

## Development of EPOS Card: Collaboration Partners across Kyushu

Efforts to develop EPOS card operations have previously been based around Marui stores. Accordingly, cardholder numbers were primarily increased by recruiting customers that visited stores. However, MARUI GROUP adopted a completely new approach in Kyushu, deploying EPOS card initiatives prior to opening its first store in this region.

The decision to open Hakata Marui was made in 2013, and the Kyushu Office of Epos Card Co., Ltd., was established in the same year. A survey on the recognition of EPOS cards in Kyushu conducted in the following year found that a mere 9% of the population was aware of these cards. With two years left before the opening of Hakata Marui, we rolled out promotion campaigns to raise EPOS card recognition and began seeking out facilities to offer cardholder benefits.

One area of focus was developing collaboration partners among local companies and commercial facilities. In July 2014, HUIS TEN BOSCH became our first

partner, and five more companies subsequently followed. As a result, the number of EPOS cardholders in Kyushu climbed above 130,000 at the time of the opening of Hakata Marui, and EPOS card recognition exceeded 50%. These efforts enabled MARUI GROUP to set a new record for one-day credit card issuances of 1,182 cards at Hakata Marui.

New record for one-day credit card issuances

# 1,182 cards



HUIS TEN BOSCH Collaboration EPOS CARD  
(Available from July 2014)



Sasebo 5bangai EPOS CARD  
(Available from November 2014)



KYUDENKO EPOS CARD  
(Available from December 2014)



Club Hawks EPOS CARD  
(Available from February 2015)



JQ CARD EPOS CARD  
(Available from March 2015)



Tachibana EPOS CARD  
(Available from February 2016)

### KITTE Hakata EPOS CARD Co-Created with Customers



Many customers expressed their desire for an EPOS card with a design that felt unique to Hakata. We thus invited local designers to submit design proposals, which were then voted on by customers. This led to the birth of a new card inspired by *Hakata Ori* fabric.\*1

\*1 A type of silk fabric traditionally produced in Hakata. Reliefs on escalator sides at Hakata Marui are also inspired by *Hakata Ori* fabric.



### EPOS Card Collaboration Partners Promoting Use

# 6

We are promoting collaboration with local companies, theme parks, and other facilities and were able to partner first with HUIS TEN BOSCH and later with other organizations. We have 20 collaboration partners across Japan.



### Card Application Centers at Partner Facilities

# 4

EPOS Card staff are positioned full time at card application centers that have been established at HUIS TEN BOSCH, Sasebo 5bangai, AMU PLAZA OITA, and BonBelta Tachibana.



### Establishments Offering Benefits in Kyushu

# 300

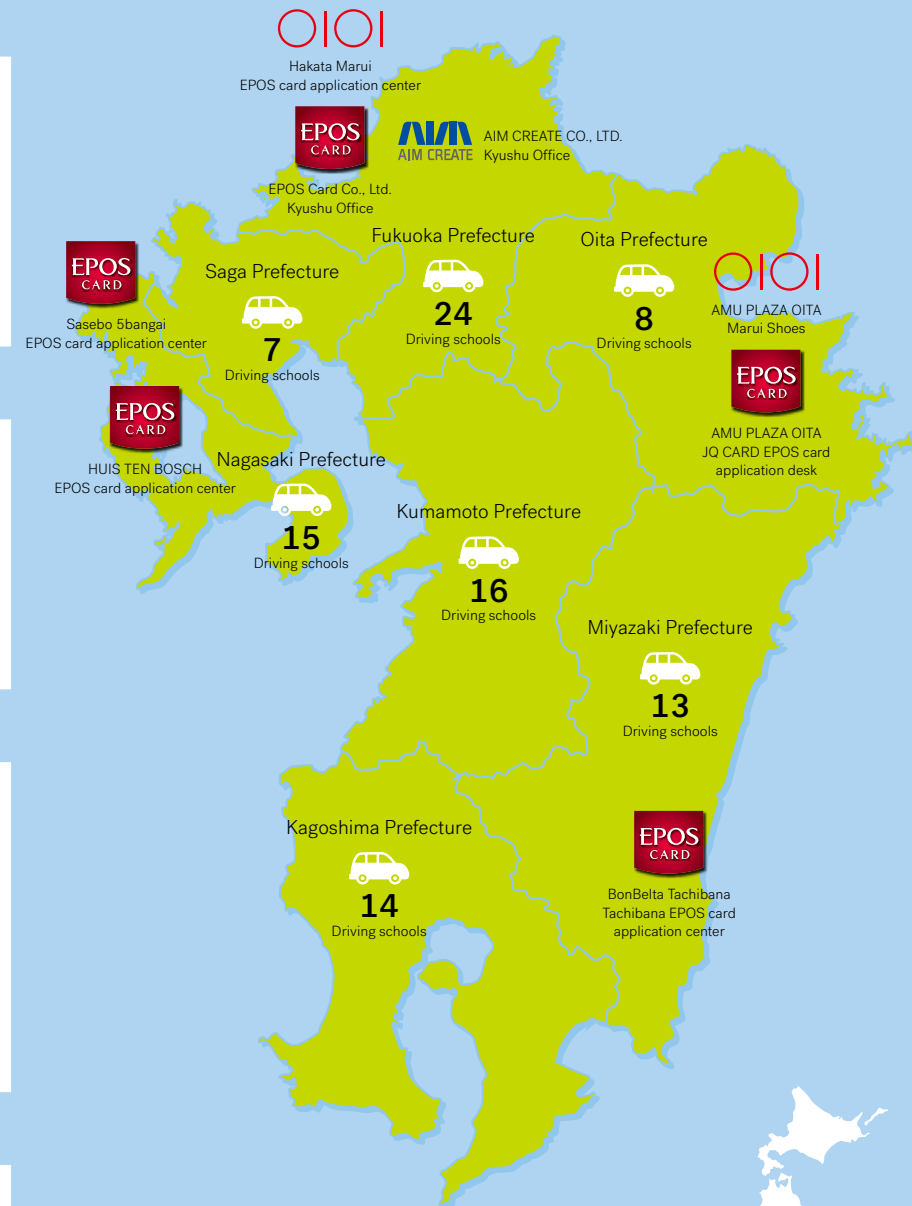
The number of establishments offering benefits to EPOS cardholders in Kyushu has risen to 300 and includes all restaurants operated by MONTEROZA Co., Ltd., as well as Big Man, a long-standing provider of local delicacy Sasebo Burgers. Benefits are available at approximately 7,000 establishments nationwide.



### Driving Schools Partnered in Providing License Acquisition Financing

# 97

MARUI GROUP has partnered with 97 of Kyushu's 169 driving schools.



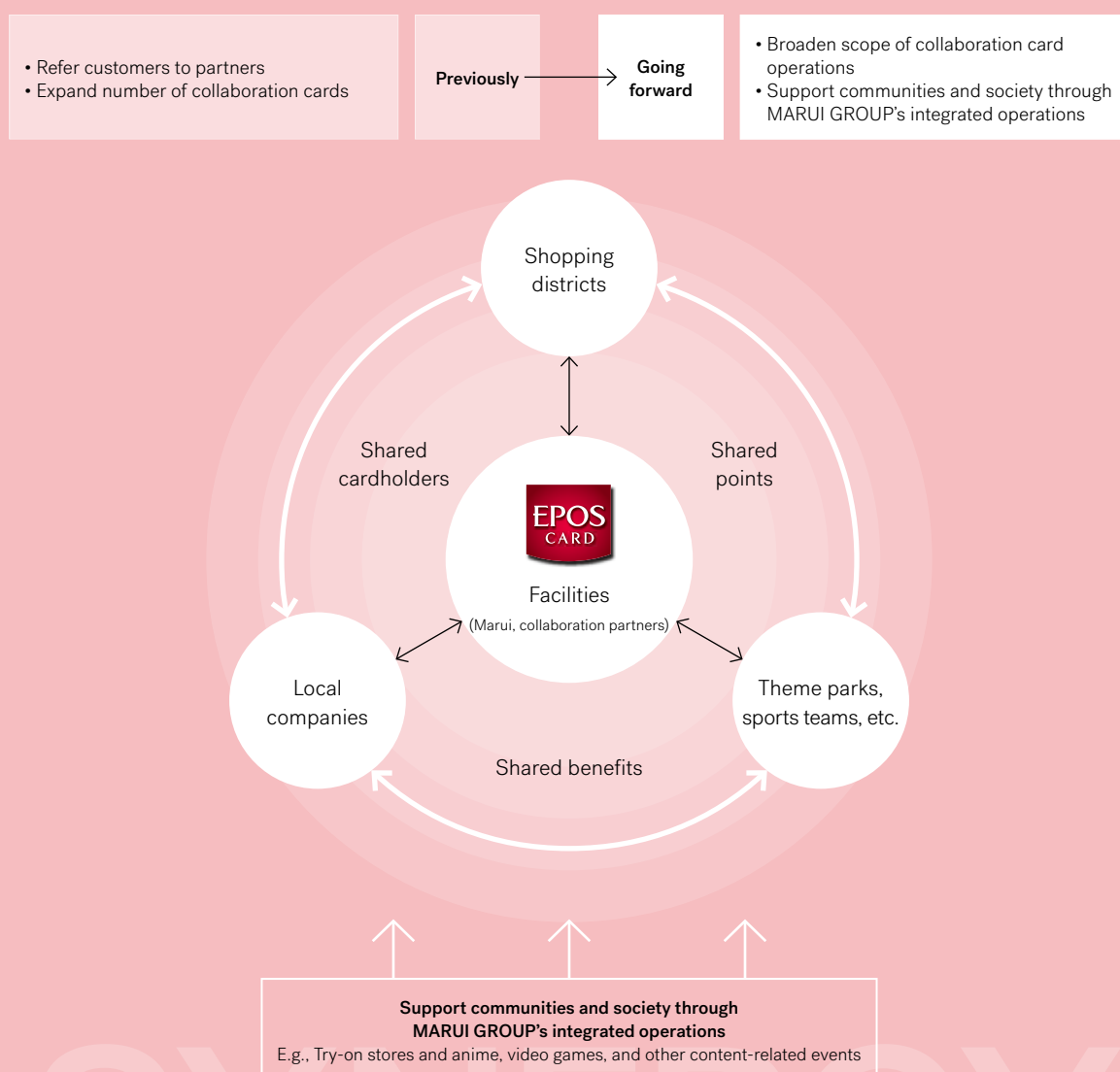
EPOS Card Recognition in Kyushu

9% → More than 50%  
2013 Opening of Hakata Marui



## Growing Range of Partners and New Businesses Achieved through Integrated Group Operations

Our staff of individuals with retailing experience is endeavoring to expand the range of commercial facilities, local companies, and theme parks that are collaboration partners with EPOS card. Moreover, we are pursuing the creation of new businesses by holding try-on events that unite Internet sales and physical stores (➡ P54 Marui-Style Omni-Channel Retailing) and regional development events through anime-related ventures.



### Integrate Business Scope Expansion

EPOS cards allow all cardholders to receive the benefits provided by every partner company and facility, regardless of where they are issued. For this reason, an increase in the number of card application centers found across Japan will contribute to the interests of both customers and collaboration partners.

MARUI GROUP will continue to expand the scope of its collaboration card operations going forward. At the same time, we will hold events related to anime, video games, and other content and generate synergies with these events to realize integrated Group operations. We thereby aim to support the community and otherwise evolve our customer referral model.

### Regional Development Business Merging Cards and Anime

The Tachibana EPOS CARD is a card that we began offering in February 2016 through collaboration with BonBelta Tachibana, a commercial facility in Miyazaki Prefecture. The goal of this card is to aid in a drive to invigorate and increase the appeal of the surrounding area through a joint effort between this facility and the neighboring shopping district. Joining this effort, MARUI GROUP added in an anime-based initiative and thereby

created a new business that energizes shopping districts in order to contribute to regional value.

In March 2016, we took part in holding the "OSOMATSU ICHI in Miyazaki" event, a collaboration between Miyazaki City and popular anime series *Osomatsu-san*. In addition to sales of merchandise, the event also featured a riddle-solving activity in which hints for solving riddles were scattered throughout the shopping district. This event drew crowds on all days with 10,000 people visiting the Miyazaki area during the event's 21-day span, many of whom applied for a Tachibana EPOS CARD. More than half of the people that attended the event came from outside the prefecture, displaying the surprising power of regional development activities that use anime to attract people.

Aggregate number of customers attending "OSOMATSU ICHI in Miyazaki" event

Cumulative **10,000**

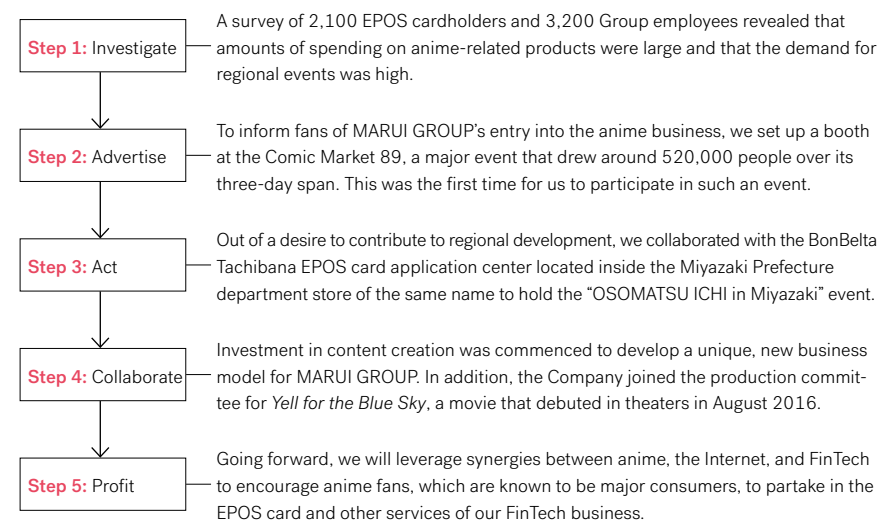


©FA/O



Customers lined up for the event

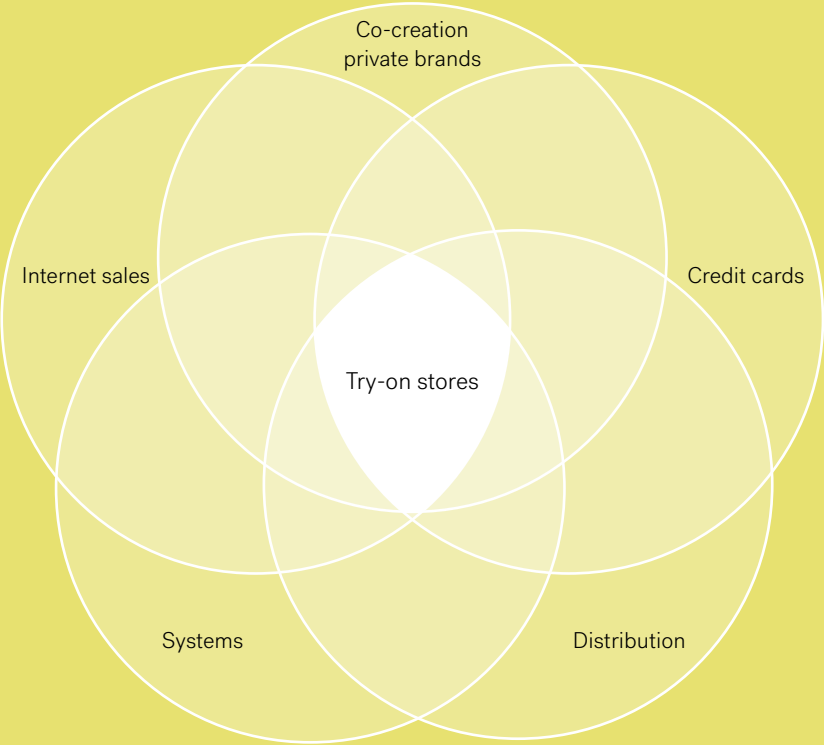
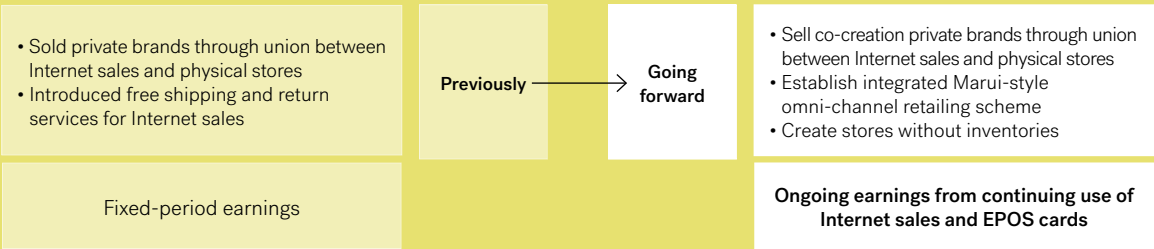
### Participation in Anime and Other Content-related Businesses



*Yell for the Blue Sky* (Debuted in August 2016)  
Starring Tao Tsuchiya  
Directed by Takahiro Miki  
© 2016 TOHO / Hakuhodo DY music & pictures Inc. / The Asahi Shimbun / Hakuhodo DY Media Partners / JR Kikaku / SHUEISHA / NIPPAN / KDDI / Tokyu Agency / HonPro / MARUI GROUP / HAKUHODO / GYAO  
© Kazune Kawahara / SHUEISHA

# Inventory-less Try-on Stores for Shoes Uniting Internet Sales and Physical Stores

MARUI GROUP develops certain private brands together with its customers. A representative example of such a brand would be Rakuchin Kirei Pumps, a massive hit product launched in 2010. We refer to such brands as "co-creation private brands." We have recently commenced a new try-on store initiative geared toward offering customers new value with regard to these co-creation private brands. This initiative forms a union between Internet sales and physical stores and employs a scheme that integrates Group operations with regard to its proprietary systems and distribution functions.



## Try-on Store Uniting Internet Sales and Physical Stores

Try-on stores represent a new business model unique to MARUI GROUP that takes advantage of the frameworks of growing Internet sales. The ability to purchase items through the Internet is exceptionally convenient for customers. However, the inability to try on clothes to see how they feel and the difficulty in understanding the materials and sizes of products have been cause for dissatisfaction among customers. This is particularly true with regard to shoes, for which size and comfort are core concerns, a fact that has led to many customers refraining from purchasing such items online.

Our try-on stores address this issue by providing a lineup of samples that customers can try on as they please at short-term events designed to alleviate such concerns. When making purchases, customers can use one of the stores' dedicated tablets to order a product and have it sent to their home free of charge. As try-on stores are temporary stores operated over a limited period, they require less investment in store fixtures than would be necessary for opening a standard store and have lower fixed rent fees. In addition, as only samples are displayed, there is no need for inventories. Accordingly, these stores boast low costs and low risk. The first try-on store was a Rakuchin Kirei Pumps sampling event held at Nishitetsu-Fukuoka (Tenjin) Station in September 2015, after which we began to exhibit such stores across Japan.

## Unique MARUI GROUP Business Scheme

Of the customers that purchase co-creation private brand shoes at try-on stores, approximately 70% also register for Internet sales site accounts and roughly 40% apply for EPOS cards. Deploying products through try-on stores allows us to link them with Internet sales and credit cards, thereby expanding our repeating customer base and generating ongoing earnings growth by encouraging these customers to continue using our Internet sales and EPOS card services. Try-on stores are being set up in commercial facilities outside the business areas of Marui stores in locations across Japan.

These efforts are made possible by the platform supporting the try-on store scheme, which is formed by the tablet ordering system developed by M & C SYSTEMS CO., LTD., and the Internet sales distribution services of MOVING CO., LTD. Our ability to handle all of the elements within the Group is a significant advantage that has enabled us to create such try-on stores centered on the Internet, a business scheme that is completely unique to MARUI GROUP.

Percentage of try-on store customers who:

Register for Internet sales site accounts

Apply for EPOS cards

Approx. 70%

Approx. 40%

## Try-on Store Scheme

