



Contributions to the Happiness of All Customers through Cumulative Investments

MARUI GROUP established tsumiki Securities as a securities company specializing in cumulative investment with the aim of addressing the needs of customers harboring concerns for the future pertaining to money or seeking to increase their assets with peace of mind.

The following is a discussion between the CEO and COO of tsumiki Securities, which commenced services in August 2018, in which they express their resolutions for this company going forward.

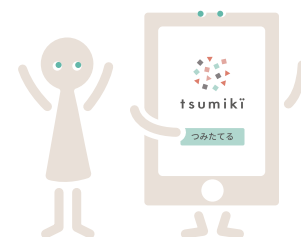
Asumi Kantake

Representative Director and CEO
tsumiki Securities Co., Ltd.



Takeo Nakaki

Representative Director and COO
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Reason for MARUI GROUP's Entry into the Securities Business

Kantake: MARUI GROUP is motivated by its mission of promoting financial inclusion by providing financial services that can be used by everyone, regardless of their age or income. This was the reason behind our entry into the securities business.

Nakaki: When I first met President Aoi, he explained how MARUI GROUP had long been developing a credit card services business in which the Company built creditability together with young adults and others who had not yet established their own credit ratings. He also expressed his desire to provide asset building services that transform the concerns that younger generations have for the future into hope. This dedication to the securities business filled me with excitement. I spent 15 years at independent fund management companies, during which I attended seminars across Japan to network with long-term investors and speak with fellow fund managers. Colleagues that had begun gradual, long-term investment exhibited a clear sense of leeway as they had less concern for the future and felt they had access to a greater range of options in their life.

Kantake: Roughly half of MARUI GROUP's customers are in their twenties or thirties, and around 70% of them are women. When examining possible service offerings for the future, we solicited feedback from customers. This was when we learned about customers' significant anxiety for the future with regard to money. This anxiety resulted in most of them turning to savings. However, everyone knows that savings do not grow. Looking to help such customers, MARUI GROUP sought to create services that would assist them in growing their wealth with peace of mind. We eventually arrived at the idea of cumulative investment.

Nakaki: The conventions of cumulative investment differ from those of the standard form of investment. For example, there is no need to intensely watch the stock market, trying to buy low and sell high. Rather, the convention of cumulative investment is just to continue steady investment, whether prices are high or low. Steadily investing in a trustworthy fund of a reputable management company will no doubt be an effective means of building assets over the long term. Cumulative investment could therefore be seen to be a "buy and forget" approach toward investment.



I want to make cumulative investment based on confidence in the future a part of our culture. The idea of an economy driven by the money and trust of individuals is exhilarating.

Takeo Nakaki

Kantake: The desire to save money usually has something more meaningful behind it, whether that be a special someone, a dream, or some other matter of importance. Cumulative investments are the best way to grow one's precious money with peace of mind.

Japan's First Scheme for Purchasing Investment Trusts with Credit Cards

Kantake: There are a lot of people who assume you need a fair amount of on-hand funds to invest. At tsumiki Securities, we overturn this preconception by allowing cumulative investments to be made starting from as little as ¥3,000 a month via one's EPOS card. This system is a first for Japan. Once a month, funds are deducted from customers' accounts together with their usual payments, such as those for shopping or mobile phone bills, and users accumulate EPOS points based on the amounts and duration of their investments. By letting customers make payments with the EPOS cards they have become accustomed to, we hope to lower the hurdle people perceive when they think of investment.

Nakaki: If investments can be made in sums of ¥100 or ¥1,000, while it may be easier to start, it is common for people to stop after only a short time as the purpose of

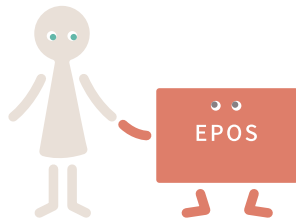
those investments feels unclear. The most common amount for cumulative investments in trusts is ¥10,000, but this amount can feel a bit too high for those who are new to investment. The amount of ¥3,000 can be produced if one only adjusts their expenditures or gives up something small. This amount also gives investments a clear purpose, making it easier to commit to continue. I therefore see that this amount is just right. Monthly cumulative investments are a purchase, a purchase of a sense of security for the future so that one can live in the moment.

Kantake: The financial lexicon can be difficult to understand, and we have had a lot of trouble explaining financial concepts to customers in terms they can understand.

Nakaki: Communicating information in an easy-to-understand manner is important. I take care to provide simple explanations, using the Internet and other tools when appropriate. I do not expect customers that will be building assets through tsumiki Securities to study or understand difficult financial terms. Rather, I want to communicate to these people the effectiveness of cumulative investments, how to incorporate these investments into one's life, and the attitude to be taken toward investments. I also want to teach them how to be more prudent in their use of money.

Kantake: We also try to provide a venue for asking questions that cannot be easily answered via the Internet by means of our stores. Here, customers can ask about product selection, contract terms, or even how to view our websites. We thereby support customers through a two-pronged approach using both the Internet and physical venues.

Nakaki: The representatives of the fund managers we have partnered with all share similar sentiments regarding the importance of face-to-face explanations. No matter how functional and convenient the Internet may become, it cannot replace the passion and dedication that fuel the effectiveness of face-to-face explanations. Of course, we are taking steps to provide support via the Internet that comes closer to what you would get at a physical store.



Meaningful Social Contributions through Investment

Kantake: Our securities business provides services designed to accumulate money for customers' futures. As such, our own reputation is called into question. We have selected four funds to offer, all of which are operated by fund managers that explain the benefits of long-term cumulative investments to customers in the same terms as we do. This narrow selection was chosen in response to customers who stated that, while they wanted to begin asset building, there were too many options for them to choose from with the hope of making this choice easier for them. Furthermore, as these funds have met the government's criteria for being applicable under the Tsumitate NISA program, they can be utilized with peace of mind even by customers that are new to asset building, are overly busy, or are apprehensive toward investment.

Nakaki: That is why it is ideal for the fund management companies we partner with to be those that customers can familiarize themselves with. We therefore selected funds that were worthy of our trust through careful evaluations from both quantitative and qualitative perspectives. The criteria for these evaluations included (1) how compelling their philosophy is, (2) whether they are working to continually improve their performance, and (3) if they actively engage with their customers. I believe that our investment trust business is the ultimate sharing business. In the investment trust business, the money received from customers is channeled through sales companies, tsumiki Securities in our case, to trust funds of management companies and then to companies boasting value. The last step of this cycle sees returns being made to customers through the business activities of those companies. The resulting cycle creates a business that is beneficial for customers, the sales company, fund managers, the companies in which investments are made, and society. Moreover, returns are shared in this business, which is sustainable over the long term. There are still very few sales companies and fund managers that have fully embraced this model. As a forerunner in this area, I hope to promote the spread of cumulative investment.



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Asumi Kantake

Improvement of Overall Corporate Value by Utilizing Management Resources

Kantake: Tsumitate NISA is an offering designed with the customer in mind. This is illustrated by the fact that it has no trust sales commissions and low trust fees. Many companies are choosing not to take advantage of this program because of its low profitability. MARUI GROUP, meanwhile, is proactively utilizing this program because it represents an opportunity to fully utilize its management resources, such as its stores, IT systems, human resources, and affiliates, and because it boasts a customer base consisting of 6.6 million EPOS cardholders.

Nakaki: One will be compelled to purchase an offering when the lifestyle that offering proposes resonates with them. Investment trusts can be seen as one such offering. Furthermore, exercising the full potential of MARUI GROUP requires the strength of individual employees. It is when a charismatic employee devotes themselves to serving a single customer and contributing to their happiness that we will be able to provide services that are truly tailored to individual customers. The ability to make proposals that resonate with customers I sensed in MARUI GROUP's employees after joining the Company is something I feel that we can leverage to its fullest.

Kantake: Encouraging customers to engage in cumulative investment over the long term will also contribute to long-term use of EPOS cards. MARUI GROUP's securities business is therefore incredibly meaningful to improving the Company's corporate value.