

Unique Integrated Group Management Enabling Co-Creation Sustainability Management

MARUI GROUP's integrated Group management has given rise to the profession change system, project teams encompassing employees of all ranks, and various other new initiatives and businesses. The following is a discussion between Masao Nakamura and Toshikazu Takimoto, the segment representatives who underwent MARUI GROUP's most prominent profession changes, and Junko Tsuda and Miyuki Kawara, who are knowledgeable on the start of Groupwide project teams. These individuals discuss the potential for MARUI GROUP to create further innovation through its practice of integrated Group management.



Realization of Integrated Group Management through Adoption of Pure Holding Company System

Nakamura: President Aoi took the helm in 2005 and we adopted the pure holding company system in 2007. Prior to that, we used an operating holding company system in which MARUI CO., LTD., led the retailing business while housing corporate functions. Hiring was performed by individual operating companies.

Takimoto: In 2003, each business established its own sales company, which engaged in relentless sales activities to create higher numbers to tally. The result was a corporate culture that was counteractive to employee happiness and growth. In the past, we had a system in which all employees were hired by MARUI CO., LTD. Today, it feels like we have finally returned to those days.

Kawara: The atmosphere was more hostile at that time. The person who sold the most would be the most highly evaluated and receive the highest salary. Rather than helping or teaching others, everyone was preoccupied with their own interests. I remembered when President Aoi wrote a letter to all employees in 2007. This letter explained the reason behind the transition to the pure holding company system and the sentiments that had been incorporated into the corporate philosophy. The letter described a corporate culture in which employees and businesses worked and grew together. This culture has finally been achieved.

Tsuda: The attitude within the Company has undergone a 180-degree turn. Today, employees have a strong commitment to developing their businesses as a member of the Group, a stark contrast to the past obsession with heightening individual skills and results.

Nakamura: In the past, we had also hired everyone through the same company. However, it was a bit different in that when you were placed in a specific field, products or systems, for example, you would stay there until retirement. These specializations were kind of like separate operating companies. Today's system feels like we returned to that point and then took a step in the right direction.

Profession Changes as a Wellspring for New Ideas

Nakamura: Currently, 43% of our employee base has undergone profession changes by being relocated to a different Group company. The profession change system was launched around 2007, when we began co-creation activities with customers. Those of us on the sales floor at that time had each developed our own image of customers, and nothing short of a profession change would have enabled us to change our thinking.

Kawara: The greatest benefit of my profession change was that, by expanding my network and subsequently broadening my perspective, I was able to come up with new ideas. I was recently transferred from Epos Card Co., Ltd., to a retail position. After this change, I began to naturally link ideas related to retailing, FinTech, and technologies in my mind. Profession changes truly are a wellspring of new initiatives to be enacted by overlapping the strengths of the Group.

Tsuda: I agree completely. I spent a number of years in retail. However, after experiencing positions in purchasing and sales promotion and later store management and new business development, my range of knowledge became substantially more varied. In these different positions, I have formed an ever wider network with



business partners, community members, and other outside individuals. This has given me confidence in new undertakings. The value to be found in these reciprocal relationships is multifaceted and something that other companies cannot imitate.

Nakamura: In 2017, Mr. Takimoto and I switched places; I assumed his role in leading the FinTech segment and he took over my position of heading the Retailing segment. This change left a strong impression on people both inside and outside of the Company. As we were in the midst of encouraging people throughout the Group of all ages to undergo profession changes, I felt that this symbolic swap of the representatives of the Retailing and FinTech segments would send an important message to the rest of the Company.

Takimoto: In my case, I did not feel that this relocation would put me in a completely unfamiliar position, as I had held positions in sales, sales promotion, and planning in the past. However, after the change, I immediately recognized possibilities for EPOS cards that had eluded me previously as well as new initiatives we could implement from a retailing perspective. I have no doubt that this change was a positive development for the Group.

Nakamura: After switching positions with Mr. Takimoto, I found myself working together with him more often as we sought means to further integrate retailing and FinTech. Come to think of it, we have had a past of such switches. Yoshinori Saito, current president and representative director of Epos Card Co., Ltd., used to be a director of MARUI CO., LTD., and Hajime Sasaki, current president and representative director of MARUI CO., LTD., was previously a director of Epos Card Co., Ltd. In the future, I look forward to periodically changing positions so that I can make new discoveries to incorporate into new initiatives for the Group.

Groupwide Project Teams Allowing Exchanges between Employees of All Ages and Ranks

Takimoto: Even if we have allowed for intra-Group profession changes, it did not change the fact that almost all MARUI GROUP employees join right out of university and are cultivated in the same environment. There was thus a need for further change in our corporate culture.

Tsuda: I think it was in 2013 when we decided to establish Groupwide project teams that examine important management themes through a bottom-up approach

with management acting in a supportive role. These project teams drove steady change in our corporate culture and atmosphere.

Kawara: Project teams assemble members from all businesses of all ages and ranks, and members are able to voice opinions without concern for hierarchy. I therefore believe that these meetings provide good stimulation for all in attendance. Those of us representing management are also made aware of previously elusive insights regarding the future through the opinions of new employees.

Tsuda: Whether participating in Groupwide project teams or changing professions, the decision is based on employee volition, and these undertakings allow for discussions that transcend rank to give rise to new ideas. When I think about it, our efforts to reduce overtime and the healthcare management initiatives of today can be traced back to the Work Style Project Team formed in 2008 to involve younger employees in discussions with management. These efforts have gradually led to more proactive thinking, evolving into the quest to make employees healthier and more energetic in their work.

Kawara: The first task of the Diversity Project Team was supporting female employees working shortened hours for childcare purposes, which entailed entrenching an evaluation process that looked at the quality of output as opposed to the length of work hours. Another facet of these efforts was to encourage male employees to get involved in childrearing. As men taking childcare leave became commonplace, the project team's activities evolved to the current focus on building lifestyles that empower employees in their private and professional lives and contribute to higher productivity.

Nakamura: In the past, there were many who simply did overtime to match the work hours of their supervisors. Today, we evaluate people based on their accomplishment of goals and their exercise of the corporate philosophy. It has therefore become important to think about how to create results without overtime.

Takimoto: I want to eliminate unnecessary work to give people more time to think about customers and human resource development. Profession changes can be good experiences. However, employees can find themselves needing specialized knowledge at companies like M & C SYSTEMS CO., LTD., and in businesses such as credit card services. This need and the fast pace of progress mean that significant study is necessary to compete in these areas.



Kawara: It is also important to get enough sleep and exercise and to eat right in order to deliver the best performance. These healthy habits help you clear your mind and can give rise to new ideas. Healthcare management has formed the foundations for such habits.

Nakamura: Health is crucial to creativity in work, and innovation is impossible without such creativity. In this manner, the positioning of health has not always matched its fundamental purpose.

DNA of MARUI GROUP Attracting Younger Generations

Kawara: A major strength of MARUI GROUP is employees who find happiness in helping others. This fact is readily apparent if you take a step outside of the Company. I therefore think that the idea of inclusion, or not excluding anyone, is a perfect match for us. Identifying issues as we seek out those who are troubled and resolving these issues through our business is a process sure to create innovation.

Takimoto: Our growth up until now has been driven by providing joy to those who were at risk of being excluded and making them appreciate our existence. This quest is part of our very DNA. The securities business we launched in 2018 was a product of our desire to prevent

younger generations from being excluded from financial services. This undertaking is in line with our DNA. I hope that customers who start cumulative investments through Tsumitate NISA when young will be grateful that they used their EPOS card to partake in this program when they turn 60.

Nakamura: It used to be the case that new graduates were interested in specific businesses. Now, they seem to be drawn to our corporate philosophy. In addition, many state a desire to test the limits of their potential through profession changes in light of MARUI GROUP's wide range of businesses.

Tsuda: Younger employees were not at all resistant toward the profession change system, and this system has come to be recognized as an opportunity for growth. This system is now a normal part of our business, but to students it is a source of appeal. The cultivation of a culture of tackling new challenges contributes to growth for individuals and businesses while also nurturing the seeds of innovation.

Nakamura: At the moment, we are searching for means of growing the seeds of innovation into new businesses for the Group. By fostering a culture of tackling new challenges, I want to create an ecosystem in which the development of our people equates to development of the Company.