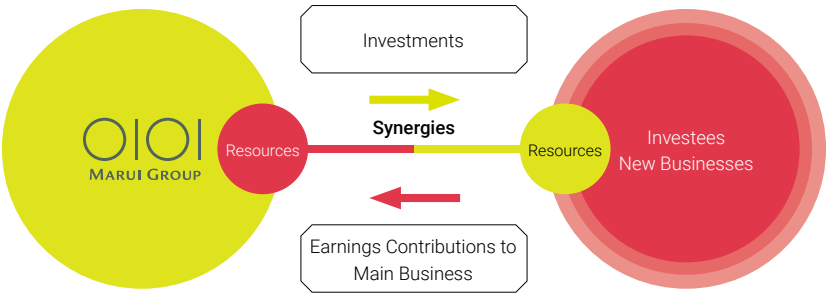


Co-Creative Investment

B - S I D E
S Y N E R G I Z E

Investments that synergize with our main business are defined as investments in companies and new businesses that entail superior intangible assets. Through these investments, we aim to incorporate the unique expertise and other intangible assets of these companies into MARUI GROUP while generating synergies by means of collaboration to grow the earnings of our main business. In cases in which we can expect synergies with our main business, we will invest in venture companies not anticipated to make initial public offerings or in listed companies. This was the case with the anime business launched in the fiscal year ended March 31, 2016. We also invest in sustainability companies as well as in new businesses, such as the securities business of tsumiki Co., Ltd.



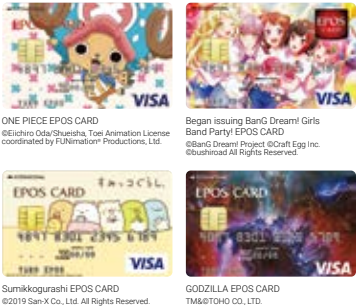
MAJOR INVESTEES



TOPICS

First B-Side Song—Anime Business

MARUI GROUP established the Anime Business Department in April 2016 to create a new business for contributing to earnings in our main business by facilitating the growth of our retailing and fintech businesses. Over the four-year period encompassing the fiscal years ended March 31, 2016–2020, we have invested a total of ¥120 million in anime movies. These investments have generated significant returns in the forms of synergies with our main business and contributions to consolidated operating income totaling ¥4.3 billion.



Investment

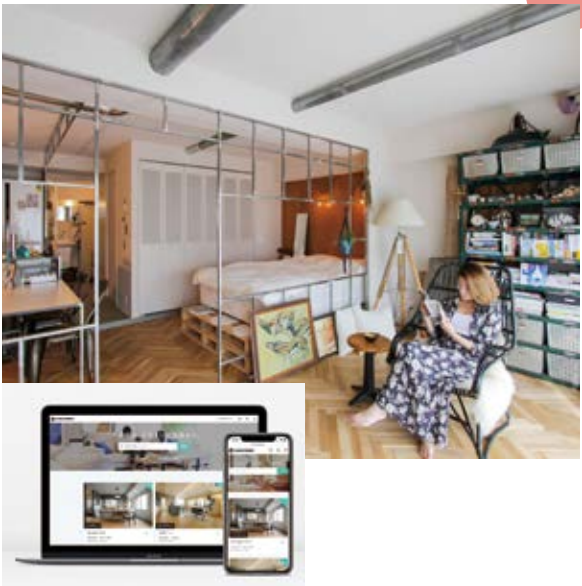
Pocket Marche offers a direct distribution platform that allows consumers to purchase ingredients directly from farmers and fishermen. This platform communicates not only the appeal of the items being offered but also the stories of their producers, providing consumers with the option to make purchases based on their values or a story they found particularly compelling while also emphasizing the value of direct communication between products and consumers. Through its business and capital alliance with this company, MARUI GROUP is examining possible initiatives for creating new value including in-store events and benefits for EPOS cardholders as it works to create new experience value.



TSUKURUBA

Investment

New business development



Shaping spaces through a combination of design, business, and technology is the business of TSUKURUBA Inc. Specific aspects of this business include providing living proposals matched to customers' individuality through development of offices for start-up and IT companies and the cowcamo service that lets users find their one-of-a-kind dream home from among a limited selection of secondhand and renovated properties. As our first collaborative venture, we will jointly develop a renovated rental condominium brand by pooling our resources and expertise. Through this collaboration, MARUI GROUP aims to ramp up its efforts in the area of housing, where we expect to be able to improve lifetime value through long-term relationships with customers.

MESSAGE FROM A BUSINESS PARTNER

At TSUKURUBA, co-creation has been an important theme in our corporate culture and in our business since the time of our founding. When looking for partners, we became aware of MARUI GROUP's co-creation management philosophy. Recognizing that this philosophy resonated with our own, we decided to join hands. It has been a number of years since the emergence of the buzzword "open innovation," but there are still only a few cases of true success in open innovation. Success in open innovation requires ongoing commitment, in both rhetoric and action, until it becomes an unwritten part of a company's corporate credo. This is, of course, easier said than done. Meanwhile, I see co-creation as an effective method of maximizing the value we provide to consumers and to society. The goal I envision for our partnership with MARUI GROUP is the maximization of the experience value we offer the consumers that are our customers. This partnership will begin with the development of a renovated rental condominium brand. We will take a broad perspective with regard to this initiative, seeking to evolve the experiences offered in the rental housing field to include digital experiences. I pledged with President Aoi to create an example of successful open innovation in Japan, and I am absolutely committed to ensuring the success of this undertaking.



Hiroki Murakami
CEO
TSUKURUBA Inc.

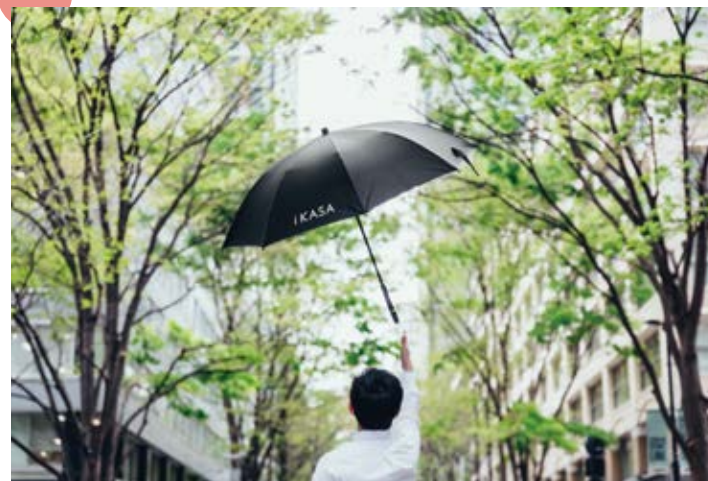


iKASA

Investment

Employee secondment

Nature Innovation Group Co., Ltd. is developing iKASA Japan's first umbrella sharing service. With iKASA, there is no need to rush to buy an umbrella in the event of sudden rainfall; customers can rent one for 24 hours for only ¥70 and then return it to the most convenient location, keeping them safe and dry from the rain. The iKASA service is being developed as a piece of infrastructure for ensuring mobility on rainy days by eliminating the restrictions placed on movement if one does not have an umbrella while freeing them from the discomfort of getting wet. This service also contributes to the sustainability of society by reducing the number of plastic umbrellas that are purchased and promptly thrown away. We are steadily introducing the iKASA service at Marui and Modi stores across Japan while engaging in other collaborative ventures with Nature Innovation Group.



Investment

New business development

Life is Tech, Inc. offers Life is Tech!, one of Japan's largest IT education programs for junior high school and high school students. This program is designed to foster creativity and allow students to learn about technologies for creation through the study of app development and other programming disciplines as well as cutting-edge technologies such as digital art. MARUI GROUP has formed a business and capital alliance with this company through which we aim to jointly create new businesses with an eye to future generations. Our participation is taking the form of support from employees for giving form to the ideas of students as we accelerate new business development and other co-creation activities. Life is Tech, Inc. is capitalizing on its expertise to contribute through overall planning, student recruitment, and mentoring to further expand co-creation activities oriented toward future generations.



MARUI GROUP wants to hear revolutionary ideas for changing the future from university and graduate school students. Application is open until mid-November 2020 (Japanese only).
www.0101maruigroup.co.jp/future/



Investment

Tenant store opening

Employee secondment

Collaboration cards

Store locations: Shinjuku Marui Annex, Marui City Yokohama, Hakata Marui

A-to inc. operates Suruga-Ya, a major e-commerce website specializing in secondhand hobby items centered on plastic models, figures, and other anime merchandise. Together with this company, we launched the SURUGAYA EPOS CARD in 2020. Moreover, A-to has opened Suruga-Ya stores in Marui stores. These stores see higher visitation from female customers than A-to's directly operated e-commerce site or physical locations in other stores. These locations are thus helping this company make contact with a new group of customers. We have also launched a new service in which shipments of items that customers wish to sell can be conducted at dedicated service counters in Marui and Modi stores. This option was previously only available through standard courier services or at Suruga-Ya locations. In the future, we look forward to further improving customer experiences through collaborative initiatives that take advantage of our stores and the distribution networks of subsidiary MOVING CO., LTD.



MARUI GROUP is pursuing synergies with its main business through co-creation in forms other than co-creative investment.

mercari

Service coordination

Tenant store opening

Operation contracting

Store locations: Shinjuku Marui Main Building



First Physical Mercari Station Location

In June 2020, Mercari, Inc., opened its first physical Mercari Station location in Shinjuku Marui Main Building. This shop offers offline experiences and services centered on digital technologies, making it highly compatible with MARUI GROUP's store development strategies. Mercari, Inc., has also set up a Mercari Station at the LaLa terrace MUSASHIKOSUGI shopping center (not associated with MARUI GROUP). Operation of both of these locations is outsourced to MARUI GROUP employees.

MESSAGE FROM A BUSINESS PARTNER

Customers visiting Mercari Station include both existing Mercari users and individuals who have yet to experience the app. These customers are all ages and even come from locations outside of Tokyo. Post-visit survey results have shown impressive satisfaction rates of nearly 90%. Customers who thought the Mercari app would be a hassle have expressed that their visit made them see how simple the app was and that they now want to list an item. MARUI GROUP provides us with support for operating our store while also proposing methods of recruiting customers and improving operating practices. Mercari Station provides numerous opportunities for making contact with customers, through Mercari experiences, workshops, events, and live broadcasts. Through this venue, we hope to communicate the appeal of the Mercari Group and increase our fan base.

Yukiko Ohdo

Business Development OMO & mercari Station Manager
Mercari, Inc.



More details can be found on the following website (Japanese only).
www.to-mare.com/news/2020/post-3.html

New Global Marketplace for Creating New Value

"I want to circulate our limited resources to help society thrive." The Mercari marketplace app was born out of this realization by the founder of Mercari, Inc., as he traveled the world. This company aspires to harness the power of technology to make it easy for people around the world to link up and enjoy the experience of buying and selling with each other. Mercari, Inc., is expanding its range of online and offline touch points to allow prospective sellers with no previous experience to try out the Mercari experience while also making the app more familiar and convenient for current users.



Venue for Enjoying Learning About and Experiencing Mercari

Mercari, Inc., holds Mercari Workshops to teach people how to use the Mercari app. At these workshops, instructors guide students through the experience of finding and purchasing products and of listing unneeded items for sale while also teaching them other ways to enjoy Mercari. Support is also offered for sellers in such ways as booths for photographing products and consultation.



Easy and Convenient Shipping Using Unmanned "Mailboxes"

Mercari Post, an unmanned "mailbox" that allows sellers to ship sold items simply by dropping them in one of these boxes. These easy and convenient shipping kiosks provide services ranging from automated shipping label preparation to shipping. They are particularly appealing as sellers can perform all processes leading up to shipments while receiving support from staff members by just bringing in the sold items.

MESSAGE FROM AN EMPLOYEE

Our co-creation activities with Mercari, Inc., match up with MARUI GROUP's vision for digital native stores and stores that do not sell. We provide Mercari, Inc., with store operation expertise and employees skilled in customer service as well as a venue for allowing customers to experience the Mercari app. This venue helps to enhance this company's offline customer contact points and to increase engagement with Mercari. Those of us who have been entrusted to staff Mercari Station go about operating the store while emphasizing the importance of both customers and the needs of Mercari, Inc. We also realize that trust is indispensable to long-term co-creation partnerships. During the Mercari experiences offered at Mercari Station, we frequently see customers form a natural connection and begin to teach one another, making us aware of the potential for this store to foster a sense of community. In my own capacity, I hope to help develop a new model for Marui stores that will continue to be used for three decades.



Ryo Matsumoto

Mercari Station
Shinjuku Marui Main Building
MARUI CO., LTD.