

Power to Create Innovations for the Future

To cultivate a corporate culture of co-creation management throughout the Group, MARUI GROUP is pushing forward with human resource development programs that are blind to age and gender and spread across organizational boundaries. With a corporate philosophy that calls for us to “equate the development of our people with the development of our company,” we recognize the importance of stimulating the ongoing growth of every employee and ensuring that they possess the power to create innovations for the future. We believe that develop- ing our employees in this manner will no doubt contribute to the co-creation of customer happiness.

Corporate Culture Promoting Diversity

MARUI GROUP has defined the promotion of increased diversity as an important management policy, based on which it pur- sues the establishment of a highly productive corporate culture that is conducive to fostering innovation.

Innovation is crucial to further improvements in corporate value. As such, an organization that creates innovation with diversity is of extreme importance. This belief is based on the idea that innovation is born when various senses of value are present and are able to be seamlessly integrated.

When society as a whole is experiencing robust growth on a single continuum, it is possible to succeed simply by imitating other companies. However, in the current era of great social change, characterized by trends like globalization and the proliferation of IT, the senses of value of individuals vary, leading to the diversification of customer needs. Responding to contemporary needs and growing in this era will require employees to turn their eyes toward society and act autonomously to give rise to innovation. In this environment, MARUI GROUP had defined the promotion of increased diversity as an important management policy, based on which it pursued the establishment of a highly productive corpo- rate culture that is conducive to fostering innovation. It is, of course, crucial to promote gender diversity, but we must also focus on developing human resources that are adept at responding to change by pursuing diversity in terms of age and individual talents. It was for this reason that we are installing frameworks for cross-organizational career development, cultivating a corporate culture that supports personal growth, and fostering a workplace environment that provides opportunities to all.

Profession Change Framework

Profession changes provide an opportunity for employees to break away from their sense of normalcy and escape pre- conceptions to better practice a customer-first mentality and discover new ways of responding to customer needs.

MARUI GROUP has been implementing its profession change system since April 2013 with the aim of fostering the diversity of individual talents. Through this shared Groupwide system, we conduct personnel relocations that place employees in different divisions or Group companies. It is common for people, after having worked in a single profession for a number of years, to go about their jobs without putting much thought into their practices. Profession changes provide an opportunity for employees to break away from their sense of normalcy and escape preconceptions to better practice a customer-first mentality and discover new ways of responding to customer needs.

For example, when a member of our sales staff posi- tioned in a sales office undergoes a profession change placing them in the FinTech business at EPOS Card, they are able to provide service in their new capacity while calling upon the retailing perspective they cultivated previously. Such cross-organizational utilization of talent contributes to improved productivity for the Group. The number of people changing professions is rising at sales offices, where staff members are increasingly relocating to sales floors for different products. A new sales floor results in interaction with new customers, which in turn leads to new discoveries.



Job Forum event at which employees from different Group companies explain their motivation toward their job and other work experiences

As of April 2016, a total of 1,418 employees (or approximately 25% of all Group employees) had undergone relocations to different Group companies. To promote profession changes and provide an opportunity for employees to think about their careers, the Company holds Job Forum events once every six months. In these forums, employees from different Group companies that have experienced various positions explain their motiva- tion toward their job and other work experiences. As one facet of these Job Forum events, individual consultation events are held for each Group company. Furthermore, we distribute Job Books to all employees and otherwise support them in undertaking changes to new positions in order to stimulate their personal growth.

Total Number of Employees Changing Positions between Group Companies

	2013	2014	2015	2016
Employees changing positions	287	383	552	196
Aggregate total	287	670	1,222	1,418

Totals for number of employees changing positions in April and October of each year; April only for 2016

Ratio of employees changing positions between Group companies
Aggregate total from April 2013–April 2016 (Excludes officers and managers)

Approx. 25%



Job Forum
Individual consultation event at which employees from each Group company can be asked questions about their job and otherwise consulted



Job Book
Booklet containing business and job descriptions from various divisions at Group companies as well as messages from employees working therein

Activities of the Diversity Project Team

This cross-Group project team will provide a venue for team members from different divisions to help them learn more about their peers.

Open to all employees, the Diversity Project Team advances initiatives for the purpose of fostering a corporate culture in which all employees are accepting of one another and are properly motivated with opportunities to exercise their talents. In July 2015, a meeting was held among 46 members from across the Group that had been assembled through open application. Back at their workplaces, members have been sharing information on the matters discussed at this meeting to further advance the dialogue. These members are also central in promoting other efforts through coordination among different workplaces. The Diversity Project Team will continue to be a place for discussions on how to make the Group a livelier organization that is highly productive and conducive to fostering innovation. At the same time, this cross-Group



Diversity Book
Booklet published and distributed to employees to increase awareness regarding work-life balance support systems and to cultivate a workplace environment that fosters diversity

project team will provide a venue for team members from different divisions to help them learn more about their peers.

As one facet of this project team's activities, February 2016 was designated as Diversity Promotion Month. During this month, Diversity Books were distributed to inform employees about the work-life balance support systems available to them. As a new initiative, meetings of the Supervisors Association (a diversity forum) were held at which the supervisors who are directly responsible for managing other employees met to exchange opinions on how to better utilize diversity in management.



Diversity Project Team members from the fiscal year ended March 31, 2016



Promotion of Women's Contributions

We are promoting the contributions of women by developing support systems and improving awareness.

As of March 31, 2016, MARUI GROUP had 2,685 female employees, representing 46% of its total 5,899 employees. We are promoting the contributions of women by developing support systems and improving awareness. In the fiscal year ended March 31, 2014, we defined women's empowerment indexes for measuring our progress in this regard and set targets to be achieved by the fiscal year ending March 31, 2021. A substantial change in the attitudes and behaviors of employees was witnessed over the two years since these indexes were introduced, as indicated by increases of more than 50 percentage points in the ratio of applicable male employees taking childcare leave and 30 percentage points in the ratio of female employees returning to work full time after taking childcare leave.

Initiative Results: Grand Prix Award in Ikuboss Award 2015 Program

Kazumi Abe, a director at MARUI CO., LTD., and the store manager of Omiya Marui, received the Grand Prix Award in the Ikuboss Award 2015 program, spearheaded by

The logo for the Ikuboss Award 2015. It features the word 'BOSS' in large, bold, orange letters. Above it, in smaller text, is 'ボスの理解が、社会を変える。' (Understanding of the boss changes society). Below 'BOSS' is 'IKUBOSS AWARD 2015'.

the Ministry of Health, Labour and Welfare (MHLW). Reasons for Ms. Abe's selection included her management style that inspires her staff, as well as her consideration for the unique situations of her employees, which she achieves through meeting with them. Ms. Abe also received recognition for her efforts to cultivate a corporate culture encouraging employees to leave work on time and avoid overtime, in part by doing so herself, and to promote the use of childcare leave by male employees.

In addition, MARUI GROUP was awarded with a special encouragement award in the Ikumen Enterprise Award 2014 from the MHLW.

Platinum "Kurumin" Certification

In July 2016, MARUI GROUP received Platinum "Kurumin" certification in recognition of it being a company that actively supports children. Through the Platinum "Kurumin" program, the MHLW strives to recognize companies that have made exceptional progress in introducing and encouraging the use of systems for balancing work and child-rearing. It also aims to promote ongoing related efforts.

MARUI GROUP continues to build an environment that is even more conducive to balancing work and child-rearing and has established corporate targets and action plans to this effect.



Women's Empowerment Indexes

Fiscal years ended / ending March 31		FY2014	FY2015	FY2016	FY2017 (Target)	FY2021 (Target)
Awareness improvement and corporate culture cultivation	Recognition of contributions of female employees	37%	60%	74%	100%	100%
	Ratio of female employees pursuing upper-level positions	41%*1	64%*1	62%*1	60%	80%
	Ratio of applicable male employees taking childcare leave	14%	54%	66%	60%	100%
Promotion of women's contributions	Ratio of female employees returning to work full time after taking childcare leave*2	36%	55%	66%	70%	90%
	Number of female leaders	545	576	603	650	900
	Number of female managers	24	28	29	35	55
	Ratio of female managers	7%	8%	8.9%	11%	17%

*1 Ratio of female employees pursuing upper-level positions is based on the results of surveys conducted in June 2014, June 2015, and April 2016.
*2 Ratio of female employees returning to work full time after taking childcare leave is the ratio of female employees returning to work full time to the total number of female employees that returned to work shortened hours after childcare leave within a given year.

Activities of the
Marui Future
Project Team



The members of this cross-organizational project team think about the future of Japan and MARUI GROUP's role in this future.

The Marui Future Project Team is a committee open to employee participation that was established in July 2015, with the aim of further evolving the social contribution activities that we have been conducting through our business in a project format since 2011. The committee features a diverse variety of members from various age groups and workplaces and differing stores and Group companies. Banding together, the members of this cross-organizational project team think about the future of Japan and MARUI GROUP's role in this future. Discussions began with seven themes for social issues that are closely related to our daily lives. Based on these themes, we considered how the Group could help resolve the issues



A total of 59 representatives from stores and Group companies participate in the project team along with the store managers, deputy store managers, and section managers that support them

faced by society and what our customers expected of us, formulating and then implementing initiatives to accommodate senior citizens, people with disabilities, and all of our other customers.

Seven Themes of Discussion

1. Aging of society (population) and people with disabilities
2. Women's contributions, child-rearing, and the declining birthrate
3. Non-Japanese customers and inbound travelers
4. LGBT community
5. Tokyo 2020 Olympic and Paralympic Games
6. Global warming and other environmental issues
7. Regional development

Accommodation of All Customers

Almost all employees have undergone Service Care-Fitter training*1 to learn how to accommodate elderly customers and customers with disabilities. These training programs are performed by nine employees that have acquired instructor qualifications.

*1 Training program operated by The Nippon Care-Fit Education Institute



Training for assisting customers using wheelchairs in which employees learn how to operate wheelchairs through actual use



Senior citizen simulation training in which employees wear special goggles to show how objects appear to someone with cataracts

MARUI GROUP took part in TOKYO RAINBOW PRIDE 2016, an event sponsored by TOKYO RAINBOW PRIDE*2 in April 2016. During this event, the five buildings of the Marui and Modi stores located in Shinjuku and Shibuya participated, and rainbow flags were displayed on the front of these stores, garnering much attention. Prior to this event, 243 employees underwent LGBT manner training,*3 and employees greeted customers while wearing "LGBT Friendly" badges during the event period.

*2 Organization that seeks to help create a society in which LGBT individuals and other sexual minorities are able to live optimistically and to be themselves, while remaining free from discrimination and prejudice; the name "TOKYO RAINBOW PRIDE" is also used for the organization's events

*3 Training offered by Mirairo Inc. that supplies knowledge about the LGBT community, provides specific examples of its members, and explains factors needing to be considered in addressing their needs



"LGBT Friendly" badge and Shibuya Modi during event period

Activities of the
Medium-Term
Management
Visionary
Committee



Active discussion is conducted among members that are selected from the approximately 1,000 applications received for each meeting.

The Medium-Term Management Visionary Committee is a forum for discussing various topics that will be important to the future of Group management. In the past, meetings were primarily focused on explanations of management policies and other such matters. However, topics are now selected that require a medium-term perspective and for which initiatives will be advanced with a timeline of three-to-five years. While this committee was previously only open to members of Group management, from January 2016 any interested employee is able to apply for participation, and meetings have been held almost every month since. Active discussion is conducted among members that are selected from the approximately 1,000 applications received for each meeting. Furthermore, we regularly invite outside lecturers to conduct special lectures.

2016 Committee Meeting Discussion Topics

January	Corporate value as viewed by the market, special lecture Report on activities of Credit Card Evolution Project Team
February	Accommodation of all customers—LGBT community, special lecture
March	Corporate value as viewed by the market 2, special lecture
April	Analysis of MARUI GROUP's operating environment and future projections
June	Medium-term management plan for Retailing segment Medium-term management plan for FinTech segment Report on anime business activities
July	Hakata Marui co-creation initiatives Report on interactions with investors (investor relations activity report) Retailing business and MARUI GROUP as seen by analysts, special lecture



Lively question and answer sessions held after each lecture

COLUMN

Workplace Environment Supporting
Energetic Sales Staff



Breaks are incredibly important to ensuring that members of our sales staff are able to work with vigor. It was for this reason that we spared no expense with regard to the employee breakrooms at Hakata Marui, which was opened in April 2016, and also took other steps to ensure a comfortable workplace environment.

This store features two break rooms with atmospheres much like a café that allow staff to have a more enriching break experience. Facilities include counter seats at which one may sit alone as well as tables where several people may sit together. Also, the breakrooms are equipped with automatic water heaters to remove any concern for hot water running out as well as powder rooms and smartphone chargers—additions made based on staff requests. These highly comfortable breakrooms are available to all sales staff members, including those of tenants.



Partitioned counter seats based on requests for a place where sales staff can comfortably enjoy time to themselves