

MARUI GROUP's BUSINESS MODEL

Co-Creation Ecosystem

BUSINESS

New Business Model Integrating Retailing, FinTech, and Co-Creative Investment

As a responsible member of society, MARUI GROUP takes steps to resolve social issues while improving corporate value. Our approach to this task entails identifying the social issues to be addressed from the perspective of inclusion and working toward resolutions in our business through co-creation with stakeholders. Efforts on this front going forward will be advanced under a new business model that includes the third pillar of co-creative investment along the prior pillars of retailing and fintech founded on our core value—the co-creation of creditability. By pursuing synergies through this business model, we aim to generate value that is greater than the sum of its constituents.

Co-creative investment: An experimental venue for creating new future-changing businesses based on MARUI GROUP's existing business platform



Co-Creation Ecosystem [Business]

MARUI GROUP's **Three** Businesses

CO-CREATIVE INVESTMENT

Vinyl Record Structure with A-Side and B-Side

MARUI GROUP's view of investment differs from the standard venture capital approach, which targets investment returns and dividends. We rather seek to ally ourselves with comrades sharing our vision and to pool our strengths and generate synergies as partners for co-creating a happier future. Our co-creative investment is structured like a vinyl record, with an A-side and a B-side. The A-side is growth support investment, where we invest in venture companies that share our philosophy and vision and with which we can collaborate. On this side, we conduct investments as a form of support for providing the resources that future generations, who will be both digital natives and sustainability natives, will need to commercialize their passions. The B-side is investments that synergize with our main business. Here, we invest in companies and new businesses entailing superior intangible assets and pursue collaboration to grow the earnings of our respective businesses while resolving social issues.



Yurakucho Marui

Physical Stores That Do Not Sell in the Post-Digital World

MARUI GROUP views retailing as being more inclusive than the one-time transactional relationships that end with the sale of a product in a store. In our retailing business, we provide customers with experience value while forging ongoing relationships through a diverse range of contact points formed via the provision of services that address customer concerns and issues. The greatest strength of our retailing business is our network of 23 Marui and Modi stores that are visited by 200 million customers a year. We are currently in the process of increasing our number of tenants that position stores not as vessels for selling products but as venues for providing experience value and engaging with customers, such as D2C brands, content providers, and subscription service providers. We thereby aim to create stores that do not sell and are designed to provide value unique to physical stores in the post-digital world. Brands with business models centered on e-commerce are anticipated to be able to raise lifetime value by utilizing physical stores as venues for engagement.

RETAILING

FINTECH

Strategy of Maximizing Share of Household Finances for Improving Lifetime Value

MARUI GROUP sees fintech as a means of promoting financial inclusion to provide access to financial services, which were previously limited to wealthy individuals, to everyone, regardless of their age or income, so that they can use the services they need when they need them. This vision has inspired us to continue to practice the co-creation of creditability since our founding. Through this approach, we offer younger people who still have low income credit cards with low credit limits and proceed to build creditability with them as they continue to use their card and pay their bills. Currently, our FinTech segment is advancing a strategy of maximizing its share of household finances. Under this strategy, we provide services that allow customers to use their EPOS cards to make payments for rent, utilities, and even investment, which are usually performed through bank account transfers. The goal of this strategy is to improve lifetime value by increasing usage amounts while forging long-term relationships with customers.

