

# Harmonization of Stakeholder Interests

MARUI GROUP has numerous stakeholders of different types. While customers are emphasized the most in our practice of co-creation management, this does not change the fact that our business is supported by other stakeholders, including shareholders and investors as well as business partners, communities, and the greater society, not to mention our employees.

Although the interests of these various stakeholders are often seen to be in opposition, the reality is that there is a significant intersection at which the interests and values of different stakeholders overlap. At MARUI GROUP, we view this intersection as representing true value. We are confident that, by achieving harmony between these differing interests and expanding this intersection through co-creation management, we will be able to improve corporate value.



# Borrowings from Society

In practicing co-creation management, we see all of our business assets as being borrowed from society, a view that we believe will lend to our efforts to achieve harmony between stakeholder interests and improve corporate value. It is our duty to effectively utilize these “borrowings” and then return them to society with “interest.” Management based on this concept will no doubt increase the value of all business assets through interconnected relationships.

For example, the transition from a department store model to a real estate model resulted in our key performance indicator (KPI) changing from the profit margins on sales to the margin on the market value of the real estate we borrow from society. In other words, our profit margin is now net operating income (NOI) yield. As NOI yield increases, return on equity (ROE), which represents the return on the capital borrowed from stakeholders, will also improve. Co-creation management aims to increase such interconnectivity between the interests of different stakeholders.



# Long Timeline for Discussing Co-Creation

Discussions with and between stakeholders are exceptionally important to our co-creation management as such communication helps harmonize stakeholder interests and form intersections of these interests. It is important that a long timeline with a forward-looking perspective is adopted in these discussions.

At the same time, it is crucial for MARUI GROUP to go beyond simply promoting such harmonization to

create business frameworks and procedures that actively increase the intersection of these interests. This pursuit will be driven by our DNA of innovation, which has continued to be passed onto all Group employees since our founding. The pioneering spirit born out of this DNA, a spirit that embraces change and relishes new challenges, will remain as a powerful driving force behind our co-creation management.

MARUI GROUP's View of Corporate Value

