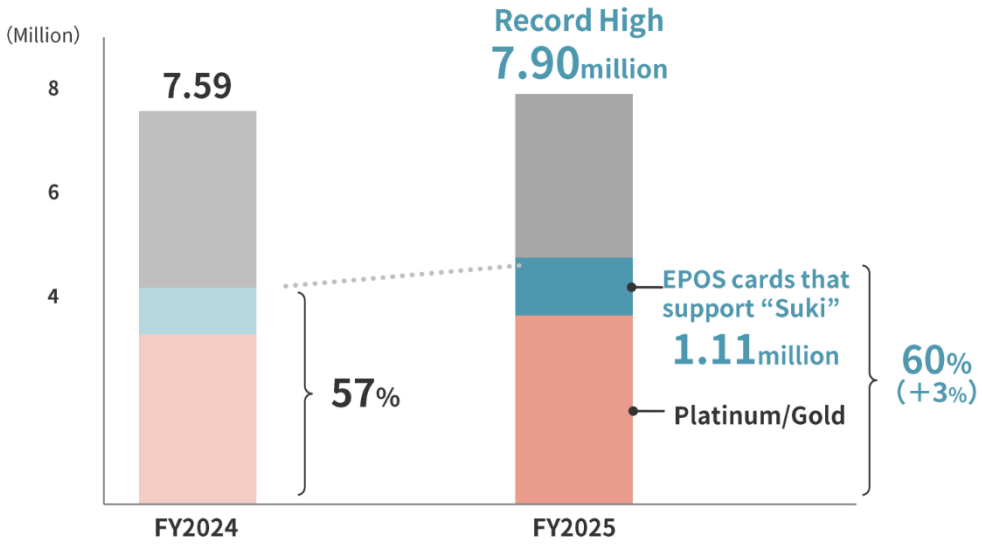
• In addition to our Gold cards, which have been a driver of our business growth to date, we are also enhancing our measures with respect to EPOS cards that support “Suki”. EPOS cards that support “Suki” are more likely to be held by young people than regular cards, and have a two to seven times higher LTV (lifetime value). Cards created in collaboration with anime, games, and entertainment content have many passionate fans, and they tend to quickly become recognized through social media and are therefore highly compatible with online membership applications. For these EPOS cards that support “Suki”, proposals have been raised from not only employees in the FinTech segment but also those engaged in retailing and co-creative investments. The number of projects has expanded to 115. At stores, we provided hands-on opportunities such as events that are linked with EPOS cards that support “Suki”. For e-commerce, we developed and sold collaboration goods. As exemplified above, we provide unique experience value through initiatives that only a company with credit cards, stores, and e-commerce can undertake. Through these actions, the number of new holders of EPOS cards that support “Suki” reached 340 thousand, and the number of members at the end of the term was 1.11 million (+210 thousand year on year). We will continue to step up our Group-wide efforts to increase the number of highly loyal members and achieve further expansion in transaction volume and the number of new cardholders.

*The word “Suki” can mean love, like, favor, passionate about, crazy about, adore, etc.

□ Changes in new memberships



□ Number of cardholders

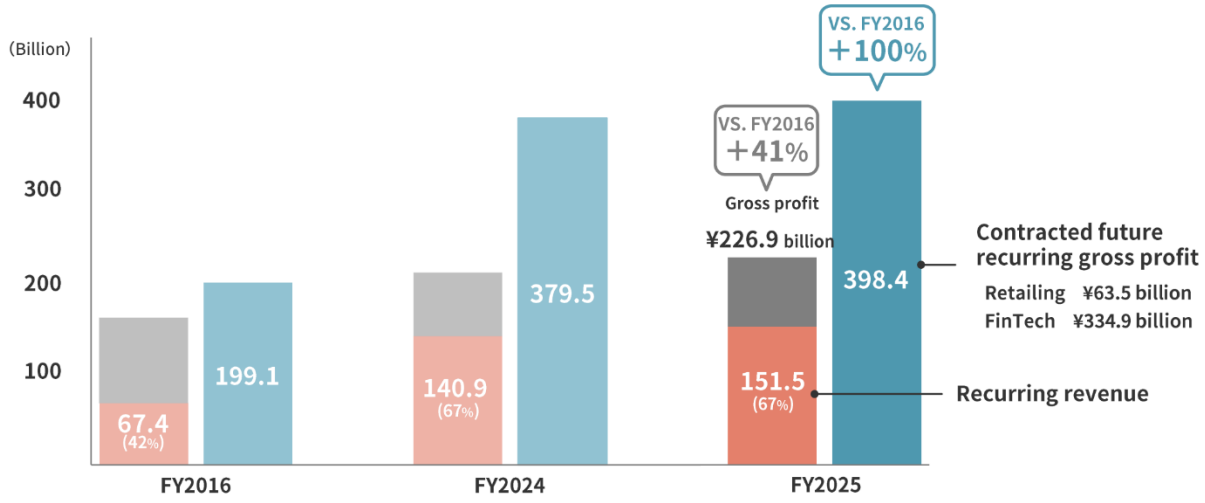


(Indicators of LTV stability)

As a result of the change in our business model, “recurring revenue,” which includes rent revenues from our stores and card commissions, has increased to account for a larger proportion of total sales and profits, altering the Group’s revenue structure. Recurring revenue, which is recurring revenue from contracts with customers and business partners, can be viewed as “contracted future recurring gross profit” for the following fiscal year and beyond, and can be used as an indicator to measure the stability of earnings. These are important elements of the Group’s long-term management that emphasizes lifetime profit (LTV).

- Recurring revenue (on a gross profit basis) for the period was ¥151.5 billion (+8% year on year), and the ratio of recurring revenue to gross profit was 66.8% (-0.2% year on year).
- At the end of period, contracted future recurring gross profit was ¥398.4 billion (+5% year on year), and it is expected to generate future earnings approximately 1.8 times the gross profit of the current fiscal year. The calculation of contracted future recurring revenue is based on the remaining contract years for rent revenues, the repayment period for installment and revolving fees and interest on cash advances, the card expiration dates for (recurring) affiliate commissions, and the guarantee period for rent guarantees.

□ LTV management indicators

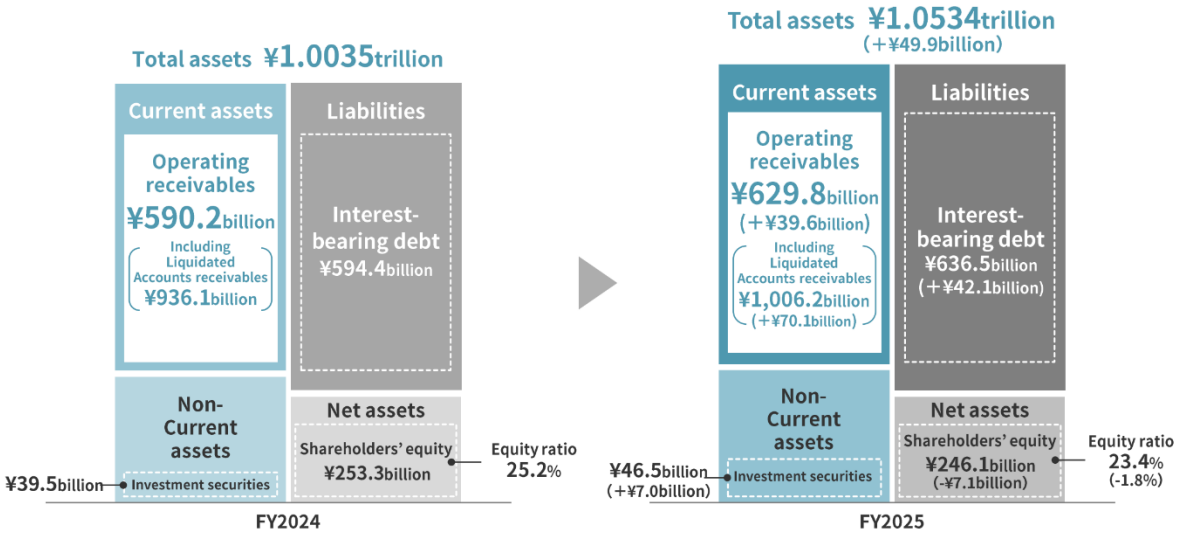


* Gross profit used in calculating the gross profit-based recurring revenue and its composition includes selling, general and administrative expenses paid by business partners on a recurring basis.

(2) Overview of Financial Position

- Operating receivables (accounts receivable - installment and operating loans) amounted to ¥629.8 billion (+¥39.6 billion year on year) as a result of an increase in credit card transaction volume, etc. Total assets were ¥1,053.4 billion (+¥49.9 billion year on year).
- Interest-bearing debt (excluding lease obligation) amounted to ¥636.5 billion (+¥42.1 billion year on year).
- As a result of the acquisition of treasury shares and the payment of dividends, shareholders' equity amounted to ¥246.1 billion (-¥7.1 billion year on year), and the equity ratio was 23.4% (-1.8% year on year).

□ Balance sheet



(3) Overview of Cash Flows

- Cash flow from operating activities was an outflow of 4.5 billion yen (compared to an inflow of 38 billion yen in the previous fiscal year). Core operating cash flow, which is operating cash flow minus changes in Operating receivables, etc., was 49.7 billion yen, an increase of 10.6 billion yen from the previous year, mainly due to an increase in pre-tax income.
- Net cash used in investing activities amounted to 13.7 billion yen (compared to 18.3 billion yen used in the previous year), mainly due to 13.1 billion yen for the acquisition of Property and equipment as well as intangible assets and 6.8 billion yen for the acquisition of investment securities.

• Financing cash flow was 2.8 billion yen (7.9 billion yen in the previous year), mainly due to 42.0 billion yen in proceeds from an increase in Interest-bearing debt, 18.5 billion yen for the purchase of treasury shares, and 19.5 billion yen in dividend payments.

□ Cash Flows

	FY2024	FY2025	YoY difference
	Billion yen	Billion yen	Billion yen
Core operating cash flow	39.1	49.7	+10.6
Net cash provided by (used in) operating activities	38.0	-4.5	-42.5
Decrease (increase) in operating receivables	-1.1	-54.1	-53.1
Net cash provided by (used in) investing activities	-18.3	-13.7	+4.6
Net cash provided by (used in) financing activities	-7.9	2.8	+10.7
Net increase /decrease in cash and cash equivalents	11.9	-15.3	-27.2
Cash and cash equivalents at end of period	64.6	49.3	-15.3

* The Group uses core operating cash flow, which is Net cash provided by (used in) operating activities minus changes in Accounts receivable – installment and Accounting receivable - operating loans, as an indicator of profitability and soundness.

(4) Outlook for the Next Fiscal Year

We have formulated a new 'Management Vision & Strategy Narrative 2031' with the fiscal year ending March 2031 as the final year. We will strive to further enhance corporate value with targets of a PBR of 3 to 4 times, an EPS growth rate of 9% or more, and a TSR growth rate of 12% or more per annum for the final year. For details, please refer to "(6) Medium- to Long-term Corporate Management Strategy" on page 10.

• For the fiscal year ending March 31, 2026, we plan EPS of ¥155.0 (+8% year on year, +¥11.8 year on year), ROE of 11.2% (+0.6% year on year), and ROIC of 3.9% (+0.1% year on year).
• Total group transactions are planned to reach ¥5.3900 trillion (+9% year on year) due to the steady expansion of card credit.
• We plan revenue of ¥272.5 billion (+7% year on year), operating profit of ¥50.0 billion (+12% year on year), and net income of ¥28.0 billion (+5% year on year), and expect increase in income and profit.
• Operating profit in the Retailing segment is planned at ¥11.0 billion (+28% year on year).
• Operating profit in the FinTech segment is planned at ¥47.0 billion (+7% year on year).

□ Consolidated financial results forecast for the fiscal year ending March 31, 2026

	FY2025	FY2026	YoY change %	YoY difference
EPS (Yen)	143.2	155.0	108	+11.8
ROE (%)	10.6	11.2	-	+0.6
ROIC (%)	3.8	3.9	-	+0.1
Reduction of CO_2 (thousand tons)	390	500	128	+110
< Reference >				
	Billion yen	Billion yen	%	Billion yen
Total Group Transactions	4,926.9	5,390.0	109	+463.1
Operating Revenue	254.4	272.5	107	+18.1
Gross Profit	222.8	240.0	108	+17.2
SG&A	178.2	190.0	107	+11.8
Operating Profit	44.5	50.0	112	+5.5
Ordinary profit	39.9	42.0	105	+2.1
Net Income	26.6	28.0	105	+1.4

	FY2025	FY2026	YoY Change	YoY difference
	Billion yen	Billion yen	%	Billion yen
Retailing	8.6	11.0	128	+2.4
FinTech	44.1	47.0	107	+2.9
Eliminations /Corporate	-8.1	-8.0	—	+0.1
Consolidated Operating Profit	44.5	50.0	112	+5.5

(5) Shareholder Returns

(Basic policy for the current fiscal year)

The basic policy for shareholder returns is to continuously distribute appropriate profits.

- The Company will endeavor to continuously increase the level of dividends based on the long-term growth in EPS to realize high growth coupled with high returns. We aim to achieve a long-term stable increase in dividends, with a target Dividend on Equity (DOE) ratio of around 8%.
- The Company will flexibly acquire treasury shares as appropriate, financial position, stock price levels, and other factors, with the aim of improving capital efficiency and shareholder value. Treasury shares acquired through share buybacks will, in principle, be cancelled.
- Dividend standards and treasury stock acquisition policies are regularly verified and revised as appropriate.

(Basic policy for the next fiscal year)

- For future shareholder returns, please refer to "(6) Medium- to Long-term Corporate Management Strategy 4) Capital Policy and Shareholder Returns" on page 12.

(Outlook for the current fiscal year and the next fiscal year)

- The year-end dividend for the current fiscal year is ¥53 per share, as announced at the beginning of the year. The annual dividend, including the interim dividend of ¥53 per share, is ¥106 per share (+¥5 year on year), marking the 13th consecutive year of dividend increase and the 9th consecutive year of record highs, the consolidated payout ratio was 74.0% (-3.3% year on year).
- During the current fiscal year, the Company acquired 18.5 billion yen worth of treasury shares, resulting in a

Dividend on equity ratio (DOE) of 8.1%.

• The annual dividend for the next fiscal year is expected to be ¥131 per share (+¥25 year on year), an increase for the 14th consecutive year.

• The Company has set a limit of ¥20.0 billion for share repurchases for the next fiscal year to allow, as announced today.

	Annual dividend per share (yen)	interim dividend per share (yen)	Year-end dividend per share (yen)	Dividend on equity ratio (DOE)	Consolidated dividend payout ratio	Acquisition of treasury stock (Billion yen)
FY2022	52	26	26	4.0%	60.6%	30
FY2023	59	29	30	4.6%	53.9%	24
FY2024	101	50	51	7.9%	77.3%	3.4
FY2025	106	53	53	8.1%	74.0%	18.5
FY2026 (Forecast)	131	65	66	10.0%	84.0%	undecided

(6) Medium- to Long-term Corporate Management Strategy

■ Overview of the Company

Since its founding in 1931, the Group has evolved its unique business model merging retailing and financial service, and established its strength and position not found in other companies. In recent years, we have added forward-looking investments consisting of Co-Creative investment and investing in new businesses, aiming to create a business model integrating Retailing, FinTech, and Forward-Looking Investments. Currently, we are shifting our business to one that supports "Suki" through events, goods, services, Co-Creative investment, business development, and people, organisations, and workstyles, with a focus on FinTech, aiming to further expand our corporate value.

■ Basic management policies

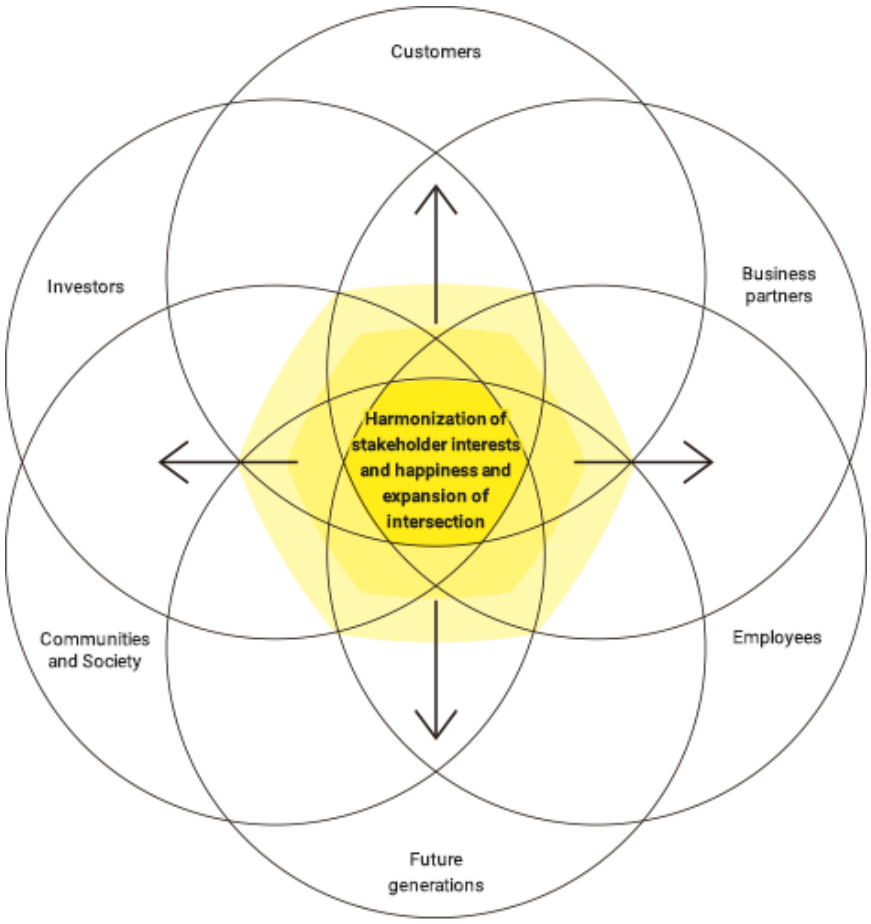
The Group's mission is to work together with our stakeholders to help build an inclusive society that offers happiness to all, based on our corporate philosophy of "continue evolving to better aid our customers" and "equate the development of our people with the development of our company."

The Group aims to promote harmony and the expansion of the interests and happiness of all stakeholders, including customers, shareholders, investors, communities and society, and business partners, employees and future generations. In order to achieve this goal, we endeavor to create value that we can share with our stakeholders by taking their perspectives into consideration as we deliberate and take action on all matters. We hope to promote "Co-Creation management" to improve our corporate value as a result of these endeavors.

For details of the Group's Co-Creation management, please refer to the Co-Creation Management Report 2023 and the VISION BOOK 2050.

Co-Creation Management Report (https://www.0101maruigroup.co.jp/en/ir/lib/i-report.html)

VISION BOOK 2050 (https://www.0101maruigroup.co.jp/en/ir/lib/s-report.html)



Corporate value = Intersection of the interests and happiness of all stakeholders

Harmonization and expansion of the intersection = Increase in the corporate value

■**Formulation of Management Vision & Strategy Narrative 2031**

The Group has formulated its "Management Vision & Strategy Narrative 2031" rather than a medium-term management plan for the 100th anniversary of its founding in 2031. We will set high goals as our management vision and build a strategy narrative by backcasting from there. We will achieve the creation of social value by linking our vision, impact, and business strategy.

1) Management vision

We are transitioning from our traditional business model integrating Retailing, FinTech, and Co-Creation Investments—toward a new model centered on FinTech: a business that supports "Suki." Through this transformation, we aim to realize our vision of "overcoming the perceived trade-off between impact and profit."

This management vision is grounded in the belief that Japan's deflationary economy, which has persisted for over 30 years, is now at a turning point. As consumer behavior evolves, we see the potential for a new economy driven by "Suki" as opposed to the cost-conscious consumption, as represented by point rewards of the past, and we will grow by creating this new market.

2) Strategy narrative

The impact we aim to achieve through our "business that supports 'Suki'" and the strategies for its realization are as follows:

(Consumption that expands for the benefit of others and society through "Suki")

- The purpose of our "business that supports 'Suki'" is to achieve both impact and profit by encouraging "Suki," transforming consumption from being "for oneself," to "for someone else," and ultimately "for society."
- With our EPOS cards that support "Suki," the number of members using our cards that allow users to make donations to those they wish to support through their spending is steadily increasing. We anticipate that more and more consumers will continue to find happiness in making "donations" "for someone else."
- By pursue promote a differentiation strategy by responding to new types of consumers. Our goal is to reach 3 million cardholders of EPOS cards that support "Suki" by the fiscal year ending March 31,2031, furthermore, to surpass the number of Gold Card cardholders by the fiscal year ending March 31,2041.

(Financial empowerment that supports "Suki")

- Until now, The Group has supported the self-realization of young people. Going forward, we will support the self-actualization of all individuals through financial empowerment that support "Suki."
- In its FinTech business to date, Marui has issued credit cards through the co-creation of creditability, mainly in metropolitan areas where it has stores. But going forward, we will expand the scope and recruit members nationwide through the rollout of a new independent retailing system regardless of location".
- In addition, to address the expanding diversity of work styles, including self-employed individuals, startups, and freelancers, we will expand the number of membership through initiatives such as the "Owner Card" and "Lancers Card." For foreign nationals working in Japan, we will also enhance recruitment through collaborations like the "GTN Card."

(Support strategies)

- As a new point of contact with customers to replace the independent sales areas and private brands, we will support both impact and profits by developing a new independently operated unit in major cities nationwide that offers events, goods, and cards that support "Suki", which can be expected to attract customers, recruit members, and increase average customer spend and gross profit margin in a compact space.
- Furthermore, in our efforts to enhance customer experience through DX, we have newly established a joint venture with Goodpatch Inc. and marui unite Co.,Ltd , a leading UX design company. We have also been actively recruiting specialized talent and building an agile development framework.
- Going forward, we will promote the development of loyal customers by leveraging the expertise of professional personnel to provide unique experiential value that combines digital UX with real-world experiences through

new independently operated units.

(Expression of creativity through ‘flow’)

- At our company, we focus on the concept of “flow,” which comprehensively captures the elements that are important for business, such as ability and challenge, creativity and happiness, and have been working to enhance the job satisfaction and organizational vitality of every employee.
- Going forward, we will increase opportunities for employees to apply their “Suki” to their work by organizing contests and other initiatives that support “Suki” and encourages creativity. By expanding businesses that leverage intangible assets−such as ideas, knowledge, and know-how, we aim to raise the ratio of intangible assets to over 70% by the fiscal year ending March 31, 2031, thereby enhancing our corporate value.

(Business development by social intrapreneurs)

- In addition to creating innovation with external entrepreneurs, we will establish Business Promotion And Development Office to encourage the activities of “social intrapreneurs” (internal entrepreneurs) who can change society while working at the company. We will recruit talent from both inside and outside the company through various employment formats and promote business development.
- We have established the “Social Intrapreneur Development Foundation” to nurture human resources over the medium to long term and will offer courses for university and junior/senior high school students. In the future, we will leverage their knowledge and skills through employment at our company and participation in projects to contribute to the business development of our group.

(Exploratory domains)

- We are working to globalize our “business that supports ‘Suki’.” As a first step, we will launch business development initiatives by recruiting talent from around the world under the theme of “Japan as a 'Suki' in the Eyes of the World.”

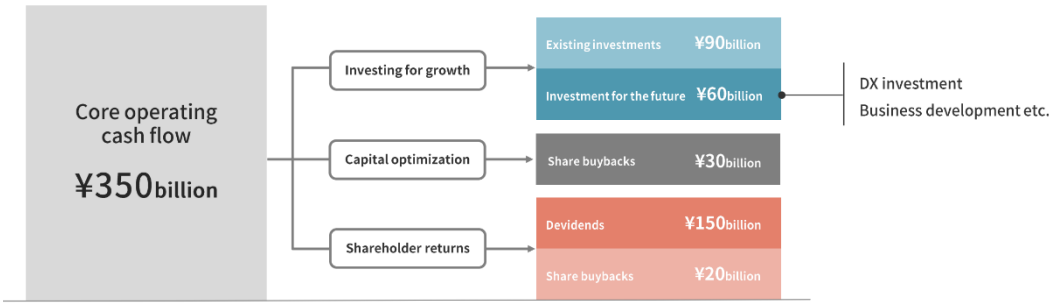
3) Risks

- In response to the rising financial costs driven by interest rate increases, we will undertake initiatives to change fees for installment and revolving payments, and to reduce funding interest rates.
- We are considering changing the fees for installment and revolving payments during the fiscal year ending March 2026, and expect this to increase revenue.
- With regard to borrowing rates, we will strive to reduce borrowing rates by shortening the average borrowing period, while also strengthening dialogue with rating agencies with the aim of improving our credit ratings and curbing increases in financial expenses.

4) Capital Policy and Shareholder Returns

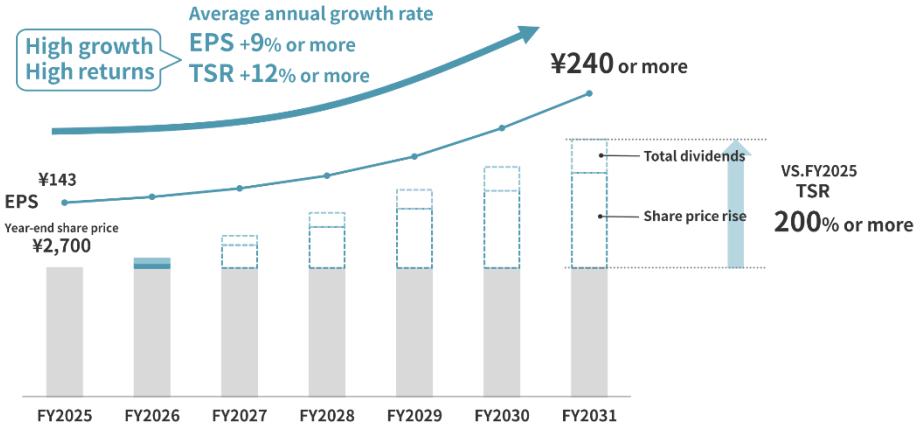
- In the fiscal year ending March 31, 2031, our balance sheet is projected to expand to approximately ¥1.5 trillion. Given that the equity ratio in our Retailing segment is expected to diverge from our optimal level of 35% to around 50%, we plan to implement capital optimization measures totaling ¥30 billion. Through this initiative, we aim to recalibrate our balance sheet and achieve a consolidated equity ratio of 16%.
- Regarding our shareholder returns policy, considering our target ROE of over 15% for the fiscal year ending March 31, 2031, we will raise our DOE target from 8% to 10%.
- The plan of capital allocation is to allocate the core operating cash flow of ¥350 billion over the next six years as follows: ¥90 billion for growth investments in existing businesses, ¥60 billion for forward-looking investments such as DX investments and business development, ¥30 billion for the acquisition of treasury shares for capital optimization, and ¥170 billion for shareholder returns.

☐Capital allocation (Fiscal year ending March 2026 to fiscal year ending March 2031)



5) KPI

- For the fiscal year ending March 31, 2031, we aim to achieve high growth and high returns with a PBR of 3 to 4 times, EPS growth of 9% or more, and TSR growth of 12% or more on an annual basis.



(7) Sustainability Approach and Initiatives

■ The Group's idea of sustainability

<Overall sustainability>

In 2016, the Group took its first steps toward practicing future-oriented sustainability management, an approach that integrates its business with consideration for the environment, the resolution of social issues, and corporate governance initiatives. We have redefined our business approach targeted for "every individual" to that featuring "inclusion" and reorganized our core themes. We believe that these will also contribute to the realization of the United Nations Sustainable Development Goals ("SDGs").

Furthermore, in 2019 we formulated the MARUI GROUP's 2050 Vision, our long-term vision for 2050, to achieve full-fledged sustainability management, and declared the slogan "Harnessing the power of business to build a world that transcends dichotomies."

In 2021, we defined our targets related to sustainability and well-being as "Impact" based on the 2050 Vision. "Impact" consisted of three co-creation objectives described as "work together with future generations to create the future," "work together to bring happiness to individuals," and "create a co-creative ecosystem."

In 2025, we will formulate a new "Management Vision and Strategy Narrative 2031" and redefine our impact in three themes to accomplish an economy driven by "Suki": "Creating a future of future generations together," "Creating an economy driven by each individual's 'Suki'," and "Creating a society that generates 'flow' for workers."

We aim to achieve both the solution of social issues and profits through its business, and some of the key approaches of impacts and profit are defined as main KPIs. Please refer to "(4) Indicators and targets" for specific indicators.

1) Governance

We will develop a management structure that is inclusive of stakeholders to promote harmony and the expansion

of the interests and happiness of all stakeholders.

Stakeholder Management	Aiming at co-creation management which realizes the interests and happiness sought by stakeholders together, we will invite stakeholders as board members to evolve the governance structure.
Sustainability Management	We have been verifying activities as necessary for the promotion of sustainability management, and are confirming our progress on the key performance indicators (KPI) for evaluating sustainability in our businesses. In order to strengthen our sustainability management system, we established Sustainability Advisors and the Sustainability Committee as an advisory body to the Board of Directors in 2019. Committee members, including external experts and members from younger generations, have engaged in deeper dialogue about the future, including issues on Group-wide sustainability strategies and initiatives. The Committee has also actively reported and made recommendations to the Board of Directors.
Promotion of Risk Management	We established the MARUI GROUP Code of Conduct as the foundation for sustainability management. Under that Code of Conduct, we formulated the MARUI GROUP Human Rights Policy, the MARUI GROUP Occupational Health and Safety Policy, the MARUI GROUP Environmental Policy, etc. In addition, in order to respond to the volatile operating environment while accelerating business structure reforms through digitization and technological innovation, we appointed a Chief Digital Officer (CDO). Moreover, to strengthen measures in response to information security risks, we established the Information Security Committee and appointed a Chief Security Officer (CSO) to serve as the highest-level authority on security responsible for managing and protecting Groupwide information assets. Furthermore, to strengthen risk management in our future financial business, we have established a Financial Risk Committee to promote an effective risk culture throughout the organisation. This includes compliance with laws, regulations, and guidelines, such as measures against money laundering, and responses to fraudulent use. To improve management of high-risk areas in sustainability management, we have established a Compliance Promotion Committee, chaired by the Representative Director, to serve as an overarching function for all committees, and to comprehensively manage risks across the Group.

	The effectiveness of these policies is verified once a year and all Group employees are familiarized with them through training and other activities. We will review them each year as needed and promote risk management suitable for the times in the future.
Cultivation of Future Leaders	In April 2017, we launched the Co-Creation Management Academy (CMA) future leader development program. Each year 10 to 20 candidates are selected, and through this program we seek to discover and cultivate future leaders under the guidance of our External Directors.

2) Strategy

The Group's mission is to "contribute to co-creating an inclusive society that offers happiness to everyone" guided by the management philosophy of "Continue evolving to better aid our customers" and "Equate the development of our people with the development of our company." The Group shall offer "happiness" as not only economic affluence but spiritual affluence through merging finance and retailing and aim to realize a society where all people, not just some people, can become "happy."

In line with the formulation of Vision 2050, our long-term vision for 2050, we have defined the social issues that our group should prioritise as areas of impact. From 2025, we will formulate a new 'Management Vision and Strategy Narrative 2031' and promote businesses that support 'Suki' through events, goods, services, co-creative investment, business development, and people, organisations, and work styles, all based on co-creation, with a focus on FinTech, toward the realisation of an economy driven by 'Suki.'

We have set three themes and six impact targets for our group to work on, and by promoting initiatives to realise our vision of 'overcoming the dichotomy between impact and profit,' we aim to create an inclusive society where everyone can feel happy.

i. Creating a future for future generations together

We will connect a sustainable future that coexists with the earth to future generations by "Help realize a carbon-neutral society" and "Support future generations in creating businesses."

Help realize a carbon-neutral society	<Reduction of the Group-wide emissions> As part of our efforts to reduce greenhouse gas emissions, our new mid- to long-term greenhouse gas reduction target established in September 2019 was recognized as a "1.5°C target" by the Science Based Targets (SBT) Initiative, an international initiative. Furthermore, we obtained a certification for our SBT Net Zero targets in August 2023. Groupwide targets to reduce greenhouse gas emissions are as follows: By 2030, compared to fiscal year ended March 31, 2017 • Scope1 (*1)＋Scope2 (*2) will decrease by 80% • Scope3 (*3) will decrease by 35% By 2050, reduce the sum of Scope 1 and 2, and Scope 3 of the entire Group by 90% compared to fiscal year ended March 31, 2017, and achieve net zero by removing carbon from the remaining amount. Achievement for the fiscal year ended March 31, 2024 • Scope1 (8,115 tons)＋Scope2 (22,483 tons), total 30,599 tons 74.1% reduction from the fiscal year ended March 31, 2017 • Scope3 (241,570 tons), 50.6% reduction from the fiscal year ended March 31, 2017 The greenhouse gas emissions per unit of production (*4)

	was 6.6 (88.0% compared to the previous year). We became a member of RE100 in July 2018 and will source 100% of the electricity used in our business activities from renewable energy by 2030. The ratio of renewable energy for the fiscal year ended March 31, 2024 was 70.7%. *1) Greenhouse gas emissions from its use of fuel *2) Greenhouse gas emissions from its use of electricity, etc. *3) Greenhouse gas emissions from its value chain *4) Calculated based on the ratio of greenhouse gas emissions (tons) to consolidated operating profit (¥1 million) <Reduce societal CO_2 emissions through co-creation with customers> MARUI GROUP launched the Project for Promoting Shift to Renewable Energy with UPDATER, Inc. (previously Minna-denryoku, Inc). We offer card members a service that allows them to easily sign up for renewable energy, and we work with our customers to reduce CO2 emissions in society.
Support future generations in creating businesses	Our group has been aiming to create innovation through Co-Creative investment with external entrepreneurs. In addition to this, we will work on business creation by internal entrepreneurs. To that end, we will promote and widely disseminate the concept of 'social intrapreneurs who can change society while working at a company.' We will establish a social intrapreneur training foundation to promote medium- to long-term human resource development and offer courses for university and high school students. In the future, we will leverage the knowledge and skills of our graduates by hiring them and having them participate in projects to contribute to our group's business development.

ii. Creating an economy driven by each individual's 'Suki'

We will accelerate the realisation of a society where individuals can empower themselves through supporting each person's 'Suki.'

Financial empowerment that supports 'Suki'	Our group has supported young people in achieving self-fulfillment through installment sales of consumer goods such as furniture and fashion. Going forward, we will support everyone in achieving self-fulfillment through financial services that support "Suki." The target audience includes people engaged in primary industries, construction, and service industries, which are often found in local areas that account for about 70% of the country, as well as people with diverse work styles, such as self-employed people, start-ups, and freelancers, and many foreigners working in Japan. Many of these people do not have a regular, stable income, such as a monthly salary, but rather an irregular and variable income, and as a result, many are unable to obtain credit cards. Focusing on these people, we will promote support to help them realize the potential of living and working in a way that allows them to pursue their passions.
Contributing to society through supporting 'Suki'	We will continue to expand our lineup of cards that allow users to support causes they care about, including Epos Pet Card that allow donations to animal protection organizations, Heralbony Card that allow donations to artist's creative activities, YAMAP Epos Card that allow donations to mountain protection organizations, and Minna Denryoku Epos Card that allow donations to renewable energy producers. By turning consumption "for oneself" into consumption "for someone else," and eventually expanding this to consumption "for society," we aim to contribute to the cultivation of a culture of contribution in Japan and achieve both impact and

	profit.

iii. Creating a society that generates ‘flow’ for workers

We will take the lead in promoting initiatives to enhance the motivation of each employee and organizational vitality.

A place for co-creation within and outside the company	We will establish a Business Production Promotion Office to attract talented people from around the world and promote their activities. We will recruit social intrapreneurs from both inside and outside the company through various employment forms and promote business development toward an economy driven by ‘Suki.’
People and workstyles that enable creativity	Our group focuses on the concept of ‘flow,’ which comprehensively captures the four elements essential to business: ability and challenge, creativity, and happiness. We are promoting initiatives to enhance the job satisfaction of each employee and organisational vitality. Specifically, we aim to increase the opportunities for employees to apply what they love to their work through contests that support ‘Suki’ and other initiatives, and to create an organisation where employees can demonstrate their creativity. By expanding businesses that utilise intangible assets such as ideas, knowledge, and know-how, and increasing the ratio of intangible assets to 70% or more, we aim to enhance our corporate value.

3) Risk management

The Group identifies risks and opportunities in order to track and assess sustainability-related issues. The identified risks and opportunities are managed in terms of strategy formulation and individual business operations through a promotion system led by the Sustainability Committee. The content of deliberations by the ESG Committee consisting of officers of Group companies (credit card services, retailing, facility management, distribution, general building management, etc.), is regularly reported and discussed at the Compliance Promotion Board chaired by the Representative Director, or at the Sustainability Committee, an advisory body to the Board of Directors. Reports and advice are provided to the Board of Directors as necessary for specific items. Going forward, strategies and measures will be examined based on a myriad of factors at least once a year. External factors on which information will be shared include trends in society that may impact corporate strategies as well as legal and regulatory revisions. Internal factors examined will include progress in the measures of Group companies and future risks and opportunities.

4) Indicators and targets

The Group has set three targets as impact-related KPIs for the fiscal year ending March 31, 2031, based on co-creation: “Work together with future generations to create the future”, “Create of an economy driven by each individual's ‘Suki’”, and “Create a society that generates ‘flow’ for workers”. We are carrying out specific initiatives for achieving these KPIs. To quickly make an impact, each group company and department has made a Medium-Term Management Plan, and we check how things are going once a year at a meeting where they report to management. We're currently thinking about specific goals based on the redefined impact, and we'll share them in the Impact Book 2025, which will be out in June 2025.

Themes	Priorities	
Creating a future for future Generations together	Help realize a carbon-neutral society	Reduction of CO2 emissions by the company and society
	Support future generations in creating businesses	Business creation by future generations (Number of social intrapreneurs supported)
Creating an economy driven by each individual's 'Suki'	Financial empowerment that supports 'Suki'	Number of users of EPOS cards that support 'Suki', 'uniqueness', and 'health'
		Financial service users, including overseas, and young users (Local governments, sole proprietors, freelancers etc.)
	Contributing to society through supporting 'Suki'	Donation amount through EPOS card
		Number of participants in dominations through EPOS card
Creating a society that Generates 'flow' for workers	A place for co-creation within and outside the company	Number of places for co-creation with talented people from around the world
		Number of new businesses created through places for co-creation
	People and workstyles that enable creativity	Ratio of employees who easily enter a flow state
		Ratio of employees who are able to leverage their 'Suki' in their work

<Initiatives related to climate change and endorsing the Task Force on Climate-related Financial Disclosures (TCFD)>

Climate change should be considered as a climate crisis today. Recognizing climate change as one of its most important management priorities, MARUI GROUP aims to "limit the rise in the global temperature to below 1.5°C above pre-industrial levels," as presented in the Paris Agreement. The Group has strengthened its governance system to actively engage in creating a carbon-neutral society based on the long-term targets of the Paris Agreement in accordance with the MARUI GROUP Environmental Policy as revised in March 2022. At the same time, the Group has analyzed the potential impact of climate change on business, and is promoting initiatives in capturing opportunities for growth and responding appropriately to relevant risks resulting from climate change. The Group endorsed the recommendations of the TCFD, which was established by the Financial Stability Board, and disclosed information in its annual securities report for the fiscal year ended March 31, 2019, based on these recommendations. We conducted repeated analyses and expanded the disclosure of information concerning opportunities and physical risks due to climate change in our annual report for the fiscal year ended March 31, 2020. As we continue to focus on enhancing our information disclosure in the future, we will benchmark the appropriateness of the Group's responses to climate change using the TCFD recommendations to promote sustainability management.

1) Governance

The Sustainability Committee is an advisory body to the Board of Directors, established for the purpose of examining and discussing the Group's basic policies and major items related to climate change. In addition, the ESG Committee has been established to improve the level of management of relevant risks, and through the Compliance Promotion Board, chaired by the Representative Director, we manage risks for the entire Group. In formulating business strategies and implementing investment and financing, we will strengthen our governance related to climate change based on this system by comprehensively discussing and making decisions with considerations for the MARUI GROUP Environmental Policy and other major items related to climate change.

2) Strategies

(Business risks and opportunities)

Recognizing that a 4°C rise in the average global temperature resulting from climate change would have an enormous impact on society, we believe it is important to work to help limit global warming to below 1.5°C above pre-industrial levels. In order to strengthen our ability to respond to scenarios below 2°C (with a target of 1.5°C), we will identify the impact of climate-related risks and opportunities on our business, and proceed to formulate relevant strategies.

Our group will promote businesses that support "Suki" through events, goods, services, Co-Creative investment,

business development, and people, organizations, and work styles, with a focus on FinTech. Climate change would pose such risks as damages to stores, facilities, etc., from floods caused by typhoons and torrential rains, and an increase in costs due to the introduction of carbon taxes along with tightened regulations. On the other hand, we view the provision of goods and services responding to increased consumer environmental awareness and investing in eco-friendly companies as the Group's business opportunities.

(Analysis and calculation of financial impacts)

Financial impacts on businesses are analyzed based on our climate change scenario, etc., and calculated by item as the amount of impact on income anticipated within the period through 2050. As physical risks, even if a rise in temperature is held below 1.5°C, we anticipate that flood damage will abruptly occur due to typhoons, torrential rains, etc. These risks are expected to affect rent revenues, etc., due to suspension of store operations (approx. ¥1.9 billion), cause building damages (approx. ¥3.0 billion) and cost impact (approx. ¥0.05 billion) due to higher credit card default rates in the affected areas. We assessed the transition risks by estimating increases in future energy-related costs, which are expected to be renewable power procurement costs (approx. ¥0.8 billion) and the introduction of carbon taxes (approx. ¥2.2 billion). The relevant opportunities are expected to have an impact on store revenue as a result of proposing lifestyles to highly environmentally conscious consumers (approx. ¥1.9 billion), long-term revenue due to an increase in cardholders (approx. ¥2.6 billion), and returns from investment in environmentally friendly companies (approx. ¥0.9 billion). We project long-term revenue owing to an increase in recurring payments due to cardholders using electrical power from renewable energy, leading to the conversion of regular cardholders to Gold cardholders (approx. ¥2.0 billion), curbing bad debt write-offs in event of disasters through a unique credit system that maintains low bad debt ratio below the industry average (approx. ¥0.02 billion), a reduction of procurement costs resulting from entering the power retailing business (approx. ¥0.3 billion), and exemption from carbon taxes (approx. ¥2.2 billion). We will conduct analysis regularly based on various future trends and continue to review our evaluations and disclose relevant information.

(Assumptions)

Target period	2020 to 2050
Scope	All businesses of MARUI GROUP
Calculation requirements	Analyses based on climate change scenarios (IPCC, IEA, etc.)
	Calculation of financial impacts assumed during the period by item
	Calculation of risks in the amount of impact if an event occurs
	Calculation of opportunities for lifetime value (LTV), in principle
	Not considering infrastructure enhancements such as public works and technology advancements, etc.

(Risks and opportunities associated with climate change)

	Changes in society	Risks faced by MARUI GROUP	Description of risks	Financial impacts
Physical risks	Flood damage due to typhoons, torrential rains, etc.*1	Suspension of store operations	Impact on rent revenues, etc., due to business suspension	Approx. ¥1.9 billion
			Building damages due to flooding (recovery of power supply facilities, etc.)	Approx. ¥3.0 billion
		Stop of system centers	Groupwide suspension of business activities due to system outage	
		Impacts on bad debt costs	Rise in bad debt ratio of credit card in disaster areas	Approx. ¥0.05 billion
Transition risks	Increase in demand for renewable energy	Rise in renewable energy prices	Increase in energy costs due to renewable energy procurement	Approx. ¥0.8 billion (Annual)
	Tightening of government's environmental regulations	Introduction of carbon taxes	Tax increase due to carbon taxes	Approx. ¥2.2 billion (Annual)

	Changes in society	MARUI GROUP's opportunities	Description of opportunities	Financial impacts
Opportunities	Enhanced environmental consciousness and change in lifestyles	Propose sustainable lifestyles	Revenue from bringing in eco-friendly tenants, or other efforts	Approx. ¥1.9 billion *3
			Increase in sustainability-minded credit cardholders	Approx. ¥2.6 billion *4
			Returns from investments in eco-friendly companies	Approx. ¥0.9 billion
		Response to demand from general households for renewable energy	Revenue from cardholders using electrical power from renewable energy	Approx. ¥2.0 billion *5
	Flooding due to typhoons, heavy rain, etc.	Amount of bad debt avoided due to low bad debt ratio	Due to our company's unique credit system, the bad debt ratio is lower than the industry average, and even in the event of a disaster, the final bad debt write-off amount is kept to a minimum.	Approx. ¥0.02 billion
	Diversification of electricity procurement	Entry into the power retailing business	Reduction in intermediary costs due to direct procurement of electricity	Approx. ¥0.3 billion (Annual)
	Tightening of government's environmental regulations	Introduction of carbon taxes	Exemption from carbon taxes from achieving zero greenhouse gas emissions	Approx. ¥2.2 billion (Annual)

*1. Assuming flooding of a river that will have the most significant effects based on hazard maps (Arakawa River) (three-month effect on two stores in the watershed areas)

*2. Assuming no financial impacts as a backup center has been established

*3. Increased rent revenues and credit card usage

*4. Calculated revenue from credit card admission and usage

*5. Estimated revenue from an increase in the number of Gold card holders after making recurring payments, etc.

3) Risk management

MARUI GROUP performs scenario analyses to track and assess the impacts of climate change on its business and identify climate change-related risks and opportunities. The identified risks and opportunities are managed in terms of strategy formulation and individual business operations through a promotion system led by the Sustainability Committee. The content of deliberations by the ESG Committee consisting of officers of Group companies (credit card services, retailing, facility management, distribution, general building management, etc.), is regularly reported and discussed at the Compliance Promotion Board chaired by the Representative Director, or at the Sustainability Committee, an advisory body to the Board of Directors. Reports and advice are provided to the Board of Directors as necessary for specific items at least once a year. Going forward, strategies and measures will be examined based on a myriad of factors. External factors on which information will be shared include climate change and other trends that may impact corporate strategies as well as legal and regulatory revisions. Internal factors examined will include progress in the measures of Group companies and future risks and opportunities.

4) Indicators and targets

- Our Groupwide greenhouse gas emission reduction targets are as follows: an 80% reduction in emissions attributable to Scope 1 and Scope 2 and a 35% reduction attributable to Scope 3 from the level in the fiscal year ended March 31, 2017 by 2030 (a 90% reduction in emissions attributable to total of Scope1 and Scope2, and Scope3 from the level in the fiscal year ended March 31, 2017 by 2050); and they were certified as “targeting 1.5°C” by the SBT initiative in September 2019.
- The Group has set a target of procuring 100% of the electricity used in its business activities from renewable power sources by 2030 (medium-term target: 70% by 2025) and became a member of RE100 in July 2018.

■ The Group’s idea of human capital management

Based on the philosophy that we should “equate the development of our people with the development of our company," the Group has been working to reform the corporate culture since 2005, with the aim of continuously improving corporate value. In order to reform our corporate culture, we have simultaneously promoted measures related to “Corporate Philosophy,” “Culture of Dialogue,” “Workstyle Reforms,” “Promotion of Diversity,” “Culture of Voluntary Participation,” “Intra-Group Companies Profession Changes and Transfers,” “Dual-Axis Evaluation of Performance and Values,” and “Well-being,” etc.

For performance data on the Group’s human capital management, please refer to the “Social” category in the ESG Data Book for the fiscal year ended March 31, 2024

ESG Data Book(https://www.0101maruigroup.co.jp/en/ir/lib/databook.html)

<Initiatives aimed at reforming the corporate culture>

1) Corporate Philosophy

The Group’s human capital management is based on the management philosophy that we should “equate the development of our people with the development of our company.” With regard to this philosophy, by setting up a dialogue forum for employees to discuss their reasons for working and what they wish to accomplish at the Company, we reconciled the Company’s purpose with the purposes of individuals. Over a period of more than ten years, more than 4,500 employees participated in this dialogue forum. As a result, the retirement rate temporarily increased due to the retirement of people who could not share the same philosophy, but since then, the retirement rate (excluding those who retired at the mandatory retirement age) has remained at a low level of around 3.5%. In addition, the turnover rate within three years of joining the Company is about 17%, which is far below the national average, showing that the foundation for the “mutually chosen relationship” between the Company and individual employees has been established.

2) Culture of Dialogue

Although communication used to be a one-way street, the Group has fostered a "culture of dialogue" through two-way communication. Discussions and meetings are always conducted interactively in accordance with the following seven guidelines: "1. Start with a declaration that opinions can be safely expressed," "2. Do not set a particular purpose," "3. Do not seek conclusions," "4. Listen attentively," "5. Speak in response to other people's remarks," "6. Do not reject other's opinions," and "7. Include intervals to allow discussions to develop."

3) Workstyle Reforms

We are aiming not only to create a comfortable work environment, but also to transform our corporate culture from one in which the essence of work is "providing time" to one in which value is placed on "creating value." As a result of project activities conducted by employees, overtime per person decreased significantly from 11 hours per month in the fiscal year ended March 31, 2008 to approximately 5.5 hours in the fiscal year ended March 31, 2025.

4) Promotion of Diversity

Since 2014, we have been promoting organizational reform by advocating for diversity in three aspects: "gender," "age group," and "individuals." With regard to gender diversity, we started a project to promote women's participation and advancement in the workplace in the fiscal year ended March 31, 2014. In addition, as a result of promoting initiatives based on our own KPI called the "vitality index of female employees," the rate of male employees taking childcare leave reached 100% for the seventh consecutive year in the fiscal year ended March 31, 2025, and the percentage of female employees who wish to work in high-level positions also improved to 58%. From the fiscal year ended March 31, 2022, we have set new goals of "encouraging the taking of paternity leave" and "reviewing the gender role division between men and women," and have embarked on more substantive initiatives.

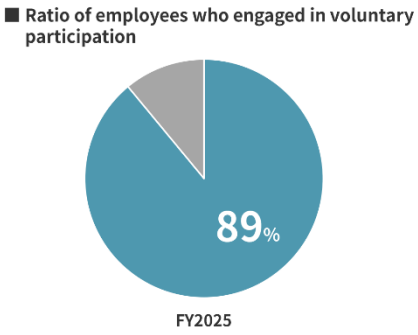
■ Vitality index of female employees (extract)

		FY2014	FY2025	FY2026
	Ratio of female leaders	20%	39%	40%
	Female employees who wish to work in high-level positions	42%	58%	75%
	Maintain ratio of childcare leave taken by male employees at 100%	14%	100%	100%
Newly established	Ratio of paternity leave taken by male employees (within 8 weeks of childbirth)	—	100%	95%
Newly established	Ratio of employees who believe that fixed gender roles, where "men should work while women should do housework and raise children," should be reviewed	—	55%	50%

5) Culture of Voluntary Participation

For over a decade, we have promoted a culture of voluntary participation by employees so as to encourage the individual initiatives of our employees and form an autonomous organization where innovation is generated. We provided our employees with a wide range of self-driven opportunities, such as official projects and initiatives, and the Medium-Term Management Visionary Committee. During the fiscal year ended March 31, 2025, the percentage of employees who voluntarily participated reached approximately 90%.

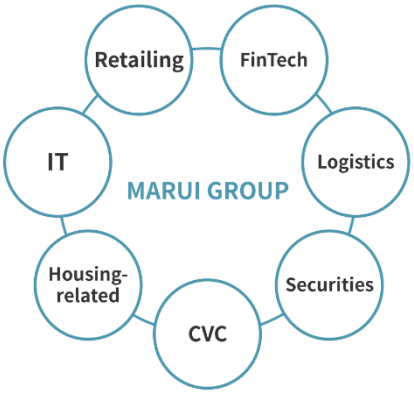




6) Intra-Group Companies Profession Changes and Transfers

Based on the culture of voluntary participation by employees, we have been promoting full-fledged intra-Group companies profession changes and transfers that span various businesses across the Group since 2013. By the fiscal year ended March 31, 2025, approximately 86% of all Group employees have experienced profession changes. In a survey conducted in 2016, approximately 86% of the respondents said that changes in professions contributed to their growth. We believe that this system develops a capacity for diversity and resilience of each employee. Going forward, we will further promote the secondment of our employees to other companies, particularly the investees of co-creative investment, to develop human resources that are resilient to change.

■ Flow of transfers



■ Ratio of profession changes

86%

*As of March 2025

■ Ratio of respondents who said transfers contributed to their growth

86%

*According to Nov. 2016 survey

7) Dual-Axis Evaluation of Performance and Values

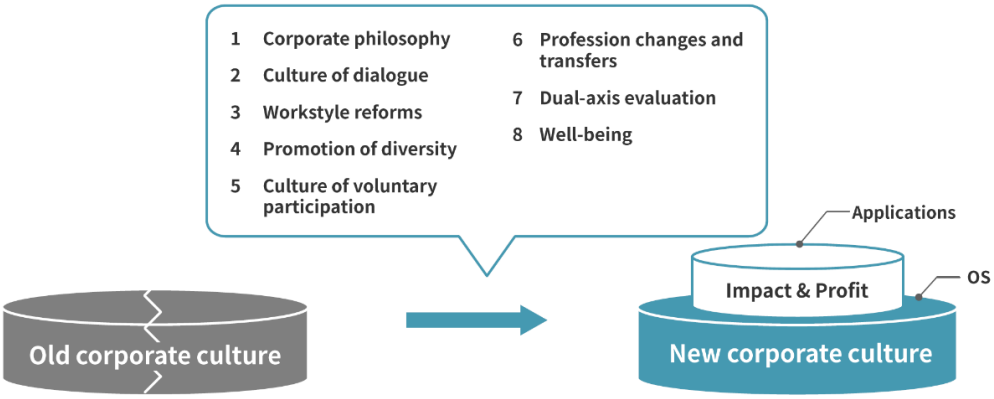
In the personnel evaluation system, we aim to realize the corporate philosophy of “developing our people” by conducting evaluations not only based on performance, but also by having superiors, colleagues, and subordinates conduct a comprehensive evaluation related to values.

8) Well-being

Since 2016, the Group has been working on the well-being of employees with the aim of creating an organization with vitality that enables each and every employee to engage in work enthusiastically and energetically. Led by Director, Senior Executive Officer and CWO (Chief Wellbeing Officer) Ms. Reiko Kojima, we will aim to realize the happiness of each and every person in their organization through the “Resilience Program for Executives” and the “Well-being Promotion Project” in which employees voluntarily participate.

<Improving employee engagement by reforming the corporate culture>

Through eight measures, which include unique Company initiatives, we have updated our corporate culture, which serves as our management OS, creating a new OS. As a result of these measures, employee engagement has improved. Comparing the engagement indicators we measure in-house between 2012 and 2024, work “expectation” scores have risen from 46% to 81%, workplace “respect” scores have risen from 28% to 69%, and scores relating to “leveraging their own strengths” have risen from 38% to 58%, all major improvements.



■ Employee engagement

	2012		2024
I know what is expected of me on the job	46%	▶	81%
I feel respected at work	28%	▶	69%
I leverage my own strengths to meet challenges	38%	▶	58%

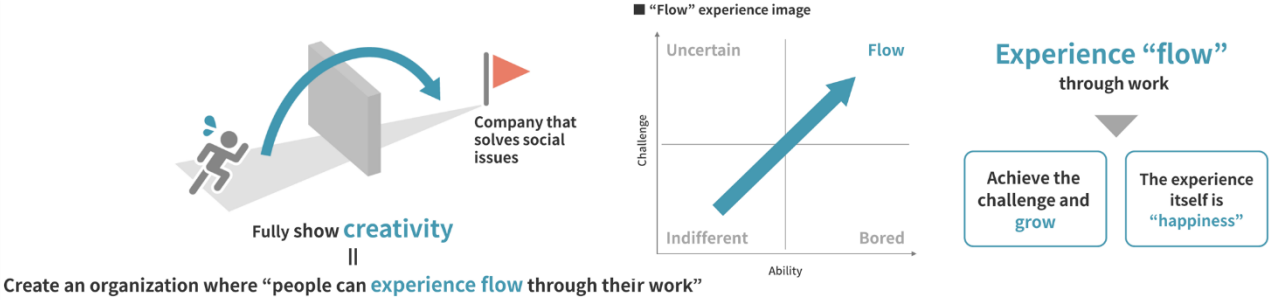
1) Strategy

MARUI GROUP's 2050 Vision, which was formulated in 2019, sets forth a vision of transcending dichotomies between impact and profit. By reforming our corporate culture, we have become able to create innovation in order to achieve this vision. However, these innovations are still but tiny "seedlings." We must increase the number of these "seedlings" that bear the twin leaves of impact and profit and grow them into mighty trees bearing many fruit to evolve into a company that solves social issues.



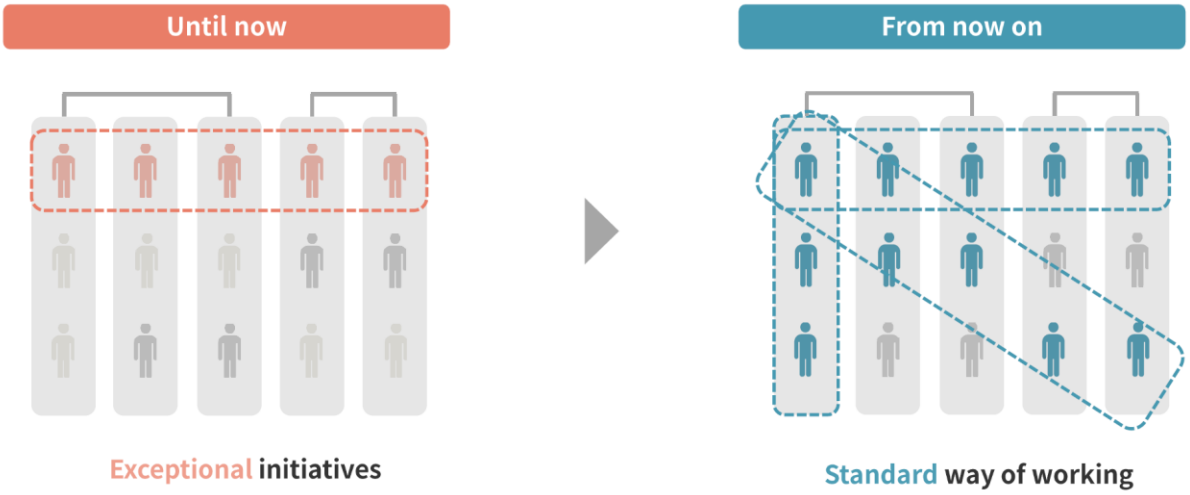
To overcome the difficult hurdle of balancing the pursuit of profit with the solving of social issues, it is essential that each person brings their full creativity to bear. This is why we are working to create an organization in which people can experience "flow" through their work.

"Flow" is a concept advanced by psychologist Mihaly Csikszentmihalyi, in which people's abilities and the level of challenges they are tackling are well-matched, so they become completely absorbed in their challenges and lose track of time. By experiencing flow, people can leverage their full creative abilities, surmounting difficult obstacles and achieving personal growth. The experience of flow produces a feeling of happiness. Our goal is to create organizations where people can experience flow through their work, thereby achieving our ideals while contributing to the happiness of each and every worker. We will achieve this through two initiatives: "workstyle and organization innovation" and "DX promotion."



(Innovate the workstyles and organizations)

In our workstyle and organization innovation, we are promoting the creation of project-based workstyles and organizations. Employees who wanted to realize an impact have reached out of their own accord and gathered together across Group company lines, promoting innovation by working using a project approach. Until now, this workstyle has been an exceptional one. In the future, we will expand the use of this project approach so that it is no longer a rarity, but instead the standard way of doing work.



i. Expansion of official initiatives

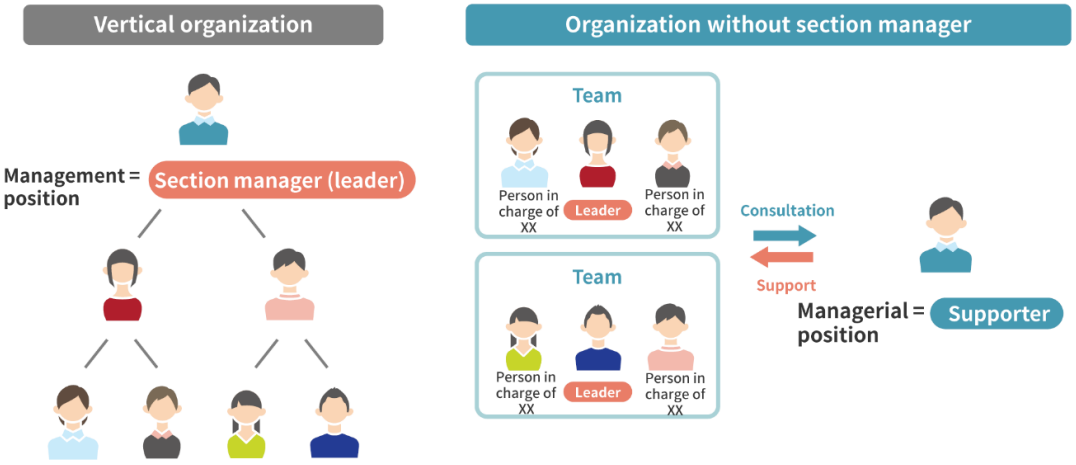
We will bring the total number of our official initiatives up to 12 an increase of 3 teams from the previous year. The official initiatives seek to achieve both impact and profit and cover a range of themes. Team members who voluntarily came together to tackle these themes are creating innovation through project-based activities that span organization lines, both inside and outside each company.

Name of themes	Name of themes
Develop apps for future generations	Consider in-house entrepreneurial community
Body positive	Study on how to work after COVID-19
Develop apps to support those going on maternity or paternity leave	Designing customer experiences for sustainable consumption and lifestyle innovation
Develop apps for industry-specific job matching	Study of financial services for Younger generations /Future generations
Develop apps to improve business operations for event fixture management	Expanding sauna fandom
Develop apps to support fan activities	EPOS cards that support “Suki”

*The word “Suki” can mean love, like, favor, passionate about, crazy about, adore, etc.

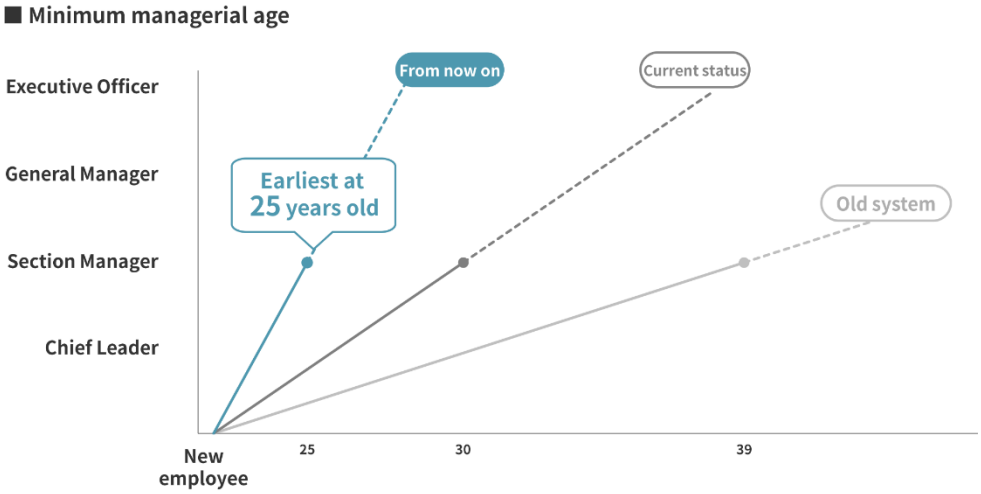
ii. Organizations without section managers

Section managers manage people and team, but is not the head of the team, but a supporter of the team. Instead of being at the top, being side by side to the team members, creating a flat organization. Each member is independent and self-driven, encouraging creativity as a team.



iii. Early appointment to managerial positions

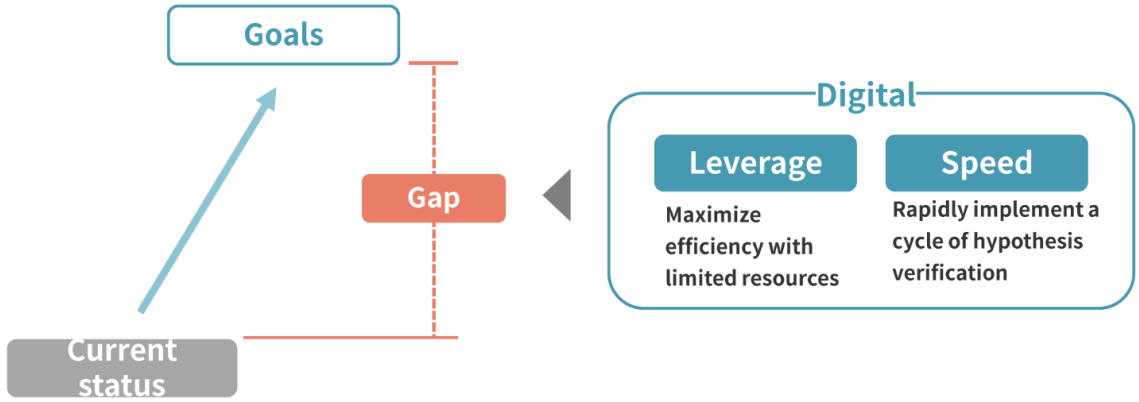
By revising the personnel system, for those who can be expected to contribute to higher corporate value, early promotion will be encouraged as a part of investment in human capital. Minimum age for promotion to manager has been changed from 29 to 26. Furthermore, in April 2025, we partially revised our personnel system to enable promotion to management positions at the earliest age of 25. Preparing a stage where young talents can play an active role will allow for more innovations.



(Promotion of DX)

In order to bridge the gap between the status quo and the vision, the power of digital is indispensable. We must utilize the leverage and speed of digital technology to rapidly implement a cycle of hypothesis verification.

■ DX gap



i. Hiring professionals with Muture

In April 2022, we partnered with a leading UX design company, Goodpatch and established Muture, and began hiring professionals that could not be hired under the Group brand. Some of the best talents in the industry have joined us and are contributing to the development of lifestyle apps and OMEMIE.

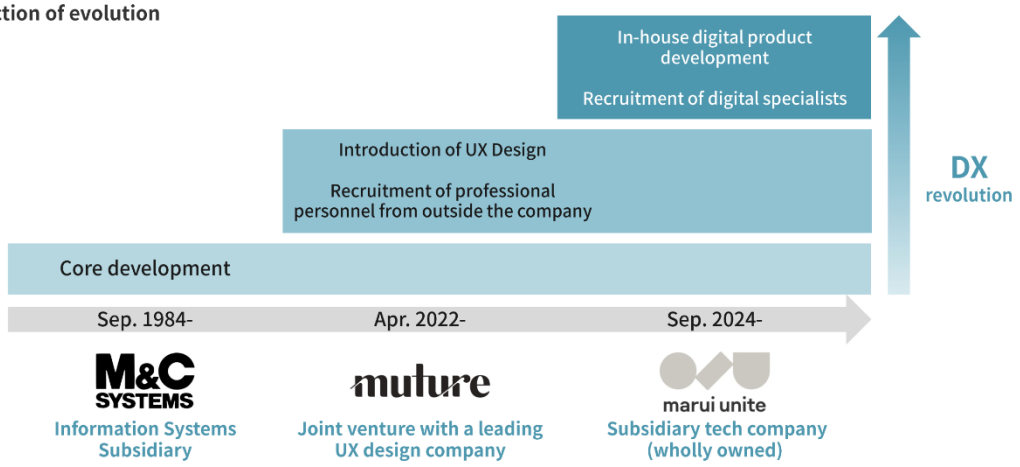
ii. Inviting a CDXO

The development of the product was achieved through the efforts of specialized personnel at Muture, but in order to expand this across the entire company and continue to evolve it, it became necessary to change the vertical decision-making process and organizational structure, which made it difficult to collaborate across departments. To promote our agile organization development, in June 2023 we invited Naofumi Tsuchiya from Goodpatch Inc. to serve as our Chief Digital Transformation Officer (CDXO). Mr. Tsuchiya possesses high level knowledge regarding organization development and can apply the perspectives of both a digital specialist and an enterprise manager.

iii. Establishment of a tech organization

In order to promote and spread agile product development, we established a new company called marui unite in September 2024. As a tech-specialized organization for product development, we will work together with group operating companies to create new experiential value with a sense of urgency, and we will support the transformation of our group through DX.

■ Direction of evolution



Human capital investment has been redefined to include, in addition to education and training expenses, which were previously classified as investment in human resources, personnel expenses related to new businesses included in research and development expenses as items that will lead to an increase in corporate value over the

medium to long term in the single-year profit and loss statement, as well as personnel expenses for co-creative teams and personnel expenses for the first year of employees who have changed jobs between group companies. Among the profit and loss items for a single fiscal year, these are items that lead to an increase in corporate value over the medium to long term. As a result of this redefinition, human capital investment in the fiscal year ended March 31, 2025, amounted to ¥8.8 billion. The Group aims to sustainably improve corporate value by expanding human capital investment from ¥7.7 billion in the fiscal year ended March 31, 2022 to ¥10.0 billion in the fiscal year ending March 31, 2026.

2) Governance

In order to link our management strategy and human resource strategy, the Human Resource Strategy Committee was newly established in April 2022 as an advisory body to the Board of Directors. Mr. Tomoo Ishii, Chief Human Resource Officer (CHRO) and Senior Managing Executive Officer, was appointed as the chairperson, while Ms. Etsuko Okajima, an External Director, was appointed as a committee member. The Human Resource Strategy Committee, in cooperation with the Strategy Committee, serves its role of recommending human resource strategies to the Board of Directors.

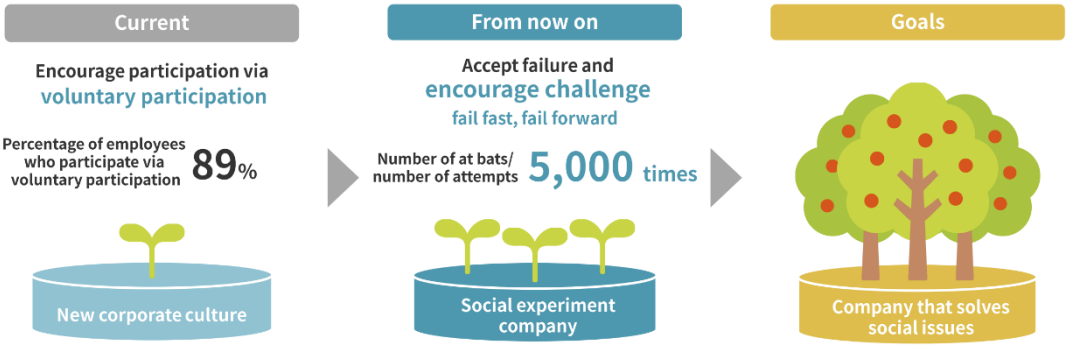
3) Risk management

We believe that growth of the Group can be attained by the development and contribution of each employee. If competition intensifies for the securing of human resources, an outflow of human resources occurs, and a consequent shortage in future management personnel becomes apparent, these may affect the evolution and continuity of our business. The Group emphasizes the importance of human capital investments to accumulate the intangible assets that are a wellspring of future corporate value, based on the culture where all of our employees can tackle new challenges. We are currently creating an environment where employees can fully realize personal growth and are highly motivated owing to our conducting of systematic human capital investments from a variety of angles. Through systematic investment in human resources, we are creating an environment where people can experience growth and fulfillment from a variety of perspectives. For example, open application of education and training programs, "Group-authorized projects" to consider important themes for group management through dialogue, "Group-authorized initiatives" to encourage individual creativity and value creation, "Co-Creation Management Academy (CMA) Future Leader Development Program," which cultivates human capital investment capable of promoting management reforms, and Secondment to a start-up company, etc.

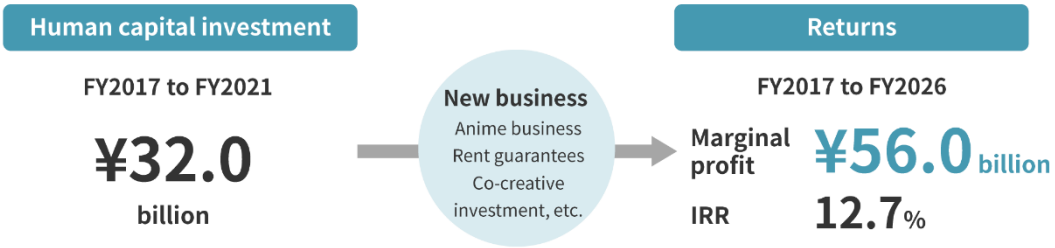
To acquire human resources, we proactively utilize new methods such as long-term internships in the recruitment of new graduates to establish early contact with excellent students and improve their engagement with our company. In mid-career hiring, in addition to core system personnel who have been trained internally for the further expansion of FinTech and e-commerce business, we are promoting the hiring of web system personnel in order to respond quickly to UI/UX. In order to secure recruitment, the Marui Group's unique business model and growth strategy are clearly expressed in the recruitment market, and professional talents with expertise in UI/UX design are being recruited through Muture, a joint venture with Goodpatch Inc., a leading UI/UX design company launched in 2022. In addition, the new company marui unite, which was launched in September 2024 with the aim of promoting and spreading agile product development in digital customer contact points, will aggressively recruit digital talent active in engineering and other fields to accelerate DX-driven transformation.

4) Indicators and targets

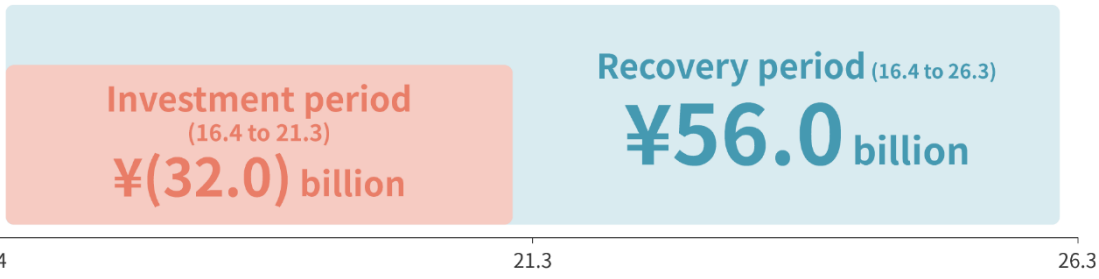
To further reform our corporate culture, by declaring ourselves to be a social experiment company, we will foster a culture that accepts failure and encourages challenge. To this end, behavioral KPIs, such as the number of at bats and the number of attempts to take on challenges have been defined. By experimenting a lot and failing fast, we will encourage fail fast and fail forward to cumulate the know-how for success, aiming to become a company that continues to drive innovation.



In the five years from the fiscal year ended March 31, 2017 to the fiscal year ended March 31, 2021, we invested ¥32.0 billion in human capital. If we look at the marginal profit of new businesses created during that period, such as our anime business, rent guarantees, and co-creative investment, as returns, then over the ten-year period from the fiscal year ended March 31, 2017 to the fiscal year ending March 31, 2026, we will produce ¥56.0 billion in returns. With regard to investment profitability and capital efficiency, using an IRR measurement model to calculate return, for an investment recovery period ending with the fiscal year ending March 31, 2026, the anticipated IRR would be 12.7%, exceeding the cost of shareholders' equity. We will use this measurement model to perform further benefit verification and carry out human capital investment that contributes to greater corporate value.



■ Measurement model

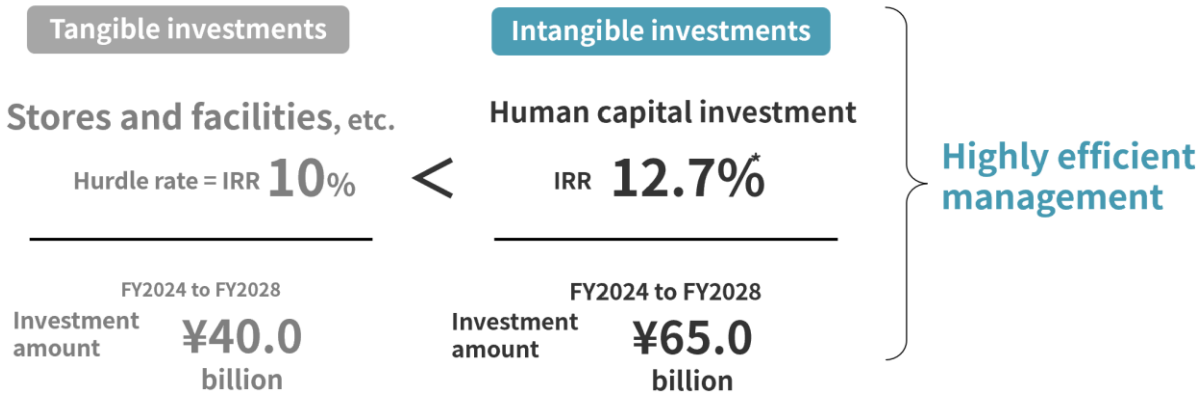


(Billions of yen)

	17.3	18.3	19.3	20.3	21.3	22.3	23.3	24.3	25.3	26.3
Investment amount	4.1	5.4	8.1	8.5	6.3	-	-	-	-	-
Income	0.1	0.4	1.5	2.6	3.4	4.7	6.2	8.6	12.4	15.9

IRR 12.7%

The human capital investment IRR of 12.7% also exceeds the hurdle rate for tangible investments (primarily for stores, etc.) of 10%. We will therefore achieve highly efficient enterprise operation by expanding our human capital investment to ¥65.0 billion or more over a five-year period while increasing our investment effectiveness.



* Calculate return on investment by considering marginal profits from our Company's unique new businesses and services created through human capital investment as returns
(Investment period: FY2017 to FY2021 – Recovery period: FY2017 to FY2026)

2. Basic Approach to the Selection of Accounting Standards

Since the Group's business development is mainly domestic and there is little need to raise funds from overseas, Japanese GAAP is applied for accounting standards. The Company intends to adopt International Financial Reporting Standards (IFRS) as appropriate, taking into consideration the future trends in the ratio of foreign shareholdings and various conditions in Japan and overseas.

3. Consolidated Financial Statements, Etc

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets:		
Cash and deposits	¥64,560	¥49,250
Notes and accounts receivable - trade	6,156	8,187
Accounts receivable - installment	486,166	536,549
Accounting receivable - operating loans	104,034	93,211
Merchandise	528	480
Accounts receivable - other	50,017	54,539
Other	16,320	16,705
Allowance for doubtful accounts	(18,809)	(21,337)
Total current assets	708,975	737,587
Non-current assets:		
Property, plant and equipment:		
Buildings and structures	240,156	235,792
Accumulated depreciation	(185,068)	(183,735)
Buildings and structures, net	55,087	52,057
Land	104,018	103,156
Construction in progress	6,626	4,776
Other	33,616	34,389
Accumulated depreciation	(26,069)	(25,232)
Other, net	7,546	9,156
Total property, plant and equipment	173,280	169,146
Intangible assets	10,651	13,804
Investments and other assets:		
Investment securities	39,547	46,523
Guarantee deposits	25,845	26,067
Deferred tax assets	18,531	18,692
Other	26,670	41,529
Total investments and other assets	110,595	132,813
Total non - current assets	294,526	315,764
Total assets	¥1,003,501	¥1,053,352

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities:		
Accounts payable - trade	¥8,172	¥7,323
Short-term loans payable	87,254	91,420
Current portion of bonds payable	21,503	20,159
Commercial papers	—	10,000
Accounts payable - other	64,271	72,267
Income taxes payable	6,260	9,636
Provision for bonuses	3,016	2,944
Provision for point card certificates	36,168	41,432
Provision for share - based remuneration	1,192	—
Provision for loss on redemption of gift certificates	138	143
Other	17,687	21,238
Total current liabilities	245,664	276,565
Non-current liabilities:		
Bonds payable	100,000	100,000
Long-term loans payable	385,600	414,900
Deferred tax liability	135	135
Provision for loss on interest repayment	8,453	5,224
Provision for loss on guarantees	61	47
Provision for share-based remuneration	—	459
Asset retirement obligation	1,348	1,351
Other	8,610	8,033
Total non-current liabilities	504,208	530,150
Total liabilities	749,873	806,716
Net assets		
Shareholders' equity:		
Share capital	35,920	35,920
Capital surplus	91,999	92,049
Retained earnings	164,453	171,502
Treasury shares	(46,116)	(64,165)
Total shareholders' equity	246,258	235,306
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	6,992	10,833
Total accumulated other comprehensive income	6,992	10,833
Non-controlling interests	377	496
Total net assets	253,628	246,636
Total liabilities and net assets	¥1,003,501	¥1,053,352

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Operating revenue	¥235,227	¥254,392
Cost of sales	29,608	31,635
Gross profit	205,619	222,757
Selling, general and administrative expenses		
Advertising and sales promotion expenses	2,047	1,646
Provision for allowance for point card certificates	35,563	40,294
Provision of allowance for doubtful accounts	17,444	20,171
Salaries and allowances	26,820	26,605
Provision for bonuses	2,785	2,722
Commission expenses	22,950	25,765
Rent expenses on land and buildings	12,184	12,084
Depreciation	11,037	12,867
Other	33,759	36,085
Total selling, general and administrative expenses	164,593	178,241
Operating profit	41,025	44,515
Non-operating income;		
Dividend income	325	434
Gain on investment securities	288	7
Gain on investments in investment partnerships	393	―
Gain on deposit settlement	142	128
Other	205	371
Total non-operating income	1,354	942
Non-operating expenses;		
Interest expense	1,866	3,449
Other	1,736	2,091
Total non-operating expenses	3,603	5,541
Ordinary profit	38,776	39,916
Extraordinary income		
Gain on sales of non-current assets	2,500	5,068
Gain on sales of investment securities	89	3,122
Total extraordinary income	2,590	8,190
Extraordinary losses		
Loss on retirement of non-current assets	1,541	1,240
Loss on closing of stores	―	4,585
Impairment loss	491	1,248
Loss on valuation of investment securities	1,518	1,413
Other	319	262
Total extraordinary losses	3,870	8,751
Net income before income taxes	37,495	39,355
Income taxes - current	11,657	14,447
Income taxes - deferred	1,177	(1,855)
Total income taxes	12,835	12,591
Net income	24,660	26,763
Net income (loss) attributable to non-controlling interests	(7)	174
Net income attributable to owners of parent	¥24,667	¥26,588

▪Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net income	24,660	26,763
Other comprehensive income:		
Valuation difference on available-for-sale securities	1,076	3,841
Total other comprehensive income	1,076	3,841
Comprehensive income	25,736	30,605
Comprehensive income attributable to:		
Owners of parent	25,743	30,430
Non-controlling interests	(7)	174

(3) Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	35,920	91,952	155,130	(42,774)	240,229	5,915	5,915	417	246,562
Changes during period									
Dividends of surplus			(15,208)		(15,208)				(15,208)
Net income attributable to owners of parent			24,667		24,667				24,667
Purchase of treasury shares				(3,367)	(3,367)				(3,367)
Disposal of treasury shares		2		25	27				27
Change in scope of consolidation			(135)		(135)				(135)
Change in ownership interest of parent due to transactions with non-controlling interests		45			45				45
Net changes in item other than shareholders' equity						1,076	1,076	(39)	1,036
Total changes during period	—	47	9,322	(3,341)	6,028	1,076	1,076	(39)	7,065
Balance at the end of period	35,920	91,999	164,453	(46,116)	246,258	6,992	6,992	377	253,628

For the fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Share Capital	Capital Surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	35,920	91,999	164,453	(46,116)	246,258	6,992	6,992	377	253,628
Changes during period									
Dividends of surplus			(19,540)		(19,540)				(19,540)
Net income attributable to owners of parent			26,588		26,588				26,588
Purchase of treasury shares				(19,219)	(19,219)				(19,219)
Disposal of treasury shares		2		1,170	1,172				1,172
Change in scope of consolidation					—				—
Change in ownership interest of parent due to transactions with non-controlling interests		46			46				46
Net changes in item other than shareholders' equity						3,841	3,841	118	3,959
Total changes during period	—	49	7,048	(18,049)	(10,951)	3,841	3,841	118	(6,991)
Balance at the end of period	35,920	92,049	171,502	(64,165)	235,306	10,833	10,833	496	246,636

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities:		
Net income before income taxes	¥37,495	¥39,355
Depreciation	12,574	14,394
Impairment loss	491	1,248
Increase (decrease) in provision for point card certificates	3,691	5,264
Increase (decrease) in allowance for doubtful accounts	2,363	2,528
Increase (decrease) in provision for loss on interest repayment	(4,046)	(3,229)
Increase (decrease) in provision for bonuses	(89)	(71)
Interest and dividend income	(368)	(474)
Interest expenses	1,866	3,449
Loss on retirement of non-current assets	451	361
Loss (gain) on sales of non-current assets	(2,500)	(5,068)
Loss(gain) on sales of investment securities	(89)	(3,122)
Loss (gain) on valuation of investment securities	1,518	1,413
Decrease (increase) in trade receivables	(1,329)	(2,031)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Decrease (increase) in accounts receivable - installment	(4,723)	(50,383)
Decrease (increase) in accounts receivable - operating loans	(3,639)	10,822
Decrease (increase) in inventories	(1,914)	142
Increase (decrease) in accounts payable - trade	1,011	(848)
Other	8,141	(4,526)
Subtotal	50,903	9,223
Interest and dividend income received	361	469
Interest expenses paid	(1,821)	(3,435)
Income taxes paid	(11,491)	(11,119)
Income taxes refund	50	378
Net cash provided by (used in) operating activities	38,003	(4,482)
Cash flows from investing activities:		
Purchase of non-current assets	(14,789)	(13,103)
Proceeds from sales of non-current assets	3,469	6,765
Purchase of investment securities	(3,581)	(6,808)
Proceeds from sales of investment securities	1,468	6,536
Other	(4,833)	(7,055)
Net cash provided by (used in) investing activities	(18,266)	(13,665)
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	(30,564)	265
Net increase (decrease) in commercial papers	(25,000)	10,000
Proceeds from long-term loans payable	85,500	85,700
Repayments of long-term loans payable	(38,600)	(52,500)
Proceeds from issuance of bonds	39,976	20,026
Redemption of bonds	(20,240)	(21,503)
Purchase of treasury shares	(3,367)	(19,221)
Dividends paid	(15,208)	(19,540)
Other	(374)	(389)
Net cash provided by (used in) financing activities	(7,879)	2,838
Net increase (decrease) in cash and cash equivalents	11,857	(15,310)
Cash and cash equivalents at the beginning of the period	52,421	64,560
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	281	—
Cash and cash equivalents at the end of the period	¥64,560	¥49,250

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Change in presentation method)

(Consolidated Balance Sheet)

"Accounts receivable - other," which was included in "Other" under "Current assets" in the previous consolidated fiscal year, is separately presented in the current consolidated fiscal year due to its increased importance in terms of amount.

To reflect this change in presentation, the consolidated financial statements for the previous consolidated fiscal year have been reclassified. As a result, 50,017 million yen included in "Other" has been reclassified as "Accounts receivable - other. "

(Consolidated Statements of Income)

In the previous fiscal year, the "Provision for allowance for doubtful accounts" under "Non-operating expenses"

was separately stated, but due to its diminished financial significance, it is now included in "Other" starting from the current fiscal year.

To reflect this change in presentation, we have restated the consolidated financial statements for the previous fiscal year. As a result, the amount of 175 million yen reported under "Provision for allowance for doubtful accounts" in the "Non-operating expenses" has been reclassified to "Other. "

(Consolidated Statements of Cash Flows)

I n the previous fiscal year, “Payments for guarantee deposits” and “Proceeds from collection of guarantee deposits” were separately stated in “Cash flows from investing activities,” but because the amounts became immaterial, they are included in “Other” from the current consolidated fiscal year.

To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified. As a result, ¥14 million previously included in “Payments for guarantee deposits” and ¥639 million previously included in “Proceeds from collection of guarantee deposits” under “Cash flows from investing activities” have been reclassified to “Other.”

(Segment information)

1. Overview of Reportable Segments

The Group's reportable segments are components of the Group for which separate financial information is available and which are subject to periodic review by the Board of Directors to determine the allocation of management resources and evaluate their performance.

The Group has two reportable segments, "Retailing" and " FinTech," based on the products, services, etc. offered.

The "Retailing" segment leases and manages commercial facilities, purchases and sells apparel and decorative sundries, store interiors, advertising, fashion logistics services, and maintenance and management of buildings and other facilities. Fin Tech provides credit card services, card cashing services, rent guarantees, information system services, real estate leasing, investment trust sales, and small-amount short-term insurance services.

2. Method of calculating sales revenue, profit or loss, assets, and other items by reportable segment

The accounting method of the reported business segments is the same as that used for the preparation of the consolidated financial statements.

Income of reportable segments is based on operating income. Intersegment sales and transfers are based on prevailing market prices.

3.Information on operating revenue and income (loss) by reportable segment

For the fiscal year ended March 31, 2024

(Millions of yen)

	Reportable segment			Adjustment *1	Consolidated *2
	Retailing	FinTech	Total		
Operating revenue:					
Outside customers	70,203	165,023	235,227	—	235,227
Intersegment operating revenue and transfers	7,100	2,113	9,213	(9,213)	—
Total	77,303	167,137	244,441	(9,213)	235,227
Segment income	6,960	42,364	49,324	(8,299)	41,025
Segment assets *3	257,487	712,574	970,061	33,439	1,003,501
Other Items					
Depreciation and amortization	6,126	5,252	11,378	1,195	12,574
Increase in property and equipment and intangible assets	12,810	4,803	17,614	(2,093)	15,520

Notes:

1.Adjustments are as follows:

(1) Adjustments to segment income include intersegment eliminations of 1,877 million yen and corporate expenses

of (10,176) million yen that are not allocated to each reportable segment. Corporate expenses are mainly expenses of the Company's consolidated financial statements that do not belong to any reportable segment.

(2) Adjustments to segment assets include (609,066) million yen in eliminations of intersegment receivables and 650,526 million yen in corporate assets not allocated to each reportable segment. Corporate assets mainly consist of loans receivable from companies submitting consolidated financial statements related to the cash management system, which centrally manages funds within the group.

2.Segment income is reconciled to operating profit in the consolidated statements of income.

3.Fixed assets at stores are included in Retailing segment assets. However, stores are important touch points for acquiring new customers based on the business model generating synergies by integrating “stores, cards, and the Web” of the Group. Therefore, these assets also contribute to the FinTech segment income as locations for issuing EPOS cards.

For the fiscal year ended March 31, 2025

(Millions of yen)

	Reportable segment			Adjustment *1	Consolidated *2
	Retailing	FinTech	Total		
Operating revenue:					
Outside customers	75,550	178,841	254,392	—	254,392
Intersegment operating revenue and transfers	6,717	2,114	8,832	(8,832)	—
Total	82,267	180,956	263,224	(8,832)	254,392
Segment income	8,599	44,059	52,659	(8,144)	44,515
Segment assets *3	255,840	773,003	1,028,843	24,508	1,053,352
Other Items					
Depreciation and amortization	6,440	6,926	13,366	1,027	14,394
Increase in property and equipment and intangible assets	11,264	5,981	17,264	(2,709)	14,537

Notes:

1.Adjustments are as follows:

(1) Adjustments to segment income include intersegment eliminations of 2,031 million yen and corporate expenses of (10,175) million yen that are not allocated to each reportable segment. Corporate expenses are mainly expenses of the Company's consolidated financial statements that do not belong to any reportable segment.

(2) Adjustments to segment assets include (636,094) million yen in eliminations of intersegment receivables and 670,042 million yen in corporate assets not allocated to each reportable segment. Corporate assets mainly include loans receivable from companies submitting consolidated financial statements related to the cash management system that centrally manages funds within the group.

2.Segment income is reconciled to operating profit in the consolidated statements of income.

3.Fixed assets at stores are included in Retailing segment assets. However, stores are important touch points for acquiring new customers based on the business model generating synergies by integrating “stores, cards, and the Web” of the Group. Therefore, these assets also contribute to the FinTech segment income as locations for issuing EPOS cards.

(Per share information) (Yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Book value per share	1,348.13	1,362.18
Earnings per share	130.70	143.24

Notes:

1.Diluted net income per share is not shown because there are no latent shares.

2. Basis for calculation of net income per share is as follows.

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Earnings per share		
Profit attributable to owners of parent (Millions of yen)	24,667	26,588
Amount not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to owners of parent related to common stock (Millions of yen)	24,667	26,588
Average number of common stock (Thousands of shares)	188,736	185,618

(Significant Subsequent Events)

(Concerning Cancellation of Treasury Stock)

At a meeting of the Board of Directors held on May 13, 2025, the Company resolved to cancel its treasury stock in accordance with the provisions of Article 178 of the Companies Act.

(1) Class of shares to be cancelled	Common stock
(2) Total number of treasury stock to be cancelled	25 million shares (11.98% of total number of shares issued)
(3) Number of outstanding shares after the cancellation	183,660,417
(4) Scheduled date of cancellation	May 30, 2025

(Establishment of Limit for Acquisition of Treasury Stock)

At a meeting of the Board of Directors held on May 13, 2025, the Company resolved to establish a limit on the number of treasury shares that may be acquired in accordance with Article 156 of the Companies Act, as applied pursuant to Article 165, Paragraph 3 of the same Act.

1. Reason for purchase of treasury stock

The Company has a policy of flexibly acquiring treasury stock while comprehensively considering the optimal capital structure, financial position, stock price level, and other factors. This fiscal year ,the Company has set a 20 billion yen buyback limit in order to respond to the case where future profitability is not fully factored into the stock price.

2. Details of matters relating to the acquisition of treasury stock

(1) Class of shares to be acquired	Common stock
(2) Total number of shares that may be acquired	Up to 10 million (5.57% of the total number of shares issued, excluding treasury stock)
(3) Total value of acquired shares	Up to 20 billion yen
(4) Acquisition period	From June 1, 2025 to November 15, 2025

(Decrease in Legal capital surplus)

At a meeting held on May 13, 2025, the board of directors of Marui Group Co., Ltd.(the “Company”) decided to propose a decrease in legal capital surplus, as outlined below, at the 89th Ordinary General Meeting of Shareholders scheduled for June 25, 2025.

1. Purpose of decrease in legal capital surplus

To proceed with future capital policies in a prompt and flexible manner, the amount of legal capital surplus will be transferred to other capital surplus.

2. Overview of decrease in legal capital surplus

(1) Amount of legal capital surplus to be reduced

The entire amount of legal capital surplus: ¥91,307,667,851

(2) Method of reduction of legal capital surplus

Based on the provisions of Article 448, Paragraph 1 of the Companies Act, the above amount of legal capital surplus will be reduced and transferred to other capital surplus.

3. Schedule for decrease in legal capital surplus

(1) Date of resolution of board of directors:	May 13, 2025
(2) Date of Shareholders' Meeting:	June 25, 2025 (planned)
(3) Date of public notice to creditors for objections:	July 10, 2025 (planned)
(4) The last date of objections by creditors:	August 12, 2025 (planned)
(5) Effective date:	August 31, 2025 (planned)

(Establishment of the General Incorporated Foundation and the Disposal of Treasury Stock through Third-Party Allocation)

In a meeting of the Board of Directors of the Company held on May 13, 2025, Marui Group Co., Ltd. (the "Company") resolved as follows to incorporate a General Incorporated Foundation Social Intrapreneur Development Foundation (the "Foundation"). The Company also resolved to dispose of its treasury shares through third party allocation to enable continuous and stable support of the activities of the Foundation (hereinafter referred to as the "Disposal of Treasury Shares"). It should be noted that the Disposal of Treasury Shares is subject to the approval at the 89th Ordinary General Meeting of Shareholders of the Company to be held on June 25, 2025.

1. Incorporation of the Foundation

(1) Purpose of Incorporating the Foundation

Marui Group has set its mission as "creating an inclusive society where everyone can feel 'happiness'," and defines corporate value as the overlap between the "benefit" and "happiness" of all stakeholders. In 2019, we formulated "VISION 2050," aiming to achieve both the resolution of social issues and profit through business.

Until now, our company has aimed to create innovation through co-creation investments with external entrepreneurs. Moving forward, we will also focus on business creation by internal entrepreneurs. To achieve this, we promote the working style of "social intrapreneurs (internal entrepreneurs)" who can change society while working within the company. This approach leverages the company's management resources to address social issues. We believe that this working style aligns well with the values of future generations and contributes to the sustainable development of society and the economy.

Our foundation aims to nurture such social intrapreneurs by conducting educational and awareness activities targeted at university students and others. Through these activities, we will produce individuals who contribute to solving social issues and support the realization of an inclusive society. Additionally, by promoting business development through future employment at our company and involvement in various projects, we will enhance corporate value.

To achieve the foundation's objectives, we believe it is essential to continuously collaborate with companies and educational institutions. Therefore, we will establish the foundation as a non-profit organization and use dividend income from our company's shares as the source of funding for its activities, ensuring sustainable operation. Furthermore, our company aims to achieve both high growth and high returns, and by ensuring stable dividend increases through sustained business growth, we will expand the foundation's activity funds. As a result, we aim to balance solving social issues with enhancing corporate value, sharing long-term value with other shareholders and investors.

(2) Outline of the Foundation

(i) Name	General Incorporated Foundation Social Intrapreneur Development Foundation
(ii) Location	3-2, Nakano 4-chome, Nakano-ku, Tokyo, Japan
(iii)Representative Director	Hiroshi Aoi
(iv) Activities	・ Educational activities related to social intrapreneur development ・ Other activities necessary for achieving the purpose of the Foundation
(v) Source of funds for the	Approximately 2 million JPY per year (planned) (Note) The Company is planning to contribute three million JPY at the

activities	time of incorporation of the Foundation, and the Foundation for activities will consist of this donation, as well as the proceeds received as a beneficiary of the trust to which treasury shares will be disposed of as described in 2. Disposal of Treasury Shares below, and other contributions.
(vi) Date of incorporation	July 2025 (scheduled)

2. Disposal of Treasury Shares

(1) Disposal Procedure

(i) Number of shares to be disposed of	1,700,000 shares of the Common Stock of the Company
(ii) Disposal price	1 JPY per share
(iii) Amount of funds raised	1,700,000 JPY
(iv) Method of offering or disposal	Disposal by third-party allocation
(v) Planned disposed to	Custody Bank of Japan, Ltd. (Re-trustee with Sumitomo Mitsui Trust Bank, Limited as the settlor)
(vi) Date of disposal (Payment Date)	September 2025 (scheduled)
(vii) Others	The disposal of treasury shares is subject to the approval of a special resolution regarding favorable issuance at the Company's 89th Ordinary General Meeting of Shareholders scheduled to be held on June 25, 2025. All matters related to the offering and other necessary details for the disposal of treasury shares will be resolved at the Board of Directors meeting following the said shareholders' meeting.

(2) Purpose of and Reasons for the Disposal

In order for the Foundation to continuously and stably carry out social contribution activities in line with its objectives, the Company will establish a trust for the benefit of others (hereinafter referred to as the “Trust”) with Sumitomo Mitsui Trust Bank, Limited as trustee, Custody Bank of Japan, Ltd. as re-trustee, and the Foundation as beneficiary. The re-trustee, Custody Bank of Japan, Ltd., will acquire the Company's shares as trust assets under the Trust. The Trust will deliver trust income, such as dividends on the Company’s shares, to the Foundation, which will use such trust income as a source of funds for its activities.