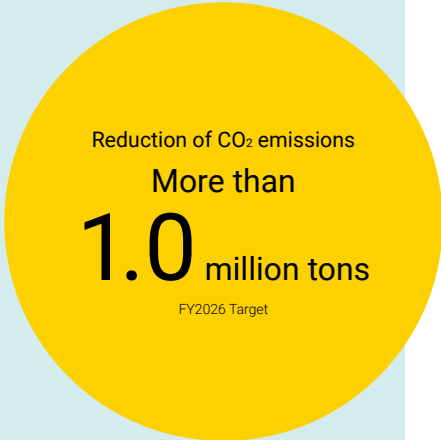


CONTRIBUTIONS TO A DECARBONIZED SOCIETY

In July 2018, MARUI GROUP joined the RE100 international initiative with membership from companies that have declared targets of sourcing 100% of the electricity used in their business activities from renewable energy. This move signaled the start of our efforts to contribute to a decarbonized society through our business activities and together with all of our stakeholders.



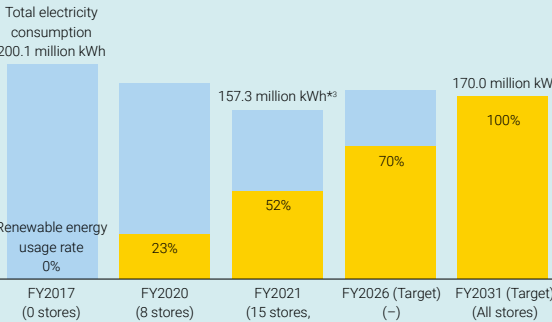
Reduction of CO₂ Emissions Together with Stakeholders

In December 2018, MARUI GROUP formed a business and capital alliance with UPDATER, Inc. (formerly Minna-denryoku, Inc.). This energy field start-up company is the first in the world to use blockchain technology to achieve commercial traceability of electricity. UPDATER uses this technology primarily to provide its Minna-denryoku service for supplying renewable energy to companies and households.

Working together with UPDATER and other renewable energy providers, MARUI GROUP is moving forward with an effort to utilize renewable energy at all of its Marui and Modi stores across Japan. In the fiscal year ended March 31, 2019, Shinjuku Marui Main Building was the only location using renewable energy, but this number has since ballooned to 15 stores and five offices in the fiscal year ended March 31, 2021, resulting in renewable energy accounting for 52% of all electricity used by the Group. We aim to increase our usage of renewable energy to account for 100% of all electricity purchased by the fiscal year ending March 31, 2031.

UPDATER's corporate website (in Japanese only)
minden.co.jp/

Road Map to 100% Use of Renewable Energy



■ Non-renewable energy ■ Renewable energy
*3 Total electricity consumption was lower than projected in the fiscal year ended March 31, 2021, as a result of store closures stemming from the impacts of the COVID-19 pandemic.

In addition to embracing renewable energy itself, MARUI GROUP is encouraging customers to switch to renewable energy to achieve further reductions in CO₂ emissions as part of a project launched in September 2020. As one facet of these efforts, we have introduced the Minna-denryoku EPOS Plan, a plan that makes it easy for holders of MARUI GROUP's EPOS cards to switch to renewable energy. We have also begun issuing Minna-denryoku EPOS Cards. As the first credit cards in Japan to be made of recycled plastic, each Minna-denryoku EPOS Card issued emits 9.8 grams less CO₂ than would be produced when issuing a conventional credit card.*¹ Moreover, ¥1,000*² will be donated to renewable energy generators upon application to help fund the maintenance and development of renewable energy generation facilities. We have set the goal of increasing the number of EPOS cardholders using the Minna-denryoku service to 500,000 by the fiscal year ending March 31, 2026. MARUI GROUP thereby looks to achieve a reduction in CO₂ emissions of more than one million tons in the aforementioned fiscal year when combining the reductions associated with this service with its own CO₂ reductions.

*¹ Based on data from credit card production companies with which MARUI GROUP has business relationships
*² Approximately U.S.\$9



Minna-denryoku EPOS Card, the first credit card in Japan to be made of recycled plastic

EPOS Net (in Japanese only)
www.eposcard.co.jp/eposnet/index.html

Information on Minna-denryoku EPOS Cards (in Japanese only)
www.eposcard.co.jp/collabo/minden/index.html

Power Plant with Visibility of Producers Created by Community Members

UPDATER currently has contracts with more than 600 power plants through its Minna-denryoku service.* One of these is the Atsugi Community Power Station located in Atsugi City, Kanagawa Prefecture. This power plant was established through funding by approximately 150 residents of Atsugi City, which was used to install solar panels on a 500-m² plot of farmland at the Ochiai farm. Approximately 33,300 kWh of electricity are generated by the power plant each year, which has contributed to a reduction in CO₂ emissions of 13.9 tons. Individuals involved with the community power plant have stated that they want to make renewable energy available to people who want to use it, and that it was this desire that inspired them to sign up for the Minna-denryoku service, which boasts thorough traceability combined with clear visibility of the producers of power.

* As of July 1, 2021



Community members involved with the Atsugi Community Power Station



Comments from Customers Using the Minna-denryoku EPOS Plan

Reason for Switching

I applied because the process of switching was so easy.

My decision was based on consideration for the environment as well as for my power bill.

I learned about the service through the EPOS card app when I was looking for a power company that didn't use nuclear power.

I was interested in renewable energy and wanted to use power that didn't hurt the environment.

Feelings after Switching

I hope for the success of renewable energy generators across Japan.

I have started thinking more about the future we will leave for our children.

I want to do what I can to help preserve the global environment.

I have become more mindful of the environment in my daily life.

VOICE



Yukito Takamura
Seconded to UPDATER, Inc.
MARUI GROUP CO., LTD.

I hope to communicate just how easy it is to switch to renewable energy.

It is said that around half of the CO₂ emitted from a standard household is from electricity. Accordingly, the best way for us to contribute to the fight against climate change is to switch to renewable energy for our household electricity use. Decarbonization is a task that will require us to fundamentally transform society. However, this transformation will only be possible if individuals also change how they think. The Minna-denryoku EPOS Plan allows users to procure 100% renewable energy at prices that are cheaper than those of major power companies. Users are also able to accrue EPOS points, making this plan beneficial for both the future and the people using it. I hope to communicate just how easy it is to switch to renewable energy in order to encourage people to make the switch.

FOSTERING OF A CIRCULAR CULTURE

Raised with a natural motivation to pursue sustainability, members of younger and future generations could be thought of as sustainability natives. The values held by such sustainability natives are projected to become mainstream going forward. Circular economies will be imperative to this new era. Here, we will introduce some of MARUI GROUP's initiatives for creating circular economies and fostering a circular culture.

Number of individuals provided
with circular lifestyle options

More than
1.0 million customers

FY2026 Target

Circular Culture Driven by Sustainability Natives

In 2024, sustainability natives are expected to represent a majority of the workforce in Japan. This rise indicates a pressing need to move away from prior business models founded on mass production and mass consumption to supply more-sustainable products and services.

One example of a company providing such sustainable offerings can be seen in Sparty, Inc., which manufactures and sells the MEDULLA brand of shampoo that it customizes to each individual customer. Another example would be FABRIC TOKYO Inc., which offers made-to-order business wear.

MARUI GROUP is developing diverse and unique businesses together with direct-to-consumer (D2C) companies such as these. In co-creation with D2C companies, MARUI GROUP's brick-and-mortar stores function as a physical platform for providing personalized experience value. This is one format for the new stores that do not sell, advocated by MARUI GROUP.

Co-creation with D2C companies and start-up companies will be a central pillar of our efforts to provide options for circular economies and sustainable lifestyles going forward.



MEDULLA store offering scalp diagnosis, fragrance testing, and other experiences only possible at a physical store (Yurakucho Marui)
medulla.co.jp/ (in Japanese only)



FABRIC TOKYO store functioning as a showroom primarily used for displaying fabric samples and taking measurements (Shinjuku Marui Main Building)
fabric-tokyo.com/ (in Japanese only)



New Circular Economy Initiatives

iKASA

MARUI GROUP is engaged in co-creation with Nature Innovation Group Co., Ltd., developer of iKASA, Japan's first umbrella sharing service designed with the goal of reducing the use of cheap plastic umbrellas that are often discarded after a single use. With this service, customers can rent an umbrella when it rains and then return it to the most convenient location after the rain has stopped. With more than 850 locations across Japan, this service boasts an aggregate total of more than 200,000 registered users. www.i-kasa.com/ (in Japanese only)



TSUKURUBA

TSUKURUBA Inc. operates the cowcamo platform for finding, buying, and selling second-hand and renovated residential properties. MARUI GROUP is working together with this company to develop a renovated rental condominium brand and associated business.

tsukuruba.com/en/



MARUI TOCLUS Kichijoji

MARUI TOCLUS Kichijoji is a share house attached to Kichijoji Marui that was developed by renovating an existing apartment complex. Based on the concept of "living with Marui," this share house offers services that address the concerns of younger generations regarding living alone and rent payments.

marui-toclus.com/ (in Japanese only)
 Photograph by Takumi Ota



VOICE



Kyoko Wada
 Co-Creation Promotion
 Department,
 Co-Creation Promotion Division,
 Epos Card Co., Ltd.

I will work together with younger generations to reduce the use of cheap plastic umbrellas.

The U22 Support Plan was launched through the iKASA service in June 2021. Targeting youths under 22 across Japan, this plan was developed based on the strong commitment of MARUI GROUP and of Nature Innovation Group President Shoji Marukawa to support the lifestyles of younger generations. This plan garnered a positive response, with users mentioning how they didn't need to buy umbrellas at convenience stores anymore because there was an iKASA at their school campus or expressing their appreciation to iKASA and EPOS for saving them from being drenched by sudden downpours. These comments gave me great joy and convinced me to work together with younger generations to reduce the use of cheap plastic umbrellas as my first attempt to help resolve social issues through our business.

VOICE



Nagisa Muramatsu
 Business Planning Section,
 TOCLUS Business Department,
 MARUI HOME SERVICE Co., Ltd.

I hope to offer easy access to opportunities to experience circular lifestyles.

MARUI HOME SERVICE is developing its TOCLUS brand of share houses as a new business pillar for supporting members of younger generations living alone. MARUI TOCLUS Kichijoji, our first such share house, was opened in March 2021. Linked to Kichijoji Marui via a bridge, this living facility proposes a new lifestyle in which a store holds a prominent position in one's everyday life. I hope to offer such easy access to opportunities to experience circular lifestyles through co-creation with business partners and thereby give customers the chance to engage with our ideals. Moreover, it is my desire to use this share house as the starting point for an enduring relationship with customers that continues even after they move out and thus contributes to lifetime value.