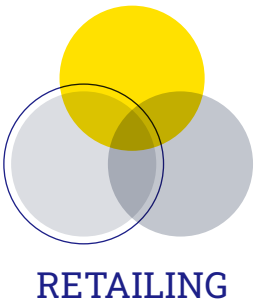
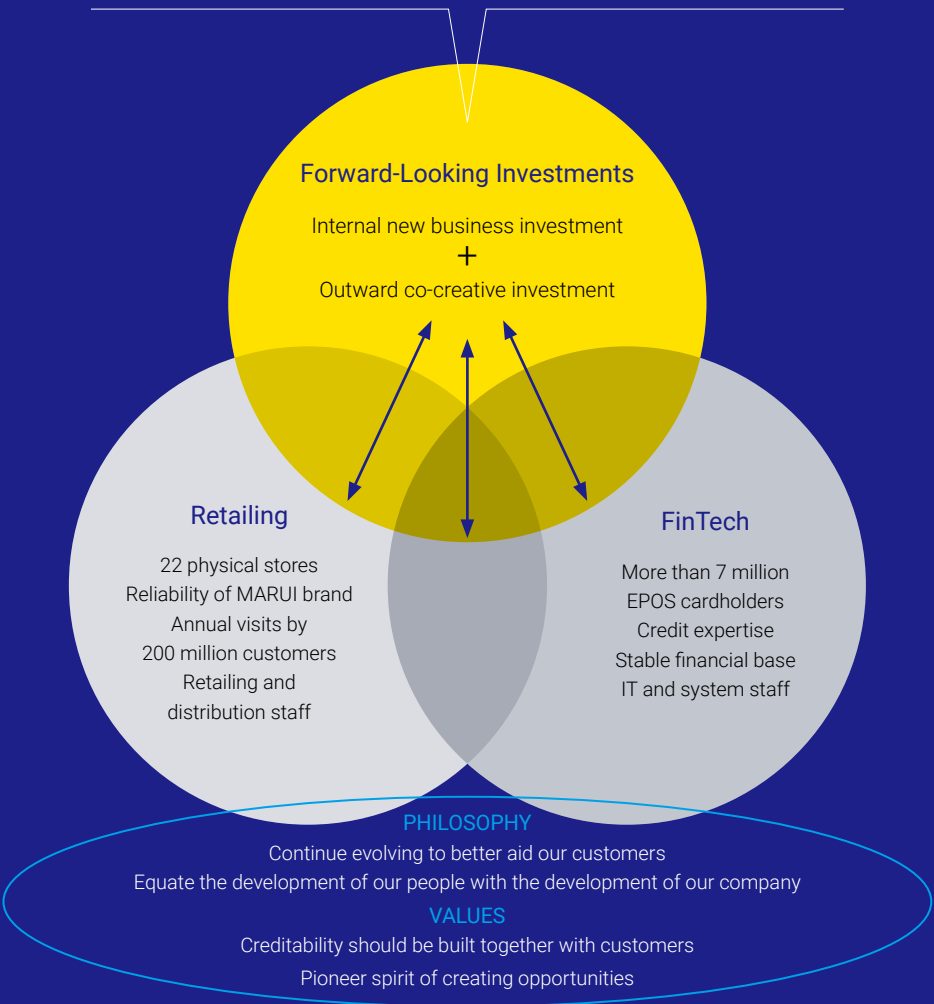


# MARUI GROUP'S BUSINESS MODEL

## Business Model Integrating Retailing, FinTech, and Forward-Looking Investments for Achieving Positive Impact

For MARUI GROUP, corporate value entails creating harmony between the interests and happiness of all of our stakeholders and growing the intersection of these interests and happiness. We are therefore committed to improving corporate value and resolving social issues through co-creation with stakeholders in order to have a positive impact on society. Efforts on this front going forward will be advanced under a new business model that includes the third pillar of forward-looking investments 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.

Investment only in businesses that create positive value for the future, an experimental venue for achieving earnings growth together with desired impacts through innovation

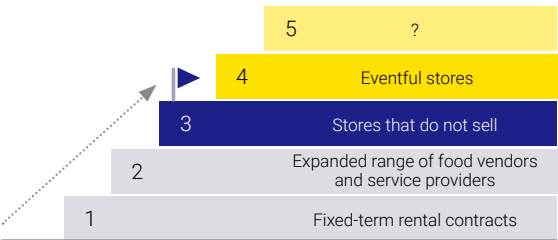


**Physical Stores Seeing Visitation from 200 Million Customers a Year**

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. Our Marui and Modi stores are not focused on the sales of goods and services. Rather, we are transitioning toward the new models of stores that do not sell and eventful stores by providing the unique value that only physical stores can through a marriage of online and offline venues.

Our stores are populated by tenants ranging from food vendors and service providers popular among all ages and D2C brands with strong fan bases that primarily sell their wares online to hobby, anime, entertainment, and sustainability companies. These tenants use our stores as physical venues for engagement with customers.

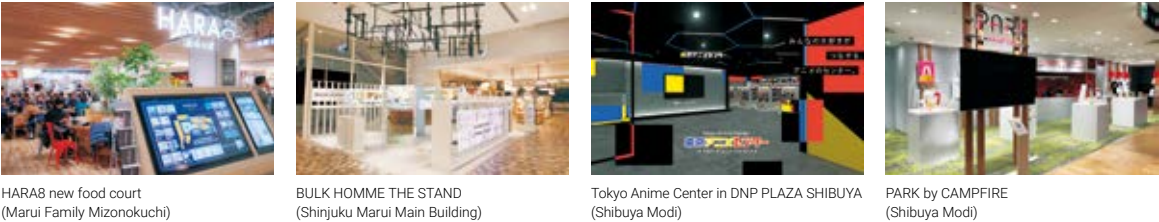
Evolution of Physical Stores



Representation of Product Categories on Sales Floor

|                      | Sales floor:<br>317,355 m <sup>2</sup> | Sales floor:<br>310,743 m <sup>2</sup> |
|----------------------|--|--|
| Apparel              | 44%                                    | 24%                                    |
| Miscellaneous goods  | 38%                                    | 40%                                    |
| Food, services, etc. | 18%                                    | 36%                                    |
|                      | FY2014                                 | FY2021                                 |

Noteworthy Establishments



### VOICE

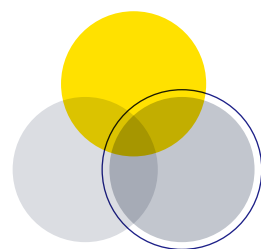


Masahiro Aono  
Senior Executive Officer  
In charge of Retailing Business  
President and Representative  
Director, MARUI CO., LTD.

### We are contributing to tenant success through eventful stores.

Tenant success is imperative to a successful retailing business. It is MARUI GROUP's enduring commitment to co-creation with business partners that has enabled it to survive over the nine decades since its founding. The responsibility of the Retailing segment does not end when a tenant sets up shop in one of our stores. No, our responsibility continues until we have ensured the success of that tenant. If a tenant does not see their brand become more well-known throughout society and does not grow as a company, then there was no point in them opening their store. The stores that do not sell and eventful stores described in the new medium-term management plan are meant to win customer support and thereby contribute to ongoing earnings growth. In this manner, our impact-related and financial key performance indicators are not unrelated; they both describe the same path. The only difference is whether this path is described in terms of resolving social issues or achieving economic growth.

If MARUI GROUP was purely a retailing company, we would not be able to create the stores that do not sell and eventful stores we advocate, and contributing to tenant success would thus be impossible. It is our business model merging retailing, fintech, and forward-looking investments that provides tenants with value and that helps grow earnings. It is also this business model that is an indispensable part of achieving our desired impacts.



## FINTECH

### Lifelong Relationship with Customers Forged through Co-Creation of Creditability

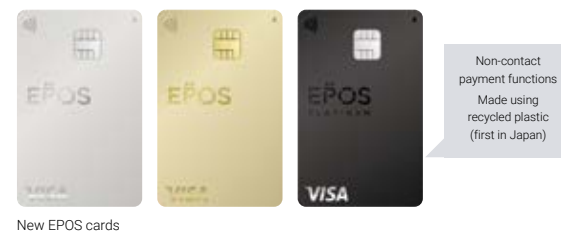
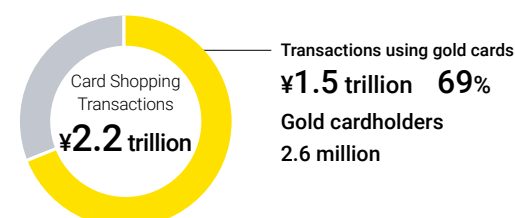
MARUI GROUP sees fintech as a means of promoting financial inclusion to provide access to financial services, which were previously limited to wealthy individuals, to everyone, regardless of their age or income, so that they can use the services they need when they need them. This vision has inspired 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 recurring payments for rent and utilities and build assets through savings and investment. We are also providing a lifestyle app that delivers an incredibly high-level user experience. The goal of these strategies is to improve lifetime value by increasing usage amounts while forging long-term relationships with customers.

#### FinTech Segment Business Foundation



#### Portion of Card Shopping Transactions Accounted for by Gold Card Usage (As of March 31, 2021)



Click here to register for lifestyle app  
(in Japanese only).  
[www.eposcard.co.jp/appli/index.html](http://www.eposcard.co.jp/appli/index.html)

#### VOICE

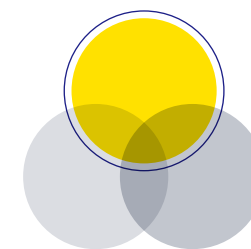


Yoshinori Saito  
Managing Executive Officer  
In charge of FinTech Business  
President and Representative  
Director, Epos Card Co., Ltd.

#### The next five years will be used for the rebranding necessary for achieving our desired impact.

When we first launched the EPOS card back in 2006, our goal was to provide people with their first credit card and to ensure that this card had a permanent position in their wallet. For customers, this first card was to be a lifelong partner. However, at some point, we found ourselves branding these cards based on the savings they offered. This was the outcome of our efforts to catch up with and eventually surpass rivals who had been in the market longer than us. For this reason, the five-year period of the new medium-term management plan will be an important period for rebranding EPOS cards to move away from this overemphasis on savings.

One aspect of these rebranding activities is to develop cards that support individual preferences, such as our anime and other content-related cards. In the future, we look to offer content-related cards that go beyond anime to provide options for fans of sports, culture, and music. Eventually, the range of options will grow to include all of the new businesses we are developing through forward-looking investments and thereby support the countless preferences individuals may hold. At Epos Card, we established the Co-Creation Promotion Department, and this department has allowed us to assemble co-creative teams for facilitating even more extensive collaboration in forward-looking investments. These efforts will no doubt contribute to higher numbers of EPOS cardholders and to the creation of new brand value for EPOS cards.



## FORWARD-LOOKING INVESTMENTS

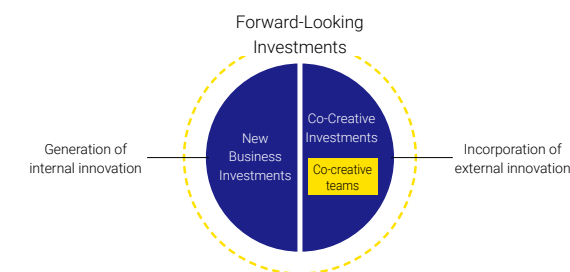
### Creation of Innovation to Achieve Earnings Growth Together with Desired Impact

MARUI GROUP's approach toward forward-looking investments differs from the standard venture capital approach, which targets investment returns and dividends. We rather look to achieve earnings growth together with our desired impact.

One type of forward-looking investment is new business investments, through which we seek to combine retailing and fintech to create business models with a high barrier to entry with a focus on e-commerce storefronts. Co-creative investments, another type of forward-looking investment, is used to generate synergies with partners for co-creating the future through investments in and collaboration with start-up companies that share our ideals and secondment of employees to such companies. Over the past five years, forward-looking investments have amounted to ¥25.1 billion, of which ¥13.4 billion was invested in a total of 31 start-up companies. The internal rate of return (IRR) from these investments comes to 35% exceeding our internal hurdle rate of 10%.\*

\* Rate calculated using recent procurement prices for non-listed stocks and based on amounts if listed stocks were to be sold on September 30, 2021

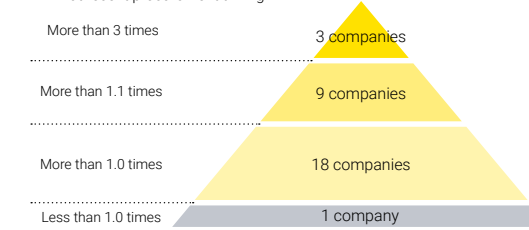
#### Forward-Looking Investment Business Structure



Achievement of earnings growth while producing desired impact  
(Sustainability, well-being, and digital transformation)

#### 31 Investees

Note: Figures represent rate of growth from stock prices at time of acquisition and at recent procurement timing.



IRR of 35% exceeding hurdle rate of 10%



#### VOICE



Akikazu Aida  
Senior Executive Officer, CDO  
(Chief Digital Officer)  
In charge of Co-Creative  
Investment  
Director, okos Co., Ltd.

#### We aim to evolve MARUI GROUP into an intellectual creation company through co-creation.

MARUI GROUP's forward-looking investments include co-creative investments and new business investments. Co-creative investments are conducted to incorporate external innovation through collaboration with start-ups and other partners whereas the purpose of new business investments is to generate innovation within the Company. The vanguard for pursuing success in open innovation through co-creative investments is co-creative teams. These teams are led by executive officers and comprise members selected from throughout the Group who promote collaboration alongside their general business responsibilities to produce victories of co-creation and thereby heighten the corporate value of investees.

MARUI GROUP is committed to being an entity that customers deem to be necessary by resolving social issues while growing sustainability. However, there is a limit to the extent to which we can evolve by ourselves. We therefore intend to utilize our retailing and fintech insight and expertise to engage in co-creation with start-ups and younger and future generations to achieve earnings growth while producing our desired impact. We have already begun developing new businesses together with university students—representatives of younger generations—and we have embarked on ventures to create new value by resolving social issues together with start-ups. We aim to evolve MARUI GROUP into an intellectual creation company through these co-creation initiatives.