

# Co-Creation of Creditability

The co-creation of creditability is a concept based on the belief of MARUI GROUP's founder that creditability should be built together with customers, rather than assigned to them. One principle encapsulated in our founding spirit is our focus on building trust over long-term relationships, rather than focusing on relationships that end with a single transaction. This is our unique core value, the value that differs from all other companies, the value that defines MARUI GROUP and that, if removed, would cause the Company to cease to be itself.

⇒ P32 Business Model Built on Co-Creation of Creditability

# Diverse Touchpoints with Customers

Our greatest strength from the perspective of retailing is our physical stores, which see visits from an aggregate total of 210 million customers a year, positioned in major cities and other locations across Japan that see large amounts of people traffic. Other touchpoints include the EPOS card application centers positioned within MARUI GROUP facilities, other commercial facilities, and partner companies as well as our directly operated Internet shopping sites and the external sites with which we have allied. Our diverse range of touchpoints with customers is growing with each coming year.

⇒ P36 Diverse Touchpoints with Customers

## Pioneer Spirit of Creating Opportunities

MARUI GROUP's founder also advocated a pioneer spirit of creating opportunities. This spirit is indicative of the Company's commitment to innovation and evolution, which drives it to evolve how it does business to create new demand or markets should there be changes in the happiness sought by customers or in society. In the face of our past management crisis, we responded by breaking away from past successes to build a new business model. However, we remained true to our core value as we undertook this transformation. We firmly believe that it is innovation that evolves a company.

⇒ P28 Innovation and Evolution of Business Model

## Strengths

### Fostered over 88 Years

The core strength of MARUI GROUP, its competitive edge over other companies, is its ability to generate synergies through a philosophy of differentiating itself from rivals by fostering a corporate culture for enacting its founding spirit.

Among MARUI GROUP's strengths are its diverse touchpoints with customers and its credit expertise, both of which were born out of synergies between retailing and finance. Although external stakeholders often attempt to evaluate us by viewing our retailing and finance operations separately, MARUI GROUP's business is actually a fusion of retailing and finance that entails generating unique synergies by maximizing the intersection between these two areas. It is thus impossible to speak of MARUI GROUP without touching on both of these areas.

⇒ P44 IT Capabilities Generating Synergies

## Synergies between Retailing and Finance

### since Founding

## Credit Expertise

MARUI GROUP's credit standards are a clear point of differentiation as they have produced the industry's lowest ratio of delinquent debt. These standards are an extension of the credit philosophy espoused by the principle of the co-creation of creditability that we have embraced since our founding. Based on these standards, credit card applications are not judged on the basis of a customer's age, profession, or income. Rather, we initially set low credit limits to make it possible to issue cards to as many customers as possible. We then proceed to build trusting relations with customers as we raise their credit limit based on their usage frequencies and payment histories. This is the reason that there are many cardholders for which the EPOS card was their first credit card or is currently their main credit card.

⇒ P40 Co-Creation Credit Expertise

Undertaking a new endeavor or creating something completely new can place a great burden on employees. However, employees are able to grow when they can overcome these challenges. The motivation to prevail is much stronger when an employee has chosen to tackle such a challenge of their own volition. MARUI GROUP therefore emphasizes the importance of motivating and empowering its employees, fostering a corporate culture in which employees are invited to voluntarily join hands with us to participate in our initiatives.

⇒ P60 Translation of Individual Strengths into Organizational Capabilities via Understanding and Interaction

## Corporate Culture of Voluntary Participation