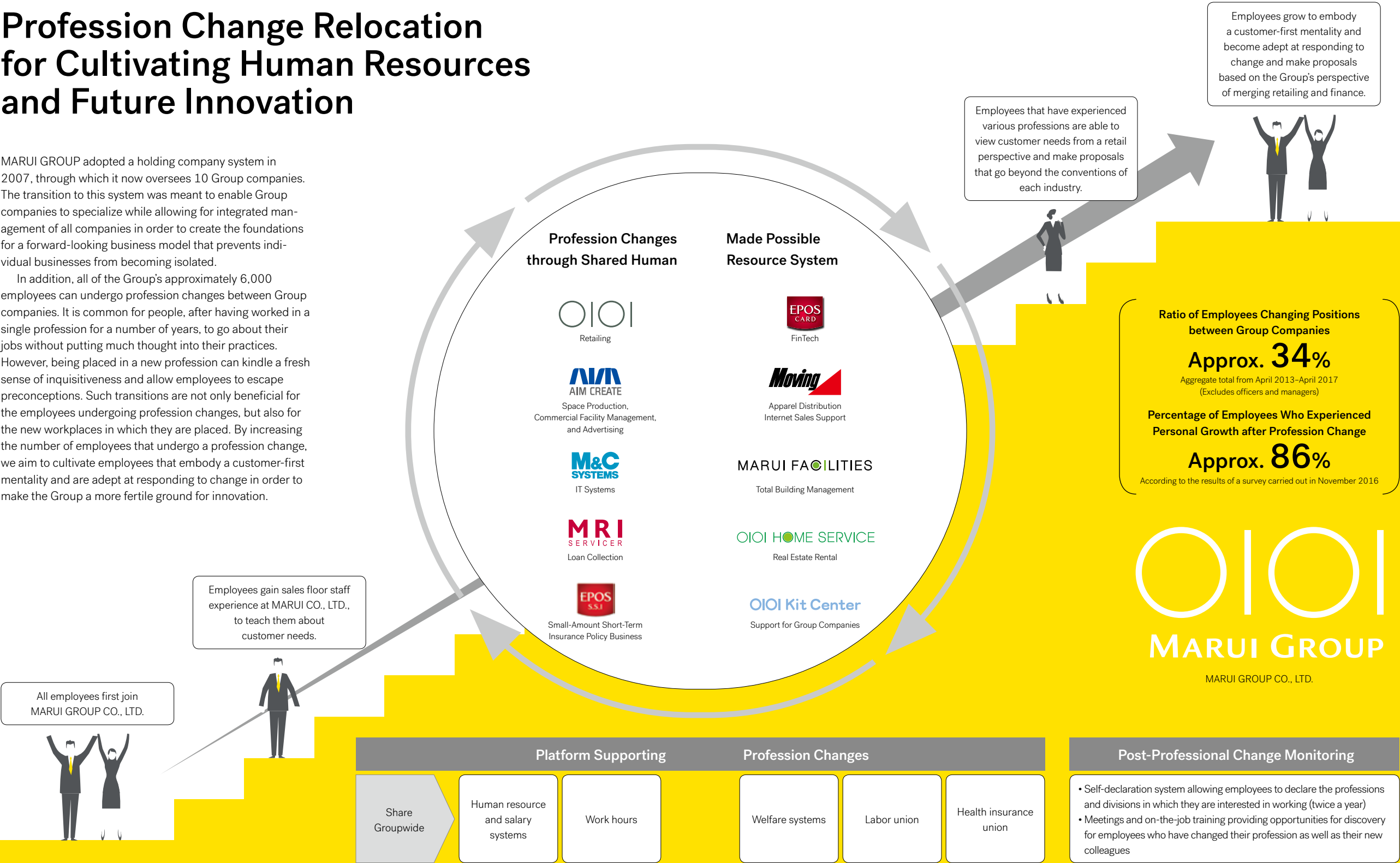


# Profession Change Relocation for Cultivating Human Resources and Future Innovation

MARUI GROUP adopted a holding company system in 2007, through which it now oversees 10 Group companies. The transition to this system was meant to enable Group companies to specialize while allowing for integrated management of all companies in order to create the foundations for a forward-looking business model that prevents individual businesses from becoming isolated.

In addition, all of the Group's approximately 6,000 employees can undergo profession changes between 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. However, being placed in a new profession can kindle a fresh sense of inquisitiveness and allow employees to escape preconceptions. Such transitions are not only beneficial for the employees undergoing profession changes, but also for the new workplaces in which they are placed. By increasing the number of employees that undergo a profession change, we aim to cultivate employees that embody a customer-first mentality and are adept at responding to change in order to make the Group a more fertile ground for innovation.



# Promotion of All Employees’ Efforts to Benefit Customers

In the medium-term management plan launched in the fiscal year ended March 31, 2015, promoting diversity has been defined as one of the strategies for realizing MARUI GROUP’s corporate philosophy, which calls for us to “continue evolving to better aid our customers” and “equate the development of our people with the development of our company.” Our goal in promoting diversity is to create an organization in which each of our approximately 6,000 employees can exercise their individual talents and feel energized and motivated in their work. Society is currently undergoing changes, and the values and needs of people are diversifying. In order to respond to these

changes, we need employees to put forth their unique strengths, forming teams when individual effort is not enough. Moreover, we must build upon our ability to utilize these endeavors on the part of employees to improve corporate value. To achieve these objectives, we are cultivating a corporate culture in which all employees are accepting toward one another’s individuality and reforming systems to make sure employees are motivated in their work as they tackle new challenges and grow. In addition, we are implementing management reforms to utilize this culture and these systems in promoting diversity.

### Three Themes for Promoting Diversity

1. Corporate culture in which the individuality of every employee is respected

- Cross-Group profession change system
- Initiatives led by Medium-Term Management Visionary Committee
- Official Groupwide project teams

2. Systems and frameworks supporting the contributions of all employees

- Work style reforms (reduction of overtime)
- Systems for supporting employees in balancing their work with childrearing and long-term care of family members

3. Management reforms for utilizing diversity

- Communication reforms
- Opportunities for everyone to participate in management
- Corporate culture facilitating self-growth



INNOVATION × 6,000

### Medium-Term Management Visionary Committee

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, any interested employee is able to apply for participation, and meetings have been held almost every month since. Active discussion is conducted among the around 320 members that are selected from the approximately 1,000 applications received for each meeting. Furthermore, we regularly invite outside lecturers to conduct special lectures.



### Committee Meeting Discussion Topics

#### 2016 Topics

- Analysis of MARUI GROUP’s operating environment and future projections
- Medium-term management plan for Retailing and FinTech segments
- Hakata Marui co-creation initiatives
- Report on interactions with investors
- Retail industry and MARUI GROUP as viewed by an analyst: Special lecture by Mizuho Securities Co., Ltd.
- Vision for the world realized through FinTech and MARUI GROUP’s business therein: Special lecture by Advisory Board member Masakazu Masujima
- Retail industry and MARUI GROUP as viewed by a business columnist: Special lecture by Shiho Innami of the Toyo Keizai Online Department of Toyo Keizai Inc.

#### 2017 Topics

- Distribution industry as seen through trends in China, the United States, and Japan: Special lecture by Nomura Research Institute, Ltd.
- Social environment as it pertains to MARUI GROUP and future outlook
- Future created by the fashion business: Special lecture by Representative Director Yoko Ohara of Women’s Empowerment in Fashion
- Strategies for competing viewed as stories—requirements for effective strategies: Special lecture by Professor Ken Kusunoki of the Graduate School of International Corporate Strategy at Hitotsubashi University
- Medium-term management plan for Retailing and FinTech segments
- Capitalizing on Security and Potential of Money: Special lecture by Aya Maeno, Representative Director of Cras Inc. and Representative of FP Office will

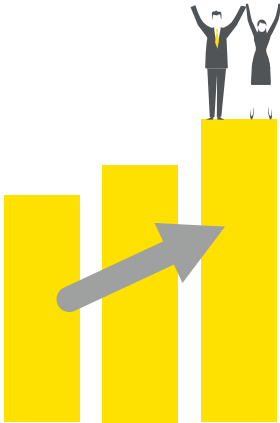


Hiroshi Nakada

Telecommunication Networks,  
Store System Development Department  
M & C SYSTEMS CO., LTD.

I am responsible for developing the systems for try-on stores. It was previously difficult to understand just who exactly I am making these systems for. Through participation in the Medium-Term Management Visionary Committee, however, I gained an understanding of the overarching trends in society and within the Company, helping me better determine the extent to which systems can benefit customers and how these systems can be improved. Identifying needs can facilitate the future co-creation of value.

MARUI GROUP's corporate philosophy calls for us to "continue evolving to better aid our customers" and "equate the development of our people with the development of our company." Based on this philosophy, we have established Groupwide committees and project teams with members recruited through open application. Employees seeking to participate are asked to submit short essays when applying based on which participants are selected. In this section, we present messages from 10 individuals that have participated in the Medium-Term Management Visionary Committee.



Maki Takayanagi

Sales Planning Section, Sales Planning Division  
MARUI CO., LTD.

Participation in the Medium-Term Management Visionary Committee enables one to view matters from a broader perspective and a longer timetable. It can be expected that social trends will evolve more quickly and become more diverse going forward. This will result in the standards for customers' purchasing decisions becoming more complex. When I look to the future, I see MARUI GROUP's co-creation management, which involves co-creating customer happiness together with stakeholders, becoming even more important.



Kazumasa Takahashi

Women's Accessory Sales Floor, Yurakucho Marui  
MARUI CO., LTD.

The pressures of daily work can cause one to focus only on their own agenda. Through my participation in the Medium-Term Management Visionary Committee, however, I was reminded of the Group's goals, which gave a clearer vision of the fundamental aim of my work. To "continue evolving to better aid our customers" is a part of our corporate philosophy and also an important goal for everyone at the Group. Even if our work is different, all Group members share an understanding of the importance of the customer. I therefore feel that our visions are aligned.



Yukito Takamura

Leasing Department, Space Production Division  
AIM CREATE CO., LTD.

The Medium-Term Management Visionary Committee has made reflective thought a common habit of mine, enabling me to be more receptive to changes in my surroundings and to act from a forward-looking perspective. In my current position, I feel that I am providing store environment solutions that incorporate elements for various businesses. I am always endeavoring to utilize the information gained through meetings and my daily studies to tackle new challenges in the now.

The Medium-Term Management Visionary Committee

Equate the Development of Our People with the Development of Our Company



Emi Murata

Rakuchin Kirei Shoes Fit Studio, Kinshicho Marui  
MARUI CO., LTD.

When I participated in the Medium-Term Management Visionary Committee, I was reminded that the Fit Studio try-on store I work at uses a new business model that arose from the overlap between several areas of the Group. We are seeking to further improve this model's ability to satisfy customers through a concerted Groupwide effort. For example, we have increased the connection speeds of sales-use tablets and enhanced our systems to allow for smooth coordination between EPOS card application and Internet sales site registration.



Azusa Morimoto

Real Estate Business Section, Real Estate Business Department  
MARUI GROUP CO., LTD.

As I am currently working shortened hours, I recognized the Medium-Term Management Visionary Committee as an opportunity to easily maintain an understanding of the Company's strategies. Moreover, participation helped me figure out how to incorporate my desires and commitment into my work. Everyone plays a "lead role" at MARUI GROUP, and the growth of each individual is linked to the growth of the Company. Even if my time working is short, I still want to do my best to benefit customers.



Tetsuya Nakamura

Internet Marketing Section, Omni-Channel Retailing Division  
MARUI CO., LTD.

Working in one place can make it difficult to break away from preconceived notions to create fresh ideas. Participation in the Medium-Term Management Visionary Committee enabled me to adopt a wider range of perspectives. This also helped me to think in terms of a medium-to-long-term timetable. I am currently engaged in e-commerce operations. At my workplace, I share my findings with coworkers who could not participate in the committee so that we can move ahead with a forward-looking perspective based on a common understanding.



Mari Yamamoto

Sales Section 3, Home Business Division  
Epos Card Co., Ltd.

When I first joined, I was focused only on pleasing the customers in front of me. However, through participation in the Medium-Term Management Visionary Committee, my eyes were opened to a wider range of concerns, including the working environment for us employees, our relationships with business partners, and changes in the operating environment for MARUI GROUP. In the future, I hope to practice co-creation management with a focus on bringing happiness to myself and to those around me.



Go Yamaguchi

E-Commerce Website Section, Internet & Fulfillment Division  
MOVING CO., LTD.

I have found participation in the Medium-Term Management Visionary Committee to be a prime opportunity to reflect on my current work. My first profession change brought me to MOVING, where I saw firsthand the strength granted to MARUI by possessing its own distribution and IT systems. In the past, I had been engaged in Internet sales as a buyer. My current position is also related to e-commerce, but it requires a completely different perspective. Exposure to this different perspective broadened my horizons.



Asuka Uemura

Marui Shoes Sales Floor, LaLaport Shonan Hiratsuka  
MARUI CO., LTD.

Personal growth comes when you act based on new ideas or different perspectives and move beyond preconceptions. Personal growth has the potential to drive the growth of the Group. The Medium-Term Management Visionary Committee is an opportunity to gain an understanding of social trends and of MARUI GROUP's strengths and find means of incorporating this newfound understanding into one's work. In addition, discussions with other committee participants lead to various new discoveries. I have thus come to view the other participants as comrades in mutual growth.





# Garnering Great Support for Inclusion

MARUI GROUP promotes co-creation management to co-create the happiness of customers together with all of its stakeholders. We have turned our eyes to inclusion as a means of unlocking opportunities for the future in response to social issues and customer needs, which change together with the times.



**Special Lecture**  
Creation of an Organization That Utilizes Diversity

**Haruaki Deguchi**  
Founder of LIFENET INSURANCE COMPANY



**Special Lecture**  
Inclusion for Innovation  
— Changing the Future with Barrier Value

**Toshiya Kakiuchi**  
President, Mirairo Inc.



**Talk Event**  
Encounter with Paralym Art,  
Supporting Differently Abled Individuals

**Thane Camus**  
Director, SHOUGAISHA JIRITSU SUISHIN KIKOU ASSOCIATION

**Inclusion Fes 2017**  
**Co-Creation of Happiness for Everyone**  
Promoting inclusion through our business will require a corporate culture in which the individuality of every employee is accepted and respected. To facilitate the cultivation of such a culture, we held Inclusion Fes 2017, an event for employees, in August 2017. This event provided a venue for fostering awareness among employees and allowing them to experience their differences first-hand. The event garnered great support for inclusion, with around 1,500 employees and family members attending during its two-day period.



Forum for learning how to approach others based on the Enneagram of Personality, which puts forth nine personality types



Exhibition of OUT IN JAPAN collection of photographs of members of the LGBT community by famous photographer Leslie Kee



Daily-use sign language lesson taught by Group employees with hearing impairments



Yoga lesson for teaching employees how to relax their bodies and minds and focus on themselves in the moment



"Mizuno Style Ninja School" for supporting the physical development of children



Testing station for "vein age," bones, lung capacity, and dorsal muscle and grip strength



Lesson in which people learn how to assist individuals using wheelchairs and operate wheelchairs through actual use



Opportunity to experience being guided by a seeing-eye dog by using eye masks to shut out vision feedback



Specialized pregnancy simulation jackets used to teach about the difficulties and joy of pregnancy

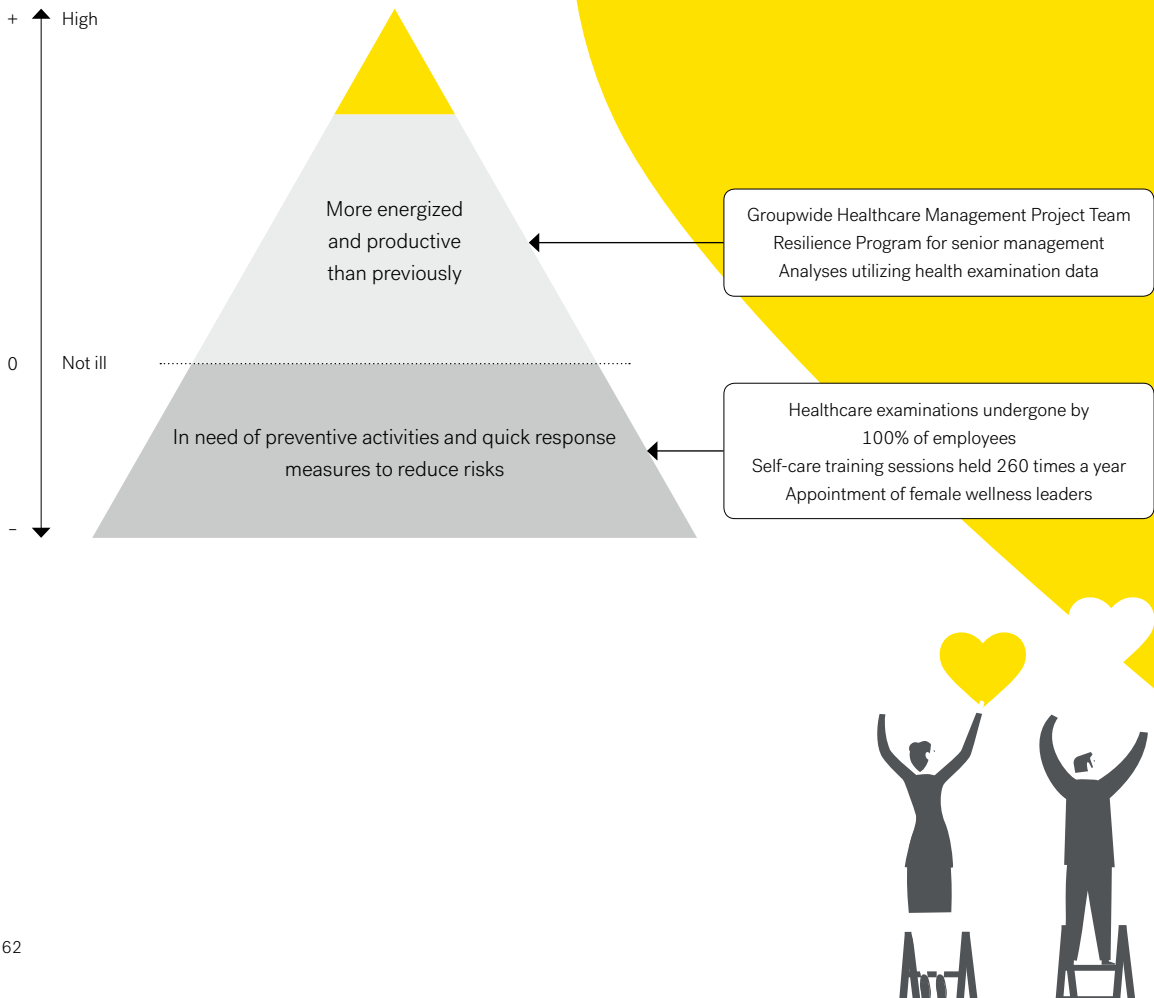
This event was planned primarily by the diverse members of official Groupwide project teams, namely the Marui Future Project Team, Healthcare Management Project Team, and Diversity Project Team. These individuals used the event as an opportunity to communicate the activities of their project team and the principles they embody.  
[www.0101maruigroup.co.jp/en/sustainability/](http://www.0101maruigroup.co.jp/en/sustainability/)

# Healthcare Management as a Strategy for Further Energizing Employees

In MARUI GROUP's healthcare management, we strive to encourage employees to think through the lens of health and act accordingly in order to become more energized and thereby increase corporate value. For this reason, it is important to take the perspectives of preventing health issues and also energizing employees and enabling them to work happier. Healthcare management has been defined as an objective of the medium-term management plan, which we are promoting on a Groupwide basis through coordination between the activities of the Health

Management Division and MARUI GROUP's health insurance union. These activities have earned us much praise, leading the Company to earn the highest rank in Development Bank of Japan Inc.'s DBJ Employees' Health Management Rated Loan Program in October 2016 and to be included in the Excellent Enterprise of Health and Productivity Management—White 500, a joint program launched by the Ministry of Economy, Trade and Industry, the Tokyo Stock Exchange, and Nippon Kenko Kaigi, in February 2017.

Level of Energy



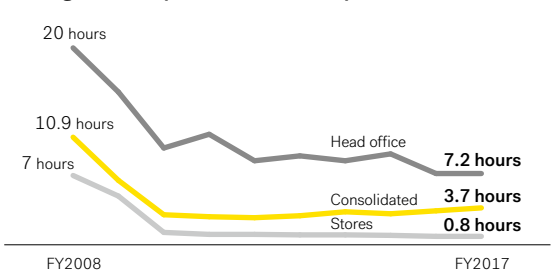
## Average Monthly Overtime of 3.7 Hours

MARUI GROUP views healthcare management as one aspect of workstyle reforms, and has thus diversified its workhour management and working systems since 2008. As part of these efforts, overtime reduction policies and targets have been set for each position and shifts are formulated systematically for stores using up to 50 working patterns defined in 10-minute increments. Moreover, work processes are being optimized on a Groupwide basis. For example, processes related to delivering and returning products to storage and other back-office procedures at stores are handled by Group companies to enable store employees to be primarily positioned in customer service roles. As a result, average monthly overtime hours per person were down to 3.7 in the fiscal year ended March 31, 2017, while average annual overtime hours decreased to 44. Average monthly overtime among head office employees was 7.2 hours in the fiscal year ended March 31, 2017, representing a roughly two-thirds reduction compared with the fiscal year ended March 31, 2008, while average monthly overtime at our 31 stores nationwide was 0.8 hours, making for a 90% reduction from the same year. These reductions have improved productivity along with personnel expense efficiency.

## Resilience Program for Improving Awareness Beginning with Senior Management

The understanding of senior management is necessary to enable employees to become more energized and motivated in their work. Based on this recognition, MARUI GROUP has implemented the Resilience Program, which targets general managers and other members of senior management and encourages them to develop lifestyle patterns that increase their energy and the energy of those around them with regard to their body, mood, mental state, and thinking. In this program, 360-degree evaluations are conducted through feedback from the program participants, their subordinates, and their family to analyze data on the participants' own energy levels and their influence on others. The influence of managers is great, and we are already witnessing a rise in healthcare management awareness among senior management and employees as illustrated by voluntary initiatives driven by employees at each workplace.

Average Monthly Overtime Hours per Person



Overtime Reduction and Benefits

	FY2008	FY2017	Benefit
Average annual overtime hours per person	130 hours	44 hours	-86 hours
Total overtime payments	¥3.3 billion	¥0.8 billion	-¥2.5 billion
Employee turnover rate (excluding mandatory retirement)	6.8%	2.6%	-4.2pt

Evolution of Healthcare Promotion Activities

1962	Establishment of MARUI GROUP's health insurance union
1970	Opened Marui Health Insurance Union Building
2008	Commencement of overtime reduction project
2011	Start of Health Improvement Program by MARUI GROUP's health insurance union Established Health Management Division and appointed dedicated Company physicians
2013	Introduced physical and mental health consultation hotline
2014	Began analyzing health examination data of all employees and relationship between lifestyle patterns and attitudes toward work Started holding self-care training sessions for all employees Appointed wellness leaders nationwide to help alleviate women's health concerns
2016	Introduced Resilience Program to energize senior managers in terms of their body, mood, mental state, and thinking Incorporated new healthcare management items into labor agreements Established outside advisory board and began analyzing healthcare management practices and data Formulated Groupwide Healthcare Management Project Team
2017	Began promoting healthcare management as one aspect of workstyle reforms