

Editorial Policy

MARUI GROUP has been publishing co-creation management reports and co-creation sustainability reports as tools for stakeholder engagement since 2015. Another such tool is *VISION BOOK 2050*. These management strategy reports are forged over a process of more than 40 planning meetings a year led by President Hiroshi Aoi. Our co-creation management reports are integrated reports that focus on the financial and pre-financial information that will support the exercise of MARUI GROUP's corporate philosophy and the ongoing growth of the Company. In compiling these reports, we reference the concepts of connections between organizations and value creation for others and series of capitals contained in the *International Integrated Reporting Framework* released by the International Integrated Reporting Council in December 2013. We also referenced the idea of a dichotomy between short-term gains and investments in intangible assets contained in *Ito Report 2.0* as well as the view on value creation narratives linking values, business models, strategies, success, important indicators, and corporate governance contained in the *Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation: ESG Integration, Non-Financial Information Disclosure, and Intangible Assets into Investment* released by the Ministry of Economy, Trade and Industry in May 2017. In addition, Director and Managing Executive Officer Hirotosugu Kato regularly participates in the exchanges of opinion as a member of the Forum for Integrated Corporate Disclosure and ESG Dialogue and of the Study Group for Discussing Approaches to Making More Substantial the Dialogues for Creation of Sustainable Corporate Value arranged by the Ministry of Economy, Trade and Industry for the purpose of facilitating discussions between companies and investors based on the *Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation*. Moreover, in preparing to publish *Co-Creation Management Report 2020*, we held a total of 19 planning meetings. However, we were unable to hold the face-to-face meetings with investors that have been conducted in preparation for previous reports. Accordingly, planning meetings were carried out based on previously received input from investors, investor survey results, and opinions and requests from other stakeholders.



Overview of 19 Planning Meetings

Attendees

President Hiroshi Aoi; CFO Hirotosugu Kato; representatives from the Corporate Planning Division, the IR Department, the Financial Department, the Sustainability Department, the ESG Promotion Department, the General Affairs Department, the Investment Research Department, and EDGE INTERNATIONAL, INC. as well as external experts in the fields of sustainability, renewable energy, and veganism

Major Discussion Themes

- Results of surveys with investors and experts
- Progress of and revision to MARUI GROUP's 2050 Vision
- Vision of stakeholder capitalization and companies
- Revisions to the MARUI GROUP Code of Conduct, the MARUI GROUP Environmental Policy, and the MARUI GROUP Human Rights Policy
- View of green businesses in light of the climate crisis
- New food options provided by veganism
- Internal and external impacts of global COVID-19 pandemic
- Ideal partnerships with stakeholders
- New business model merging retailing, fintech, and co-creative investments (investments in intangible assets)
- Officer skill map indicators and utilization methods
- View of interests and happiness in regard to corporate value

Afterword

Thank you for reading *Co-Creation Management Report 2020* to its end.

We had to overcome several obstacles during the process of preparing this year's report. The start of the process was delayed for three months due to the global COVID-19 pandemic. Subsequently, the activities of the Groupwide project team that generally handles report preparation at MARUI GROUP had to be conducted primarily online. We were also forced to completely rethink all aspects of the report, including the expression methods and composition with regard to consistently highly rated elements such as dialogues with external experts and photographs of our energized employees. Throughout the process, the project team engaged in numerous discussions on the question of what we should communicate in this year's integrated report. Turning the spotlight toward MARUI GROUP's new business model merging retailing, fintech, and now co-creative investment, which was announced together with our financial results for the fiscal year ended March 31, 2020, we kept information on existing businesses previously communicated in other materials to a minimum. At the same time, we explain in detail the actions for the future to be taken to reduce greenhouse gas emissions as well as the corporate culture supporting those actions through dialogues. It is likely that our readers will have mixed opinions about this structure given that we have yet to announce our performance forecasts for the fiscal year ending March 31, 2021, due to the heavy impact that the closure of our stores and other developments had on our performance. Regardless, we chose to talk about the future, something we think is incredibly important, particularly at this time when there still is no end in sight for the COVID-19 pandemic. There may be some areas in which our explanations are insufficient. I therefore hope to use this report as a tool for stimulating dialogue so that we can receive a wide range of feedback from stakeholders. This feedback will guide us as we seek to engage in future-oriented co-creation activities with as many stakeholders as possible.

I look forward to your ongoing support of MARUI GROUP.

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Let's Join Hands

CO-CREATION

with you

MARUI GROUP's vision for the world of 2050

is one in which all dichotomies have been transcended to allow future generations and all other individuals to live happily and as themselves.

Realizing this vision will require that we engage in co-creation with MARUI GROUP employees as well as with customers, business partners, communities and society, investors, and the future and younger generations that will shape the future.

We invite everyone who shares our vision for the future to join hands with us in co-creating the happiness of all people.



Co-Creation Management Reports

www.0101maruigroup.co.jp/en/ir/lib/i-report.html

Annual integrated reports focused on management strategies



VISION BOOK 2050

www.0101maruigroup.co.jp/en/sustainability/lib/s-report.html

Report published in March 2019 declaring MARUI GROUP's vision for the world of 2050



Co-Creation Wellness Report (Japanese only)

www.0101maruigroup.co.jp/sustainability/lib/w-report.html

Report detailing wellness management initiatives going beyond the basic approach of preventing illness in order to foster more energized and happy employees



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