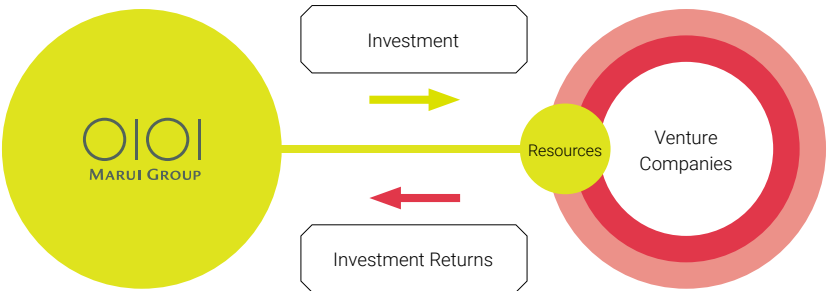


# Co-Creative Investment

## A - S I D E G R O W T H   S U P P O R T

Growth support investment is conducted in venture companies that share MARUI GROUP's philosophy and vision and with which collaboration can be pursued. Investees are provided access to MARUI GROUP's resources, including its Marui and Modi stores, which are visited by 200 million customers a year; its more than 7 million EPOS cardholders; and its seasoned retail staff. Arming investees with these resources, we collaborate to drive their growth and heighten our returns. Targets of these investments include e-commerce business operations, D2C brands, and financial inclusion companies.



### MAJOR INVESTEES



### TOPICS

#### Establishment of D2C & Co. Inc.

MARUI GROUP established D2C & Co. Inc. in January 2020 to carry out co-creative investments. This company will invest in and finance start-up companies developing D2C brands while capitalizing on MARUI GROUP's resources to support the growth of these companies through means such as customer referral. D2C & Co. will also advance a variety of initiatives across D2C-related fields spanning from physical store opening to operation. MARUI GROUP hopes to develop a D2C ecosystem through these efforts.



Press conference held on February 12, 2020



Please refer to D2C & Co.'s website for inquiries regarding investment or store openings (Japanese only).  
[www.d2c.company/](http://www.d2c.company/)

# b8ta

Investment	Tenant store opening	Employee secondment
Store locations: Shinjuku Marui Main Building		

## Japan Debut of Silicon Valley-Originating b8ta Experience-Oriented Store

Established in San Francisco in 2015, b8ta (read "beta") is an experience-oriented store that defines its mission as "retail designed for discovery." To expand upon its store network, which previously comprised 23 stores in the United States and one in the United Arab Emirates, b8ta opened two stores in Japan in August 2020, one in the Yurakucho Denki Building and one in Shinjuku Marui Main Building. These stores employ retail as a service business model with the aim of making retail more easily accessible to everyone. Partnering with b8ta, we hope to build the type of value that can only be provided by physical stores by injecting MARUI GROUP's resources.



#### Customer Behavioral Analyses Provided to Exhibitors

Numerous cameras and sensors have been installed at b8ta Tokyo-Shinjuku Marui to analyze customer behavior. We are thereby able to provide product exhibitors with information on the number of customers that stop in front of certain products and the questions posed to staff members for use in marketing and other strategies.



#### b8ta Tokyo-Shinjuku Marui (located on first floor of Shinjuku Marui Main Building)

At b8ta Tokyo-Shinjuku Marui, staff members receive direct training on all exhibited products from the exhibitor prior to the start of sales to enable them to communicate with customers based on a deeper understanding of these products. The store is staffed by eight individuals, six of whom are MARUI GROUP employees.



#### Exhibition Spaces Offered on a Subscription Basis

At b8ta Tokyo-Shinjuku Marui, 40cm x 60cm exhibition spaces are provided on a subscription basis with contracts as short as six months. These spaces are used to display gadgets, cosmetics, and other products from a variety of companies. Customers can even take these items in hand.

### MESSAGE FROM AN EMPLOYEE

I have long had an interest in D2C brands and start-ups. I was therefore excited to volunteer to be among the initial staff members at b8ta Tokyo-Shinjuku Marui, the first store of its kind in Asia. The view of stores as sales floors necessarily leads one to focus on sales. In this store, however, we take the role of "b8ta testers," and it is our job to internalize the passion exhibitors have poured into their products and communicate this to customers so that they can make new discoveries and have new experiences. Customers' responses to the products on display are varied, so I work to collect data that cannot be extracted from the behavioral analyses performed by our cameras. The b8ta store provides an atmosphere that helps us remember the fundamental reason we enjoy shopping in a manner that is not emotionally stressful as we spend time with our loved ones amid the COVID-19 pandemic. I think that experience-oriented, digital native stores like this show us the appeal that brick-and-mortar stores can have in the future.



#### Kumiko Tanabe

b8ta Tokyo-Shinjuku Marui  
 MARUI CO., LTD.

# MEDULLA

Investment   Tenant store opening   Employee secondment

Store locations: Yurakucho Marui

## Japan's First Personalized Shampoo Brand

The D2C brand MEDULLA is the first brand in Japan to provide shampoo that can be personalized to address the concerns of individual customers, meaning that it can be customized to respond to the various hair-related issues that can arise based on weather, lifestyle, or age. A flagship store for this brand was opened in Yurakucho Marui in December 2019, and we are examining the possibility of engaging in EPOS card collaboration with this brand.



### Hair and Scalp Data from More Than 100,000 Customers

MEDULLA's ever-expanding lineup encompasses shampoo as well as a wide range of other haircare products. This brand also offers custom hair oil that is prepared based on hair diagnoses calling upon a database of hair and scalp data collected from more than 100,000 customers.



### Approximately 30,000 Combinations for Personalized Proposals

By answering just nine questions on MEDULLA's website, customers can receive personalized proposals that select the products best for them from among approximately 30,000 combinations. Formulations are blended based on the individual customer's needs and shipped to them once every two months. This ease and the effectiveness of these products have led subscription numbers to climb past 200,000 (as of September 2020).



### Content Experiences Unique to Physical Stores

Seeking to respond to customer demand to preview products and fragrances at stores, MEDULLA opened an experience-oriented store in Yurakucho Marui. This store allows customers to enjoy content experiences, such as scalp diagnosis and gift wrapping, that can only be offered at physical stores.

### MESSAGE FROM A BUSINESS PARTNER

Physical stores make it possible to solicit direct customer input that cannot be gained from the numerical data collected via e-commerce venues. They also provide a valuable opportunity for customers that would have not encountered the MEDULLA brand online to learn of us. I therefore see great potential for physical store openings. We see visits from numerous customers who want to undergo scalp diagnoses, preview the fragrance of our products, or experience our brand in some other way that is only possible offline. MARUI GROUP's staff is incredibly understanding of D2C brands, and they have supported us in a variety of ways. This is why we chose to set up shop in one of MARUI GROUP's stores. Their service is fast and courteous, even in the midst of the COVID-19 pandemic, and they even helped us set up live broadcasts from our store. In the future, I hope to expand our collaborative relationship beyond stores to include personnel exchanges and joint business development in order to co-create the ideal form for D2C brands and ultimately for digital native stores in Japan.



**Yosuke Miyama**

Representative Director  
Sparty, Inc.

# FABRIC TOKYO

Investment   Tenant store opening   Employee secondment

Store locations: Shinjuku Marui Main Building, Shibuya Modi, Yurakucho Marui, Ikebukuro Marui, and Kobe Marui

## Made-to-Order Suits That Fit Your Life

Based on the concept of "Fit Your Life," FABRIC TOKYO provides made-to-order suits that match customers not only in terms of size but also in terms of their lifestyles and values. This company handles all aspects of this process spanning from taking customer measurements to production at affiliated factories and sales. Apparel products have long been associated with the issue of mass waste. However, this issue can be addressed through made-to-order options in which items are only made after an order has been received. This sustainable approach resonates with MARUI GROUP. Customer measurements are taken at FABRIC TOKYO's physical stores, and this size data can be used to order suits that perfectly fit each individual customer online.



### Impeccable Quality at Affordable Prices

Online, FABRIC TOKYO customers are able to manage their favorite styles and size data while also ordering clothing that perfectly fits their bodies. In addition, FABRIC TOKYO uses a factory-to-customer scheme to directly link purchasers and producers so that it can deliver products with impeccable quality at affordable prices.

### MESSAGE FROM A BUSINESS PARTNER

FABRIC TOKYO is a D2C brand that was born on the internet. However, the products we deal in require professional skills to measure customer bodies and adjust to make an appealing silhouette. We therefore have to develop stores with facilities for this purpose. Our first forays into physical stores took the form of the limited-time opening of a location in Yurakucho Marui. This store proved ideal given that its location and customer base matched our target demographic. We thus chose to expand our presence in Marui stores starting with Shinjuku Marui Main Building. We also felt that a 10% discount for EPOS cardholders would be an appealing way to gain new customers without discounting our brand. Sure enough, these discounts have been making large contributions to the growth of our business. Furthermore, MARUI GROUP employees have been dispatched to work together on our projects, and this has proven to be a good opportunity to deepen our understanding of each other's business.



**Junichi Mukai**

Store Development Specialist  
FABRIC TOKYO Inc.



### Personalized Coordination Support

Customers can visit FABRIC TOKYO stores at Shinjuku Marui Main Building and other locations to have their measurements taken by specialized coordinators with consideration paid to the characteristics of their body. These coordinators will also sit down with customers to discuss their concerns and the image they want to portray in order to offer personalized coordination support matched to their lifestyles.



### Commitment to Quality Transmitted to the Future

FABRIC TOKYO cuts out intermediary distributors to form direct relationships with all of its affiliated producers with respect for openness and transparent traceability. These relationships allow it to make information on production sites and distribution openly available.

### MESSAGE FROM AN EMPLOYEE

In the past, I had the opportunity to observe physical D2C brand stores in the United States through MARUI GROUP's overseas dispatch program, giving me a sense of the potential for stores that do not sell. I later volunteered to be seconded to FABRIC TOKYO based on the belief that MARUI GROUP needed to change how it operated its stores. FABRIC TOKYO has a corporate culture that aims to prevent situations in which specific jobs can only be performed by certain people, translating often unspoken customer service techniques into words that anyone can understand. This has resulted in a high level of customer service proficiency among its staff. In the future, I hope to utilize my secondment experience to create physical stores that offer a sense of excitement without being bound by preconceptions.



**Yusuke Iwamoto**

Seconded to FABRIC TOKYO Inc.  
MARUI CO., LTD.  
(As of August 2020)