

Management Vision & Strategy Narrative 2031

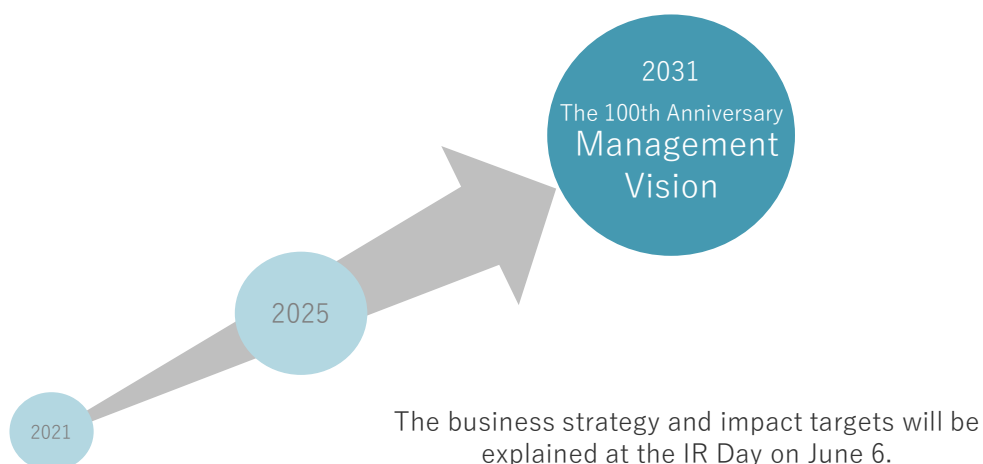
From FY2026 to FY2031

My name is Aoi.

I will discuss the Management Vision & Strategic narrative 2031.

Thank you.

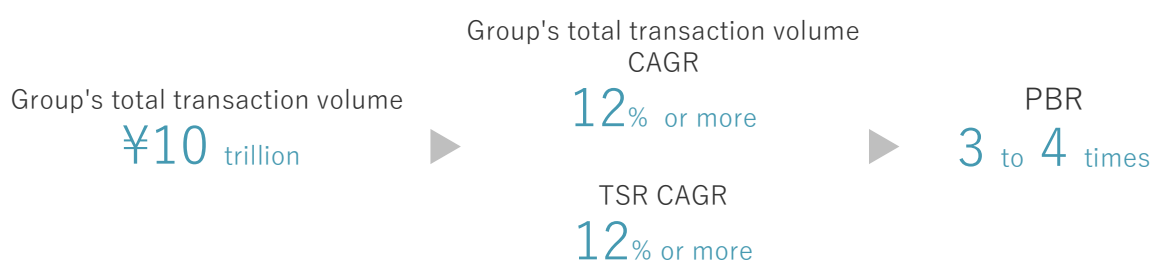
For the 100th anniversary in 2031, we developed a strategic narrative to bring our vision to life.



My presentation will focus on the Management Vision & Strategic narrative toward 2031, which will be the 100th anniversary of Marui Group's founding.

The business strategy and impact targets for retail and fintech segments will be explained on IR Day on June 6.

By transforming into a business that supports “Suki,”
we are bringing our vision of “conquering the dichotomy between impact and profit” to
life, while achieving both significant growth and impressive returns.



I will start with the highlights.

We will realize our vision of overcoming the conflict between impact and profits by shifting a business that supports things people "Suki", thereby achieving high growth and high returns.

We aim to double the Group’s current total transaction volume to JPY10 trillion and achieve high growth of annual rate at 12% or more. Simultaneously, we aim to increase corporate value by targeting a high return of at least 12% DSR to achieve a P/B ratio of three or four times.

1. “Suki” Economy
2. Impact and Strategy
3. Business Strategy Highlights
4. Risks
5. Capital Policy and Shareholder Returns
6. KPI

I will go on with today's details.

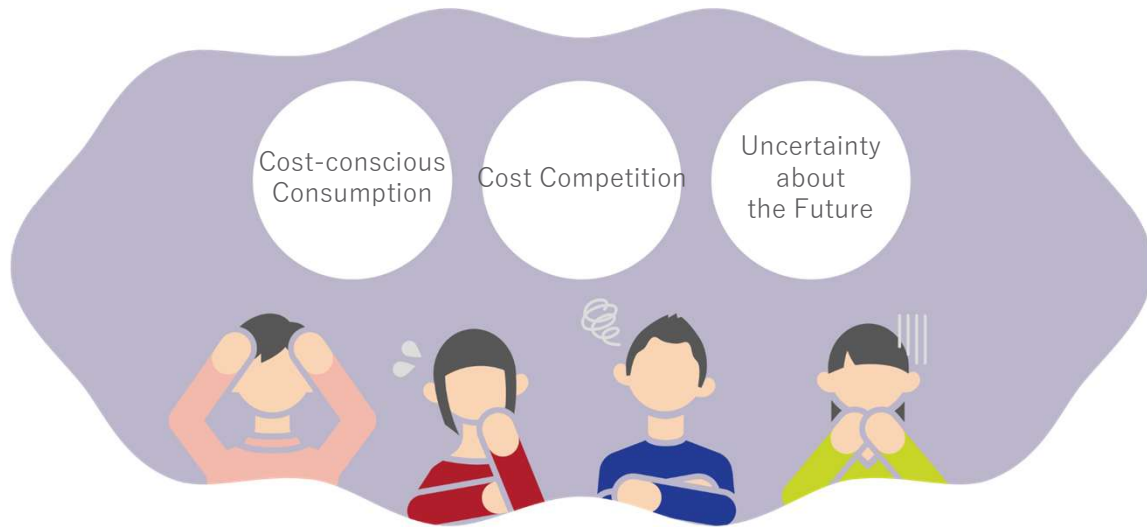
I will explain them in order.

1. “Suki” Economy

First of all, the economy is driven by things we "Suki".

State of the Deflationary Economy

In a deflationary economy, consumers become increasingly cost-conscious, and companies respond by engaging in intense competition. It resulted in heightened anxiety among young people as they navigate stagnant social conditions.



6

In a deflationary economy, consumers have been increasingly inclined toward the so-called cost-efficient consumption in terms of protecting their lifestyles.

At the same time, companies have been striving for cost competition with limited shares of the market.

On the other hand, various social challenges, including the environment, along with issues relating to people's happiness, were ignored as something irrelevant to economy.

These conditions have created a sense of stagnation in society, leaving workers exhausted and young people feeling insecure about their future.

Wages, prices, interest rates, and land prices have all risen for the first time in 30 years, indicating a turning point.



What is the **new economic vision** that will capitalize on this change?

7

However, this situation is also beginning to experience the end of deflation, leading to a pivotal moment.

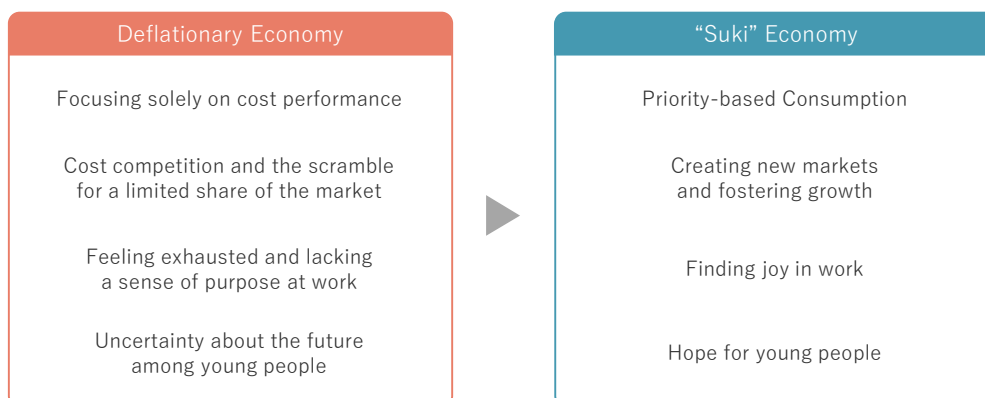
However, to take advantage of the opportunity to end of deflation, we need a vision toward a new economy that doesn't continue from anything we had before.

So, we decided to envision the possibilities of a new economy.



It's the economy driven by things we "Suki".

From a Deflationary Economy to “Suki” Economy



Achieve significant growth and impressive returns
by overcoming the dichotomy between impact and profit

9

In a deflationary economy, consumers focused on cost efficiency. However, in an economy driven by things we favor, we can enjoy a more dynamic consumption where consumers are eager to spend money on things they like.

Instead of companies competing for a share of the pie that is limited through cost competitions, they can grow by creating new markets.

Also, people who were tired of not managing to find meaning in working can find joy in their work, while young people who feel insecure about their future can gain hope.

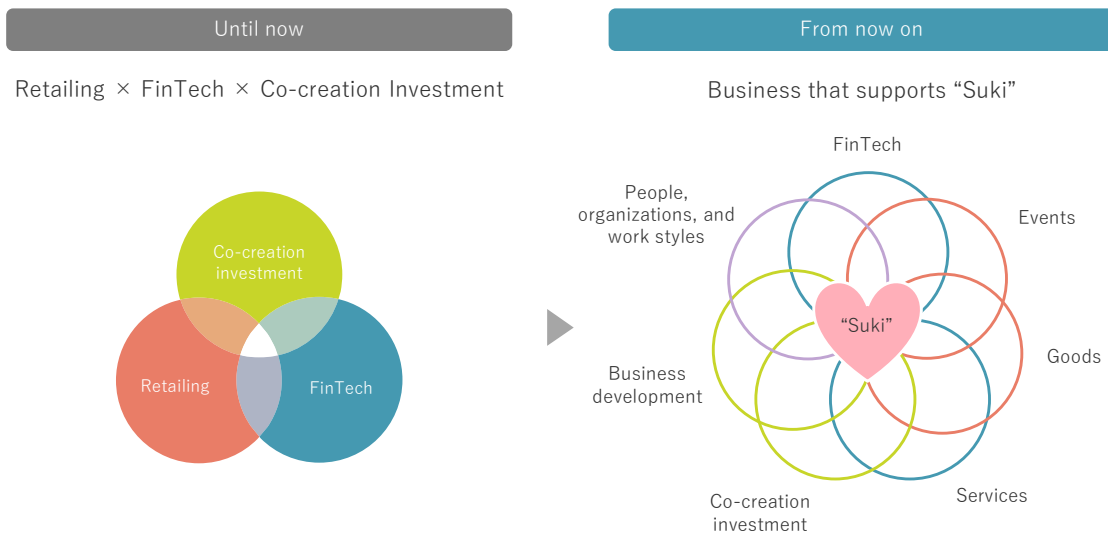
By transitioning to this new economy, we aim for a business that goes beyond the conflict of impact and profits, and achieve high growth and high returns.



It's a business that supports things we "Suki" that considers these criteria.

Business that Supports “Suki”

We are transitioning from a business model that combines retailing, fintech, and co-creation investments.



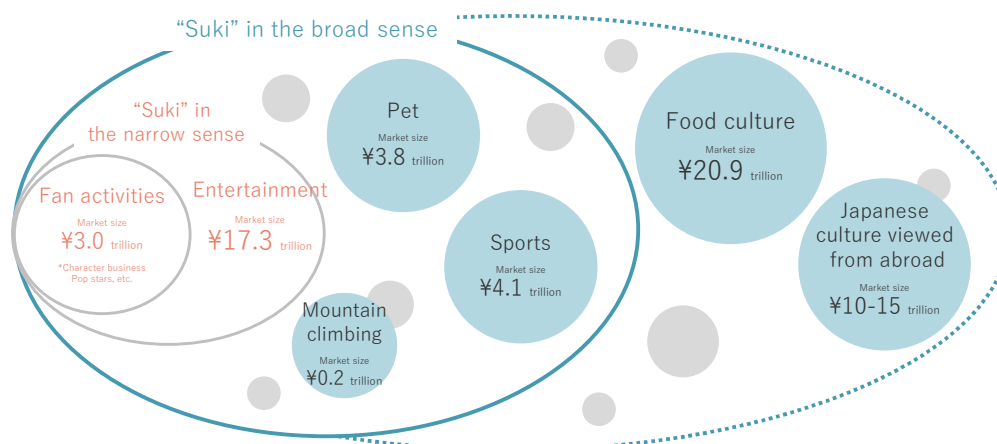
11

We have pursued a business of trinity based on retail, fintech, and co-creation investments.

We will expand into a business that supports things we "Suki" through all categories, including events, goods, services, competitive investments, business development, people, organizations, and work style that focuses on fintech in the future.

Scope of Business that Supports “Suki”

The scope of “Suki” extends beyond just “Fan activities.” It encompasses “Suki” in a broad sense, such as Japanese culture as viewed and embraced from international perspectives.



*The reference materials are listed on the last page.

This is the scope of the business that supports things we "Suki".

When we mention things we "Suki", the first things that come to mind are activities relating to favorite stars and entertainment. However, these only represent favorite things on a narrower definition. We include subjects that are unique to everyone, such as pets or sports.

If we add the food culture and Japan as a 'Suki' in the Eyes of the World, the scope of the theme further expands, resulting in a market size exceeding JPY60 trillion.

2. Impact and Strategy

Impact and strategy.

1. Consumption that extends its benefits to others and society as a whole through the concept of “Suki”
2. Financial empowerment that supports “Suki”
3. Supporting strategies to achieve 1 and 2
4. Demonstration of creativity through Flow
5. Business development by social intrapreneurs
6. Areas of exploration

I will explain the following six items in order.

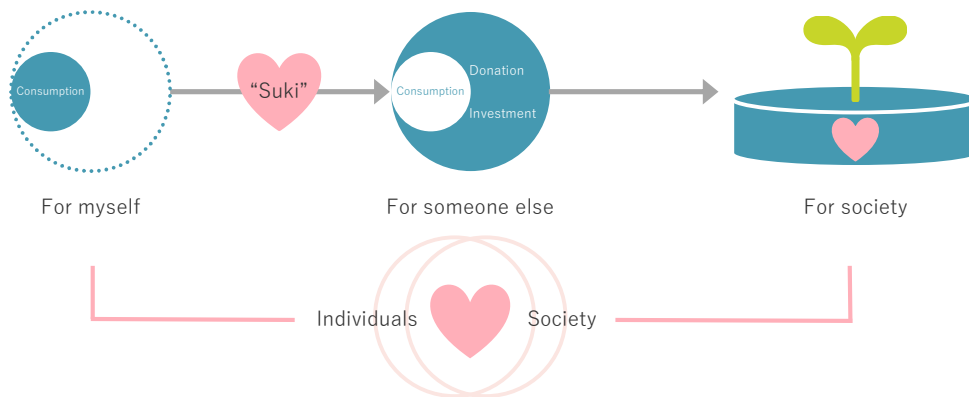
1. Consumption that extends its benefits to others and society as a whole through the concept of “Suki”
2. Financial empowerment that supports “Suki”
3. Supporting strategies to achieve 1 and 2
4. Demonstration of creativity through Flow
5. Business development by social intrapreneurs
6. Areas of exploration

First, expanding consumption based on the benefits toward someone or society through preferences.

Consumption that extends its benefits to others and society as a whole through the concept of "Suki"



We are committed to finding the right balance between impact and profit by using "Suki" to make consumption beneficial for individuals and society as a whole.



EPOS cards that support "Suki" bridge the two and help achieve both impact and profit

16

The purpose of a business that supports things we "Suki" is to achieve both impact and profit by allowing consumption through individual preference to benefit others, which would eventually spread to society.

A card that supports things we like will be the bridge that supports this idea. Among other things, we will increase the number of cards that promote donations.

EPOS Cards that Support “Suki” with a Donation Function

Expanding the lineup of cards with donation options led to an increase in membership.



Heralbony Card

▼
Creative activities
of writers



Minna Denryoku Epos Card

▼
Renewable energy
producers



EPOS Pet Card

▼
Animal protection
organizations



Pocket Marche Epos Card

▼
Primary producers



YAMAP Epos Card

▼
Mountain conservation
organizations

Types of cards
with donation programs

19 types

*As of March 2025

The lineup has already expanded, and membership is expanding, including the Heralbony card for donations to writers with disabilities, the pet card for donations to animal protection organizations, the YAMAP card for donations to a mountain conservation organization, the Minna Denryoku card for producers of renewable energy, and the Pokemaru card for primary industry producers.

Museum Cards

New “Museum Cards” were launched in March and received enthusiastic support for ideas and donations.

■ Museum Epos Card

For every new membership, we will donate ¥ 1,000, along with 0.1% of the card purchase amount, to three organizations chosen to represent the design of the selected EPOS card by the cardholders.



National Museum of Art, Independent Administrative Institution



National Institutes for Cultural Heritage, Independent Administrative Institution



National Museum of Nature and Science, Independent Administrative Institution

■ Voices on SNS



@-----

Museum Epos Card, the more you see it, the more you like it...
Kudos to whoever came up with the idea!



@-----

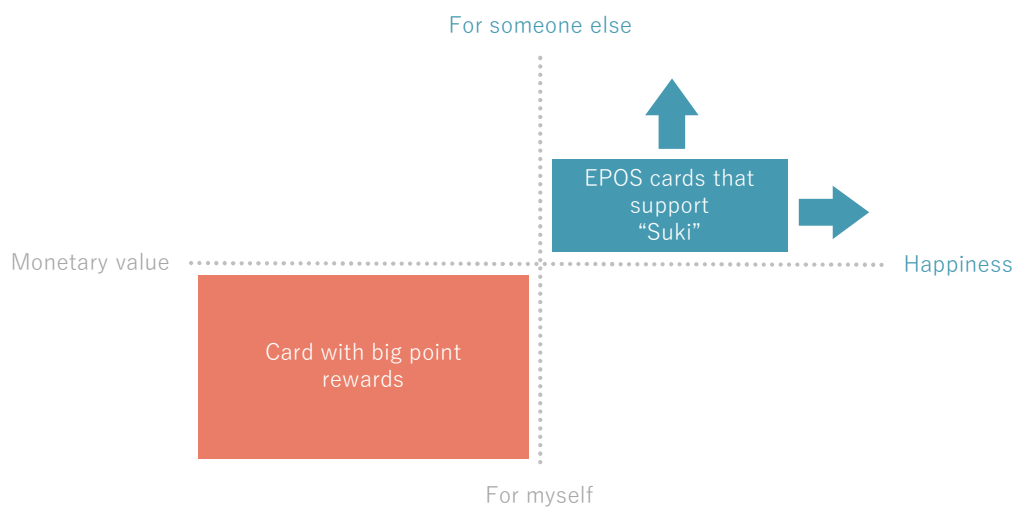
Not a points card, but a card you can use to make donations. Nice!

In addition, we launched the museum card in March.

This has also received enthusiastic support, with membership steadily increasing.

New Types of Consumers and Differentiation Strategy

We pursue a differentiation strategy to address the needs of the new types of consumers anticipated to grow in number.



19

In a deflationary economy, consumers have shifted from being cost-efficient to focusing on deals that benefit themselves.

Companies have also sought to retain customers through competition for point redemption.

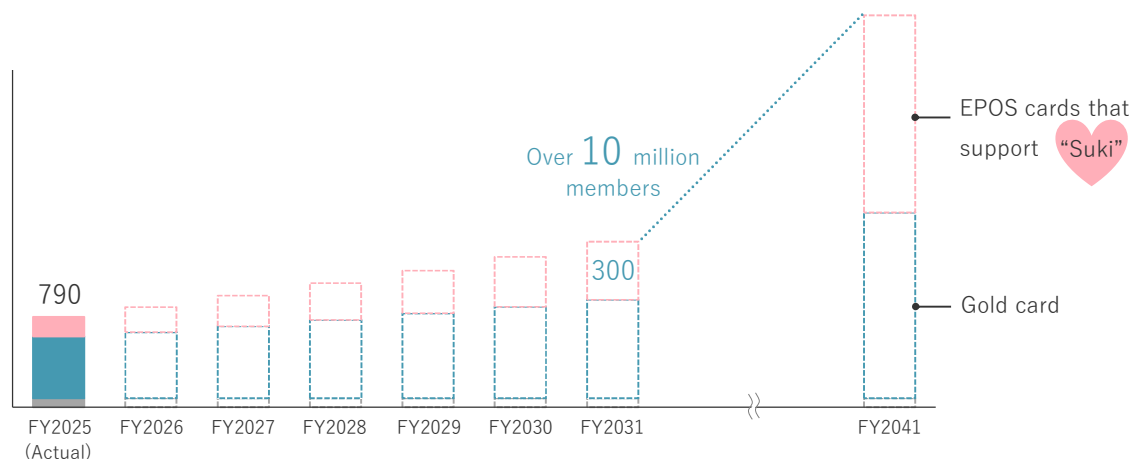
In contrast, cards that support "Suki" are favored by consumers who are happy to donate to someone else's cause.

We are committed to a differentiation strategy that sets us apart from the point redemption competition by responding to these new types of consumers, who are expected to further increase in the future.

Expanding Membership of EPOS Cards that Support “Suki”

Our goal is to have 3 million members by FY2031 and to surpass the number of Gold Card members by FY2041.

■ Number of members by card type



20

Therefore, we will expand the membership of cards that support "Suki" in the future.

We aim to reach 3 million members by fiscal year ending March 2031 and to surpass the Gold card membership by 2041.

1. Consumption that extends its benefits to others and society as a whole through the concept of “Suki”
2. Financial empowerment that supports “Suki”
3. Supporting strategies to achieve 1 and 2
4. Demonstration of creativity through Flow
5. Business development by social intrapreneurs
6. Areas of exploration

Next is financial empowerment that supports "Suki".



The Marui Group has always supported the self-realization of young people through competition for credit services.

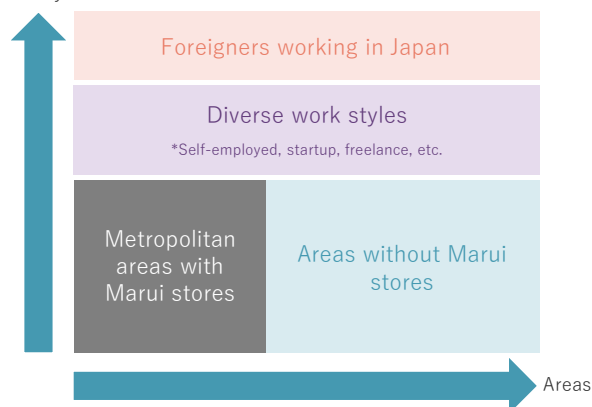
From now on, we will support the self-realization of everybody through financial empowerment that supports "Suki".

Co-Creating Trust with New Segments

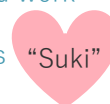
We plan to expand our services for individuals facing challenges in obtaining credit, regardless of their region or working style.

■ Expanding financial empowerment

Work styles



Unlock the potential of
a lifestyle and work
that leverages “Suki”



23

We are targeting workers with irregular or fluctuating income rather than a stable income associated with monthly salaries.

Although we have issued credit cards to such people in the past, we could not reach out to areas that don't have Marui stores, as they are located mainly in major cities.

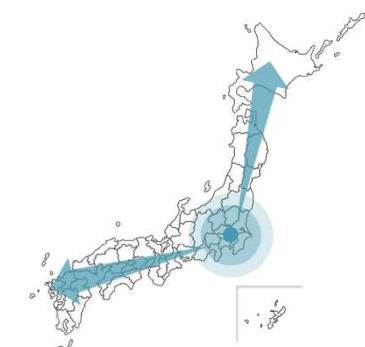
Also, it is difficult to provide credit services to people who are self-employed, start-ups, freelancers, along with many foreigners working in Japan.

By offering financial empowerment to such people, we will help them develop a potential where they can promote their "Suki" in lifestyle and work.

Nationwide recruitment of new cardholders

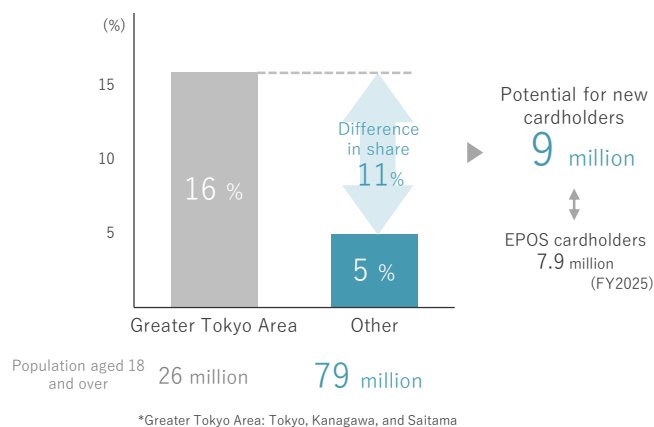
We are expanding our share in areas outside of major metropolitan areas by leveraging our unique strengths in member recruitment.

■ Recruiting cardholders through a nationwide expansion



Nationwide expansion with new directly managed units

■ Recognizing potential in non-metropolitan areas



24

Therefore, for areas where there are no Marui stores, we will recruit members through the nationwide expansion of new units for events, goods, and cards, which will be explained later.

Since the share of EPOS cardholders in Tokyo and two other prefectures where Marui stores are located is 16%, while the rest of Japan is 5%, the potential number of new members can reach 9 million in the future if we enhance share to the same level as in Tokyo and the two other prefectures.

This exceeds the current membership of 7.9 million.

Financial Empowerment for Diverse Work Styles

We support diverse work styles through the Owner's Card, Lancers Card, and GTN Card.



Owner's card

Number of new
cardholders
(FY2031)
+10 thousand



Lancers Card

Number of new
cardholders
(FY2031)
+20 thousand



Foreign members working in Japan
100 thousand (FY2025)

Number of new
cardholders
(FY2031)
+90 thousand

Also, to cater to the diverse work styles, we hope to achieve 10,000 new members by fiscal year ending March 2031 through the owner's card. We will promote the acquisition of 20,000 members through the Lancers card in collaboration with Lancers.

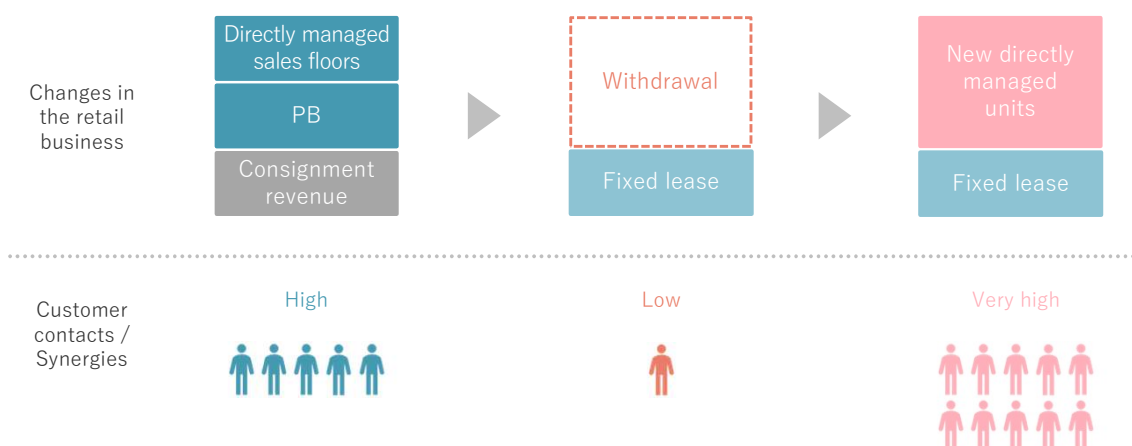
For foreigners, we will promote the acquisition of 90,000 members, including through the GTN card in collaboration with GTN.

1. Consumption that extends its benefits to others and society as a whole through the concept of “Suki”
2. Financial empowerment that supports “Suki”
3. Supporting strategies to achieve 1 and 2
4. Demonstration of creativity through Flow
5. Business development by social intrapreneurs
6. Areas of exploration

Next is the support strategy to achieve these goals.

Supporting Strategies for Balancing Impact and Profit

We developed new, directly managed units to serve as a new point of contact for our customers.



27

Since establishing a certain degree of membership, we have continued to recruit card membership mainly through independent setup sales and private brand sales sections managed by our employees, in addition to promotions from our tenants.

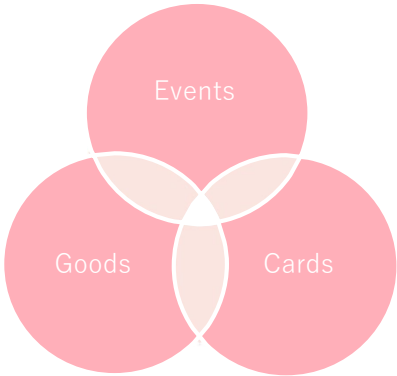
However, with the withdrawal of the independent PB, we lost engagement with our customers.

Therefore, as a new way to engage customers, we decided to develop a new independently-managed unit through events and merchandise cards to support "Suki".

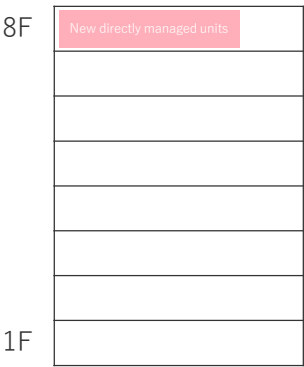
New directly managed units

“Suki” supporting activities, which combine events, goods, and EPOS cards, will be held on the upper floors.

■ New directly managed units



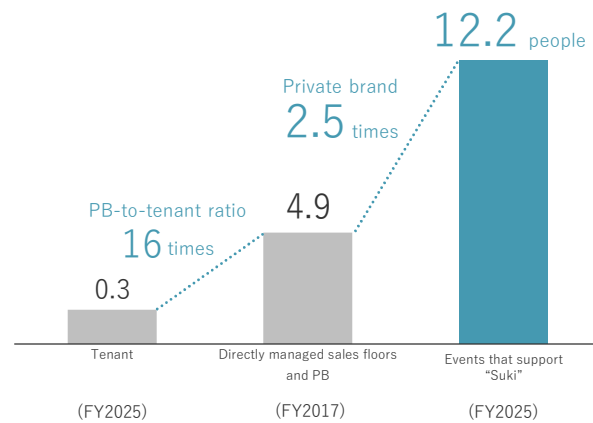
■ Image of floor development at Yurakucho Marui



Specifically, we envision an operating format that integrates events, merchandise sales, and a card center, similar to the eighth floor of the Marui Yurakucho store.

The Appeal of Events that Support “Suki” to Attract New Members

Events held by new, directly managed units supporting “Suki” have more capacity to recruit members than private brands.



*Capacity to recruit members: number of new members per ¥1 million of sales
* Private brand (17.3) shows results just before downsizing

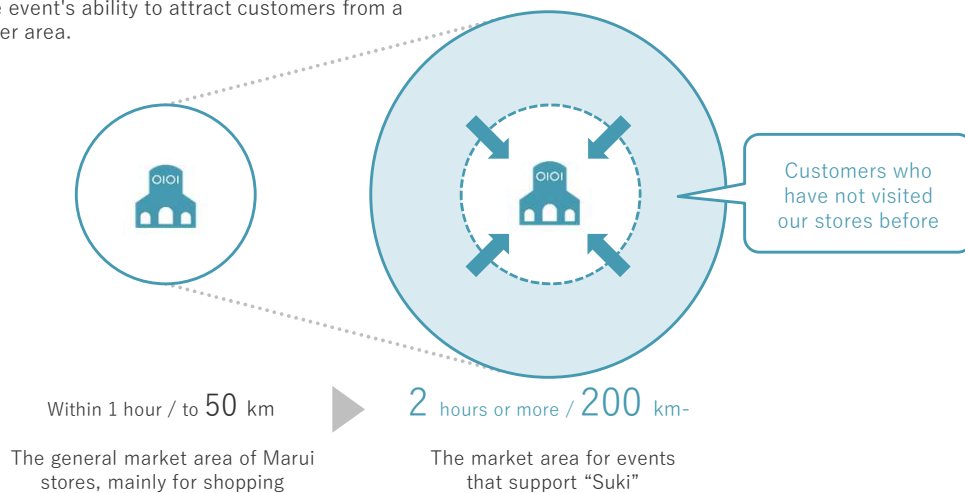
The new unit is characterized by its outstanding membership recruiting capabilities.

The independent PB's recruiting capabilities is approximately 16 times greater than that of our tenants. Events that support "Suki" are even 2.5 times greater.

The Appeal of Events that Support “Suki” to Attract Customers

Events that support “Suki” attract a wider range of customers than shopping alone, and they bring new customers into our stores.

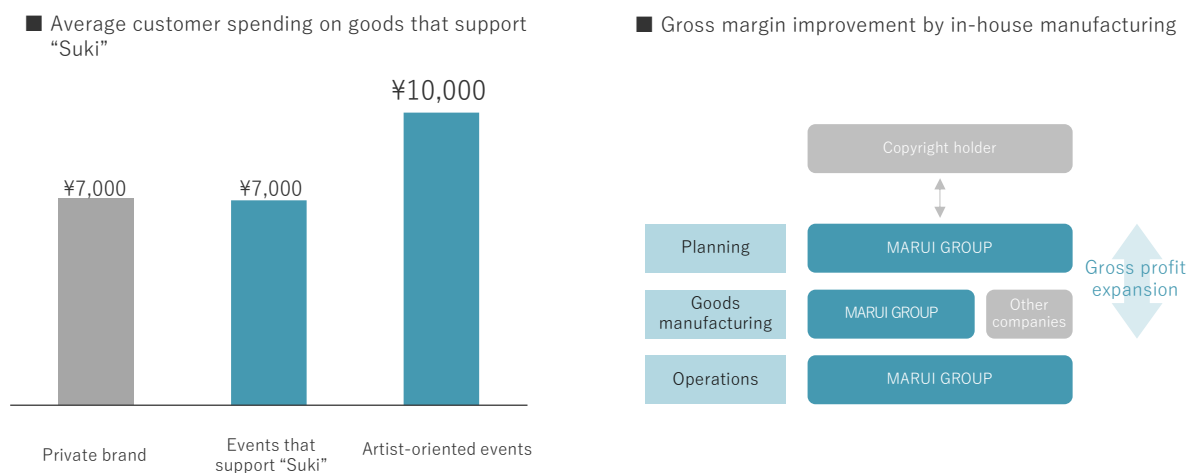
- The event's ability to attract customers from a wider area.



This is because the customer acquisition capabilities of events that support "Suki" are much greater than that of stores for the purpose of shopping, which can attract customers from a wider range who have never visited such stores before.

Potential of Goods that Support “Suki”

Goods that support “Suki” have a high average customer spending. Profit margins are expected to improve in the future through in-house manufacturing.



31

Also, sales of merchandise have a higher spending amount per customer, a level that is not lower than that of independent PBs. we can further enhance this in the future through the development of proprietary products.

Simultaneously, gross profit margins can be increased by promoting in-house manufacturing.

Possibility of Nationwide Expansion with New Directly Managed Units



They can efficiently function in limited spaces, and their potential to attract customers through events and goods opens up new opportunities for launching additional stores.

	Private brand	New directly managed units
Area	662 - 1,653 square meters	133 - 463 square meters
Store floor	Low-rise	High-rise
Rent	1	1/3
		
Increase opportunities to open stores nationwide		

In addition, the new unit can be deployed in a compact space with a minimum floor space of 40 tsubo (132 square meters) and a standard floor space of about 140 tsubo (462 square meters).

Furthermore, as they can attract customers on their own, it’s possible to operate on the upper floors of commercial facilities, such as the eighth floor of the Marui Yurakucho store.

The upper floors offer much better opportunities for store openings compared to before, as rents are lower than floors of existing stores or lower floors, and the tenants with acquisition capabilities have rarity value.

Therefore, we will support the realization of impact by expanding the new units in major cities across the country.

Support Strategy leveraging Digital Transformation



We are enhancing our digital transformation efforts to elevate customer experiences, implement an agile development system, and consistently attract a talented workforce.



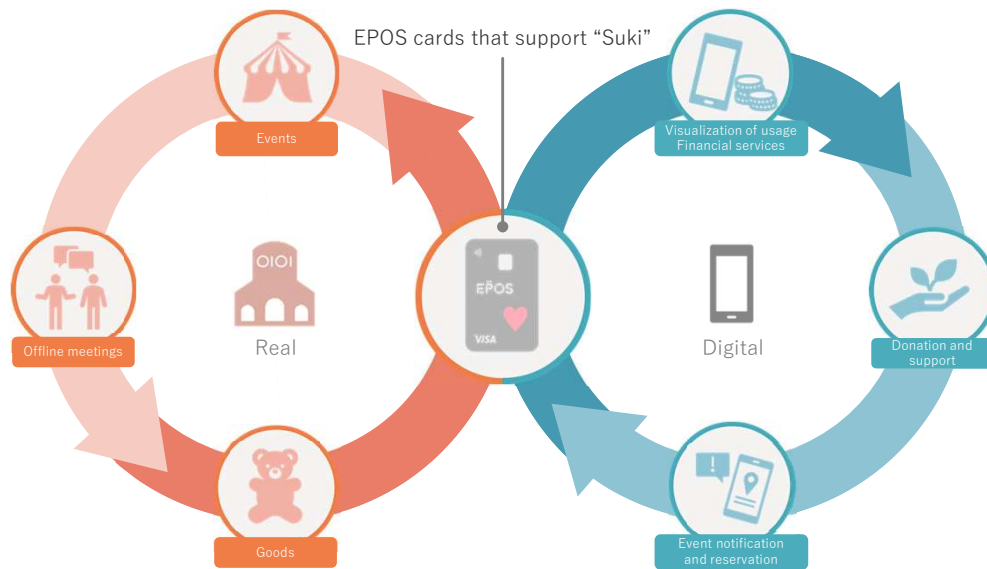
33

Another support strategy is DX.

We have strived to improve the customer experience through digital technology. We have established a joint venture with a leading UX company called Goodpatch and have been promoting the hiring of specialized personnel while preparing an agile development system.

We will promote in-house manufacturing through the newly established subsidiary called Marui Unite for agile development in the future, including infrastructure systems.

Thanks to the efforts of Chief Digital Transformation Officer and President Tsuchiya of Goodpatch, CTOs and other professional personnel are joining us one after another.



Through the activities of these personnel, we will promote the creation of loyal customers by providing unique experience value that combines the UX of digital technology with the real experience through the new unit.

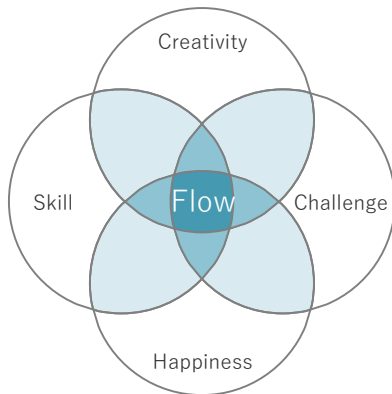
1. Consumption that extends its benefits to others and society as a whole through the concept of “Suki”
2. Financial empowerment that supports “Suki”
3. Supporting strategies to achieve 1 and 2
4. Demonstration of creativity through Flow
5. Business development by social intrapreneurs
6. Areas of exploration

Next is harnessing creativity through flows.

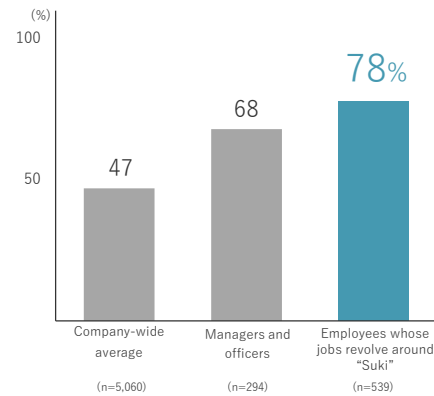
Demonstration of creativity through “Flow”

We focus on the concept of “Flow,” which is achieved through balancing skills and challenges to foster creativity and happiness.

■ State of “Flow”



■ Employees who can easily enter a state of “Flow” (2024)



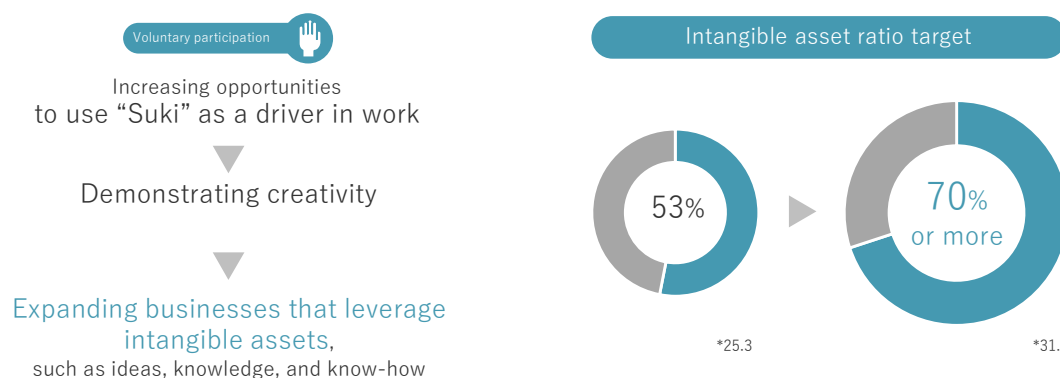
*2024 Work Engagement Survey, Stress Check Analysis

We have been focusing on the concept of flow, which comprehensively captures the important elements of business: powerlessness and challenge, along with creativity and happiness. We have been working to increase the job satisfaction and organizational vitality of every employee.

The data analysis of the flow revealed that the flow ratio of employees who make use of doing what they "Suki" was remarkably high at 78%.

Expression of Creativity and Ratio of Intangible Assets

We plan to grow our business by leveraging our creativity and intangible assets. Our goal is to achieve an intangible asset-to-total asset ratio of 70% or higher.



Therefore, through competitions that support our "Suki" in the future, we will increase businesses that utilize intangible assets, such as ideas, knowledge, and know-how, by increasing opportunities for making use of what people "Suki" and harnessing creativity.

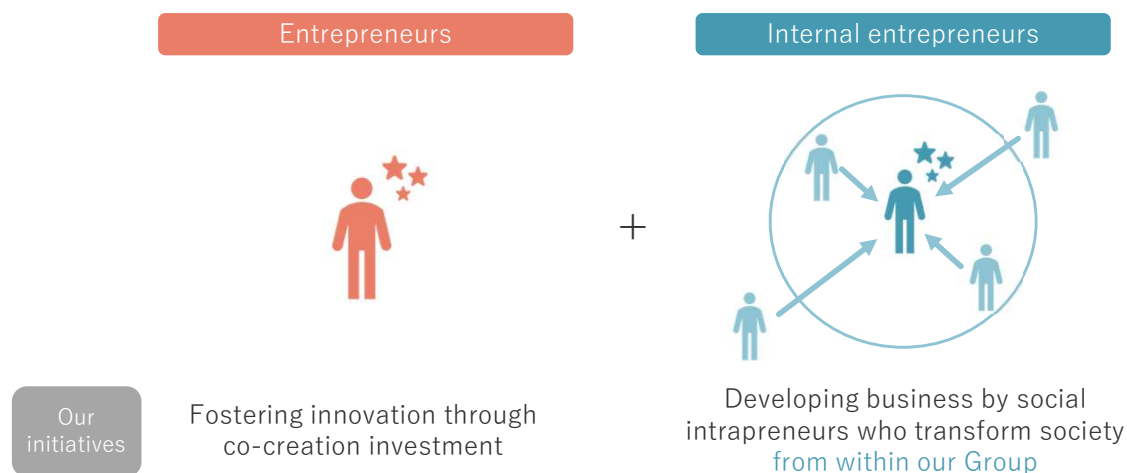
We will then aim to further increase corporate value by raising the ratio of intangible assets to more than 70%.

1. Consumption that extends its benefits to others and society as a whole through the concept of “Suki”
2. Financial empowerment that supports “Suki”
3. Supporting strategies to achieve 1 and 2
4. Demonstration of creativity through Flow
5. Business development by social intrapreneurs
6. Areas of exploration

Next is business development by social entrepreneurs.

Business development by social intrapreneurs

In addition to co-creation investments with external entrepreneurs, we aim to drive innovation through business development by internal entrepreneurs.



39

Two types of human resources are known to create innovation: entrepreneurs and internal entrepreneurs.

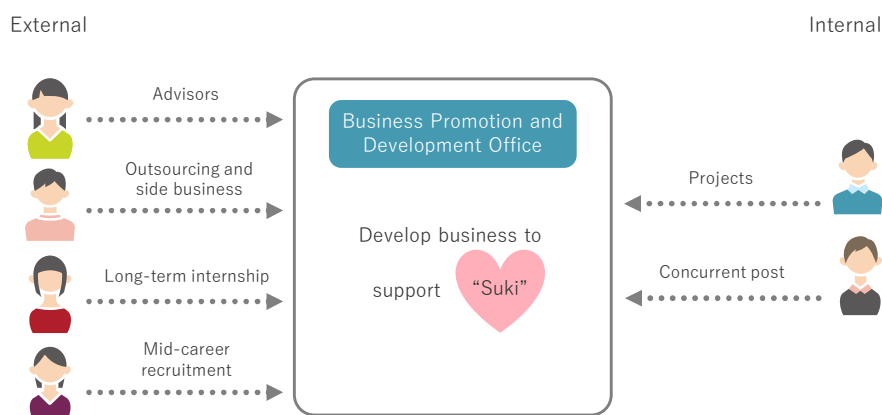
We have been aiming to create innovation through co-creation investment with entrepreneurs in society.

In addition to this, we will work on business creation led by in-house entrepreneurs in the future.

To achieve this, we advocate and widely disseminate the social entrepreneur way of working, which allows people to change society while remaining in the Company, thereby attracting and encouraging talented people from around the world.

Establishment of Business Promotion and Development Office

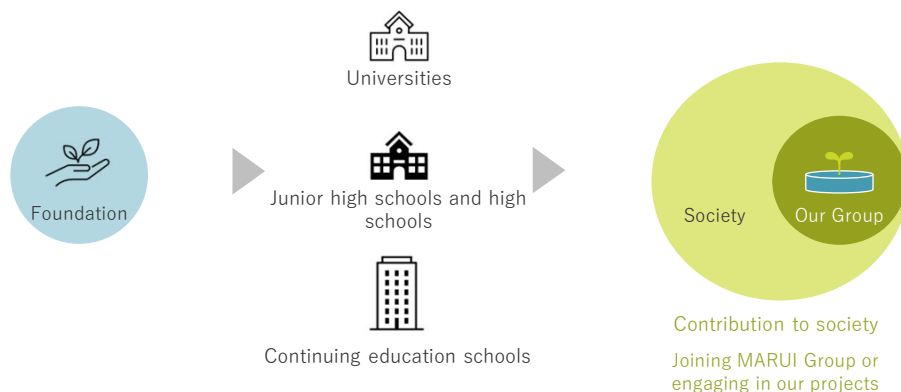
We develop business by recruiting social intrapreneurs from within and outside our Group using various employment methods.



Specifically, we will establish a business production promotion office and promote business development by recruiting social entrepreneurs internally and externally through various forms of employment.

Establishment of the Social Intrapreneur Development Foundation

We founded the Social Intrapreneur Development Foundation to develop new businesses by enabling these social intrapreneurs to join our Group or engage in our projects.



We also plan to establish a social entrepreneurial development foundation with the goal of developing human resources over the medium to long term.

By offering courses for university students, along with junior and senior high school students, we will develop human resources. By accepting graduates in the future, we will utilize them in our business development.

1. Consumption that extends its benefits to others and society as a whole through the concept of “Suki”
2. Financial empowerment that supports “Suki”
3. Supporting strategies to achieve 1 and 2
4. Demonstration of creativity through Flow
5. Business development by social intrapreneurs
6. Areas of exploration

Areas of exploration.

We develop our business by recruiting talented people from around the world who love Japan.

Japan as a subject of “Suki” in the eyes of the world

43

For the areas of exploration, we will work on the globalization of businesses that support "Suki".

Under the theme of, Japan as a 'Suki' in the Eyes of the World from a global perspective, we will promote business development by connecting worldwide talented people who love Japan.

3. Business Strategy Highlights

I will now describe the business strategy highlights.

Business Strategy Highlights

	Impact and Strategy	31.3
FinTech	(1) Consumption that extends its benefits to others and society as a whole through the concept of "Suki" (2) Financial empowerment that supports "Suki" (3) Supporting strategies to achieve (1) and (2)	Membership increase: 3 million or more Increased transaction volume: ¥4 trillion or more
Retailing	(3) Supporting strategies to achieve (1) and (2)	Increased revenue: ¥10 billion or more
Forward-looking investments	(4) Organizations that demonstrate creativity through flow (5) Business development by social intrapreneurs (6) Areas of exploration	Contribution to profits from the co-creation investment: ¥7 billion or more

The business strategy and impact targets will be explained at the IR Day on June 6.

45

For fintech, we aim to achieve new membership of 3 million and a transaction volume of JPY4 trillion through points one, two, and three.

For retail, we aim to achieve revenue growth of JPY10 billion through point three.

For future investments, we aim to achieve profits associated with over JPY7 billion through points four, five, and six.

4. Risks

Next is risks.

Risk of Rising Interest Rates

We will minimize the risk of interest rate increases, which could significantly impact our earnings structure.

Expected future finance costs



Countermeasures

Change in installment and revolving payment fee rates

Increase in operating profit ¥12 billion or more

*The timing of implementation is under review.

Control of borrowing rates

Non-operating expenses - ¥3 billion

Average funding term from 7 years to 4 years

(interest rate reduced by 0.1%)

Credit rating upgrade 1 to 2 notches

(interest rate reduced by 0.2%)

*Current Rating: A, Upgrade to A+ or AA-

I will explain the risk of rising interest rates.

We expect financial expenses for fiscal year ending March 2031 to increase by around JPY10 billion due to an increase in interest rates alone. To address this risk, we will implement two measures.

First is the change in installments and revolving payment fees. We will be informing our customers about this in the future. Although the timing of implementation has not been determined yet, we plan to implement it during this fiscal year. As a result, we expect an increase in revenues of approximately JPY12 billion for FY2030.

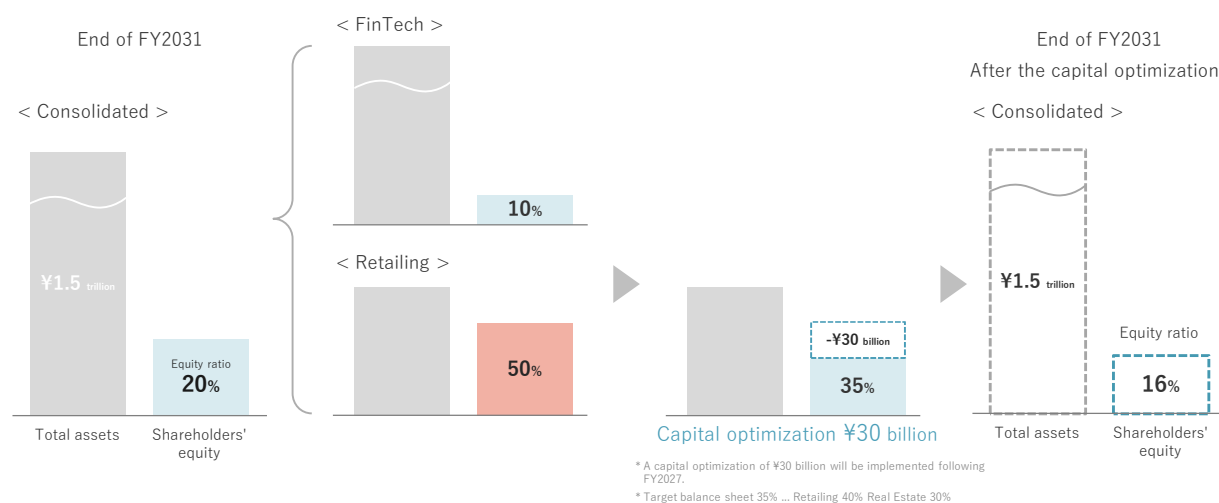
For the procurement interest rates, we will reduce the interest rate by about 0.1% by shortening the average procurement period limit from seven to four years, along with enhancing dialogue with rating agencies and improve the rating from 1 to 2 to boost the rate from 0.1% to 0.2%. We aim to improve both of these figures by about JPY3 billion on a combined monetary basis.

5. Capital Policy and Shareholder Returns

Capital policy and shareholder returns.

Target Balance Sheet

We optimize the capital structure of the Retailing segment, which deviates from the target balance sheet, and set a consolidated equity ratio target of around 16%.



49

This is the balance sheet we hope to achieve.

If we break down the balance sheet by segment for fiscal year ending March 2031, the capital adequacy ratio for retail segment is expected to be 50%, a deviation from the target of 35%.

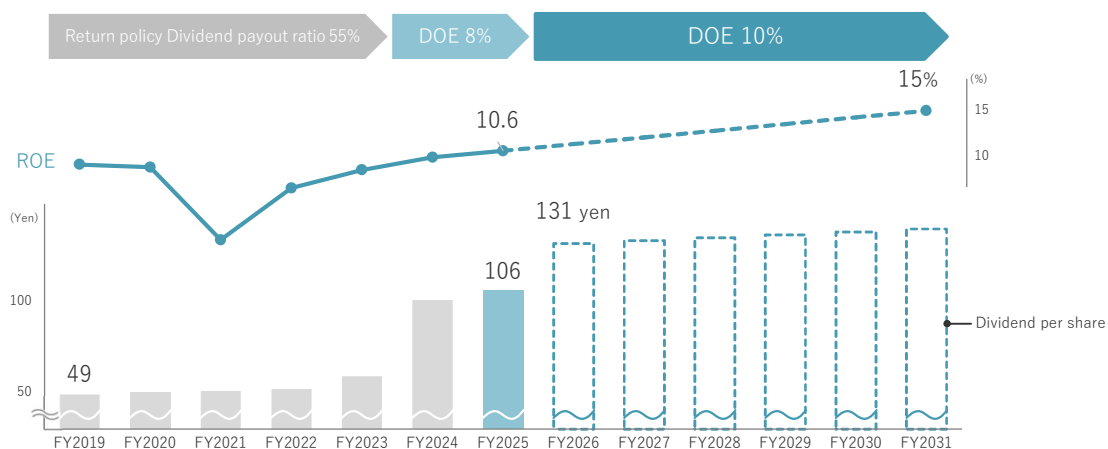
Therefore, we will purchase JPY30 billion worth of treasury bonds to optimize the situation.

The target consolidated capital adequacy ratio after implementation of capital optimization is 16%.

Shareholder Return Policy

The ROE for FY2025 has surpassed 10%. With a target of reaching 15% in the future, the DOE has now been raised to 10%.

Dividends and ROE



50

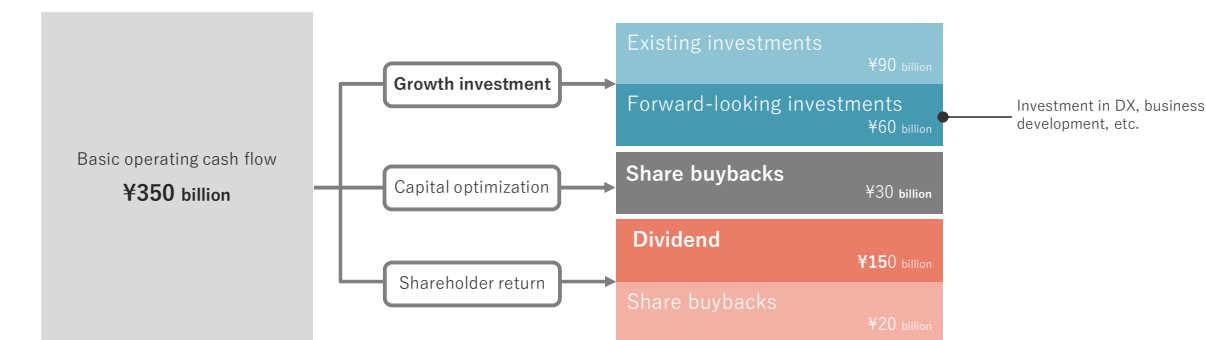
Shareholder return policy.

Since ROE has currently exceeded 10% and as we are aiming for 15% for 2031, we will raise DOE from 8% to 10% starting this fiscal year.

Capital Allocation

Of the ¥350 billion in basic operating cash flow, ¥150 billion will be allocated to growth investments including forward-looking investments, ¥30 billion to share buybacks for capital optimization, and ¥170 billion to shareholder returns.

■ Capital allocation (FY2026 to FY2031)



Capital allocation.

Basic operating cash flow for six years is expected to be JPY350 billion.

We plan to allocate JPY90 billion for growth investment in existing businesses, JPY60 billion for future investment in DX investment and business development, JPY30 billion for purchases of treasury stock to achieve capital optimization, and JPY150 billion for shareholder returns with JPY20 billion for flexible purchases of treasury stock totaling JPY170 billion.

6. KPI

This is for KPIs.

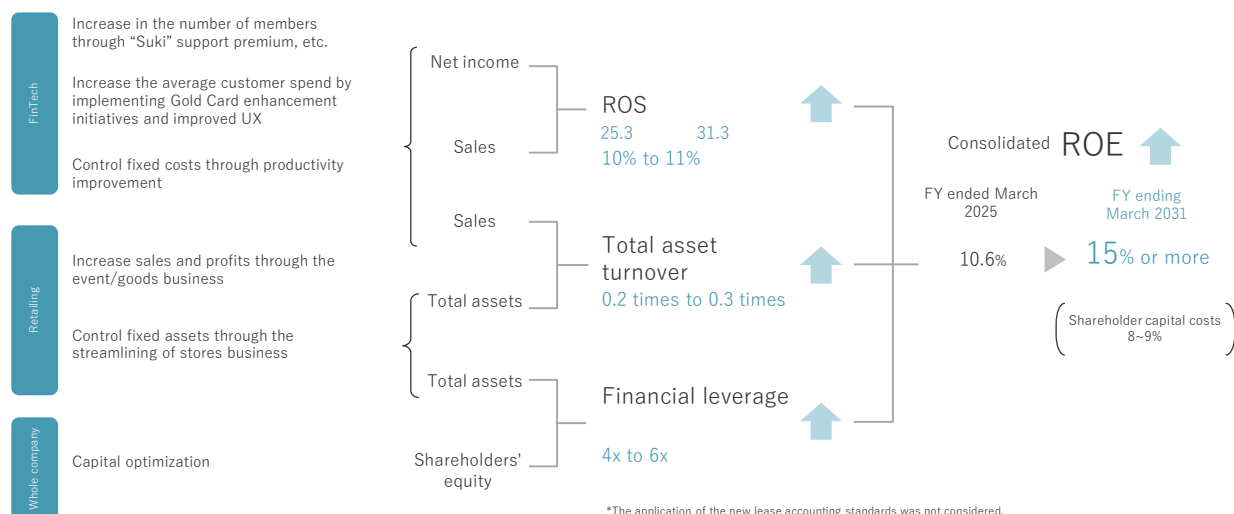
$$\begin{array}{ccccc} \text{PBR} & = & \text{ROE} & \times & \text{PER} \\ 3 - 4 \text{ times} & & 15 \% \text{ or more} & & 25 \text{ times or more} \end{array}$$

P/B ratio is three to four times.

To achieve this, we aim for ROE of 15% and P/E ratio of 25 times or more.

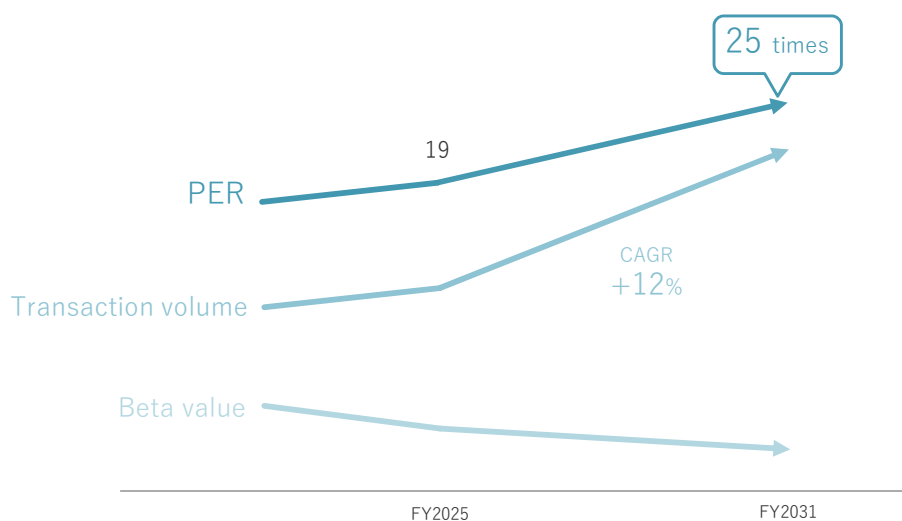
ROE

We aim for a consolidated ROE of 15% or more in the fiscal year ending March 2031, achieved through group-wide corporate asset reduction and capital optimization, in addition to retail and FinTech measures.



ROE is targeted at 15% or higher by improving sales profit margin, total asset turnover, and financial leverage for all companies involved in retail and fintech.

We aim to achieve a PER of 25 times by significantly increasing transaction volume by 12% and reducing the beta value through expansion of the number of individual shareholders and other measures.



We also aim to achieve a PER of more than 25 times by reducing data through the expansion of individual shareholders, in addition to high growth of more than 12% in transaction volume.



MARUI GROUP

High Growth High Returns

EPS +9% or more
TSR +12% or more

CAGR

143 yen

EPS

Year-end stock price
¥2,700

FY2025 FY2026 FY2027 FY2028 FY2029 FY2030 FY2031

¥240 or more

Cumulative dividend

Rise in stock price

vs. FY ended March 2025
TSR 200 % or more

56

56



Toward a “Suki” Economy

P.52 References

Yano Research Institute Ltd., *Survey on the Character Business*, Cross Marketing Inc., *Statistical Data from the Japan Pet Food Association*, Anicom Holdings, Inc., *2022 Edition: Annual Spending Survey on Pets*, Japan Productivity Center, *Leisure White Paper 2024*, Ministry of Economy, Trade and Industry (METI), *7th Study Group on Entertainment and Creative Industries – Secretariat Materials*, FY2023 *Market Survey on Electronic Commerce*, Ministry of Land, Infrastructure, Transport and Tourism (MLIT), *Inbound Consumption Trend Survey*, Cabinet Office, *National Accounts / Quarterly GDP Report*, Japan National Tourism Organization (JNTO), *Statistics on Visitor Arrivals to Japan*
Estimates by the Company based on the above sources.

The forward-looking statements contained in this presentation are based on information available at the time of preparation of this presentation and certain assumptions that MARUI GROUP deems to be reasonable.

The forward-looking statements may differ materially from actual results due to a variety of different factors. Please direct any inquiries to the IR Department(E-Mail:marui-ir@0101.co.jp).

OIOI
MARUI GROUP

That concludes my presentation.

Thank you for your attention.