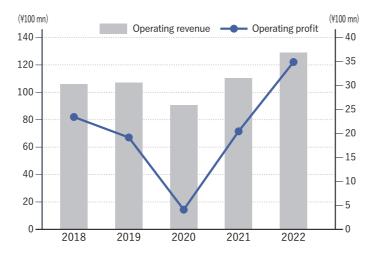
Payment and Finance Business

Second Phase of Growth through Consolidation of Cards in the Group

Progress of the Medium-term Business Plan

The Payment and Finance Business recorded a business profit of 3.4 billion yen in fiscal 2022, the second year of the Medium-term Business Plan, achieving the final year target of the Medium-term Business Plan one year ahead of schedule. The Daimaru Matsuzakaya Card, which underwent a complete renewal in January 2021, is now equipped with a unique point system that benefits customers, and measures such as reviewing the earnings structure, including annual membership fees, have been successful.







Daimaru Matsuzakaya Card is equipped with VISA touch payment function

Strengthen efforts to acquire new users of Daimaru Matsuzakaya Card

Annual transaction volume per customer has increased due to the complete renewal of the Daimaru Matsuzakaya Card. In addition, the cumulative number of OIRA points awarded under the new point program has exceeded 8.0 billion points, and the number of "tangible goods and intangible goods exchanges" is increasing, and awareness of the card is also improving.

Going forward, we will strengthen our efforts to develop new card users by strengthening the efforts to acquire new users at our department stores, and segmenting our app customers according to their annual purchase amount, age, and other factors and approaching them according to their individual needs. We will also enhance the appeal of the card by enriching the lineup of products to be given in exchange for QIRA points and various programs to provide special experiences.

Promotion of merchant acquiring business

JFR Card concluded license agreements with VISA and Mastercard in July 2019 and started to provide merchant acquiring services. By consolidating merchant acquiring services at Daimaru Matsuzakaya Department Stores, PARCO, GINZA SIX, and other commercial facilities in the Group, we are reducing commissions at the Group companies and contribute to improving cash flow throughout the Group.

The number of external merchants in areas where the Group operates commercial facilities has also steadily increased, exceeding 200. In the seven key areas where we intend to expand the Developer Strategy, we aim to build each area's economic zone that connects the Group's customers and merchants by acquiring more merchants, providing merchants with support for sending customers and customers with the "most competitive payment and financial services in the area."



Expansion of finance business

We will provide various financial services using payment data by building relations with customers centering on payment. Particularly, we will focus on insurance business and finance business, which have a high affinity with the Group's customers and business models and are highly profitable.

In the insurance business, we will strive to propose insurance products that meet customer needs through in-store and online life plan consultations and lounge seminars for gaisho customers. We have also started offering "Kantan Web Hoken (easy online insurance)" for the users of the Daimaru Matsuzakaya Card, which allows them to easily get quotes and apply on the Web.

In the finance business, in addition to improving the convenience of revolving and installment payments with the Daimaru Matsuzakaya Card, we also offer the QIRA Loan, a credit card loan in partnership with ORIX Credit Corporation. In February 2023, we launched the investment trust accumulation product "Kantan Tsumitate Toshi (easy accumulation investment)" in partnership with SBI Securities. We will continue to provide new financial services.

Promotion of consolidation of cards in the Group

In order to achieve medium- to long-term growth in the Payment and Finance Business, it is essential to further strengthen our customer base. On the other hand, JFR Card, which is responsible for the Payment and Finance Business, currently has not been able to incorporate some cards in the

QIRA POINT PLUS





OIRA Financial Lounge (10th floor of Shinsaibashi PARCO)

Group as their issuer. Therefore, we decided on a policy of consolidating cards in the Group, with JFR Card as the issuing company. Going forward, we will clarify specific timelines and procedures for each card, and steadily move forward with our plan to establish a structure that will allow us to take full advantage of the Group's benefits.